

Spring 2004

# Dividend



## Globalization

Transforming the Way  
America Works

*Plus—Sustainable Transportation:  
Twists, Turns and  
Potentially Huge Rewards*

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to  
Success  
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Staying  
the  
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# Dividend

SPRING 2004

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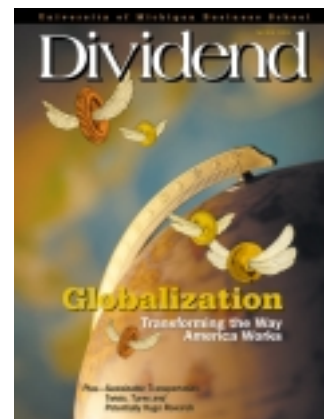


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Cover by Blue Pencil Creative Group Ltd.

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## INTERNATIONAL

# Michigan Strengthens China Connection

**D**ean Robert J. Dolan and Alfredo Pastor, dean and vice president of the China Europe International Business School (CEIBS), signed an agreement on September 18 at the Business School pledging to work together to develop and deliver advanced business education to senior executives in China.

CEIBS, founded as a not-for-profit organization by the Chinese government and the European Union in 1994, is the only independent international business school in China. The CEIBS is ranked by *Financial Times* as the top executive education provider in Asia and among the top 50 worldwide in its MBA and Executive MBA programs.

Arthur Yeung, executive director of the Business School's Organizational Effectiveness Lab (OEL) in China, says the partnership will help Business School faculty learn about China, expand the school's contacts with senior executives and build Michigan's global reputation. The OEL was created in 2002 to help organizations in China facilitate change and transformation for worldwide competitiveness.

## ACROSS THE BOARD

Joint programs slated for 2004 include:

- The CEO Learning Consortium, which will bring together 25 prominent CEOs from China to learn from each other and Business School and CEIBS faculty members.
- An advanced management program, which will provide executive management skills to leadership teams.

### "COLUMN 36"

## Ben Tré Magic: A Message of Hope

**H**oward Ben Tré's "Column 36," a 97-inch tall translucent sculpture of green cast glass and copper, welcomes students and visitors to William Davidson Hall.

Installed in August, the 500-pound sculpture is one of the largest pieces in the Business School's art collection, which numbers more than 50 pieces. All the art works are gifts or on loan to the school.

Ben Tré, who is known internationally for his pioneering work in cast glass, says he loaned the sculpture "to help students



Steve Kazama

(Left to right) Franklin Mayers, MBA '05, Joseph Dougherty, MBA '04 and Ruchi Misra, MBA '04, and "Column 36" in the entryway of William Davidson Hall

see that art is part of our lives. I try to take the magic that happens in my studio into the public realm."

"Column 36" is part of a series of sculptures created by the Providence, Rhode Island, artist that includes columns, vessels, implements, benches and wrapped forms. Many of Ben Tré's cast glass and metal pieces are architectural installations in public places, including the Norman B. Leventhal Park Post Office Square in Boston and Target Plaza in Minneapolis. His work also is part of many private and public collections.

"Column 36," cast in 1986 and first shown at the Charles Cowles Gallery in New York City, originally was purchased by a firm in Irvine, California. The sculpture was damaged in a 1991 earthquake and remade in 1998.

For Ben Tré, drawing the sculpture is the most important step in the artistic process. From the drawings, sand molds are made and transported to factories where molten glass is poured into the molds as quickly as possible. The glass cools eight to 10 weeks before it is returned to Ben Tré's studio for sandblasting, cutting, grinding and finishing.

"What art can do is help us see things in a different way and thereby learn to change. My art is not cynical or ironic. It is hopeful, and you have to have hope in order to embrace change," says Ben Tré.



Philip Danilo

(Clockwise from front left) CEIBS Dean and Vice President Alfredo Pastor and Associate Dean Rolf D. Cremer, Business School Associate Dean Raymond R. Reilly, OEL Executive Director Arthur Yeung and Dean Robert J. Dolan at the signing ceremony

## MANUFACTURING

# Spotlight! 2003 Showcases Talent

**F**orty-five Business School and College of Engineering students competed for \$35,000 in scholarships at Tauber Manufacturing Institute's (TMI) *Spotlight!* 2003.

As part of the day-long competition held in September, 17 student teams gave 30-minute presentations summarizing their projects and results from 14-week summer internships.

The Intel Corporation team won first place for "Supply Chain Balancing through the Creation of an Innovative 'Newsboy' Inventory Model." Team members Luke

## ACROSS THE BOARD

Leubuscher, MBA '04; Johanna Lichtman, MSE '04; and Pinar Yaprak, MSE '05, developed a tool to balance Intel's supply chain through inventory deployment and air freight decisions.

Intel manufactures server chassis in Asia and distributes them through warehouses in Hong Kong, the United States and Europe. The team improved Intel's responsiveness in handling orders, identified more than \$1.2 million in savings for the first half of 2003 and projected an additional \$1.9 million in savings for the second half of the year. Dennis G. Severance, the Accenture Professor of Computer and Information Systems, and Mark Lewis from the College of Engineering advised the Intel team.

Two teams tied for second place:

- Alcoa Inc. Dan McMaster, MBA '04; Mahshid Pirzadeh, MSE '04; and Nandakumar Srinivasan, MBA '04
- Pall Corporation. Ian Kummerlin, MBA '04; Slava Leykind, BBA '04; and Kirk Light, MBA '04

To learn more about TMI or becoming a project sponsor, visit <http://www.tmi.umich.edu/>.



(Left to right) **Brian Forster, MBA '04, MSE '04;** James S. Reece, professor of accounting and operations and management science and co-director of the Tauber Manufacturing Institute; College of Engineering faculty adviser Tassos Perakis; Business School faculty adviser George Widmeyer; and Allan Chung, MSE '04, stand in front of a mural of an astronaut using a jet pack manufactured by Lockheed Martin Corporation. Forster and Chung worked with Lockheed Martin on change management techniques in the area of information technology.



**Ralph W. Shrader**

## CONSULTING

# Gaining Control of Your Life

**J**uggling the demands of a management consulting job doesn't mean you must miss your children's soccer games, asserts Ralph W. Shrader, chairman and CEO of the global strategy and technology consulting firm Booz Allen Hamilton Inc.

"Think about ways you can gain control of your life," Shrader advised students attending the Business School's Dean's Speaker Series. The program gives students direct access to successful, high-level executives.

Shrader has led major assignments for telecommunications companies in the United States, Europe and Latin America and programs for the U.S. National Communications System and Defense Information Systems Agency and for the United Nations' International Telecommunications Union.

"My family has always been very important. So have my work and my play," said Shrader, who maintains only one calendar for both family and work commitments.

## ACROSS THE BOARD



Photo courtesy of Fannie Mae

**Stacey Davis Stewart, MBA '87**

### WOMEN IN LEADERSHIP

## “Find Your Passion,” Advises Fannie Mae CEO

**R**ace relations at the University of Michigan were tense in the mid-1980s, when President Harold T. Shapiro invited the president of the Black Business Students Association (BBSA) to his office to discuss the campus climate.

“That was the year I started to develop as a leader, learned to build coalitions and to seek partners in everything I do,” recalls **Stacey Davis Stewart, MBA '87**. Today, the former BBSA leader is president and CEO of the Fannie Mae Foundation, the country’s largest foundation devoted to affordable housing and community development.

Stewart and Carol Gallagher, president and CEO of the Executive Women’s Alliance and author of *Going to the Top*, gave keynote addresses at the 11th Annual Women in Leadership Conference, held at the Business School in October.

Stewart discovered her career passion—public finance—at a panel discussion about careers in investment banking. A month before graduation, she turned down an attractive offer from a leverage buyout group. “Something said to follow my heart,” Stewart recalled. The next day she received an offer from Merrill Lynch’s public finance division, where she went on to assist state and local governments in structuring more than \$2 billion in bond transactions to fund housing and infrastructure projects.

“Find your passion and act on it. You have to know what you’re passionate about, what you’re willing to sacrifice for,” Stewart advised.

Her investment banking background gave Stewart a strong foundation for her work with Fannie Mae, which she joined in 1992. “Even if we’re driven by passion, we can’t be ruled by passion,” she said. “Philanthropy will only survive if we appeal to the wallet with cold facts that make sense.”

Stewart, who holds honorary doctorates from Trinity College in Washington, D.C., and Morgan State University in Baltimore, said, “Every day I feel I am making a real contribution to people. Many of the skills I gained right here at the University of Michigan.”

The alumna told the more than 400 women who attended the conference: “Spend time thinking about what you want to do every day. Pursue it. If you stay focused on it, you will get all the rewards you seek.”

### DIVERSITY

## Hispanic MBAs Recognize Business School

**C**iting the Business School’s commitment to “provide outstanding educational and career building opportunities to our nation’s diverse population,” the National Society of Hispanic MBAs (NSHMBA) presented its Brillante Award—a sculptured flame exemplifying the warmth and light radiated by its recipients—to the school in November.

The Educational Institutional Award was presented at the 14th Annual NSHMBA Conference. Michigan has been an active supporter of NSHMBA’s annual conference, as well as the National Black MBA Association’s conference and Career Expo.

NSHMBA seeks to foster Hispanic leadership through graduate management education and professional development.



Suzie Kizama

## In the News

**(Left to right) Ana Nadalin, MBA '04, Can Kendi, MBA '04, and Patty Yang, MBA '05, pause outside the Student Lounge to read news articles featuring Michigan Business School faculty and research. As authorities in their fields, faculty are called upon by print, broadcast and online media to provide expert commentary on everything from breaking news to business trends. Business School faculty members and their work were quoted or cited in 934 articles and broadcasts in 2003.**

## CENTRAL EUROPE

# Ambassador Weiser: Business Future Bright

Central European countries are among the world's most effective exporters of democracy and free market capitalism, notes **Ronald N. Weiser, BBA '66**, U.S. Ambassador to the Slovak Republic.

Slovakia, Poland, Hungary and the Czech Republic—the Visegrad 4 (V-4)—can help reel the former Soviet empire, Iraq and other emerging democracies into the western sphere, asserted Weiser in the 37th Annual William K. McNally Memorial Lecture, presented in October at the Business School. Weiser, who founded the national real estate investment company McKinley Associates, has served as ambassador since November 2001.

In his lecture titled “Central European Transition: Opportunity for American Diplomacy and Business,” Weiser said, “Developing a market economy with a culture of entrepreneurship and risk taking was a monumental task” for early political leaders in the former Warsaw Pact countries. Who better to give Iraq, Afghanistan

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and countries that were part of the Soviet Union a road map for their transition to democracy?

Central Europe's transition from centrally controlled economies to free market capitalist systems will create business opportunities for the United States and the world, Weiser predicted. “These people represent incredible future purchasing power as they become upwardly mobile.”

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*New investments  
in Central Europe will  
create American jobs in  
administration, professional  
services and  
expatriate positions.*

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The V-4 countries have highly motivated, well-educated workforces, he noted. Already more than 125 American companies—such household names as IBM, Hewlett-Packard, Delphi, Johnson Controls, Pfizer and Whirlpool—have facilities in Slovakia and almost all are expanding their operations. Low wage rates found

throughout the V-4 will provide foreign investors with substantial cost advantage and higher profit margins over western European competitors, Weiser said. In addition to lower direct costs, income taxes generally are lower, and often there are incentives for new investors. Slovakia, for example, will be introducing a 19 percent flat tax for both corporations and individuals next year.

New investments in Central Europe will create American jobs in administration, professional services and expatriate positions, added Weiser, who also envisions more exports of U.S.-made materials, supplies and equipment and growth in consumer markets. “It is a lot easier to sell products to people in Kiev from your office in Krakow, Bratislava or Budapest than it is from Kansas,” he noted.

(See related article on outsourcing on page 18.)

## KUDOS

# Student, Professor Win Top Honors

A Michigan Business School student and faculty member took top honors at the 2003 National Conference of the Academy of Legal Studies in Business (ALSB), the most prestigious academic business law organization in the country.

**Matthew Brody, BBA '03** and a student in the Master of Accounting program, won the Best Student Paper Award for “Ending Brownfields Paralysis: Community-based Decisions and Government Cooperation to Achieve Full Stakeholder Involvement.” Brody researched and wrote the paper as part of the BBA Senior Seminar taught by George J. Siedel, the Williamson Family Professor of Business Administration.

Lynda J. Oswald, professor of business law, also was recognized at the ALSB conference in Nashville. She received the Distinguished Proceedings Paper Award for “Challenging the Registration of Scandalous and Disparaging Marks under the Lanham Act: Who Has Standing to Sue?” and the Holmes-Cardozo Award, presented annually by the *American Business Law Journal* for excellence in legal research. Oswald was elected secretary/treasurer of the ALSB.



(Left) Dean Robert J. Dolan meets with Ambassador Ronald N. Weiser and his wife Eileen prior to the McNally Lecture.



## COMMUNICATIONS

# Restoring America's Image Abroad

**S**tate Department officials, journalists, marketing professionals, psychologists and political scientists brainstormed about communicating with skeptical audiences and improving America's image at a conference organized by the Yaffe Center for Persuasive Communication, a joint initiative of the Business School and the School of Art and Design.

In public diplomacy, listening is as important as speaking, and probably more so, said several panelists. Paul Denig, director of the Washington Foreign Press Center in the State Department, said Americans overseas must engage in "active listening" and ensure their manners of speech and tones of voice align with local customs. He also stressed the importance of recognizing shared values—living peacefully, economic stability, education, family and the importance of faith.

Acknowledging *un*shared values also is beneficial, said Eric Knowles, psychology professor at the University of Arkansas. He directs that university's Omega Project, which studies sources of resistance and how to lower them. Listening with an "honoring ear" offers "seeds for collaboration and attitude change." He noted, "When you acknowledge someone's difference, it dimin-

## ACROSS THE BOARD

ishes it. If you don't at least honor the source of conflict, it grows and grows."

The October conference also looked to the private sector for advice. Panelist Steven Parrish, senior vice president for corporate affairs of Altria Group, has served as spokesman for the Philip Morris Company. Parrish admitted that past tobacco culture was one of "arrogance and denial," fighting any regulation, proud of winning lawsuits with a take-no-prisoners aggression. Things are changing, he said, "but it's going to take a long time to dig out of that hole." Parrish's top piece of advice: "If you're wrong, say so." The image of tobacco company executives on Capitol Hill denying, under oath, any knowledge of nicotine's addictiveness is never going to go away, Parrish said. The industry has to focus on building a better reputation in the future. "Don't waste your time trying to convince people they're wrong about what they think about you," he said.

A positive message from the United States—delivered with respect, candor and a willingness to listen—can offer hope to citizens of Islamic countries who want democracy, said Anthony Pratkanis, University of California-Santa Cruz psychology professor. But even on that point, he urges a sensitive touch.

"Even to say, 'We're here to help,' implies weakness," he said. "Better to say, 'We're here as citizens of the world.'"

The conference was funded by William K. Fung, group managing director of Li & Fung Ltd., Hong Kong, and supported by the International Institute and William Davidson Institute.

## SCHOLARS

# PhDs Shine in Dissertation Competition

**T**he Michigan Business School fared well in doctoral dissertation competition at the annual Academy of International Business (AIB) meeting held in California in July.

Fritz Foley, assistant professor of corporate strategy, was one of four finalists in the competition, which was chaired by **Kiyohiko (Keith) Ito, PhD '88**, assistant professor of business at the University of Wisconsin. Another finalist's dissertation committee was chaired by **Myles Shaver, PhD '94**. Renata Kosova, PhD student of corporate strategy and international business, won top honors in the dissertation proposal category.

In a related event, the "Guru Conference," **Gary P. Hamel, PhD '90**, was selected "Number One Guru" by *The Economist* magazine. Hamel is associate professor of strategy and international management at the London Business School.

Another Michigan graduate, **Stephen J. Kobrin, PhD '75**, professor of multinational management at the Wharton School, University of Pennsylvania, is the immediate past president of the AIB.

## ALUMNI SOCIETY

# Laurence Saul Joins Board

**L**aurence P. Saul, MBA '03, formerly of Plymouth, Michigan, currently residing in Wassenaar, The Netherlands, has been appointed to the University of Michigan Alumni Society Board of Governors. Saul is vice president of Domino's Pizza International for Europe, the Middle East and Africa.

The board strives to strengthen the network and fellowship among faculty, alumni, students and friends of the Business School.

The group's semi-annual meetings provide a forum for an exchange of ideas between board members and the school.



**Michael Kennedy, director of the International Center, and journalist Robin Wright at the conference**

## LEADERS & BEST

# School Recognizes Outstanding Alumni

**F**our University of Michigan Business School alumni are to be honored with 2004 alumni awards: John Madigan for professional achievements, Cecil Shepherd for service, and Keith Alessi and Lee Shainis for entrepreneurial success.



**John Madigan, BBA '58, MBA '59**

John Madigan, BBA '58, MBA '59, of Chicago, will receive the David D. Alger Alumni Achievement Award at Spring Commencement on April 30. The award is named in honor of the late David Alger, MBA '68, former president and CEO of Fred Alger Inc.

Madigan, who served as chairman and CEO of Tribune Company from 1996 until he retired in 2003, joined the company in 1975 as vice president and chief financial officer. He also served as publisher of the *Chicago Tribune* and president of the Tribune Company. Madigan is chairman of the McCormick Tribune Foundation; a director of the Chicago Council on Foreign Relations, Morgan Stanley and AT&T Wireless Services; and a member of the Board of Overseers of the Hoover Institution.

Madigan, who has served on the Business School's Visiting Committee, is a founder of the Henry Carter Adams Society and has participated in the Dean's Seminar Series. In 1996, he and his wife established the Holly and John Madigan Endowed Scholarship to benefit BBA and MBA students.

Cecil Shepherd, MBA '00, of New York, is receiving the Bert F. Wertman Alumni Service Award at the Business School Scholarship Dinner on March 18.

## ACROSS THE BOARD

The award was established in honor of Bert F. Wertman, BBA '28, who served as president of his class for more than 60 years.



**Cecil Shepherd, MBA '00**

As president of the Michigan Business School Club of New York, Shepherd welcomes new graduates, interns and admitted students and works to integrate them into the wider New York alumni community. He has successfully recruited volunteers to counsel alumni and students through the club's Career Development Committee and also has worked with the Admissions Office on student recruitment. Shepherd, a fixed income specialist in the Individual Investor Group at Morgan Stanley, was appointed to the University of Michigan Club of New York board in 2002 and elected to the Board of Directors of the Alumni Association of the University of Michigan in 2003.



**Keith Alessi, MBA '79**

Keith Alessi, MBA '79, will be presented the Entrepreneur Award on September 24 at Entrepalooza. Alessi is CEO and majority shareholder of Lifestyle Improvement Centers LLC, the world's largest franchiser and operator of hypnosis centers used to assist people with weight loss, smoking cessation and behavioral change. For almost 15

years he was a leader in the wholesale and retail food industry, serving as a senior executive for numerous private and public companies. As CEO of the public tax preparation firm Jackson Hewitt, Alessi engineered a turnaround of the company that resulted in it being the fastest-growing stock on any U.S. exchange in 1997.

Alessi, adjunct professor of law at the Washington and Lee University Law School, also serves as a director on numerous private and public company boards. He is a past member of the Alumni Society Board of Governors, teaches the Business School elective Entrepreneurial Turnaround Management course and serves on the board of the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies. In 1998, he and his wife established the Keith E. and Valerie J. Alessi Professorship of Business Administration. They also funded the renovation and beautification of the Keith E. and Valerie J. Alessi Courtyard.



**Lee Shainis, BBA '99**

Lee Shainis, BBA '99, founder of Intercambio de Comunidades in Boulder, Colorado, will receive the Entrepreneur Award at a dinner this year. In 2000, he founded Intercambio, a nonprofit organization dedicated to reducing the language and cultural barriers that prevent native Spanish speakers from becoming part of the community. Intercambio volunteers teach free evening and weekend English classes attended by more than 600 Latino adults, ages 17 to 70, and conduct field trips to familiarize students with the Boulder County community. Intercambio also holds workshops and provides resources to help Latinos meet medical, educational, residential and other social needs.

Shainis is responsible for all facets of administration, including managing more than 350 volunteers. In 2001, the organization received the Boulder Community Foundation's NOVA Educational Award, which recognizes innovative and entrepreneurial nonprofits.



Martin Vliet

“China has the most rapidly growing automotive market in the world. Almost everywhere else in the world the major players are competing against each other for market share in mature markets.”

**Kenneth G. Lieberthal**, *the William Davidson Professor of International Business and professor of political science, talking about trade deals to expand Chinese importation of cars and auto parts.*

Marketplace, Minnesota Public Radio, November 12, 2003

“Our findings suggest that compassion among co-workers is more than simply a momentary humane response to pain. It fosters important organizational outcomes and leaves its imprint on the organizational landscape.”

**Jane E. Dutton**, *the William Russell Kelly Professor of Business Administration, elaborating on research showing compassionate interactions with supervisors and co-workers help employees make sense of the working world.*  
Workers' Compensation Monitor, December 24, 2003

“You go into the market with whatever advantage you have in terms of low fares, but gradually they want to become bigger players. That is a natural progression in any business.”

**E. Han Kim**, *the Fred M. Taylor Professor of Business Administration and director of the Mitsui Life Finance Research Center and East Asia Management Development Center, commenting on low-cost airlines' efforts to embellish their services.*  
The New York Times, January 7, 2004

“When you license a brand, you're paying for the opportunity to not spend money to build awareness. Taking a well-known name in one geographic area and moving it to another does not always succeed.”

**Rajeev Batra**, *the Sebastian S. Kresge Professor of Marketing and director of the Yaffe Center for Persuasive Communication, commenting on the use of Britain's Truefitt & Hill brand for a new line of grooming products and barbershops in North America.*  
The New York Times, December 25, 2003

“Chinese imports have helped many U.S. industries maintain their competitiveness and expand global market share in a way that would not have been possible if they had been restricted to only U.S.-based production. Thus, a rise in the yuan could cost as many U.S. jobs as it saves, as well as contribute to a reversal of the low inflation that U.S. consumers have been enjoying for years, which has kept interest rates low even as the U.S. economy recovers from recession.”

**Linda Lim**, *professor of corporate strategy and international business, countering arguments that revaluing the yuan would resolve the widening trade deficit between the U.S. and China.*  
New Straits Times, Malaysia, November 2, 2003

“I think it [Russian steel giant Severstal's efforts to acquire Dearborn, Michigan, steelmaker Rouge Industries Inc.] says there are certain Russian companies that are ready to be global players and abide by Western standards of transparency.”

**Anna Meyendorff**, *associate professor and area director of finance for the William Davidson Institute, talking about the Russian purchase.*  
The Detroit News, December 22, 2003

“Meetings in some places don't end until they reach the natural end of a conversation. Tardiness is not looked upon as being rude or disruptive. In the United States, however, everything people do is controlled by the clock—not the relationship. It's a mainstream American theme that hard work is a good thing. We consider it the right way to live. When we are working, we tend to set aside emotions. Some other cultures put emotions into every aspect of their lives, including in the workplace.”

**Jeffrey Sanchez-Burks**, *the Sanford R. Robertson Assistant Professor of Business Administration, discussing American work styles and those of other cultures.*  
HR Reporter, November 14, 2003

“Leadership is a clinical art, and people need experience. You don't train a physician by getting a researcher to perform open-heart surgery.”

**Noel M. Tichy**, *director of the Global Leadership Program and professor of organizational behavior and human resource management, explaining his course to teach business leaders to run their own courses.*  
The Economist, October 25, 2003

“The law is the same. If you have a company in America, and it's owned by Americans, they pay their taxes. If you have the same company in America, but it happens to be owned by foreigners, they pay the same taxes. There's no difference.”

**James R. Hines Jr.**, *professor of business economics, public policy and economics, debunking the buy-American proponents' assertion that foreign companies don't contribute as much to the United States in taxes as domestic firms.*  
Industry Week, September 2003

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# Hire and Fire without Getting Singed or Sued

By Dana M. Muir

Muir is the Louis and Myrtle Moskowitz Research Professor of Business and Law and associate professor of business law at the University of Michigan Business School. She is a nationally known expert in legal and human resources issues, and her research has been cited by the U.S. Supreme Court and other federal courts. Muir is a member of the U.S. Department of Labor's Advisory Council of Employee Welfare and Pension Benefit Plans, where she chairs the working group on Defined Benefit Plan Funding and Discount Rate Issues. She is the author of *A Manager's Guide to Employment Law: Protecting Your Company and Yourself*.

**M**anagers often tiptoe around personnel issues because they believe legal restrictions hinder their ability to select and evaluate employees, supervise diverse groups and tackle people problems. This lack of supervisory surefootedness is unwarranted. U.S. employment laws give management broad discretion in dealing with employees and generally align with sound business practices. Still, managers need a solid understanding of basic legal principles and concepts to ensure they are treating subordinates fairly and protecting their employers from legal liability. Following are some guidelines that will help supervisors develop an internal compass to guide day-to-day decisions as they hire, evaluate and fire employees.

## Job Descriptions: Be Specific

Managers often write purposely vague job descriptions to give their company flexibility in assigning work. Bad idea. A specific, detailed description of a job's responsibilities eliminates misunderstandings with applicants and, ultimately, the person hired for the job. It also clarifies the educational and experiential criteria for the position and whether a physical disability would prevent an applicant from performing the job. This last point is an important legal consideration.

When lawsuits hinge on an applicant's or employee's ability to fulfill a job's physical requirements, courts often defer to the job functions as they are listed in the job description. Companies forfeit this deference, however, when the description does not clearly detail the requirements of the job.

## Cast a Wide Net in the Job Pool

It's common for managers to recruit through a personal network—people they worked with in the past, attended college with or met through a social activity, for example. They know these people, after all, and can surmise whether they are a good fit for the position and the company. However, when managers hire employees similar to themselves—a practice called the “Like Me” syndrome—it can impede equal job opportunity. In extreme cases, it may amount to illegal discrimination against candidates on the basis of gender, race, religion, color or national origin. Even when it doesn't violate the law, the Like Me syndrome can create a one-dimensional workforce that does not reflect a company's customer base or community and fails to provide a variety of viewpoints, experience and educational background. To ensure a broad pool of applicants is considered, managers can advertise openings in a variety of publications, recruit from a range of universities or hire a headhunting firm.

## Know the Ground Rules for Job Interviews

Some managers believe there are forbidden interview questions—those that could imply illegal discrimination in the hiring process—and everything else is fair game. It's not that simple. It's true that companies must avoid questions designed to elicit information about an applicant's race, religion, ethnic background and other characteristics that cannot be used as the basis for

hiring decisions. But what about small talk, intended to put a candidate at ease, which refers to local schools and childcare alternatives? It could be perceived as an attempt to ascertain the candidate's family status and whether she has children—information that should not be a factor in employment decisions. It can be difficult to defend against an allegation of gender bias in such cases—particularly if male candidates are asked about their golf game while women are asked about their children.



Marcia L. Ledford

Dana M. Muir

There are several steps that can help managers avoid legal pitfalls lurking within interview questions. First, they should understand and follow their company's policies and practices. This will ensure interviews are conducted in a consistent manner that minimizes liability for illegal discrimination.

Second, steer clear of interview questions—and informal chitchat—that could be perceived as an attempt to obtain information about characteristics that cannot legally be the basis for employment decisions.

Third, treat all candidates consistently during the hiring process. Do not, for example, cut short an interview after a few minutes when it becomes apparent that the candidate is not viable.

Finally, focus interview questions on the job requirements and the applicant's qualifications—not on personal attributes or characteristics.

## Verify the Résumé

Managers often believe it is futile to conduct background checks on job candidates

because former employers are unlikely to provide substantive information about job performance. That's okay. Even basic facts are valuable. Double-checking an applicant's employment history confirms they worked at the places, in the positions and for the time periods they claim.

Some managers, meanwhile, use alternative methods to obtain meaningful appraisals of job candidates. They ask candidates for copies of performance appraisals from prior jobs, for example, or solicit references from peers, customers and subordinates who may be more willing to talk to a potential employer than a former supervisor would. However, don't contact anyone associated with a candidate's current employer without the candidate's written consent because it could create problems for them on the job. And managers should employ such alternative intelligence-gathering tactics—like all steps in the hiring process—fairly and consistently.

Employers also can turn to one of the many firms that perform a full range of background checking tasks. If you engage an outside firm to perform a background check on a potential or current employee, however, you must comply with the Fair Credit Reporting Act.

**Be Fortright in Job Appraisals**

Managers sometimes are less than candid when they evaluate a subordinate because they don't want a negative performance review to trigger or be used as evidence to support a discrimination complaint. It is safer to give a positive appraisal, they reason, than an honest-but-poor evaluation to an employee who might file a complaint. This approach is fraught with problems. First, the manager is saddled with a poorly performing employee who has no motivation to improve and who may not even realize there is a need to improve. Second, departmental morale will likely suffer when other employees see there are no consequences for the employee's poor performance. Third, this approach does not protect the manager from allegations of unlawful discrimination. A satisfactory evaluation might exclude an employee from counseling or access to a performance improvement program—available to other marginal workers—that could help her qualify for advancement or avoid layoff.

An honest negative appraisal protects a manager and the company by getting the poor performance on the record. It also gives the employee a chance to become more productive.

**FACT OR FALLACY?**

- 1. You don't need good cause to legally fire an employee.  Fact  Fallacy
- 2. Job descriptions should be as general as possible to maintain management flexibility in assigning work.  Fact  Fallacy
- 3. A negative job evaluation can be sufficient evidence of unlawful discrimination for a member of a protected group to bring a lawsuit on that basis alone.  Fact  Fallacy
- 4. State law discourages employees from providing references for former employees because it makes employers liable for bad references.  Fact  Fallacy
- 5. If managers typically do not give references on former employees, there is no legal risk in making an exception in order to give a positive reference for an outstanding achiever.  Fact  Fallacy

Answers: Numbers 1 and 3 are facts; 2, 4 and 5 are all fallacies.

**Don't Be Afraid to Provide a Reference**

Contrary to common belief, employment law generally does not create a legal liability for companies that provide an honest negative reference, which may prevent a former worker from landing a new job. Fear of such liability often prevents employers from providing substantive references, which is detrimental to companies collectively because they benefit from candid references (as do good employees).

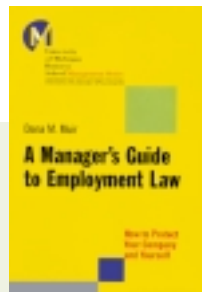
Over the past decade, a majority of states passed laws designed to encourage employers to provide references. These laws vary from state to state, but most of them protect managers who act in good faith when they provide a reference.

Most companies still prohibit managers and human resources personnel from providing more than basic facts on former employees. Ironically, this approach makes it more likely managers will unofficially provide a verbal reference—without benefit of corporate guidelines that provide consistency and prevent illegal discrimination.

**Companies Have Flexibility in Firing Employees**

A primary tenet of employment law says (non-union) workers retain their jobs at the will of their employer. This means they can be fired for good reasons, bad reasons, unfair reasons, arbitrary reasons or no reason at all—as long as the reason is not specifically prohibited by law. Courts have allowed workers to be fired because they allegedly had an affair with their boss' son, for example, or because their spouse issued a traffic ticket to their manager's wife. These reasons, while ludicrous, are legal because they are not expressly prohibited by law. On the other hand, federal non-discrimination law makes it illegal to fire employees because of their race, color, gender, national origin, religion, disability or for being pregnant or passing their 40th birthday. Some state, city and county laws add sexual preference and other characteristics to the list of prohibited criteria. In addition, verbal commitments and casual written assurances can be legally binding; so managers should be careful about promises they make to employees, even informally.

In summary, U.S. employment law gives managers wide latitude in hiring, evaluating and firing employees, but supervisors still must recognize and avoid subtle mistakes and potential pitfalls that can create legal headaches for themselves and their companies.



**More About Employment Law**

*A Manager's Guide to Employment Law: Protecting Your Company and Yourself* by Dana M. Muir 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](http://www.umbsbooks.com). Remember to use code UMB to receive your discount.

To contact Muir directly, send messages to [dmuir@umich.edu](mailto:dmuir@umich.edu)



Marcel L. Lefford

Gautam Kaul

# Fishing for an Advantage on Wall Street

**Business Professor Gautam Kaul challenges conventional wisdom with his analysis of commonly accepted trading strategies and research findings on “data snooping”—bias resulting from the slicing and dicing of finite sets of stock market data.**

**L**et’s say hundreds of fishermen try dozens of techniques under a variety of conditions to determine the best method to catch fish. Some cast dry flies that set upon the surface of the water, others troll the depths with elaborate lures and still others fish in quiet coves with worms and bobbers. They fish at dawn and dusk, in heat and through ice, in the center of the lake and along the shore.

After thousands of expeditions testing dozens of factors in every imaginable combination, they conclude fish migrate north on rainy days. The harder the rain, the farther north the fish congregate.

Now let’s say the relationship they observed between rain and fish occurred randomly and is not predictive. However, it has become ingrained, so as fishermen test other variables—large and small hooks, live and artificial bait, heavy and light sinkers—they always do so at the north end of the lake in the rain.

In the realm of stock market analysis this phenomenon is called “data snooping”—an inevitable bias resulting from the endless

slicing and dicing of finite sets of data. In a new study, Gautam Kaul, the John C. and Sally S. Morley Professor of Finance, contends that data snooping accounts for most gains resulting from different trading strategies based on stocks.

Analysts conduct endless regression studies involving company size, price/earnings ratios, cash flow and dozens of other factors, Kaul explains, to unearth relationships that affect stock prices. Promising findings are published and propagate and inform future studies. If, however, these patterns are spurious—“Run enough regressions and you’ll find *something*,” Kaul says—then every analysis they influence is skewed.

Kaul and two colleagues, Jennifer Conrad of the University of North Carolina and Michael Cooper of Purdue University, measure data snooping’s impact on financial analysis in the article “Value versus Glamour,” published in the October 2003 issue of *The Journal of Finance*.

“What is the extent of that bias?” Kaul says. “This paper says it’s scary.”

The bottom line: Data snooping accounts for about half the profits forecast by a typical empirical study that analyzes the impact of one corporate characteristic, Kaul says. Add a second characteristic to the study and data snooping may account for 80 percent or more of the expected returns. “A large fraction of the reported relations between equity returns and (corporate) characteristics could result from our collective familiarity with the data,” the paper concludes.

So what’s the solution? Kaul suggests analysts resist the urge to conduct empirical studies until they develop a logical theory that explains why the characteristics they intend to analyze merit the effort. “We need to go back to theory to understand why a certain factor should matter,” he says. “Once you abandon logic, you end up with the ‘Flavor of the Day.’”

## Many Common Equity Trading Strategies Fail to Yield Statistically Significant Returns

This is not the first time Kaul has skewered conventional wisdom and demonstrated what he good-naturedly calls his “bad attitude.” In the paper “An Anatomy of Trading Strategies,” published in *The Review of Financial Studies* in 1998, Kaul and Conrad evaluated 120 common equity trading strategies and concluded that fewer than half yield statistically significant returns.

The paper examines momentum investing, which advocates buying equity shares with rising prices in the belief they will continue to rise, and contrarian investing, which advocates buying shares with fallen prices in the belief they are primed to rebound. Kaul and Conrad explain momentum investing is generally successful in the medium term (three to 12 months) while the contrarian approach delivers better results on long and short horizons. They provide evidence, however, that neither of these polar-opposite trading strategies may be beating the market. Their apparent success, Kaul says, could simply be a result of the relatively high risk inherent in implementing them.

That’s not the end of the confusion. Kaul’s paper “Transactions, Volume and Volatility,” published in 1994 in *The Review of Financial Studies*, refuted the common belief that trading volume contributes to volatility in stock returns. He and co-authors Charles Jones of Princeton University and Marc Lipson of the University of Georgia found that it’s the number of trades—and not the volume—that matters. That means that five transactions of 100

shares each will have more impact on market volatility than one transaction of 500 shares.

Given these contradictions, faulty doctrines, debunked strategies and counter-intuitive conclusions, what's an investor to do?

"Don't try to beat the market," Kaul says. "It won't work."

Kaul advises risk-averse investors to consider holding a diversified portfolio of equity

funds and investing for the long term to avoid idiosyncrasies that can devastate an individual stock or sector. And don't be so risk-averse that you sidestep stocks; they have out-performed less risky bonds in seven of the past eight decades, Kaul notes.

"On the other hand, if you are risk-loving, all bets are off, and I have nothing for you," he said. "Do your homework,

pick something, throw your money at it and have fun."

Kaul received the Business School's Senior Faculty Research Award in 2003 for "sustained exceptional and continuing contributions to building and maintaining a strong research environment in the school." Contact Gautam Kaul at [kaul@umich.edu](mailto:kaul@umich.edu).

**Dave Wilkins**

*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 areas.*



**Cindy Schipani**

### **More Opportunities for Women in Developing Nations May Lead to Greater Stability, Less Violence**

Multinational business leaders can do more to help women become meaningful wage earners in developing nations, says Cindy Schipani, professor of business law and co-director of corporate governance at the William Davidson Institute.

Adopting proactive policies and programs to promote the professional development of women potentially may benefit the company, its female employees and their families, she says. It is also possible that it may lead to greater economic stability and lower rates of violence in the local society.

In their study, "Gender Voice and Correlations with Peace," published by the *Vanderbilt Journal of Transnational Law*, Schipani and Terry Morehead Dworkin of Indiana University's Kelley School of Business looked at 144 countries and found a correlative relationship between low levels of gender inequity in the workforce and low levels of violence in resolving disputes.

Although many nations have passed legislation banning discrimination in the hiring, treatment and compensation of women, those laws are not always enforced or sometimes are negated by cultural norms, religious customs or traditional business practices.

"Business might play a role by granting social rights and by adopting policies on nondiscrimination, providing mentoring and training programs, and implementing child care and other family friendly policies," Schipani says.

Multinational companies can encourage compliance with policies designed to integrate and fairly compensate and promote women within their organizations by establishing educational programs for managers, offering incentives and instituting evaluations tied to pay raises.

Contact Schipani at [schipani@umich.edu](mailto:schipani@umich.edu).

### **Cross-cultural Communications and the Bottom Line**

An American belief that personal relationships and emotions in the office are inappropriate and unprofessional may interfere with communication and ultimately with productivity in today's multicultural business environment, says Jeffrey Sanchez-Burks, the Sanford R. Robertson Assistant Professor in Business Administration and assistant professor of organizational behavior and human resources management.

Sanchez-Burks, who is also a psychologist at the University's Institute for Social Research, says, "East Asian, Latin American and Middle Eastern cultures tend to believe that social and emotional relationships are just as important at work as a relentless focus on the task at hand."

His research on what he calls Protestant Relational Ideology or PRI—characterized by the expectation that one should be more impersonal and emotionally de-



**Jeffrey Sanchez-Burks**

tached at work than in social situations—was published in the *Journal of Personality and Social Psychology*.

Cultural differences in PRI play out in subtle ways, Sanchez-Burks explains. Being indirect to save a colleague's feelings demonstrates a personal relationship. A blunt, say-it-like-it-is approach puts content above concern for a co-worker's emotional reaction.

Sanchez-Burks and colleagues at Michigan and in Korea and China have conducted experiments showing cross-cultural communication styles can fuel conflict and misunderstanding in a diverse workplace. European Americans were less attentive to indirect cues at work than they were in social situations, while East Asians were equally indirect at work and in non-work settings.

Research findings have implications for improving cross-cultural working relationships. By creating informal environments where employees from different cultures can relax and socialize with each other in the office and by offering plenty of chances for employees to get to know each other away from the office, organizations can help to reduce cross-cultural misunderstandings at work, Sanchez-Burks says.

For more information, see [www.si.umich.edu/ICOS/sanchezburks.pdf](http://www.si.umich.edu/ICOS/sanchezburks.pdf).

Contact Sanchez-Burks at [jeffrysb@umich.edu](mailto:jeffrysb@umich.edu).



*Plugged in*

# “Meet You in the Student Lounge”

**T**he tangle of extension cords winding around the floor of the Business School Student Lounge has disappeared, and students no longer compete for scarce electrical outlets along the lounge perimeter.

What do students appreciate most about the renovated and freshly decorated Student Lounge? Plugs.

“We knew what had to be done. It was a matter of money,” explains James L. Murdock, assistant dean of finance and planning. Also, Davidson Hall’s concrete floors posed a challenge. To cut into the concrete to install the electrical and data distribution systems to meet today’s standards was prohibitively expensive. However, while creating additional staff workspaces on the third floor of Kresge Library in the summer of 2002, Murdock and project engineers discovered a low-profile raised flooring system that creates a three-inch elevation to accommodate cable and electrical wiring. The raised flooring system was installed in there and in the Student Lounge this past summer. In all, about 20 additional group spaces for six to seven students were added.

“This is definitely a huge improvement,” says Emily Collings, MBA ’04, who, like many of her classmates, spends five to 10 hours a week in the lounge, participating in group meetings and studying.

When asked about the renovation, Pierre Cox, MBA ’04, mentions the new carpet and electrical outlets on each table. It’s safer for laptops and for people because students are no longer tripping over cords, Cox says.

In addition to giving students more space to congregate, Jed Taylor, MBA ’04, says the renovation has created a community feeling, particularly during peak times of the day when most chairs and benches in study group booths are occupied.

New booths along a north-facing window wall, and tables and chairs that accommodate four to six students, provide flexible spaces for team meetings as well as a comfortable spot to study or hang out between classes.

Funds for the renovation came from gifts and pledges from the Class of ’02 with additional support from the Class of ’77, which selected the lounge renovation as the focal point for its 25th anniversary gift to the Business School.

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*I backed the funding of the Student Lounge because I didn't think the look was in line with what you would expect from one of the best business schools in the country.*

**Rob Oliver, MBA '02**

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**George A. Isaac, BSE '75, MBA '77,** and Class of '77 chair, is pleased that so many students use the area throughout the day. “The Student Lounge needed a renovation to remain competitive. Our class fully en-

dorsed the project based upon comments from the recent graduating class about the importance of improving the lounge,” says the president and CEO of GAI Capital Ltd. and Pyramid Scrap Management of Maumee, Ohio.

**Michael Mandecki, BBA '02,** who chaired the BBA student pledge campaign, says, “I especially like the booth-like tables set up along the walls. When I was a BBA, the difference between the small and large lounges was striking, but no longer. The lounges now complement each other in style and purpose.” Mandecki is a client engagement executive with Wipro Technologies.

**Al Leandre, MBA '02,** and **Rob Oliver, MBA '02,** who helped organize the MBA class fundraising efforts, are pleased with the lounge’s aesthetics and improved functionality. Leandre, president of Vyalex Management Solutions, says, “I’m proud. Now I can take my colleague who attended Northwestern’s Kellogg School of Management into the lounge and don’t have to make excuses.”

Oliver, executive development program consultant for MassMutual Financial Group, says, “I backed the funding of the Student Lounge because I didn’t think the look was in line with what you would expect from one of the best business schools in the country. Also, when I was there, we were fighting for meeting space and power. Now it is much easier to say ‘meet you in the Student Lounge.’”



**Funds to renovate the Student Lounge came from the Class of '02 and the Class of '77.**

**S**hortly after Sharon Reed Walker, BBA '74, MBA '81, began her first job at Dupont, her group was asked to review several of the company's product lines. Walker was assigned the smallest and least significant product.

"Now, you might say to yourself, I'm the newest and youngest so they gave me this inconsequential task," her boss told her. "Or you can look at it as I'm hoping, and as I intended, and give it a fresh look. Tell us what you think."

Walker did. Based on her analysis, she recommended that most of the product line be eliminated.

*Wherever she lives, she finds ways to involve herself in the community, whether through her church, the YM/YWCA, professional groups or the local school system.*

"Smaller companies were producing it more cost effectively," she relates. "Phasing it out would reduce our overhead. Who'd have thought they'd listen to a 23-year-old? But they endorsed the proposal."

It was a heady start to a career that has taken her through the accounting, treasury, finance and planning departments of Dupont, Scott Paper, Soft Sheen Products and Mead Johnson Nutritional, along with travel to nearly every continent.

It also predicted her aptitude for strategic planning. As vice president of strategy, information management and business intelligence for Mead Johnson Nutritional, Walker is in her element, tracking consumer needs and social trends on a national and global basis.

"Our primary business is infant formula, marketed in more than 100 countries. Since we're a division of a pharmaceutical company (Bristol-Myers Squibb), we



Photo courtesy of Mead Johnson Nutritional

## Tracking Trends on a Grand Scale

**Sharon Reed Walker, BBA '74, MBA '81**

are a hybrid of scientific research and consumer product," she explains. "For us, improving the science and understanding the consumer are equally important."

A native of Flint, Michigan, Walker entered the University

with thoughts of becoming a math teacher. She was invited to transfer to the BBA program, where she became captivated by business history—how corporations grow large and powerful. She joined Dupont and re-

turned there after earning her MBA, resisting offers from several other firms and the lure of consulting. She says, "I like being associated with a large multi-national corporation that makes and sells product."

Large—but not impersonal. Walker is always accessible to colleagues, students and other advice-seekers. Wherever she lives, she finds ways to involve herself in the community, whether through her church, the YM/YWCA, professional groups or the local school system. After years of counseling youth about money matters, she now teaches a series of free workshops on financial empowerment. "It's not about career," she tells them. "It's about life and being comfortable with the choices you make, being true to your values."

Among the choices she values most is her active affiliation with the Business School, which she describes as "extremely rewarding." Walker serves on the school's Corporate Advisory Board and has been an adviser to the Tauber Manufacturing Institute since its inception in 1993. "If you make yourself available," she finds, "people are willing to utilize you."

It's all part of a continuum. Her parents instilled a sense of responsibility and confidence, reinforced by her counselors and employers. "The guys I've worked with were always supportive and willing to stretch me," she says. She is likewise anchored by her husband Aron and their three grown daughters.

Over her years in accounting and finance, Walker always was drawn to the planning aspects. Now she's in "the catbird seat," extracting from various trend trackers the best course for her firm to pursue. "I get to spend my time working with people on all levels to make life better for our customers," she declares. "It's a fun job."

**Pat Materka**

**ALUMNI  
AT LARGE**

## ALUMNI AT LARGE

**W**hen the University of Michigan Class of 1993 sang its final “Hail to the Victors,” **Andrew Masterman, MBA '93**, had more to celebrate than most: three master’s degrees—in business, Japanese studies and industrial engineering—all earned in three years.

But perhaps three degrees in three years isn’t so startling for someone who has completed more than 100 dives in the South Pacific and nine triathlons.

Masterman is president of Walbro Engine Management, the world’s largest manufacturer of carburetors. The firm also manufactures ignitions and flywheels for small engines and fuel systems and fuel injection components for outdoor power equipment, marine and recreational products.

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*The key to success: clearly communicating expectations and the philosophy of the parent company and demonstrating the advantage of focusing on a global market.*

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The son of an Episcopal priest, Masterman has lived in all four corners of the United States. He graduated from Colorado College with a degree in political science and came to Michigan to study business and Japanese. “Japan was the hotbed of manufacturing,” recalls Masterman. After arriving at the University, he expanded his studies to include engineering. “The University had a new program to teach Japanese to engineers. It made me think, why couldn’t a student of Japanese learn engineering?”

After graduating, he joined Intel Corporation as a senior financial analyst, and in 1995 was recruited by Walbro Cor-



### Mastering Manufacturing in a Global Market

**Andrew Masterman, MBA '93**

poration to serve as the firm’s first foreign general manager in Japan. Integrating an operation that had functioned separately for 20 years into a global organization was a challenge, Masterman says. The key to success: clearly communicating expectations and the philosophy of the parent company and demonstrating the advantage of focusing on a global market. He went on to become president of Walbro Asia Pacific and was named president of Walbro Engine Management

in 1999. His mandate: to create a global fuel systems organization focused beyond the automobile market. Today, Walbro employs 3,400 people in nine countries.

“Not a week goes by that I don’t use Japanese in my work, in conversations and reports,” says Masterman, who is proud of how the Asian Business Conference has grown from the 1991 Japanese Business Conference. He also appreciates the fact that Business School professors “demonstrate

an ongoing interest in students and alumni. They are keen on developing careers and the knowledge base in the faculty.”

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*Masterman is upbeat about American manufacturing, citing the narrowing gap in quality between Japanese and American products.*

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Masterman helped create the base with **Joel D. Tauber, BA '56, JD '59, MBA '63**, and others to establish the Tauber Manufacturing Institute (TMI) in 1993. “The caliber of students coming through TMI is impressive. They are able to drive home solutions in a short period of time,” notes Masterman, who helped judge Spotlight! 2003, an intense, day-long competition in which TMI students presented their corporate-sponsored projects.

Masterman is upbeat about American manufacturing, citing the narrowing gap in quality between Japanese and American products. “American manufacturing is different than it was 20 years ago and will be different 20 years from now. To stay competitive will require a concentrated focus on improving lead time and speed to market and using technology effectively,” he predicts. “Although threats from China and other low-cost manufacturing locations are a constant topic, using regional advantages such as quick delivery will help to preserve local presence.”

In addition to spending time with his wife Cheryl and their two sons Zachary and Nicholas at their home in Tucson, Arizona, Masterman plays golf and serves on the advisory board of Spartan Light Metal of St. Louis, Missouri.

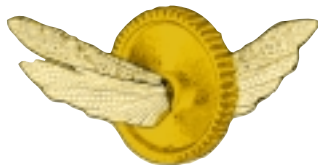
**Mary Jo Frank**

# Globali

## Transforming the Way America Works

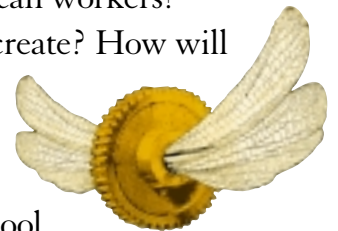


*Globalization is transforming the way America does business as firms increasingly rely on an international workforce for goods and services ranging from pharmaceuticals and electronics to telemarketing and financial analysis.*



**W**hat are the key drivers of outsourcing overseas and why is it happening now? What will be the impact on the U.S. economy and American workers?

What challenges and opportunities does this create? How will outsourcing affect opportunities for MBAs, and how is the Business School responding to trends in outsourcing?

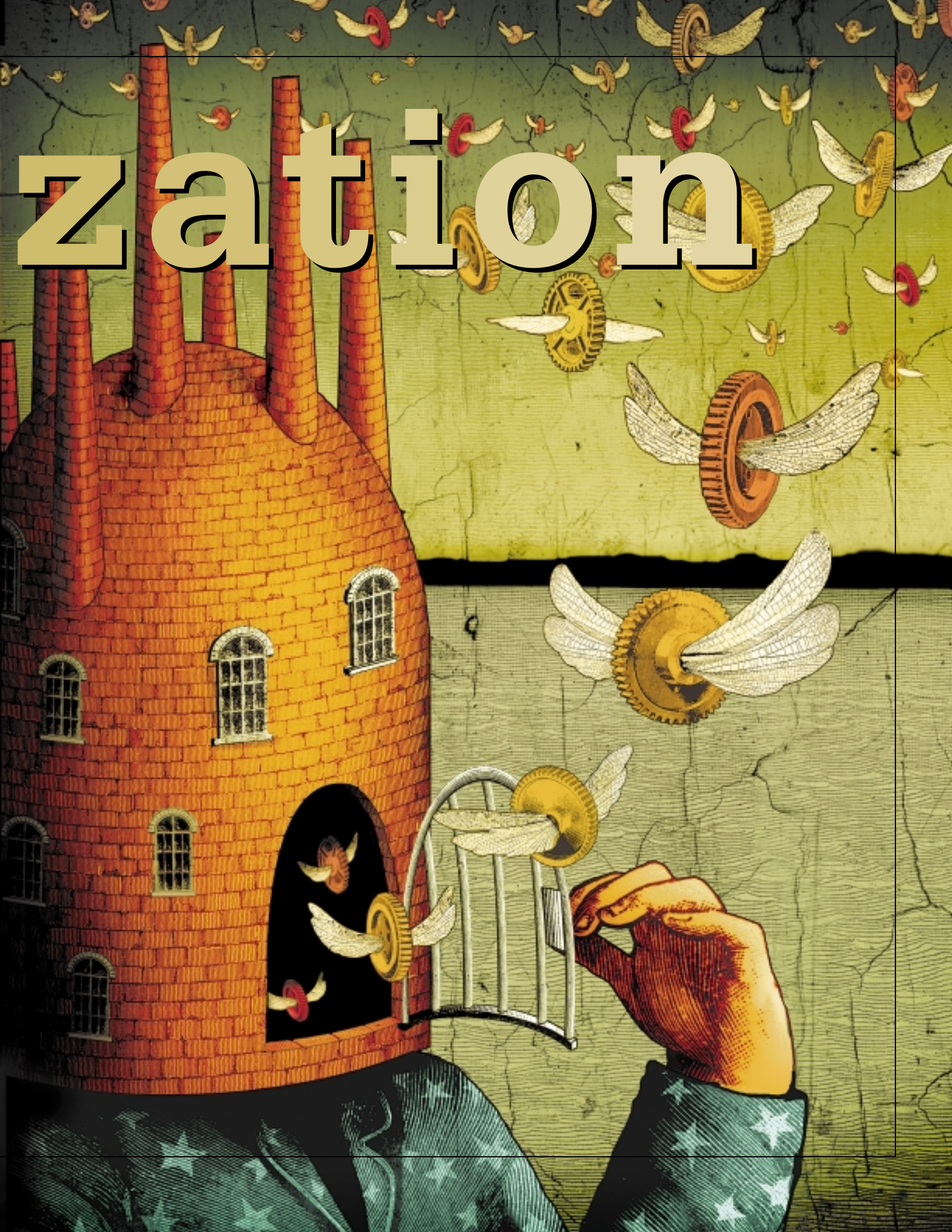


*Dividend* asked four Michigan Business School faculty to discuss the ramifications of outsourcing—moving a process or function across a firm’s boundary—and offshoring or outlocating, which involves geographic boundaries. The following is a condensation of their discussion. Panelists are:

- **Izak Duenyas**, the John Psarouthakis Professor of Manufacturing Management and associate dean for faculty development and research
- **Robert Kennedy**, clinical professor of corporate strategy and international business and associate director of the William Davidson Institute (WDI)
- **C. K. Prahalad**, the Harvey C. Fruehauf Professor of Business Administration and co-chair of the Center for Global Resource Leverage: India
- **Dennis G. Severance**, the Accenture Professor of Computer and Information Systems

Artwork by New York City-based illustrator A. J. Finlayson, BFA '03, Parsons School of Design

# zation





## Globalization

### **Dividend:** What is offshoring and why has it become such an important topic?

**Severance:** Offshoring is a phenomenon of outsourcing, which has been around since we started thinking about vertical integration—how much a firm should do inside. Work is going to India and China for two reasons: Transportation has become more reliable, and communication costs have dropped. Also, the perceived risk has gone down. Workers in India, China and other countries are doing the same jobs better, less expensively and more reliably than we can in the U.S. We also have developed methods for and feel more comfortable about managing talent overseas.

**Kennedy:** Is this a continuation of past trends? For example, 40 percent of the people worked on farms and then moved to factories, 40 percent of the people worked in factories and then started moving to services. Is this fundamentally different?

**Severance:** It is more of the same except it is hitting very close to home, affecting our graduates and other highly trained professionals.

**Duenyas:** If you look at it from a value chain perspective, you are looking to see whether you can add more value to the service or manufactured good you produce through outsourcing. In the manufacturing sector, companies have long asked what portion of their value chain can be outsourced. For a manufacturing company today, the strategic questions are: What parts are core to the company? What parts can someone else make? In what location do we make it? A company has to consider the value chain and calculate the costs. Services are now going through the same types of analysis and decision making.

**Prahalad:** It also is important to recognize new characteristics of outsourcing. One is remote delivery of services via telecom network. With IT and other services, your work and response can be real time, changing the character of how you fragment your value chain. By breaking the value chain in new ways, a company can get better service, higher quality and more speed in addition to lower cost.

### **Dividend:** What should businesses do? How do they assess opportunities and adjust to succeed in a truly global marketplace?

**Prahalad:** The outsourcing movement is challenging the way you run a company, everything from how you create business processes to transaction processing. This presents a challenge for vendors and large global companies. How do we manage internal processes? How do we build a network of suppliers so there is no such thing as outsourcing? This forces us to come to terms with what is really the boundary, the basic footprint of the firm.

**Kennedy:** For example, moving software activity or payments processing offshore offers a much greater cost advantage than moving manufacturing offshore. Typically when you move auto parts offshore, you save 20 percent to 30 percent. When you move software development offshore, you save 60 percent to 80 percent once you have the infrastructure in place. In the past you would get somewhat lower productivity offshore, which was outweighed by the cost savings. Now, some suppliers are seeing productivity actually increase. In the call center business, low-end centers in the United States typically recruit people without high school educations. Turnover is 100 percent to 150 percent per year. In India, they won't interview you unless you speak fluent English and have a college degree, so there are tremendous cost savings and quality improvements.

Also, the unit of analysis is much smaller. In manufacturing, we move a whole factory or outsource a large part of the value chain. Now some firms are moving specific jobs, perhaps only three or four, which is blowing apart the value chain. How do we disperse all these activities around the world and then reintegrate them?



Martin Yloer

(Left to right) Professors Duenyas, Severance, Kennedy and Prahalad discuss offshoring in the Business School's new John R. and Georgene M. Tozzi Electronic Business and Finance Center.

**Duenyas:** I think we can look to manufacturing for valuable lessons about outsourcing. When decisions are made on cost alone, without considering the effect on the whole supply chain, companies typically fare worse. When there are separate purchasing, quality control and logistics departments, all their incentives are different. I worked with a company that changed from a U.S. supplier to a Brazilian firm; the switch was made on price alone. They didn't check on quality, which added enormous costs. Firms that take into account quality, cost and responsiveness in their supply chain and value chain analysis gain a distinct advantage.

**Prahalad:** The good news about outsourcing services, especially call centers and software transaction services, is that quality standards are set by the vendor, not the customer. Vendors are setting standards that are far ahead of what customers are used to. The first thing Indian software companies do is look at the business practice and say we can bring you to the modern age if you let us. Most firms' business processes are not well documented. Outsourcing forces firms to become more efficient, transparent and better documented.

**Severance:** I agree that outsourcing requires better documentation but think you need to distinguish between large and small companies. Most large corporations are well run. This kind of discipline is being brought to small organizations.

**Prahalad:** What the Indians, for example, bring is a methodology on how to document. This underlying methodology is not well understood. For example, it may be a small piece of work involving 50 people. To decide what should be done on site and off site requires a methodology, as does handing over a process from an American company to an off-site location.



**(Left to right) C. K. Prahalad and M. S. Krishnan, co-chairs of the Business School's new Center for Global Resource Leverage: India, in front of Frank Stella's "Chodorow III" in the Executive Residence lobby**

## New India Center to Focus on "Next Practices"

**T**he Business School's new Center for Global Resource Leverage: India has a simple mission, says C. K. Prahalad, a center founder and co-chair.

"We are focusing on next practices, not best practices. The India Center's first priority is to isolate issues of great importance for the future and frame them to create the right debate, both in the business community and in public policy," explains Prahalad, the Harvey C. Fruehauf Professor of Business Administration and professor of corporate strategy and international business.

The center also will bring research findings into the classroom so students can reflect on how they should position themselves in terms of skills and attitudes toward opportunities, says India Center co-chair M. S. Krishnan, the Michael R. and Mary Kay Hallman Fellow and professor of computer and information systems.

When he announced formation of the center in August, Dean Robert J. Dolan said, "The center is a response to the emerging pattern of restructuring of industries and the value chains of firms. Increasingly, managers are focusing on methods to leverage resources globally. Our goal is to become a world leader in research at one of the leading edges of change—global restructuring of industries and global resource leverage."

For more information about the Center for Global Resource Leverage: India, contact Krishnan at [mkrish@umich.edu](mailto:mkrish@umich.edu).



## Globalization

**Kennedy:** In the 1990s, U.S. firms thought a lot about core competence and outsourcing. GE employs 30,000 people overseas, a number that is increasing quickly. I think the benefits you cite—routinizing the task and defining the information flows and processes—also can occur when done within a firm. You must put these structures in place if you are going to operate remotely. Bechtel operates with a huge number of engineers overseas, as do GE, pharmaceutical companies and many software firms. Much of the work is crossing geographic and firm boundaries, to India, the Philippines, Uruguay, Morocco and Costa Rica.



Martin Vloet

**Dennis G. Severance**

**Dividend:** Suddenly India and China are big players in the global marketplace. Why and how important will this be?

**Prahalad:** India and China have one often-overlooked competitive advantage—the magic of large numbers. When you have a billion people, it changes the game. Imagine an India with 200 million college graduates

(only 16 percent of India's population) and 500 million technically trained people (carpenters, electricians and software-maintenance types), which represents only 40 percent of India's population. Imagine a labor pool of 200 million people. It is beyond our comprehension. In the United States, 35 percent of people go to college so at most we can have 70 million college-educated people. For the first time we are starting to say population may not be a disadvantage if you know what to do with it.

**Duenyas:** India has two important advantages: the early-mover advantage and English is widely spoken there. A Finnish company recently moved its call center to India because it had the infrastructure, an example of the early-mover advantage. Because Indians don't speak Finnish, the firm relocated Finnish college students to India to answer the phones.

**Severance:** Speaking English is important currently because the largest markets at this time are English-speaking countries. India's advantage is certainly difficult to match: a society that values diligent work and is well educated.

**Dividend:** What should other countries do if they seek to emulate India?

**Severance:** There are alternative models for outsourcing work. You talk of GE hiring 30,000 people overseas. You see firms like Dow experimenting with corporations that are headquartered in Singapore, India, Ireland or Israel. In the dominant model, third-party providers—IBM, Accenture and EDS-type firms—go to India to find qualified staff. As a manager, I write my contract with Accenture and the work winds up being outsourced. Some people say if it is important, I won't do it overseas, citing 9-11 fears, fears of pri-

vacy, poaching and unforeseen delays once into the relationship. Even if there are functions I would not offshore, I may do so inadvertently because a third-party provider moves the records.



Martin Vloet

**Robert Kennedy**

**Kennedy:** India for some historical reasons had a big head start on software and developed an infrastructure, a head start that has translated into back office processing as well. India is going to stay fairly far ahead, but I think there will be many smaller providers nipping at its heels. No one is going to have millions of jobs, but in Costa Rica or Uruguay, 100,000 new jobs make a huge difference.

**Dividend:** How should business people think about offshoring?

**Duenyas:** The first thing is to understand and document your value chain. The next step is to understand what is strategic, what tasks to keep inside and what can be outsourced, and then decide if you will do it yourself or hire another firm. You should develop the expertise to understand your value chain for yourself. That is a key competitive issue.

**Severance:** Offshoring creates opportunities for technology organizations. For decades we have had an undersupply of qualified IT professionals.



Now, you find people overseas who are quite capable of doing this at a higher quality than you can do it here. Traditional barriers—it's not been done before, concerns about telecommunication costs, unfamiliarity with different work practices and ethics—have been broken down.

**Duenyas:** We tend to ask: "Is this good for the U.S, for U.S. labor and U.S. firms?" These are three separate questions. I believe the businessperson must perform the analysis at the company level and think about companies that will be good business partners. Many good companies are in India now, but in the future good companies will be elsewhere. The businessperson should take into account the risks, including where the company is located and the rewards of offshoring, but that has always been part of the analysis that companies make.



**Izak Duenyas**

From the point of view of the person looking for work or the state trying to increase employment, the only important question is where the jobs are. Offshoring is bad if it is taking jobs from where you live, good if it brings jobs from other countries to where you live. If you are looking for work in Kentucky, Toyota is the greatest U.S. com-

pany. We are now in the situation where GE, traditionally considered a U.S. firm, is taking some of its jobs to India, and Toyota is opening more factories in the U.S. At the company level, both firms are offshoring from their traditional locations because this is benefiting them. For the person looking for work, the benefit/cost calculation is entirely different.

**Prahalad:** We have promoted globalization, and it is working. Unfortunately, globalization is hurting segments of our people. America's biggest advantage is its continuous capacity to innovate and create new businesses. The biggest mistake we have made is under-investing in R & D. We must invest massively in research, biotechnology and bioinformatics, which will support new businesses. You cannot protect jobs that can be done better somewhere else, but you can create fundamentally new jobs that no one else knows how to do.



**Dividend: How will these changes affect how we educate MBAs and others?**

**Prahalad:** The question we must ask is, "In what new skills do we have to train our MBAs?" For example, how do they manage projects in multiple locations? How do we train people to understand basic IT infrastructure in the company? In human resource management, we should look at it as an opportunity to get more diversity into our companies. How will we prepare managers for the next 15 years?

**Severance:** When you get a \$1 job done for 33 cents, you have created 66 cents excess, and the country that gets the job is better off for it. But someone

has been dislocated from a job. If this person has a comparative advantage, he or she ought to move on to a job that makes use of that comparative advantage and creates additional excess. The issue for the individual who has been displaced, however, is does the job exist and am I capable of doing it? We must



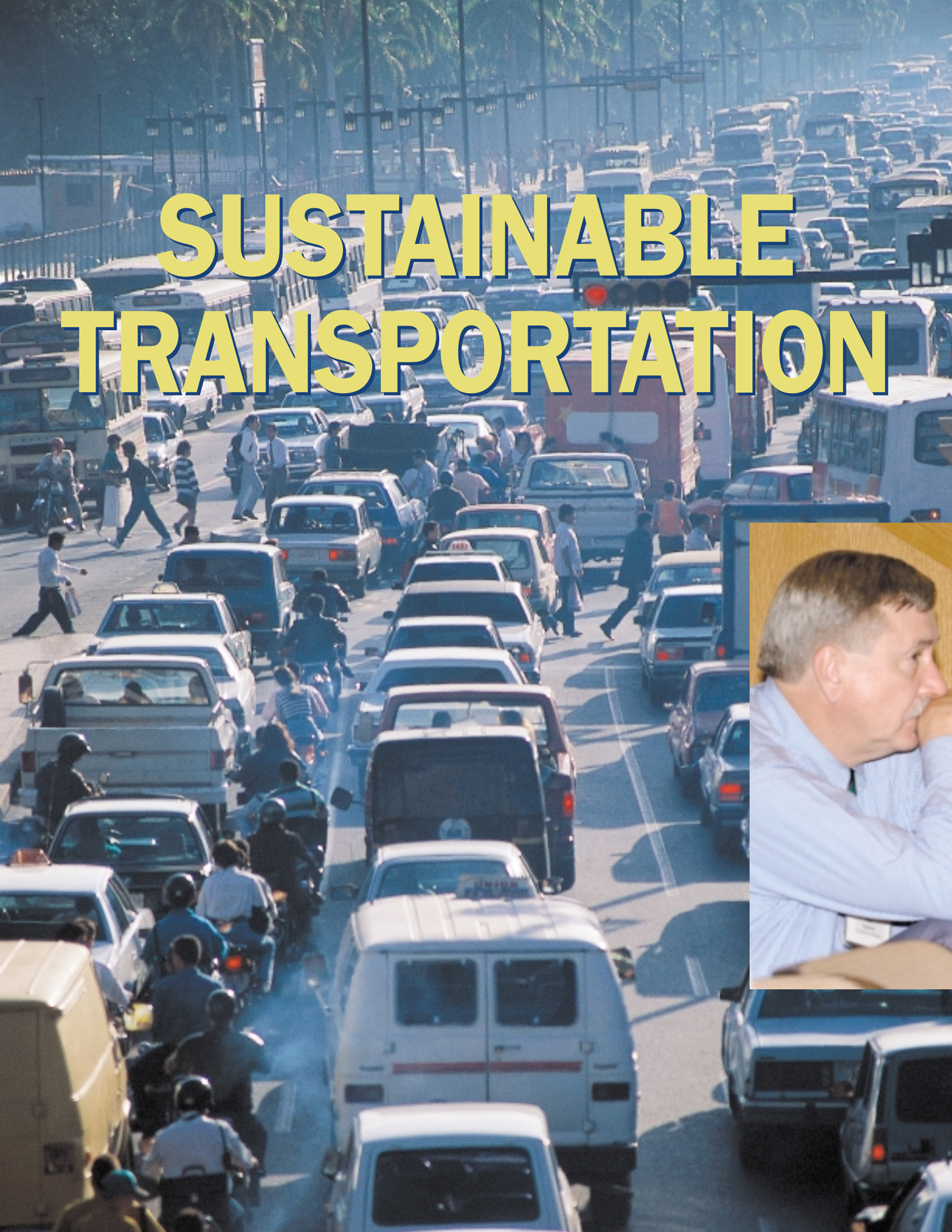
**C. K. Prahalad**

invest at the macro-level—stimulation of R & D—and at the individual level—retraining—to lubricate the transition to the next thing we are going to do.

**Prahalad:** Traditionally in the United States, we have assumed the individual bears the total burden of making the transition. How can we make it less painful? Tariffs and visa restrictions are self-defeating because we lose credibility as a nation. My attitude is that every time other countries become successful, we sell more jet engines, so it is not bad for China and India to be successful. They don't make jet engines or CAT scanners. We do. And if 33 percent of our students are from overseas, it's one of our nice exports, exports that keep us employed.

*(For more comments about globalization and its impact on politics, the role of information technology and trust in outsourcing, and how outsourcing is changing healthcare, visit <http://www.bus.umich.edu/NewsRoom/Special Reports/Outsourcing.htm>.)*

# SUSTAINABLE TRANSPORTATION



# Twists, Turns and Potentially Huge Rewards

*For the visionary who transforms America's transportation system,  
the potential payoff is enough to make even Bill Gates blink.*



Marisa L. Lefford

**(Left to right) Conference organizers Thomas N. Gladwin, MBA '71, PhD '75, director of the Erb Environmental Management Institute, and Carl P. Simon, director of the University's Center for the Study of Complex Systems, are working with Ford Motor Company on a long-term project called "Initiative on Mobility in a Sustainable World."**

**T**ransportation and related challenges—from gridlock and long commutes to the loss of farmland and decline of inner cities—were examined from multiple perspectives at “Mobility in a Sustainable World: A Complex Systems Approach,” a conference held at the Michigan Business School and supported by such high-profile sponsors as Ford Motor Company’s Research and Advanced Engineering Group and the National Science Foundation. At the conference organized last summer by the University of Michigan’s Erb Environmental Management Institute and Center for the Study of Complex Systems (CSCS), participants used for the first time the science of complex systems to begin to create a road map for transportation’s future. In essence, the ultimate question is who will be the Henry Ford of the new millennium? Who will transform transportation as we know it?

When Henry Ford designed the Model T in 1908, the inventor promised “to build a motorcar for the great multitude,” giving “a large number of men employment at good wages” and enabling families to enjoy “the blessing of hours of pleasure in God’s great open spaces.”

The automobile has brought unparalleled economic and social benefits in the form of convenience, empowerment, independence, economic productivity and accessibility to markets, healthcare, education, culture and employment.

Unfortunately the American dream—car ownership and a home in the suburbs—also has a darker side. “Our love affair with fossil fuel-based, sprawl-inducing, auto-centered

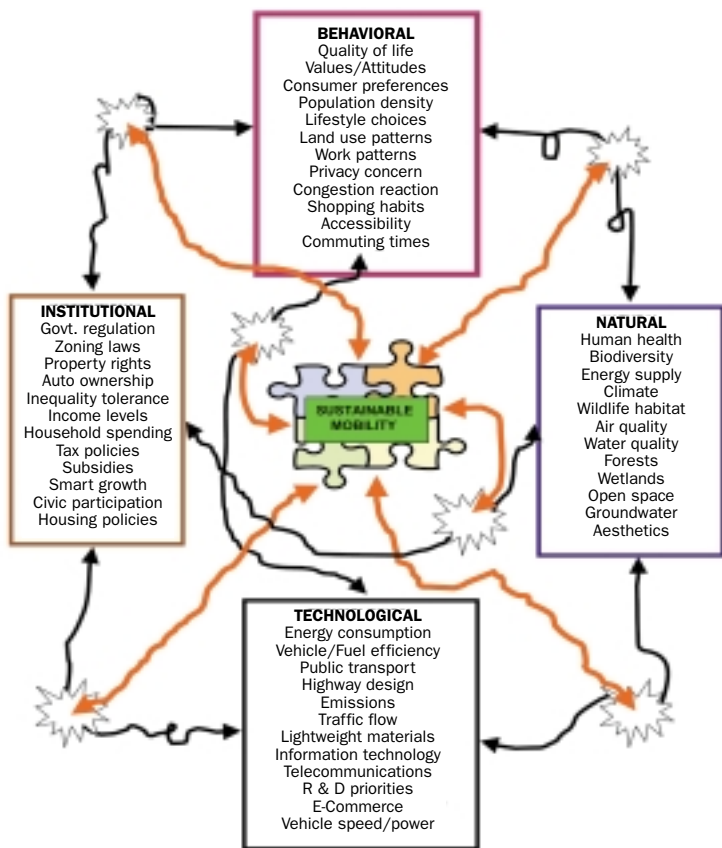
transport systems is ruining the environment,” says **Thomas N. Gladwin, MBA '71, PhD '75**, the Max McGraw Professor of Sustainable Enterprise at the Business School. Gladwin's proof points, numerous and discouraging, include: greenhouse gas generation leading to climate disruption, air and noise pollution, biodiversity loss induced by habitat fragmentation, polluted runoff and stratospheric ozone depletion.

“We live in a world of interlocking systems. We can't separate things into politics, economics, science, ecology and culture. Everything is intertwined,” Ford Motor Chairman and CEO William Clay Ford Jr. recently observed.

Scholars, researchers, urban planners, government officials, corporate executives and environmental advocates explored how to ensure future generations can expand upon Henry Ford's dream—to have good jobs and enjoy nature's open spaces with a next-generation transportation system



**(Left to right) John Sullivan, technical leader of Ford Motor Company's Sustainability Science Program, and John Heywood, director of the Massachusetts Institute of Technology's Sloan Automotive Laboratory, are among those working on sustainable mobility issues.**



**This “puzzle-solving framework” illustrates the complex web of relationships and feedback among natural, technological, institutional and behavioral systems.**

that is life-supporting, both ecologically and socially. “It's the grand challenge of our time,” Gladwin says.

## The Science of Complexity

A mobility system, like a family or ecosystem or economy, can be viewed as a complex system, said Michigan's Center for the Study of Complex Systems Director Carl P. Simon. The University of Michigan is a pioneer in complexity science. Simon described the workshop's mission as “beginning to harness the emerging science of complexity to design mobility systems that serve to secure a sustainable human future.”

Think of the players involved: consumers, politicians, transport and energy companies, land developers, bankers, regulators, planners, voters and action groups, all with different interests, preferences and strategies. They interact with each other in complex, convoluted ways shaped by history, context and institutions.

It is a system that is unsustainable, Simon explained. It represents trillions of small-scale, short-term decisions made by individuals. All of the decisions appear to be rational actions by individual decision makers, but when taken together the decisions often produce collectively adverse results.

Although the science of complexity is still in its infancy, workshop participants concluded it offers potential for providing

## Science of Complex Systems Searches for "Hidden Order"

The word **complexity** derives from the Latin verb *complecti* (to twine together) and the noun *complexus* (network). A system becomes complex when it has many diverse components interacting in nonlinear ways. The science of complex adaptive systems is emerging from the interplay of many disciplines, including physics, mathematics, biology, economics, engineering and computer science.

It seeks to discern the general "organizing" principles that guide the behavior of complex systems, focusing particularly on how the "global" properties of whole systems emerge from the interactions of their parts. As the University of Michigan's John Holland puts it, the young science searches for the emergence of the "hidden order" in systems as diverse as cells, brains, economies, ecosystems, ant colonies, stock markets and the Internet.

In searching for how large-scale patterns arise from interactions of simple things, the unfolding science of complexity deemphasizes the traditional goals of prediction, optimization and control in favor of deepening understanding of systems characterized by diversity, nonlinearity, dynamics, novelty and self-organization.

Research typically is conducted with a combination of computational methods and mathematical analysis, often in the form of agent-based modeling and nonlinear system dynamics modeling. These methods have been applied to a diverse array of phenomena at Michigan and elsewhere, including traffic patterns, spread of disease, emergence of cooperation and altruism, ecological diversity, trading patterns and collaborative networks.

The hope is that the complex systems approach will uncover deep patterns and processes of organization, which hold across systems studied in different disciplines, thus promoting intellectual progress through cross-fertilization. Another hope is that lessons learned at one level may be applicable at other levels in nested system hierarchies.

The Santa Fe Institute and the University of Michigan are pioneers in the study of complex adaptive systems. The U-M Center for the Study of Complex Systems brings together 60 professors from around the University, including the Business School, in research and education about complex adaptive systems. For more information, see <http://www.cscs.umich.edu/> and <http://www.santafe.edu/>.

**Thomas N. Gladwin**  
The Max McGraw Professor of Sustainable Enterprise  
University of Michigan Business School



Steve Kazma

**Thomas N. Gladwin says, "Our love affair with fossil fuel-based, sprawl-inducing, auto-centered transport systems is ruining the environment."**

new questions, concepts, design principles and methodologies for modeling, simulating and developing strategies for human mobility systems in harmony with nature, justice and the future. The complex systems approach may help pinpoint a small set of critical variables and processes that control and guide the evolution of mobility systems, thus discovering the "leverage or tipping points" through which these systems are capable of promoting positive change, says Gladwin, adding, "Complexity science may be the key to the transformational change and to out-of-the-box solutions that will be required."

For example, Brad Allenby of AT&T described how teleworking saved AT&T more than \$150 million in real estate costs, productivity increases, and retention and recruitment benefits. Sue Zielinski, of Moving the Economy in Toronto, provided an upbeat vision of the "New Mobility," i.e., integrated, smart, clean, service-oriented and user-focused, made possible by Internet, wireless, smartcard, electronic payment and e-commerce applications.

Communities must focus on accessibility rather than mobility, said Douglas Kelbaugh, dean of the A. Alfred Taubman College of Architecture and Urban Planning, who

called for “transit-oriented development” that mixes higher residential density with shops and employment, yielding fewer and shorter automobile trips.

Gladwin, director of the Erb Environmental Management Institute, urged participants to consider nature’s wisdom as a source of design inspiration: “From 3.8 billion years of R & D we know that natural systems move and access things via a diverse array of strategies and processes; powered by the sun; working through mutual associations; relying on local sourcing, adaptation and expertise; minimizing travel by working and living in the same place; producing little waste; paying attention to limits and curbing excesses via self-regulation; employing artifacts self-assembled in water without toxins, all according to a logic of getting better rather than bigger. Surely we can learn from this.”

Kenneth C. Hass, manager of the Physical & Environmental Science Department of Ford Motor Company, praised workshop participants for embracing the full scope and diversity of the issues and outlining a research agenda that offers new ways of thinking about how global transportation systems have evolved and what changes might be needed to ensure a more sustainable path forward.

## Mobility Facts and Trends

- The U.S. is losing two acres of farmland, open space and wildlife habitat every minute to sprawling development (American Farmland Trust).
- The average American spends 443 hours per year behind the wheel driving 10,000 miles (U.S. Department of Transportation).
- The annual time idling in traffic jams in large U.S. cities rose from 11 hours per person in 1982 to 36 hours in 1999, creating “congestion costs” estimated at \$78 billion (Texas Transportation Institute).
- U.S. taxpayers subsidize the fossil fuel industry to the tune of \$210 billion per year and subsidize automobile use at \$257 billion a year, adding up to over \$3,000 per taxpayer (Earth Policy Institute).
- The transportation sector generates one-third of America’s greenhouse gas emissions (about eight percent of total global emissions) and is the fastest-growing source (Environmental Protection Agency).



(Left to right) Conference panelists **Allen Hammond**, vice president for innovation at the World Resource Institute, and **Douglas S. Kelbaugh**, dean of the A. Alfred Taubman College of Architecture and Urban Planning

The conference offered a glimpse of a larger and longer-term partnership, the “Initiative on Mobility in a Sustainable World,” launched by the Erb Institute, CSCS and Ford to develop a program of research and policy formation and implementation to create mobility/accessibility systems consistent with a sustainable human future. Created in 1996 through the generosity of **Frederick A. Erb, BBA ’47**, and his wife Barbara, the Erb Environmental Management Institute is jointly administered by the Business School and the School of Natural Resources and Environment.

As part of an agreement with the World Resources Institute (WRI), the initiative will collaborate with WRI to explore agent-based modeling of the transport systems of such congested, polluted megacities as Mexico City and Shanghai. The initiative will include graduate seminars, senior executive programs, workshops, speaker series and faculty research projects focusing on complexity, mobility and sustainability. Three dozen Michigan professors, deans and external scholars are participating.

The initiative is one of the first research projects to be supported by the University’s new Center for the Advancement of Behavioral and Social Science designed to provide opportunities for faculty to work with scholars and non-academics from around the world on innovative, high-risk collaborative projects addressing some of society’s most pressing problems.

Noting the University's tradition of encouraging transformative research that crosses disciplinary boundaries, University Provost Paul Courant saluted workshop participants for "working on problems that are too hard to solve," adding "this is exactly what the University of Michigan ought to be about."

To learn more, visit:

■ The Center for Sustainable Systems in the U-M School of Natural Resources and Environment—<http://css.snre.umich.edu/>

■ The Center for Sustainable Transportation formed to help overcome the barriers to sustainable transportation in Canada—<http://www.cstctd.org/>

■ Environmental Defense, a nonprofit, environmental advocacy organization—<http://www.environmentaldefense.org/>  
Also, a special report at <http://www.bus.umich.edu/NewsRoom/SpecialReports/Sustainable.htm> includes links to two dozen conference presentations at [www.cscs.umich.edu](http://www.cscs.umich.edu) and additional links to Web sites devoted to sustainable mobility.

## Michigan Business School Recognized As Global Leader for Environmental and Social Impact Management

**T**he Business School is one of the top six international business schools for excellence in preparing MBAs to manage the complex social and environmental challenges of the global marketplace, according to the report *Beyond Grey Pinstripes 2003: Preparing MBAs for Social and Environmental Stewardship*.

"Cutting-edge programs like these are producing leaders who can change tomorrow's business landscape," said Jonathan Lash, president of World Resources Institute (WRI), an environmental think tank. WRI and Aspen Institute's Business and Society Program, which helps business executives integrate financial success and social and environmental progress, released the report in October. Michigan, with its emphasis on preparing business leaders to manage in the global marketplace by focusing on the relationship of financial, social and environmental factors, has consistently earned high marks in *Beyond Grey Pinstripes'* prestigious rankings.

The Business School was cited for

- Internships in large corporations, government agencies and nonprofit organizations that focus on environmental and social responsibility.
- Events such as conferences addressing Corporate Governance and Sustainable Peace and Mobility in a Sustainable World: A Complex Systems Approach.
- Elective courses such as Strategies for Environmental Management, Systems Thinking for Sustainable Development and Enterprise, and Human Rights and Business. In all, the Michigan Business School offers more than a dozen electives that address environmental/sustainable business topics, as well as the Corporate and Environmental Management Program, a joint degree program with the School of Natural Resources and Environment.

*Beyond Grey Pinstripes* Faculty Pioneer Awards were presented to Business School faculty members Thomas N. Gladwin and Timothy L. Fort. Gladwin, the Max McGraw Professor of Sustainable Enterprise and professor of corporate strategy and international business, received the Lifetime Achievement Award for challenging convention and showing "how patterns of human behavior, including globalization, can degrade the integrity and resilience of natural systems."

Fort, associate professor of business ethics and William Davidson Institute co-director for the Corporate Governance and Social Responsibility area, received the Academic Leadership Award in recognition of his "significant impact on the field of business ethics through his award-winning research, teaching and commitment to curriculum development," including his popular elective course Business Ethics, Science and Technology.

For more about the awards program, see [www.beyondgreypinstripes.org](http://www.beyondgreypinstripes.org).

**Aradhna Krishna, the Isadore and Leon Winkelman Professor of Retail Marketing, and Joel Slemrod, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy**





*Itemizing, Framing and Other Techniques*

# U.S. Tax System: A Study in Marketing

**As Americans grapple with one of life's more unpleasant certainties—taxes—most incumbent politicians want to deflect blame by having taxpayers believe the burden of paying Uncle Sam is small. In fact, taxpayers need look no further than their Form 1040 to see marketing tools at work, according to University of Michigan Business School tax policy and marketing experts.**

In their study, “Behavioral Public Finance: Tax Design As Price Presentation,” Aradhna Krishna, the Isadore and Leon Winkelman Professor of Retail Marketing, and Joel Slemrod, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy, present evidence showing that, consciously or not, designers of the U.S. tax system have applied what marketing researchers call the theory of price presentation—presenting prices for products in a way that reduces the perceived cost—to the process of paying taxes.

Slemrod, who directs the Business School's Office of Tax Policy Research and is a member of the Congressional Budget Office Panel of Economic Advisers, says much of price presentation theory is based on the notion that the framing of a situation affects how people respond. Tax system designers, through price presentation, can:

- Minimize taxpayers' perception of their share of the tax burden.
- Persuade taxpayers that the more affluent are carrying a bigger relative share of the tax burden than they really are.
- Encourage particular activities, such as saving and labor supply.

Krishna and Slemrod provide several examples of aspects of the U.S. income

tax system, as well as state and local sales tax systems, which appear to reflect and perhaps take advantage of consumer behavioral patterns.

## **Discounts Versus Penalties**

From Kmart blue light specials to \$1-off coupons, the idea that any given price should be framed as a discount to make the consumer believe he or she is getting a bargain is pervasive in marketing. Retailers practice “comparative pricing,” comparing a current selling price to a previously advertised higher price. “It is also widespread in such areas as insurance, where policies feature non-smoker or safe-driver discounts rather than smoker or bad-driver surcharges,” says Krishna, whose current research emphases include consumer and trade promotions and behavioral pricing issues.

Americans go through a similar exercise when they prepare their tax returns, calculating the baseline gross income and subtracting exemptions and deductions—allowances for dependent children, medical expenses and charitable contributions, to name a few—to figure their tax bill. Creative tax designers could build a nearly equivalent income tax system that features a lower

# One reason tax sales are less pervasive than sales on goods and services is because the legislative process is less nimble when it comes to frequently changing tax policies.

baseline tax liability plus tax surcharges for those who are uncharitable, who have few medical expenses or who have few or no children, Slemrod asserts. But this alternative tax system would not have the attraction of discounts from “regular” tax liability.

Also, allowing the 70 percent of taxpayers who itemize deductions to separately deduct such large items as state and local taxes, charitable contributions and mortgage interest payments maximizes the visibility of the deductions and makes the total of the large deductions appear bigger, he explains. Increasing the standard deduction to make it a more attractive option than itemizing would save costs, in recordkeeping for

filers and in monitoring expenses for the IRS.

## A Matter of Timing

Krishna notes that stating a continuing cost as a cost per day rather than per month or per year is another marketing strategy used to sell periodicals and car leases and to promote charitable donations. Research shows that people perceive the cost to be lower when it is stated in the smallest time period, such as pennies per day, versus the same outlay as an aggregate payment. As part of his 2000 presidential campaign, Al Gore tried to frame the debate by scoffing at George W. Bush’s plan for a \$1.6 trillion tax cut over a 10-year period, arguing

that the average family would get enough money to buy one extra Diet Coke a day—about 62 cents.

Whether consumers perceive a higher burden when paying taxes through payroll withholding or making a lump-sum payment of taxes at year-end is unclear, Slemrod says. Research provides evidence for both. Some behavioral decision theorists believe consumers would prefer to aggregate losses into one lump-sum payment. Indeed, some conservatives oppose withholding of income taxes on the grounds that it softens and camouflages the true tax burden.

Most tax administrators view withholding and random audits as the backbone of our tax collection and enforcement system. “For this reason, abandoning withholding would almost certainly increase the actual cost of raising funds,” says Slemrod, who was senior staff economist at the President’s Council of Economic Advisers in 1984–85, and has been a consultant to the U.S. Department of the Treasury, the Canadian Department of Finance, the South African Ministry of Finance, the World Bank, the Organisation for Economic Cooperation and Development (OECD) and several corporations.

## Everyone Loves a Sale

Sales promotions are so widely practiced that many consumers learn to purchase only when there is a price cut. “Although there are analogies in the tax system to sales, it is a less-used technique in that arena,” Slemrod says. “Occasional, limited tax amnesties have the flavor of a sale, if not on the regular tax price, then on the penalty that

## Conference to Focus on Behavioral Public Finance

Experts in economics, law and psychology will participate in an academic conference titled “Behavioral Public Finance: Toward a New Agenda” April 23–24 at the Business School.

The conference is being organized by Joel Slemrod, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy and director of the school’s Office of Tax Policy Research, and Edward J. McCaffery, professor of law at the University of Southern California. Behavioral public finance, a relatively new academic field, focuses on the application of behavioral economics to government expenditure and tax programs.

Slemrod says, “Bringing together these people, with varying institutional backgrounds in tax and expenditure analysis, to discuss research projects promises to significantly advance this field and begin to clarify an agenda for the future.” The Russell Sage Foundation and The Lynde and Harry Bradley Foundation are conference sponsors.

ordinarily would accompany initially unreported tax liability.” Recently some states have introduced sales tax holidays during the back-to-school season.

One reason tax sales are less pervasive than sales on goods and services, Slemrod says, is because the legislative process is less nimble when it comes to frequently changing tax policies. “It also may be that the political cost of raising taxes is higher than the political benefit of reducing taxes,” he says. This concern arose in the 2001 debate about a tax cut to stimulate the economy. Reducing withholding taxes by employers would have been one way to deliver a retroactive tax cut. Instead, taxpayers received rebates, which didn’t require an offsetting upward adjustment for withholding taxes in the future, and subjected politicians to the charge they had raised taxes, Slemrod notes.

### Timing Rewards

Sometimes, the overriding objective of price presentation in the tax system is to induce certain behaviors, such as with the earned income tax credit (EITC), designed to encourage low-income people to work, or with savings incentives delivered through the tax system. Because it is generally perceived as a better deal to segregate gains, some would argue the EITC should be paid out in real time rather than in a lump sum at the end of the year. However, if the tax credit per paycheck is small, the taxpayer may not consider it salient enough to influence their working behavior.

A similar issue arises regarding the tax system and savings incentives. The original front-loaded IRA, in which the deposit to an IRA is tax-deductible and the withdrawal is taxable, was popular because savers received an immediate reward. In contrast, the new Roth IRA, where the deposit is not tax-deductible and the income and withdrawal are not taxable, does not offer an upfront incentive. Lump-sum refunds also may be better from a savings perspective, Slemrod says, since there is evidence that people save more out of lump-sum payments.

### Numbers Ending in Nine

Marketing research affirms that customers perceive prices ending in 9s as substantially lower than almost identical prices with 0 endings.

“At first glance, the U.S. income tax system also appears to favor 9 endings,” Slemrod reports. The Medicare payroll tax rate is 2.9 percent. The top income tax rate, from 1993 until the 2001 tax cut, was 39.6 percent, close but not quite equal to 40 percent. But this pattern does not hold up to further investigation. As of this year, the U.S. top rate is 35 percent. Historically 0 endings are at least as common as 9 endings.

From 1964 to 1981, the top tax rate was 70 percent; from 1981 to 1986, it was 50 percent. In 1998, among the 27 OECD member countries other than the United States, many more had low endings (0, 1 and 2) than high endings (8 and 9).

“The bunching at low endings suggests,” Slemrod reports, “these tax systems are designed to maximize the burden of the richest taxpayers perceived by the typical voter, and thereby minimize the perceived relative burden of the typical voter.”

### Policy Implications

Why does it matter if the design of the tax system fools taxpayers into underestimating the tax burden? Slemrod notes that in many situations, the cost of collection is higher and the equity of the tax burden distribution is lower for a tax design that makes the burden appear lower.

“For example, achieving progressivity by means of phasing out deductions rather than explicitly graduating the rate structure increases the complexity of the calculation of tax, and also may increase the error rate,” he says.

Also, if voters are induced by price presentation to underestimate the true costs of government, they are more likely to vote for larger government than otherwise, Slemrod adds.

He concludes: “Policymakers who strive to manipulate the tax system to reduce the perceived burden implicitly accept that there are anomalies in consumer and voter behavior that can be exploited by retailers and by politicians.”

Visit the Office of Tax Policy Research Web site at <http://www.otpr.org/> or contact Krishna at [akrishna@umich.edu](mailto:akrishna@umich.edu) and Slemrod at [jslemrod@umich.edu](mailto:jslemrod@umich.edu).

Sometimes, the overriding objective of price presentation in the tax system is to induce certain behaviors, such as with the earned income tax credit (EITC), designed to encourage low-income people to work, or with savings incentives delivered through the tax system.

(Left to right) Moderator **William Lewallen, MBA '04**, and panelists **Joel Martin, MBA '93**, **Guilherme Larangeira, MBA '01**, **Bill Orabone**, and **David Shelby, BBA '62, MBA '64**, discuss how to work effectively with venture capitalists.



# Mining Money

## How to Attract, Acquire Venture Capital

“**Y**ou cross the Rubicon when you accept venture capital,” cautions **Joel Martin, MBA '93**, partner of Forward Ventures, a \$440 million fund focused on the life sciences. “You’re married to the venture capitalist. We never go away.”

Martin was one of four panelists who talked about how to work successfully with venture capitalists at Entrepalooza 2003, held at the Business School in September. Joining Martin in the discussion titled “Venture Capital and Private Equity Finance,” moderated by **William Lewallen, MBA '04**, were:

- **Guilherme Larangeira, MBA '01**, associate with Telecommunications Development Fund, a \$50 million fund focusing on early-stage telecommunications firms
- **Bill Orabone**, president of Syneptics, which makes early-stage investments in small but growing companies

■ **David Shelby, BBA '62, MBA '64**, president of Northport Private Equity Investment Companies, who worked 25 years in financial and operating positions at Ford Motor Company and International Harvester before founding ICM industries in 1985

The following are excerpts from their discussion.

### Preparing to raise capital

*Martin:* Keep in mind venture capital is very expensive money. Get your ducks in a row so people believe in you. The goal is to have a good business plan.

*Orabone:* The key is to listen to those who know the potential problems and understand the weaknesses before you start to raise money.



Martin Vliet

## Identifying sources of capital

*Larangeira:* The type of business you plan to build will determine what kind of capital to go after. If it is a company with hard assets, you are more likely to pursue bank loans. Government grant money earmarked for R & D is another potential source. That way you can develop your product without giving away equity. Venture funding is more suited to companies that project exponential growth and are based on soft assets, intellectual property, for example.

*Martin:* The sources are limitless, everything from credit cards, family and friends to angels, customers and suppliers. Venture capital is the most expensive and comes with the most strings attached.



Steve Kazma

**Lori Hollander** enjoys a panoramic view of Ann Arbor from the ninth floor balcony of William Davidson Hall, which houses the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies. Hollander's internship was sponsored by the institute.

## Selling Entrepreneurship

**Lori Hollander, MBA '04**, a Domestic Corps intern at the National Foundation for Teaching Entrepreneurship (NFTE), worked with the Houston Independent School District to create a model to cultivate relationships with new school districts to sell educational programs as part of a five-year strategy to increase earned income. NFTE, founded by **Steve J. Mariotti, BBA '75, MBA '77**, promotes and teaches entrepreneurial literacy and basic business skills to young people.

"Lori gained expertise in not-for-profit management and replication and learned it is much trickier than it looks," Mariotti says. "We'd love to have her back."

Hollander, who managed the University of Pennsylvania's \$6 million National Institutes of Health-funded Reproductive Hormone Study before pursuing an MBA, also refined NFTE's evaluation instruments. After graduation, she plans to start or serve as executive director of a nonprofit focusing on women's health.

*Shelby:* The natural progression is to start with family and friends and then go to angels or higher net worth individuals. Venture capital is the last stage. Giving away rights early makes it more difficult to work later with more sophisticated investors who have larger amounts of money. Key suppliers and customers can be sources of capital. Also, every community has angel groups, retired executives who have money to invest and want to have something interesting to think about.

## Finding the right investor

*Larangeira:* Conferences like this are a good opportunity to meet venture capitalists. Check out their Web sites. Who do

## Sam Zell: Selling Ideas Key to Success



**Sam Zell chats with students and well-wishers following his talk.**

Martin Vlast

University of Michigan alumnus and playwright Arthur Miller did a great disservice to America when he painted *Death of a Salesman's* Willy Loman and salespeople in general as living lousy lives, asserts one of the nation's most powerful entrepreneurs.

"No one is successful who doesn't sell his or her ideas," **Samuel Zell, AB '63, JD '66**, told the more than 400 students, entrepreneurs and venture capitalists who attended Entrepalooza 2003, held at the Business School in September.

Zell, a driving force behind the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies at the Business School, acknowledged that few people have all the characteristics that make a true entrepreneur. "A vast number have some of the characteristics. The challenge is to identify those skills and nurture them in all of us," Zell added.

Entrepreneurs have a high tolerance for risk and are often lonely when pursuing solitary paths. Zell recalled in 1987 when he decided to invest heavily in commercial real estate: "I raised \$400 million in the pension market and was buying assets at 40 percent to 50 percent of replacement cost. As I was negotiating with bankers and insurance companies, I quickly realized there were no other bidders."

Entrepreneurs respond to opportunities with a sense of urgency. Zell talked about a \$50 million investment he made in 1995 in a small Cincinnati-based radio company, which was close to bankruptcy. When Congress passed the Telecommunications Deregulation Act in February 1996, the cap on the number of stations a company could own was eliminated. "We went from 17 stations in February 1996 to 234 in 1998 and became the second-largest radio firm in the country. We sold the company for \$6.4 billion."

With the outsourcing of manufacturing and other sectors overseas, Zell said, "We have seen that the United States has no patent on intelligence, ambition or energy. We do have a patent on a society that allows for and creates an entrepreneurial spirit."

Entrepalooza was sponsored by the Entrepreneur and Venture Capital Club and the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies, directed by Thomas C. Kinneer, the Eugene Applebaum Professor of Entrepreneurial Studies.

To hear presentations by Zell and **Rick Snyder, MBA '79**, visit [www.zli.bus.umich.edu/events\\_programs/featured\\_event.asp](http://www.zli.bus.umich.edu/events_programs/featured_event.asp).

they have in their portfolio? What are the partners' backgrounds? Look at the size of the fund. Work with lawyers and accounting firms that can introduce you to venture capitalists. You must find a lead investor who is local.

### Finding a lawyer

*Martin:* A good lawyer serves multiple purposes: networking, structuring the company, offering insights about people for your board of directors. I never pay a lawyer until I get the financing. The lawyer has to believe in you. You want someone who is not looking to rack up billable hours today but who wants a long-term financial relationship with a successful company.

### Overcoming hurdles

*Shelby:* When possible, work on two sources of capital. If you have only one, he or she will leave you in a heartbeat if something better comes along.

*Martin:* Most presentations are horrible. When someone gives me a list of Nobel laureates involved in the company, I think,

"My God, this is a science project." Too many people don't tell me what they're going to sell, who the customer is or how we're going to make money. I'm not going to understand the technology at the first sitting. Give me the executive summary, including limitations and problems. This builds credibility.

### Applying due diligence

*Martin:* Venture capitalists are responsible to a higher authority, the pension fund of the university or a board of limited partners. We have a fiduciary responsibility. We want to see experts involved. The lone wolf is not good. Due diligence can be more invasive than airport security, taking six months to a year. We want to know everything. The worst thing is to hide something. We'll look into the background of each person, including reference checks.

*Orabone:* While doing due diligence, people are gauging to see if you do what you say you'll do. They want to see progress. You're being evaluated on the nuts and bolts.

## Targeting the rate of return

*Larangeira:* When it is early-stage financing, where there is the maximum risk, we're looking for the largest returns, 50 percent to 60 percent for technology deals. For later-stage asset-based companies in more mature industries some venture capitalists may look for lower returns.

## Structuring your company

*Shelby:* Start by issuing common stock to investors. It's a clean and simple approach.

*Orabone:* I prefer to see diversity in a company. I don't want to see all family members or eight University of Michigan graduates.

## Exiting

*Martin:* We want to exit. We don't want you to exit. Most venture capital funds are for 10 years. Toward the end of the active period of the fund—not much longer than five years—we're looking for liquidity.

## Business Plays Big Role in Small Tech, Snyder Says



**Rick Snyder shares his criteria for getting involved in a business: Can we make money, can we help people and can we have fun?**

In the not-too-distant future, you will be able to have lab tests done while you are with your doctor, perform daily tests on your water at home and carry around a super compact cell phone, predicts **Rick Snyder, MBA '79**, and winner of the Business School's 2003 Alumni Entrepreneur of the Year Award.

The cell phone that Snyder, founder and CEO of Ardesta LLC, envisions will be so compact it can fit in an eyeglass frame. In his speech at Entrepalooza 2003, Snyder shared his vision of the increasingly important small-tech world, including business' role in bringing promising micro- and nano- inventions to market.

Already we're seeing the effect of developments in the field, from microsystems used in ink jet printers to accelerometers that control air bags. Film, Snyder said, is a classic example of nanotechnology: It is comprised of 10 to 12 layers of material that communicate with one another.

Before founding Avalon Investments Inc., a venture capital company that targeted investments in technology-oriented ventures, in 1997, Snyder was president and chief operating officer of Gateway Inc. In 2000, he attended a conference devoted to the commercialization of microelectromechanical systems. Of the 200 attendees, only five were businesspeople, he recalled.

"I realized the future was not going to happen as fast as it could because business people were not engaged," said Snyder, who went on to raise \$100 million to jumpstart the industry. The field of small tech fit Snyder's personal three criteria for getting involved in a business: Can we make money, can we help people and can we have fun?

Ardesta brings small-tech products to the global marketplace. It invests in start-ups and early-stage companies and provides business and technical resources to support these companies.

He showed examples of what the technology firms affiliated with Ardesta are developing:

- A genetic testing device the size of a Post-it Note, developed by Ann Arbor-based HandyLab, that doctors can use for rapid diagnosis of disease, including streptococcus in newborns.
- A wand with a sensor to test for chemicals in water. The device being developed by Sensicore, Ardesta's first start-up company, has applications in home, industrial and commercial water treatment.

The microsystems used in the lab on a chip and the wand for testing chemicals in water were developed and licensed by the University of Michigan. HandyLab also is part of the Business School's student-led Wolverine Venture Fund (WVF) portfolio. The multi-million-dollar venture capital fund invests with the active involvement of MBA students, faculty assistance and an advisory board. The WVF is the largest, most active university-based venture fund of its type in the country.

The United States, running head to head with Japan and China in basic research in this area, has the edge when it comes to transforming technological breakthroughs into real products, said Snyder, who believes the U.S. government is not spending enough on making products and packaging.

# Negotiating Tools and Traps: Phrasing Can Be a Powerful Tool

**T**ake the last three digits of your phone number. Add 400 to it. Look at your total (which will be between 400 and 1399) and answer this question: Was Attila the Hun defeated before or after the year represented by your result?

A curious exercise, perhaps, to come during a presentation on negotiating tips and tools. George J. Siedel, the Williamson Professor of Business Administration, who teaches negotiation and dispute resolution to MBAs and in a popular executive education program, then took a sampling of answers, pairing phone-plus-400 results with guesses on the year of Attila's defeat. Generally, as the first number increased, so did the second. In other words, the higher one's phone-plus-400 total, the more likely that person would guess a later year for the defeat of Attila the Hun. The correct year is 451, but the majority of guesses were off by hundreds of years.

The exercise demonstrated the negotiation principle called "anchoring": The first number thrown out—even one that's totally irrelevant—influences decisions. You've heard that in bargaining, always let the other person go first? Anchoring tells us that, in some cases, going first can set the tone in your favor.

Siedel's presentation was among more than a dozen workshops offered at the Business School's annual Alumni Conference October 17.

Siedel offered several negotiation strategies. The fundamental tension, he said, is how to regard the money at stake. "Do we divide the bag of money or enlarge the bag of money?" Enlarging the bag means working toward a win/win outcome that benefits both parties. But even when the bag is enlarged, there are difficult negotiations over how the money will be divided.

Anchoring works if you have a sense of the "zone of potential agreement," the overlapping price range between the most the buyer is willing to pay and the least the seller is willing to accept. But when bargaining, if you have no clear idea of your opponents' limits, it may be wisest to let the other side go first.

Most people, Siedel added, fail to recognize when their knowledge is limited and are overconfident. Decision makers must acknowledge this trait. "Fifty percent of negotiators never ask a question during negotiation," he said. "They think their role is to present their case, but they're missing a great opportunity. Information is power."

Another powerful tool is understanding how decisions are affected by the



**George J. Siedel teaching at Reunion 2003**

phrasing of a choice and whether it's viewed as positive or negative. Suppose, Siedel said, that you had to exit the room by one of two doors, each staffed with someone handing out envelopes. At one door, each envelope contained \$200. At another, three-fourths of the envelopes were empty, but one-fourth contained \$900. Which door would you choose? Most would choose the \$200 door, the sure thing, and would not risk walking away empty-handed. When the scenario is framed negatively, however—everyone leaving by one door must pay \$200; three-quarters of those leaving through the other door will pay nothing, but one-quarter will pay \$900—people are more willing to take a big risk to avoid a certain penalty.



This illustrates a flaw in reasoning: When faced with a positive choice, most of us pick a sure thing; when presented with a negative choice, we tend to take a risk.

Likewise, Siedel asked the audience what they would do if they were board members of a company facing the closure of three plants and loss of 6,000 jobs. Plan A would save one plant and keep 2,000 jobs; Plan B has a one-third chance of no jobs lost but a two-thirds chance of all 6,000 jobs lost. Ninety percent chose Plan A. Then Siedel phrased the question this way: Plan A would close two of the three plants and eliminate 4,000 jobs. Plan B had a two-thirds chance of all 6,000 jobs lost, but a one-third chance of no jobs lost. Ninety percent chose Plan B. The two Plan As and Plan Bs were identical, but the difference in phrasing produced opposite results in how they were perceived. "This is an amazingly powerful tool," Siedel said.

Even an expert like Siedel, however, is susceptible to negotiation traps. His downfall, he said, came at the hands of an eight-year-old girl. He was walking through a park in Mumbai, India. The girl asked him to buy a peacock fan for \$4. Siedel declined. The girl fell into step beside him. As they walked, she told him about the park and the trees they were passing, information Siedel didn't know and found interesting. Telling the story, he marveled at the girl's skillful use of the reciprocity rule, which says that when someone does something for us, we naturally want to provide something in return. It's a potent weapon of influence even though the girl probably wouldn't have cared what business schools call it. All that mattered was that at the end of the walk, the girl had \$4 in her hand, and Siedel clutched a peacock fan in his.

**Mary Jean Babic**



*Photos by Martin Vloet*



**(Clockwise from top) Alumni, relatives and friends gathered under the Business School Portico for the traditional pre-game tailgate, a reunion highlight. Among those attending Reunion 2003 were Marion Gottlieb, MBA '98, her daughter Sydney and husband Chris Gottlieb, and Professor Emeritus Lee E. Danielson, PhD '56, AM '49, and his wife Millie.**

# How Executive Education Can Help You and Your Company

The Business School's Executive Education program has traded its "one size fits all" strategy for a tailored portfolio of programs that capitalize on faculty expertise and pinpoint specific business needs.

Associate Dean for Executive Education Raymond R. Reilly unveiled the strategy at the 2003 Annual Business Conference held October 17. As part of the redesigned Executive Education, faculty will join "Centers of Excellence" to study and present subjects that are critical to the future success of business firms. Proposed centers include leadership, human resource management, lean enterprise, healthcare, automotive, innovation, India and China, among others. Services will include public and custom programs, executive forums, speakers for corporate meetings and executive consultation.

Executive Education's Centers of Excellence focus on topical areas that mir-



Martin Viter

**Raymond R. Reilly**

ror the multidisciplinary nature of the issues facing businesses today. Although each of the centers focuses on an area of specialization, the structure lends itself to collaboration on complex problems. The customer's issue dictates the particular combination of faculty experts involved. As expertise is applied, the issue evolves and becomes more clearly defined, and innovative solutions emerge.

The new Executive Education is poised to respond to rapid changes in the business climate. Reilly offered several examples:

- For a hospital that needs to improve operating room efficiency, Executive Education could create a custom program drawing upon faculty in Centers of Excellence focusing on healthcare, lean enterprise and India, where specialized medical facilities provide economy of scale.
- A program on developing the next-generation management team could be developed with faculty expertise from such Centers of Excellence as general management, leadership, human resources and the world economy.
- A program on how to negotiate the next union contract could draw from Centers of Excellence in innovation, human resources, labor relations, automotive manufacturing and China, which has a large number of automobile manufacturers.

"The Center of Excellence approach is about helping companies fully leverage our faculty's expertise," Reilly said. "To that end, we promise high-impact expertise to meet existing and emerging needs, a wide variety of products and top-quality service to all who work with us."

To learn more about Executive Education, visit <http://execed.bus.umich.edu/>.

## Save the Date: October 8–10 for Reunion 2004

Three hundred and ninety-three individuals attended the Annual Business Conference held in conjunction with the Business School's 2003 Reunion. In all, 1,323 attended the reunion, including 31 people representing 17 countries, reports Alumni Relations.

Reunion 2004 will be held October 8–10. Michigan will play the University of Minnesota. To see photographs from Reunion 2003 or to learn more about this year's events, visit [www.bus.umich.edu/reunion2004](http://www.bus.umich.edu/reunion2004).

## BOSTON

Thirty alumni and 80 prospective students attended "An Evening with Andrew Lawlor," sponsored by the Alumni Club of Boston in October. Lawlor, director of Global MBA projects at the Business School, shared experiences working with students in the areas of entrepreneurship, international projects and action-based learning. Lisa Hurst, associate director of admissions and career development, talked about Michigan's MBA program. For more information about the Boston club, contact Lowell Kim at [lowell.kim@verizon.net](mailto:lowell.kim@verizon.net).

## FRANKFURT

Fifteen alumni attended the Club of Germany's regional meeting in October, reports President **Andreas Kirschkamp, EX '98**, who is part of the Department of Management Accounting & Control at the European Business School. For more information about the Germany Club, contact Kirschkamp at [andreak@umich.edu](mailto:andreak@umich.edu).

## PERU

The Alumni Club in Peru hosted an informal gathering to welcome James P. Hayes, senior associate director of admissions, to the World MBA Fair Tour 2003 and a reception for prospective MBA students in Lima in September.

In May, alumni, students and significant others, and prospective students gathered in Lima to discuss the organization of a formal Business School alumni club.



## EUROPEAN ALUMNI

European alumni from the MBA class of 1999 met in the Munich area in August for their annual weekend reunion. **Alex Albani, MBA '99**, and his spouse Antonia led a sight-seeing tour. Next year, **Edvard Cock, MBA '99**, will host the group in Oslo. The annual reunion is a custom that **Alain Held, MBA '99**, reports "we all hope to keep up for a long time." For more information, contact Held at [aheld@umich.edu](mailto:aheld@umich.edu).

Pictured (standing left to right) are **Jacob Michlewicz, MBA '99**, and his wife Leontine, **Edvard Cock, MBA '99**, **Alexander Albani, MBA '99**, and his wife Antonia, **Javier Navarro, MBA '99**, Elaine and **Alain Held, MBA '99**; (sitting left to right) are Line Arntzen, wife of Edvard, and Victoria Ruiz, wife of Javier.

## TORONTO

In October, the Michigan Business School Club of Toronto held its inaugural event, which featured a presentation by Thomas C. Kinnear, the Eugene Applebaum Professor of Entrepreneurial Studies and director of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies. Kinnear, who was born and raised in Canada, briefed alumni on the school's strategy and positioning for the future. The club's goal is to connect with the more than 75 alumni who live in the Toronto area and increase applications to the Business School from the region.



Pictured (standing, left to right) are **Chris Beveridge, MBA '01**, **Leah Duckman, BBA '96**, **Mitch Green, MBA '01**, and **Benjy Mogil, MBA '02**; and (sitting, left to right) **Marya Tabbara, MBA '02**, **Pankaj Agarwal, MBA '96**, and **Galit Janco, MBA '98**. For more information about the Toronto Club, contact Mitch Green at [msgreen@umich.edu](mailto:msgreen@umich.edu).



Pictured (left to right) are **Gianni Carozzi, MBA '03**, **Camila De Belaunde, MBA '03**, **Carola Van Oordt, SOS**, **Jorge Gonzales** and his friend, **Luciano Bedoya, MBA '03**, **Ramkey Ananthkrishnan, MBA '01**, **Carlos Caballero, MBA '97**, **Barbara Quinones, MBA '97**, **Fernando Fort, MBA '96**, **Manuel Van Oordt, MBA '02**, and **Martin Mongrut Durand, MBA '04**. For more information about the Peru Club, contact Fernando Fort at [ffort@bcpc.com.pe](mailto:ffort@bcpc.com.pe).

**For more information about Business School alumni club activities around the world, visit the Alumni Relations Web site at [www.bus.umich.edu/AlumniCommunity](http://www.bus.umich.edu/AlumniCommunity) and select "Events."**



## TAIWAN

Following a popular Business School tradition, the MBA '02 graduates organized this year's annual alumni gathering in Taipei. One of the organizers, **Jennifer Liang, MBA '02**, extended a personal invitation to every alumnus listed on the school's database living in the area. Alumni thanked **Thomas Hsu, MBA '89**, whose generous gift will be used to fund club events. For more information about alumni events in Taiwan, contact Chin-Feng Sun at [cfsun@ms13.hinet.net](mailto:cfsun@ms13.hinet.net).

Pictured (left to right) are **Steven Chen, MBA '81**, **Casper Huang, MBA '90**, **Mark Yang, MBA '90**, and **Freddie Liu, MBA '90**.



## MINNESOTA

Professor Andrew Lawlor talked about the Business School's positioning strategy and action-based learning with members of the Michigan Business School Club of Minnesota at a reception in October. Club members also helped with a Business School admissions reception at General Mills world headquarters in November and sponsored several social events, including a boat cruise and dinner on Lake Minnetonka and a fall barbecue at Boom Island. The barbecue was organized by **Charlie Curry, MBA '68**, and spouse Pen, **Jonathan Chizick, MBA '02**, and **Jitesh Tank, MBA '03**. For more information about the Minnesota Club, contact Neil Janmohamed at [njanmoha@umich.edu](mailto:njanmoha@umich.edu).

## SAN FRANCISCO BAY

Members of the San Francisco Bay Area Club (SFBAC) maintain an active schedule that includes hosting events for prospective students, a Cable-car Bar Hop, opportunities to volunteer at Hands on San Francisco and supper clubs that feature distinguished alumni. President **Shelley Scipione, MBA '01**, says the SFBAC is looking for people who are passionate about their Michigan experience to help organize events and participate as board members. If you have ideas for club activities or are interested in leadership, contact Scipione at [shelley@umbabayarea.org](mailto:shelley@umbabayarea.org).

## SOUTH FLORIDA

The Michigan Business School Club of South Florida sponsored a breakfast with former U.S. Ambassador to Bolivia Manuel Rocha in Miami in August. Guests included members of the Florida International Banking Association and business and civic leaders. Rocha, senior counselor for international trade and government affairs at Miami-based law firm Steel Hector & Davis LLP, talked about U.S. and Latin American relations following the Iraq War. To learn more about the Club of South Florida, contact **Dario Epstein, MBA '91**, [deum@umich.edu](mailto:deum@umich.edu).

## SWITZERLAND

The Alumni Club of Switzerland represented the Business School at the World MBA Fair Tour 2003 in Zurich in October. The Michigan Business School booth, which attracted many prospective students, was staffed by **Steffen Oellers, MBA '01**, **Alain Held, MBA '99**, **Mike Kelly, MBA '99**, **Anton Hoefter, MBA '95**, **Franz Grandis, MBA '91**, **Martin Brändli, EX '97**, and **Jürgen Ziehfrennd, EX '91**. For more information about the Switzerland Club, contact Beat Geissler at [beat.geissler@ezi.net](mailto:beat.geissler@ezi.net).

## WISCONSIN

The Alumni Club of Southeast Wisconsin held its first meeting at the Milwaukee Ale House in June. Fifteen MBA and BBA alumni and their guests enjoyed the river walk and the opportunity to mingle. For more information about Southeast Wisconsin alumni events, contact Kurt Cumming at [cummingk@umich.edu](mailto:cummingk@umich.edu).

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1946

**Jack Caminker, BBA '46**

was re-appointed a district director of Southeast Michigan Service Corps of Retired Executives, the counseling arm of the Small Business Administration. Jack continues to counsel and present seminars on business management to owners of small businesses in southeast Michigan through his own consulting firm as well.

1948

**Sidney Zilber, BBA '48, MBA '53**

is chairman emeritus of Carnegie Capital Asset Management Company in Cleveland after a long and fruitful career. He and his wife Ruth have four grown children. "I have had deep involvement and leadership positions with the Jewish Community Federation of Cleveland, the American Jewish Committee, the United Way of Cleveland and the Ohio United Way," says Sidney, who also has traveled extensively to Europe, Asia and South America.

1952

**Jerome Halperin, BBA '52**

received the Lifetime Achievement Award in 2003 from the Jewish Federation of Metropolitan Detroit, recognizing an individual who has devoted a lifetime of service to the Jewish community of Detroit and the Jewish people.

1953

**Williamson H. (Bill) George, BBA '53**

is now a happily retired CPA. After graduation, Bill worked for two CPA firms and the Buick internal audit department, received his CPA in 1956 and joined Hurley Medical Center in Flint, Michigan, as a senior accountant. In 1964, he became a Fellow of the American Hospital Association and also was appointed Hurley's CFO. He retired from Hurley as associate director in 1983 and opened a full-time CPA accounting and tax practice. In 1998, he sold the CPA firm and finally retired. He had seven children, two of whom are deceased; six of the seven graduated from the University of Michigan. He also has seven grandchildren, one of whom is currently a U-M student. You can reach him at [wgeorge@sbcglobal.net](mailto:wgeorge@sbcglobal.net).

**Fred L. Leydorf, BBA '53**

moved to California after graduation where he served two years in the U.S. Navy and his wife Mary attended the UCLA School of Medicine. He graduated from the UCLA School of Law in 1958 and practiced law in Los Angeles for 37 years, specializing in taxation, trusts and estates. Now retired, they moved from San Marino and have homes in three lovely California cities. Since graduation, Fred served as a member of the Development

Advisory Board of the Business School, chairman of the Conference of Delegates of the State Bar of California, vice president-North America of the International Academy of Estate and Trust Law and president of the Los Angeles County Bar Foundation, UCLA Law Alumni Association, Life Insurance and Trust Council of Los Angeles, and the Chancery Club of Los Angeles. To catch up on old times, you can reach Fred at [malcolmpub@aol.com](mailto:malcolmpub@aol.com).

**Bruce J. Maguire, BBA '53**

is chairman and owner of the Wolverine Development Corp. and the Spartan Oil Corp. He and his wife Mary Jo live in East Lansing. Bruce received his JD from Harvard Law School in 1961, was admitted to the Michigan Bar and was a member of the Young Presidents Organization and the World Presidents Organization. You can reach him at [BruceMagu@aol.com](mailto:BruceMagu@aol.com).

1960



**Daniel M. Arnold, BBA '60**

"On November 22, 2003, the birthday of my spouse of 42 years, Jane Hirsch Arnold (LS&A '61, Exec Ed '90), I retired after nine years at Connecticut General Life Insurance Company and 29 years with Hooker & Holcombe Inc., providing actuarial and employee benefit services," says Daniel. He now spends his time in volunteer work with AARP Tax-Aide (local coordinator and counselor to low- and middle-income families, especially senior citizens), Hartford Track Club (membership director), AARL (Internet online mentor for students of courses in amateur radio emergency communications) and participating in various ham radio activities of the Bloomfield Amateur Radio Club and Bloomfield Amateur Radio Emergency Net and Service (secretary). "Spouse Jane (retired attorney and senior vice president, Global Portfolio Strategies) and I visit our four married children and six grandchildren as often as we can," boasts Daniel, who adds, "We plan to return for Reunion 2004 to celebrate the 40th anniversary of my Master of Actuarial Science degree." You can reach this very busy alum at [danarnold@earthlink.net](mailto:danarnold@earthlink.net).

1962

**Walter "Skip" Eichhorn, BBA '62, MBA '63**

is a Realtor with Century 21 in Farmington Hills, Michigan. He was a financial analyst with General Motors from 1963 to 1991, and joined Century 21 in 1992. His children are following in the right footsteps. Jannifer Stromberg (BS '85, MD '89) is a doctor at Beaumont Hospital in Royal Oak; Amy Perkins (BSN '87, MPHSA '91) is vice president with RSL; Allison Brink (BS '89) is marketing director with LCM. You can reach Skip at [seich21@aol.com](mailto:seich21@aol.com).

1963

**Rhenus H. Alderman III, MBA '63**

is chairman of Investors Capital Management Inc. in Rowayton, Connecticut. "I have had many personal milestones since Business School, gained by working with General Electric, John Hancock and Citibank," says Rhenus. "The milestone that has been most important in my life, however, is forming my own investment advisory firm 13 years ago. I started with a blank sheet of paper and now have clients ranging from former corporate executives to new widows. Helping people solve their financial problems is a very rewarding experience for me." Rhenus also has been active as an arbitrator for the American Arbitration Association. He has three children. Elizabeth is a professor of fine arts with the State University of New Mexico, Rhenus IV is an information director for a New York advertising agency and Sarah is a nurse and the mother of his two grandchildren, Andrew and Katherine.

**David A. Henwood, BBA '63, MBA '64**

is chief investment officer with Raymond James & Associates (RJA) in St. Petersburg, Florida. He served as a lieutenant in the U.S. Army from 1964 to 1966, was an investment analyst with Comerica Bank in Detroit from 1966 to 1972, an equity investment analyst for Prescott Ball & Turben in Cleveland (now part of Wachovia Securities) from 1972 to 1984, and has been with RJA since 1984. David is chairman of RJA's Investment Policy Committee and Focus Committee, has made numerous appearances on CNBC and is responsible for the monthly Focus List, the Sector Spotlight and the yearly Analysts Best Picks. He and his wife Helen reside in Safety Harbor; their son David works for William R. Hough & Co. in St. Petersburg, and son Thomas works in systems development for AT&T in Atlanta.

**Gary T. Walther, MBA '63**

is managing director of Lincoln Partners in Chicago. "I've spent my career in investment banking since 1969, following a time at Chase Manhattan Bank," says Gary. He was at Merrill Lynch from 1969 to 1980, as well as some

## CLASS NOTES

other major firms, before joining Lincoln Partners, an M&A Boutique specializing in divestitures and merger advisory work. Well traveled, he worked in London, New York City and San Francisco before moving to Chicago in 1973. He and his wife Mary live in Winnetka, Illinois.

### James R. Waterston, BBA '63

"I learned the ropes at Arthur Andersen's Chicago office for four years, then progressed from credit analyst to vice chairman of Comerica Incorporated and president of Comerica Bank in Detroit for over 23 years. I then served as group executive VP and chief banking officer of KeyCorp in Albany, New York, for two years, and operated my own venture capital firm for five years," reports Jim, who sat on several civic and professional boards until he retired five years ago. A cancer survivor, he has been married to Donna Hockaday for over 40 years and has three grown children. You can reach him at jrwaterston@voyager.net.

### 1965

### Frederick C. Moore, BBA '65

is president of Moore Properties in Park City, Utah. He and **Tom McAuliffe, BBA '63, MBA '64**, claim the fun and sun of Park City makes it a four-season paradise. "There are lots of Wolverine grads in this area. Come join us!" extols Fred. To learn more, e-mail him at fred@mooreproperties.com.



(Left to right) **Tom McAuliffe, BBA '63, MBA '65**, **John Hutchinson, BA '63, JD '66**, **Joanne Duprat** and **Frederick Moore, BBA '65, JD '68**, at Snow Basin

### 1966

### David D. Joswick, BBA '66

principal at the law firm of Miller, Canfield, Paddock and Stone in Detroit, is ranked one of Michigan's top attorneys in *Chambers USA: America's Leading Business Lawyers 2003-2004*, designed to present an objective guide to the best practitioners in the main areas of corporate law. David is listed in the Banking & Finance and Corporate M&A sections. David is a member of the business and finance group and the corporate compliance group at his firm. He is an adjunct professor at the Wayne State University Law School

and previously was a law instructor at the University of Michigan Law School.

### 1967

### Paul Sheldon Foote, BBA '67

presented several papers at the International Business and Economic Research Conference in Las Vegas, October 6-9, 2003. Topics included: "Franchising in China: The Case of Medicine Shoppe," "XML Search Engines for International Business: Chinese and English Examples of Better Strategies and Profits from XML Internationalization and Localization," "Global Crossing Bankruptcy Scandal: Chinese and American Perspectives" and "Credit Bureaus and Credit Scoring Models: Saudi Arabia's Strategy for Increasing Credit without Increasing Credit Card Defaults." For more information, contact Paul at pfoote@mba1971.hbs.edu.

### 1968



### Tom Jones, BBA '68, MBA '71

has been named director of the BBA Program, a new position that will help bring more focus to the program that houses more than 20 percent of entry-seeking students. Tom recently retired from CIGNA Corporation, where he was president of Retirement and Investment Services, and has served the school in several advisory capacities. He is a member of the Alumni Society Board of Governors.

### 1973

### Peter Allen, MBA '73

and the other members of his team that developed Main Street Commons, a new 48-unit condominium project in Ann Arbor, recently presented a \$10,000 check to the University of Michigan/Urban Land Institute Real Estate Forum to help fund its Real Estate Initiative. The forum was founded in 1986 by Allen, who also teaches real estate at the University. The Real Estate Initiative coordinates courses critical to real estate development at the University of Michigan, such as architecture, business, engineering, law, natural resources, public policy and urban planning. The initiative also may eventually provide research opportunities and continuing education. The team that developed the condo project is comprised entirely of Michi-

gan graduates, all of them former students in Allen's real estate class. They include: **Lisa Leventhal, BBA '99**, sales and marketing; **J. Bradley Moore, BS '81, MA Arch '83**, project architect; **Greg Copp, Eng '86, MBA '02**, project manager; **Joe Vig, BBA '91**, general contractor; **David Kwan, MBA '86**, project developer; and **Don Taylor**, director of development for the Taubman College of Architecture and Urban Planning.

### 1974



### Bonnie R. Proctor, MBA '74

assumed the role of president of the Alumni Association of the University of Michigan on June 1, 2003. Prior to being named president, she served as treasurer and secretary. She is a member of the President's Club and has served on the Corporate Advisory Board of the Business School. In 1998, she received the Business School's Bert Wertman Alumni Service award. Proctor started her career in the Bell System's management program, then worked as a lecturer and financial consultant at the United Nations' East African Community Management Institute in Tanzania before spending her last 20-plus years as an executive with Bank of America. Retired, she is active in a number of community and philanthropic boards. She lives in Los Altos, California, with her husband John and daughter Sara.

### 1975



### James Bowman, MBA '75

owns and operates his own consulting firm, which designs e-learning programs on quality improvement and client-specified topics. "I worked in training and quality assurance

for Baxter HealthCare and International Paper until 1993, then I started a consulting firm. Bill Hall's Business Policy course taught me skills that have been very helpful," says Jim. He and his wife Natalie, son Nicholas and daughter Stephanie live in Appleton, Wisconsin. You can reach him at [jba@exccpc.com](mailto:jba@exccpc.com).

1976

**James C. Czirr, BBA '76**

is co-founder of Pro-Pharmaceuticals, the developer of a special carbohydrate molecule that is designed to eliminate unwanted side effects of chemotherapy and improve the effectiveness of the drug's cancer-killing ability. You can visit his Web site at [www.pro-pharmaceuticals.com](http://www.pro-pharmaceuticals.com).

**Ken Nisbet, MBA '76**

who is executive director of the University of Michigan's Office of Technology Transfer, has been elected chairman of the Ann Arbor IT Zone, which is a nonprofit group focused on supporting various sectors of the local technology industry. Says Nisbet, a co-founder and board member of the group, "How we enhance our capabilities and more effectively partner with others is basically what we're discussing now." Other Business School alumni who have key roles include **Jim Adox, MBA '95**, partner at the Ann Arbor venture capital firm EDF Ventures, who just joined the IT Zone board, and **Chuck Salley, MBA '96**, who continues to serve as president.

1978

**Kathy Brenner, MBA '78**

is owner of Melrose Nameplate & Label Company in Hayward, California. "I worked in brand management and executive management positions at Frito-Lay, Clorox, Dole and Mother's Cookies," says Kathy, who left corporate life in 1991 to buy a small company with her husband, **Chris Somers, MBA '78**, a retired consultant. "Three years ago, I left day-to-day management to Chris and now balance company involvement with family, home and tennis. I moved from Texas to California in 1981, survived leukemia in 1988, was married in 1989 and adopted two wonderful boys from Paraguay in 1993 and 1996," reports Kathy happily. To catch up with her, e-mail [kbrenner@melrose-nl.com](mailto:kbrenner@melrose-nl.com).

**Deborah (Gerrish) Chapman, BBA '78**

is senior account manager at Delphi Corporation. She spent 13 years in procurement and supply at DaimlerChrysler, seven years in purchasing management and has successfully transitioned into sales and program management in the automotive industry. Deborah also boasts that she has perfected her sewing skills to a professional level, has raised three wonderful children, is very happily married and received her MBA in fi-

nance from the University of Detroit with a perfect 4.0 gpa. She is very active in volunteer activities and has traveled to many exotic locations. To learn more about all that, what her children are doing and her passion for dogs, e-mail Deborah at [hftsdchap@aol.com](mailto:hftsdchap@aol.com).

**Rick David, BBA '78**

is a partner with KPMG LLP in Detroit. He recently completed 25 years with the firm and was named one of the "90 for the '90s" business leaders by *Crain's Detroit Business*. You can reach Rick at [rdavid@kpmg.com](mailto:rdavid@kpmg.com).

**Mary Jane (DeFilippo) Desimpel, BBA '78**

is a self-employed financial accountant in Southington, Connecticut. "I married Paul DeFilippo in 1981 and have two sons, Anthony and Peter. I love my life," says Mary Jane. "After working in both CPA firms and the corporate environment, I started my own financial accounting firm in 1991, specializing in small-business financial accounting. If you need help, or want to catch up on old times, e-mail [MJDeF@aol.com](mailto:MJDeF@aol.com).



**Ed Franklin, MBA '78**

works in business development for the Australian Trade Commission in San Francisco, assisting Australian information technology companies. He recently toured Australia speaking on opportunities in the U.S. marketplace. In Adelaide, he attended the grand opening of the Solution Showcase Exhibition, meeting with Denis Wall (left), executive director of the IT Council for South Australia. You can reach Ed at [Ed.Franklin@ustrade.gov.au](mailto:Ed.Franklin@ustrade.gov.au).

**Steven R. Galper, MBA '78**

is chief resident in psychiatry at the University of Arizona College of Medicine in Tucson. He received his JD in 1982 and MD in 1998, both from the University of Arizona, and has a joint residency in neurology and psychiatry. He is married to Carol Price. You can reach him at [sgalper@u.arizona.edu](mailto:sgalper@u.arizona.edu).

**Gary Goldner, MBA '78**

is principal at Accountable Solutions. He attained his CPA and served in various positions in private industry, culminating as director of accounting. Since 1993, Gary has been a self-employed consultant for accounting software. He and his wife Sharon and

children Deanna and Marissa live in Westfield, New Jersey. To solve your accounting problems, contact Gary at [ggoldner@att.net](mailto:ggoldner@att.net).

**Robert Greenwald, MBA '78**

is finance staff manager for Avaya in Basking Ridge, New Jersey. "I have been involved in about the average number of wonderful happenings, momentous events and bizarre coincidences as the next person," says Bob. His first job, at Ohio Bell, was to determine how many dogs lived in Franklin County, Ohio, as part of a marketing campaign for the new Snoopy phone. He then moved into financial analysis. "Over the past 25 years I have worked for five different companies, have vacationed in Europe twice, performed for two years with a troupe of professional belly dancers, given up skiing, spent a year as a maître d' at a Middle Eastern restaurant in the Poconos, grown a pony tail, sort of taken up skydiving ('sort of' because his main chute only opened once)." Bob also has been involved with performing arts groups, met some famous folks and once danced a hula by an erupting volcano while carrying a monkey. E-mail Bob at [rgreenwald@avaya.com](mailto:rgreenwald@avaya.com) to learn more about his rather unusual activities and his recent marriage and remodeling projects.

**Brian (Weng) Larson, BBA '78**

is senior vice president, secretary and general counsel for the Boyd Gaming Corporation in Las Vegas. "I received my CPA, graduated from Arizona State University Law School and became a partner in a Phoenix law firm. My current firm is a NYSE company with more than 15,000 employees," says Brian. He also has been a two-time qualifier for the U.S. Marathon Olympic Trials with a personal record of 2:17:19. He and his daughter Shannon live in Las Vegas. If you can catch him, it will be at [brianlarson@boydgaming.com](mailto:brianlarson@boydgaming.com).

**Wade S. Lnenicka, MBA '78**

is vice president-purchasing for CPG-Pepsi Bottlers Inc. in Atlanta. Wade was an honor graduate of the U.S. Army Command & General Staff Course in 1983 and retired as a major from the U.S. Army Reserve in 1995 after 22 years of service. He is a certified purchasing manager, served on the leadership team for Smyrna, Georgia, coached lacrosse at Georgia Tech from 1978 to 1982 and since then has served as a college lacrosse official. He and his wife Robin live in Smyrna, and you can reach him at [wlnenicka@yahoo.com](mailto:wlnenicka@yahoo.com).

**Michael Muchortow, BBA '78**

is the owner of Muchortow & Associates in Mount Clemens, Michigan. Mike received his CPA in 1980 and worked at Arthur Andersen for 24 years, achieving principal level. He started his own financial planning practice in 2003. He married Lily Schreiber in 1981, and they have four children, Melanie, Jason, Adam and Bryan. Melanie is a junior at the University. You can reach him at [mike.muchortow@comcast.net](mailto:mike.muchortow@comcast.net).

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### Joanne (Hartman) Parks, BBA '78

"After three years in advertising, I returned to school and completed the coursework toward an MS in physical organic chemistry, then earned my MD at the University of Southern California," says Joanne, who completed her residency in psychiatry followed by a fellowship in trauma. She is board certified. She has worked at Loyola University Medical Center in Chicago, Rush North Shore Medical Center, has her own consultation practice for businesses and also has her own private practice. She married Gary Parks, MBA '78, in 1979, and they have two children, Alyssa and David. In her spare time, Joanne designs, assembles and sells quilts and teaches quiltmaking, studies karate, grows vegetables and takes care of three retrievers and four cats. They live in Winnetka, Illinois, and Joanne says she would love to hear from former classmates. You can reach her at gjad@aol.com.

### John Pohl Jr., BBA '78

is program manager for Bendix in Elyria, Ohio. Since graduation, John received his MBA; traveled to Jordan, Spain, Thailand, Taiwan and Japan; lived in Denmark for a year and in Korea for a year; led a defense product company into its first commercial contract and digitized the marketing of one company. John also has taught religious education at his church for five years, was a Big Brother for four years and now is leading the effort to build an in-line hockey rink in his city. He and his wife Lynn Ann Cantwell Pohl have three children: Henry, 16, Anne, 14, and Oliver, 11. You can reach him at John.Pohl@bendix.com.

### Deborah Pool, BBA '78

is director, customer and financial services, Solo Cup Company in Urbana, Illinois. Prior to that, she received her CPA in 1983, was selected as one of 10 women to represent Motorola at the annual Catalyst Awards (women of excellence in business) in New York City and spent a year in China, Hong Kong and Singapore directing an implementation of a new business software system. "I've also been involved with Christian children's ministries for many years, and have been on several trips to other countries to work with children," says Debby. "I spend a lot of time with my family and started a health ministry in 2002 to help people improve their health and nutrition." You can find Debby at DebbyPool@yahoo.com.

### Doug Weber, MBA '78

is managing principal of Onset CFO, LLC, in Ann Arbor. "After what I imagine were pretty typical stints in consulting and corporate finance, as well as a couple of small dalliances in the entrepreneurial world, I jumped full-time to the start-up world five years ago," says Doug, who manages a small consulting practice that focuses on providing part-time CFO

services to start-up and early-stage, venture-backed companies. His son Scott, 23, just completed his masters in computer science at Lehigh University and is starting a career in Washington, DC, and his daughter Laura is graduating from Michigan State University. To find out more about Doug's new venture, e-mail [dweber@onsetcfo.com](mailto:dweber@onsetcfo.com).

1979



### Michael J. Grebe, BBA '79

has served as president and CEO of Interline Brands in Jacksonville, Florida, since September 2000. Interline Brands is a national distributor and direct marketer of repair and maintenance supplies and has revenues of approximately \$650 million. Mike attended the University on a Navy scholarship and served as a naval officer on the staff of Admiral Rickover from 1979 to 1984. Mike and his wife Eileen live in Ponte Vedra Beach, Florida, with their daughter Erin and son Kevin. You can reach him at [mgrebe@interlinebrands.com](mailto:mgrebe@interlinebrands.com).

1980

### Eric Chen, BBA '80

has been named senior vice president, corporate finance, and general counsel for AECOM Technology Corporation in Los Angeles. He will oversee the company's legal department and help lead the company's corporate finance initiatives. Eric joined AECOM in October 1998 after eight years at Prudential Capital Group. He passed the CPA exam in 1980 and graduated from the University of California, Berkeley law school in 1983. He lives with his wife Kathleen Schwallie and their daughter Caroline, in Rolling Hills Estates, California.

### Howard H. Prager, MBA '80

was inadvertently listed with the wrong e-mail address in the last issue. Howard, who is director of Lake Forest Corporate Education at the Lake Forest Graduate School of Management, can be reached at [hprager@lfgsm.edu](mailto:hprager@lfgsm.edu).

1981

### Dean Lindroth, MBA '81

recently was named vice president and director of finance for Asia Pacific Wireless Cellu-

lar Infrastructure Systems for Motorola Inc. He has been with Motorola for over 22 years, holding various financial positions. For the past six years, he and his wife and three children have been based in Asia and are currently living in Hong Kong.

### Seth Moldoff, MBA '81

was recently promoted to senior vice president at Wells Fargo Bank in San Francisco. He resides in Lafayette, California, with wife Donna and their sons David, 15, Phillip, 13, and Joshua, 13. You can reach him at [smoldoff@aol.com](mailto:smoldoff@aol.com).

1983

### Daniel Bober, MBA '83

is managing director of the commercial mortgage group of Wells Fargo in Troy, Michigan. He founded Bloomfield Acceptance Company, a nationwide CMBS lender, commercial mortgage banker and servicer with a \$1.2 billion portfolio and \$500 million in annual organizations, which is now part of Wells Fargo. He also co-founded e-Cognita Technologies, a software company servicing the commercial real estate industry. His other major accomplishments? "I coached Odyssey of the Mind for several years and got two kids through their teen years with my sanity intact," laughs Daniel. Nicole just graduated from Michigan with her BS in architecture and will continue for her MS in the same field. Danielle is currently a freshman at Mount Holyoke College in Massachusetts. Dan and Pat live quietly in West Bloomfield. You can reach him at [Daniel.E.Bober@wellsfargo.com](mailto:Daniel.E.Bober@wellsfargo.com).

### Yehuda Cohen, MBA '83

is CEO of Great Barrier Systems in Chicago. "After a two-year stint as an operations consultant after Business School, I have pursued technology and real estate entrepreneurial endeavors," says Yehuda, who claims to play tennis "as well as when I was 16, or at least I believe it!" You can learn more at [ycohen@greatbarriersystems.com](mailto:ycohen@greatbarriersystems.com).

### Martin Essenburg, MBA '83

is managing director of Standard Chartered Bank in London. "I've been involved in asset securitization/structured finance for the last 15 years. I built up and manage a successful emerging markets corporate and structured finance practice," says Martin, whose colleagues are based in Asia, the U.S., Middle East, Africa and Europe. Martin, however, is no slouch in that area either, having traveled to more than 80 countries for business and pleasure. He has been helping disadvantaged families and young people in the U.S. and U.K. through a variety of community and church organizations. He and his wife Debra have two children, Julia and Jordan, both attending the American Community School in London. You can reach him at [essenburg4@aol.com](mailto:essenburg4@aol.com).



# Alumni Services

The University of Michigan Business School boasts a powerful, international alumni network of more than 35,000. 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](http://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](http://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](http://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](mailto:melrm@umich.edu).



*Class of 1997 alumni*

### ■ Reunion Weekend & Annual Business Conference

([www.bus.umich.edu/reunion2004](http://www.bus.umich.edu/reunion2004))

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

October 8–10, 2004. Network with alumni, faculty and other business leaders at the Annual Business Conference on October 8.



*Washington, DC, Club members with Professor Jan Szejnar (third from left)*

### ■ Alumni Clubs Network

([www.bus.umich.edu/AlumniCommunity/AlumniClubs](http://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 Alumni Relations at [alumni@umich.edu](mailto:alumni@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.



*Professor Gretchen M. Spreitzer*

## COMMUNICATION TOOLS

### ■ Lifetime E-mail

([www.bus.umich.edu/AlumniCommunity/EmailForLife](http://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](http://www.bus.umich.edu/AlumniCommunity/Michiganmail))

Update your e-mail address at [alumni@umich.edu](mailto:alumni@umich.edu) and receive Alumni Relations' 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](http://www.bus.umich.edu/AlumniCommunity).**

## BUSINESS SCHOOL ALUMNI RELATIONS

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**Julie Antis**, Reunion Manager, [antisj@umich.edu](mailto:antisj@umich.edu)

# Alumni Clubs & Contacts

## Regional Clubs & Contacts

### EAST

#### Boston\*

Lowell Kim, MBA '98  
lowell.kim@verizon.net

#### Hartford

Laurie Leonard, MBA '97  
lauriel50@hotmail.com

#### New Jersey

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jcnorman@umich.edu

#### New York\*

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#### Philadelphia/ Delaware Valley\*

Geoff Wilson, MBA '01  
gwilsonz@umich.edu

#### Washington, DC\*

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sjhennes@umich.edu

### MIDWEST

#### Chicago\*

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gbolino@telution.com

#### Cincinnati

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hneuroth@umich.edu

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#### Detroit\*

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#### Fort Wayne

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219.747.7592

#### Indianapolis

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#### Iowa

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celouden@mchsi.com

#### Kansas City\*

John Copaken, MBA '93  
jcopaken@cwbc.com

#### Milwaukee\*

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#### Minnesota\*

Neil Janmohamed, MBA '02  
njanmoha@umich.edu

#### St. Louis

Jordan Pratzel, BBA '03  
jpratzel@umich.edu

#### Toledo\*

John McCarty, MBA '82  
John\_D\_McCarty@KeyBank.com

### SOUTH

#### Atlanta\*

Barry Trout, MBA '94  
barry.trout@mindspring.com

#### Austin\*

Julie Lehne, MBA '02  
Julie\_Lehne@Dell.com

#### Dallas/Fort Worth

Tom Dolan, MBA '94  
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#### Houston

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#### Louisville

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#### Norfolk

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#### North Carolina

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#### Puerto Rico\*

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#### South Florida\*

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### WEST

#### Denver\*

Jane Okun, MBA '89  
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#### Los Angeles\*

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#### Oregon

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#### Seattle\*

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#### Utah

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### AFRICA & MIDDLE EAST

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#### United Arab Emirates (Dubai)

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#### India (New Delhi)

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#### Japan\*

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### EUROPE

#### Austria\*

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#### Benelux

Sue Hung, MBA '97  
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#### Central & Eastern Europe

Gregor Strazar, MBA '98  
gregor.strazar@sava-re.si

For more information about alumni activities in your area, e-mail your regional contact or club leader or contact Alumni Relations at [alumni@umich.edu](mailto:alumni@umich.edu).

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#### France\* (Paris)

Stéphane Blondeau, MBA '93  
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#### Germany\* (Frankfurt)

Andreas Kirschkamp, EX '98  
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#### Greece\*

Sylvia Salibi, MBA '84  
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#### Italy (Rome)

Riccardo Cesarei, MBA '98  
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#### Norway

Sverre Lorentzen, MBA '79  
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#### Spain\* (Madrid)

Jeff Hassman, MBA '99  
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#### Switzerland\* (Zürich)

Beat Geissler, MBA '95  
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## Special Interest Clubs

### Black Alumni Association\* (UMBS-BAA)

Harry McElroy, MBA '78  
hmcelroy@performigence.com

### University of Michigan Entertainment Coalition

Dominic Cianciolo, BBA '91  
lapresident@uofm-entertainmentcoalition.org

*Attendees at the Alumni Leadership Workshop in October 2003 included Michigan Business alumni club leaders and contacts, members of the Alumni Board of Governors, faculty and staff.*



**Trina Fentriss, MBA '83**

is a managing consultant with IBM in Southfield, Michigan, and has quite a story to tell. She consulted or taught on three continents; consulted with clients in banking, financial services, healthcare and automotive; and led a local chapter of IBM's Women in Technology program, which sends women into middle school classrooms to inspire young women. Kevin Rhodes and she just celebrated their 23rd wedding anniversary. They have two sons, Steve, 17, who is a jazz musician and avid golfer, and Dave, 15, who is a cartoon artist, writer and Japanese language and studies student. The entire family traveled to Melbourne, Australia, for six weeks and later to Edinburgh, Scotland, for one glorious week. More important, Trina has survived a brain tumor diagnosis since September 1995. You can reach this truly amazing alumnus at tfentril@us.ibm.com.

**Andrea L. Gordon, MBA '83**

is a self-employed systems consultant in Lake Zurich, Illinois. "Since graduation I've traveled to many parts of the world for business and pleasure, with friends and with my daughter, who got her first passport at age 4," reports Andrea. "I'm most proud of my daughter Ellen, now 11, who has a spunk and spirit that despite battling lupus just can't be suppressed." Andrea started her own successful consulting practice "that has survived recessions, depressions and family crisis," she notes. Ellen says she loves bugging her mom and loving her two Siamese cats. Andrea concludes that she attended Jerry Garcia's last concert in 1995. If you wish to contact Ellen, or even Andrea for that matter, e-mail xcskiersbw@aol.com.

**Wendy (Kavensky) McCollom, MBA '83**

is CFO and COO of Sterographics Corp. in San Rafael, California. "I have served as the CFO of growth companies for the past 13 years in multiple industries. I recently have added COO responsibilities and run the organization with the founder/CEO. I am most proud of successfully balancing the roles of wife and mother while leading a company," says Wendy. To learn how she does it all, e-mail Wendy at mwmccool@pacbell.net.

**Shiela (Dietz) McKinnon, MBA '83**

is a Realtor with Snyder, Kinney, Bennett & Keating in Birmingham, Michigan, a "recent career change for the next 20 years," as she says. Prior to this, she was a senior VP in an 11,000-employee international tech firm, principal at Main & McKinnon Executive Group, named to *Crain's Detroit* "100 Most Influential Women" in 1999 and the southeast Michigan regional director of Women in Technology International. You can reach her at Shiela7@earthlink.net.

**Janet (Meenehan) Point, MBA '83**

"After a few financial analyst-type jobs, I landed in investor relations. In 1993 I was re-



cruited to Philadelphia and Advanta, a financial services firm. Today I work for InterDigital Communications, a wireless telecom inventor building an IR program, and I serve as president of the Philadelphia chapter of the National Investor Relations Institute," reports Janet. "I married **Steve Point, MBA '82**, in 1985. Our first son, Edward, arrived in March 1995, and John arrived in March 1997." To find out more about life in the City of Brotherly Love, contact Janet at janet.point@interdigital.com.

**Bobby Swiller, MBA '83**

is first vice president at Merrill Lynch in Minneapolis. "I manage an office that has tripled its revenues over seven years," boasts Bobby, who has been approved by Merrill Lynch to be a portfolio investment adviser. He has been a Big Brother for 10 years and has led many volunteer missions to the Middle East and Eastern Europe. He and his wife Missy have two daughters. You can reach Bobby at rswiller@pclient.ml.com.

**1985**

**Jeffrey A. Bussell, BBA '85**

was admitted to the Michigan Bar in May 2003. He is currently an associate at Hertzberg PC in Bingham Farms, Michigan, specializing in bankruptcy and commercial litigation. You can reach Jeffrey at jabussell@hertzbergpc.com.

**Colin Wahl, MBA '85**

was appointed adjunct professor at the University of North Carolina's Kenan-Flagler Business School in March 2003. In October, he launched a new company, Client Opinions, a firm dedicated to helping organizations conduct client/customer relationship management research via the Internet. He also maintains the Internet company he founded in 1999, InvestorForce, to provide institutional money managers and investors with a technology platform enabling them to conduct online investment research and due diligence. You can reach Colin at cwahl@investorforce.com.

**1986**

**Jeff Haynes, MBA '86**

is a partner with Boyle Investment Company in Brentwood, Tennessee. "After 16 years

with Trammell Crow, I opened an office for a family owned real estate investment company to develop and acquire real estate in Nashville," says Jeff. He and Lucy have four children ranging in age from 5 to 11. You can reach Jeff at jhaynes@boyle.com.

**1988**

**Mike Held, MBA '88**

"First I bought a company and named it Held Motorsports and then sold it in 2003. Now I am actively working with Clean Air Inc., the world's only self-contained ventilation outlet filtration unit," says Mike. Recently celebrating his 14th anniversary with Sherry, they have four kids: Michael, Casey, Andrea and Matthew. "I'm enjoying tennis and activities with the kids and still planning to retire close to the Florida Keys," adds Mike.

**Valencia Roner, BBA '88**

has owned and managed her Los Angeles-based full-service marketing and public relations firm, VXR Enterprises, since 1999. A recent recipient of the Small Business Administration's Special Achievement Award, Valencia is active in her community and in professional organizations. For additional information, contact VXR Enterprises at 310.641.1696, visit the firm's Web site at www.vxrenterprises.com or e-mail Valencia at valencia@vxrenterprises.com.

**1990**

**Chris Lawrence, MBA '90**

was recently selected as controller-reporting and analysis for Interline Brands in Jacksonville, Florida. He was also named chairman of the Jacksonville Financial Executive Networking Group. "My wife Grace and I, along with our four-year-old son Zachary, enjoy the Florida lifestyle of tennis, golf and warm weather," says Chris.

**1991**

**Todd Simon, MBA '91**

is currently working for Alta Via Consulting, specializing in Strategic Cost Management. He published "A Planning and Control Model Based on RCA Principles" in the July/August 2003 issue of *Cost Management*. The article explains the real-world implementation of RCA management accounting principles in a complex environment using SAP software. You can reach Todd at tsimon@altavia.com.

**1993**

**Makoto Ariga, MBA '93**

was appointed senior executive officer, corporate general manager of the human resources office of Mitsubishi Motors Corporation in June 2003. "This is the first time a public company of this size in this country brought

in an HR leader from outside and appointed a relatively young person to head HR functions," said Makoto, who is a former member of the Business School Alumni Society Board of Governors and an active volunteer for the Business School in Japan.

### Tim Barrett, MBA '93

is COO of Barrett Distribution Centers in Franklin, Massachusetts. He married Lauren in the summer of 1999, and they have one son, Matthew, born on January 4, 2002. Tim also endowed a scholarship in his brother's name at Boston College. You can reach him at tbarrett@barrettdistribution.com.

### Michael Brown, MBA '93

moved from Ann Arbor to Stamford, Connecticut, and a year later was transferred to Asheville, North Carolina. In 1997, he took a new job in Dallas. "I survived a paralyzing illness and learned to walk again nearly a year later," boasts Mike. "I successfully transitioned to the high-tech wireless data world, then held on for dear life during massive downsizings and was promoted to VP, marketing, in 2002. I'm now raising three beautiful children with my wife Jill." To send good wishes to Mike, you can reach him at mbrownj@comcast.net.

### David Everett II, BBA '93

is vice president of MIS and Telecommunication for Tampa Bay Lighting. Dave notes his personal milestone was buying his first home, and his professional achievement was promotion to VP and earning Microsoft Certification for building a complete data center. You can reach him at deverett@sptimesforum.com.

### Mary Hannes, BBA '93

completed her MBA at the University of Chicago in June 2002. In March 2003 she joined Fortis Health in Milwaukee as a product manager. You can reach Mary at maryhannes@yahoo.com.

### Steve Hartle, MBA '93

is the global marketing manager, urology, for Medtronic in Shoreview, Minnesota. "My position has allowed me to travel throughout the world for short periods of time," says Steve. "I continue to play soccer and volleyball, although with more aches and pains. Currently I participate in Junior Achievement as a teacher to middle school children and am active in the local elementary school's planning team. Julie and I are the proud parents of three children, Megan, Tommy and Johnny." You can find Steve recovering from soccer at stehart9@aol.com.

### William D. Leonard Jr., BBA '93, MBA '99

is working in the corporate staffs financial control area with DaimlerChrysler Corp. in Auburn Hills, Michigan. "I was a tax consultant at Price Waterhouse for four years, returned for my MBA and recently completed DaimlerChrysler's advanced degree develop-

ment program," says William. The program develops MBAs in the finance discipline, with the ultimate goal of training people for senior management within the company. He and his wife Meg Blondin Leonard (U-M '94) have three children, Kathryn, William III and Elisabeth Sloan, who was born on May 30, 2003. You can contact him at bl39@daimlerchrysler.com.

### Karen (Nowak) Lewis, MBA '93

created a niche for herself at 3M as an environmental marketer, then launched a drug at Searle Pharmaceuticals in the women's healthcare division and developed a network of professionals interested in sustainable green building design in metro Chicago. "In the latest phase of my life, I've become a stereotype stay-at-home mom, soccer coach, SUV, two kids (Megan Ruth and Adam) and PTA. My negotiation class has come in quite handy," says Karen. "Soon it's back to paid work, which is much easier than coordinating carpools." She and husband Bob and their children live in Chicago and can be reached at karenbobbewis@hotmail.com.

### Andrew V. Masterman, MBA '93

is president of Walbro Engine Management. "I lived in Japan for five years, gaining a greater fluency of the language and understanding of the culture," says Andrew, who also obtained advanced SCUBA certification, completing more than 100 dives in the South Pacific and has finished nine triathlons. He ran the Asia group for Walbro Corp., and currently is responsible for a company of 3,400 people in nine countries. He and his wife Cheryl and children Zachary and Nicholas live in Tucson. You can reach him at avm@umich.edu.



### Masashi Nakamura, MBA '93

is division manager, motion picture division, for Imagica Corp. in Tokyo. Formerly he was president/CEO at Imagica Corp. of America and held similar positions with other companies. "I'm finally getting used to living back in Japan after spending five years in the U.S.," says Masashi, who frequently commuted from Tokyo to Los Angeles. "My current professional focus is on developing a business model and strategies to prepare the motion picture industry for the era of digital cinema." You can contact Masashi at masashi@zc5.so-net.ne.jp.

### Pamela Preston, BBA '93

is director of investor relations and finance for Transaction Network Services in Reston, Virginia. "I worked at Arthur Andersen for nine years where I was promoted to senior audit manager, but after its demise in May 2002, I decided to make the exit from public accounting and went to work for a longtime client in the corporate finance group," reports Pamela. "I moved to Washington, DC, in 1997, and over the years I've enjoyed making new friends and becoming Aunt Pam to 12 kids (more to come). I met my fiancé Julian early in 2003, and we plan to marry in spring 2004." You can catch up with Pam at prestonpl@yahoo.com.

### Bryan Thomas, MBA '93

is a lieutenant colonel in the U.S. Army in Centennial, Colorado. "After graduation I taught economics and finance and served as an academic counselor for economics majors at West Point," says Bryan. He has continued to remain on active duty and will retire in 2004, looking to transition to a finance career. "I had a great time living in a small town in Germany for three years. While there, I was able to travel through most of Germany, Austria, Czechoslovakia, Poland, Italy, Paris, Netherlands, Ireland and Tunisia," says Bryan. He and his wife Marie have three children, Victoria, 11, Monica, 8, and Katie, 6. "My wife home schools all three," adds Bryan. You can reach him at bmmv@aol.com.

### Takahiro Tokunaga, MBA '93

is manager of Shinsei Bank in Tokyo. "I have been exploring real estate and loan investment business over five years," says Taka. "My current position is oversight of various real estate-related investment opportunities in a Japanese investment banking firm." He also has played more than 50 repertoires as a pianist and bought a grand piano. He and his wife Ryoko have two daughters Kazune and Kanae. You can reach him at takahiro.tokunaga@nifty.com.

### Shelley (Woods) Whiting, MBA '93

is a senior consultant with DuPont in Wilmington, Delaware. "I'm re-energizing a dying product line while simultaneously leading a major launch," says Shelley, who admits she's developing top-notch marketing talent. She continues her involvement in community organizations and currently is a board member of the local YMCA. She and her husband W. Bernard Whiting Jr. live in Wilmington. You can reach her at sramona@hotmail.com.

## 1994

### Charles Asubonten, MBA '94

director and strategic business unit controller at DTE Energy, has been recognized by the Detroit Regional Chamber of Commerce as one of the "100 Emerging Business Leaders" in the area, stating that he has shown the potential to play a significant role in business and his community. A five-year veteran of DTE Energy,

he provided keen financial leadership in the turnaround of DTE's Fermi Nuclear Power Plant operations. Prior to joining DTE, Charles worked with Ford Motor Company and Dow Chemical Company, as well as an auditor with KPMG early in his career. A CPA and CFA, he has taught economics, finance and accounting at the University of Michigan-Dearborn and Wayne State University. He is fluent in French and Twi. He is a member of the Henry Carter Adams Society at the Business School, and is a recent graduate of Leadership Detroit. He is a board member of the Detroit Urban League. Charles and Rosiland and their three children, John-Paul, Mary Christina and Michael Cyprian, live in Dearborn. You can reach him at [asubontenc@dteenergy.com](mailto:asubontenc@dteenergy.com).



**Karen (Slinin) Buczek, MBA '94**

"For the last two years I have been living with my husband John and kids Andrew, 6, and Kevin, 4, in Mexico City," reports Karen. "I have been working in Cereal Partners Worldwide, a joint venture between General Mills and Nestle, as director of marketing for Latin America, Central America and Caribbean. I travel a lot throughout my region and attend worldwide meetings in Europe. The job is challenging but fun. My family is finally learning Spanish, and it looks like one of my kids might be a future soccer star. There are many beautiful places to visit in Mexico, so we are also taking a lot of small trips and getting to know the country, its culture and the beaches. I would love to hear from Section 5." You can reach Karen at [karen.buczek@mx.nestle.com](mailto:karen.buczek@mx.nestle.com).

1995

**Luis A. Colon, MBA '95**

is director, strategic and business planning, for Source One Management in Denver. He has been appointed by the Governor of Colorado to the board of trustees of Mesa State College. You can reach him at [lcolon@sourceone.com](mailto:lcolon@sourceone.com).

**Lori Robinson, MBA '95**

is director of marketing for McCormick & Company in Hunt Valley, Maryland. "It's been almost 10 years since business school, and I'm looking forward to the big 2005 event," says Lori. "Give me a call if you're in

the Baltimore/Washington, DC, area, and feel free to come hang out with me, the twins and the hubby," she adds. To make reservations, contact Lori at [larobins@aol.com](mailto:larobins@aol.com).

**David N. Stievater, MBA '95**

founder and president of Stievater & Associates, a strategic consulting group serving the biopharmaceutical industry, has been appointed vice president-sales for ImpactRx, the pioneering force in measuring the impact of pharmaceutical promotion on physicians' prescribing behavior. Prior to establishing Stievater & Associates, David was with Monitor Company Group, an international corporate strategy consultancy, where he served 11 years as a partner and global account manager. You can reach David at [dstievater@impactrx.com](mailto:dstievater@impactrx.com).

1996

**Paul R. Maurer, MBA '96**

sold his business, Streamsoft LLC, to Manhattan Associates this past October. After five years of growing a company that provides software to help companies optimize their warehouses through slotting, Paul accepted the acquisition offer. He has joined Manhattan as senior director overseeing both their slotting product and Streamsoft's software—FlowTrak.

**Robert C. McLister, BBA '96**

has launched Sphere Analytics LLC and Emperian Global Markets LLC. Sphere Analytics develops institutional trading analytics. EGM is a proprietary equity trading firm. You can learn more at [www.sphereanalytics.com](http://www.sphereanalytics.com) and [www.egmtrading.com](http://www.egmtrading.com) or contact him at [rm@sphereanalytics.com](mailto:rm@sphereanalytics.com).

1998



**Bruce Berglund, MBA '98**

had been business team manager for the buildings and coatings business at Wacker Chemical Corporation but left to join an Ann Arbor-based firm, Neolytica, "where I'm enjoying the excitement and opportunities available in a start-up," as Bruce puts it. To find out more about Neolytica and Bruce, contact him at [Bberglund99@yahoo.com](mailto:Bberglund99@yahoo.com).

**Tina Chow, BBA '98**

is a trader at the Susquehanna International Group in New York City. "I bought a car and

house and got married," says Tina. To learn more, e-mail her at [chow@sig.com](mailto:chow@sig.com).

**Joseph Craig, MBA '98**

is president of IDEACore in Birmingham, Michigan. "We recently have launched three new software products in products and services: QFD Designer, WebMine Online Survey Tool and TRIZ Contraspolve. We also filed a patent on some exciting commerce-facilitating technology. Our company has acquired the U.S. Army/DARPA as a customer, and we also have done consulting for the U.S. State Department and the city of Detroit," reports Joe. To learn more, contact him at [jrcraig@qualisoft.com](mailto:jrcraig@qualisoft.com).

**Sean Gelston, MBA '98**

is an equity analyst at Dreyfus Corp. in New York City. "I achieved my goal of entering investment management and have been a buy-side equity analyst for five years," says Sean, who also has managed to trace his family line back to Belfast, Ireland, in the 1600s. You can reach Sean at [seangelston@yahoo.com](mailto:seangelston@yahoo.com).

**Charlene Klinkner, MBA '98**

"After nearly four years with PwC Consulting, I started consulting independently for large companies interested in customer relationship management, founded Link2Customers Inc. and am seeking expansion opportunities," says Charlene, who also notes she was able to travel to several countries after graduation and has learned the painful joy of snowboarding. Living in Chicago, you can reach Charlene at [charlene001@yahoo.com](mailto:charlene001@yahoo.com).

**Chia-Lin Ou, MBA '98**

is finance manager for Hewlett-Packard Asia Pacific Ltd. in Hong Kong. If you want to find out about the family's three children, Anderson, Jonathan and Angela, or plan to be in Hong Kong or just want to talk, e-mail [ourandy@yahoo.com](mailto:ourandy@yahoo.com).

**Stephen W. Reinhard, MBA '98**

is vice president in private wealth management at Goldman Sachs in New York City. He married Deborah Hanson Reinhard, MBA '98, in 1998. Since leaving the University they have traveled to Australia, Spain, London, Italy, Aruba, Bermuda, Puerto Rico and throughout the U.S. They have one daughter, Madeleine, 3, and one Scottish terrier, Hudson, 5. To find out what's happening in their busy lives, contact [stephen.reinhard@gs.com](mailto:stephen.reinhard@gs.com).

**Tobin Ross, MBA '98**

is plant manager for National Gypsum. "After being laid off by my previous employer, I hired in with National Gypsum and began my career in November 2002 in Texas," says Tobin. Since then he became a plant manager for the firm's Ohio facility. He and Millicent celebrated their 14th wedding anniversary in September, and they have two children, Spencer and William. You can reach him at [tross@nationalgypsum.com](mailto:tross@nationalgypsum.com).



**Raman Singh, MBA '98**

is president of Agilero, a company in Colorado Springs providing computer, Internet and software services. You can reach Raman at rds@umich.edu.

**Stephanie Skolnik, MBA '98**

is VP of the payments strategy and acquisitions group of Bank One in Chicago. She has done extensive traveling in southeast Asia and America and is enjoying Chicago—and buying a condo there. To contact Stephanie, especially if you're in Chicago, e-mail her at sskolnik@hotmail.com.

**Dina (Denham) Smith, MBA '98**

is vice president of Aquarius Equipment Finance in San Francisco. "After a few years in consulting and then high tech, I am finally enjoying both my work and life," says Dina. "I now split my time between working with my husband at his company, doing some independent consulting and working for a nonprofit focused on at-risk youth." You can find Dina at dsmith@aefinc.com.

**Steve Weinstein, MBA '98**

is principal with Prism Venture Partners in Westwood, Massachusetts. "I married my lovely wife, Joellen, in December 2002, and we spent our honeymoon in Anguilla," says Steve. "I joined Prism Venture Partners in 2001 after two years at Mid-Atlantic Venture Funds, where I served as a Kauffman Fellow, focusing on software and communications investments. For the past two years at Prism I have been focusing on early-stage medical devices and drug discovery opportunities," he adds. You can reach Steve at sweinstein@prismventure.com.

**Robert Wilson, MBA '98**

is new business development manager for W. R. Grace in Cambridge, Massachusetts, where he works mostly with new acquisitions and some other major ventures with Singapore. His other major accomplishments were marrying Julie Yi and the arrival of their daughter Rachel. You can find out more at robertgwilsonjr@yahoo.com.

1999

**Brian Jay Conom, MBA '99**

is southern regional sales manager for Regent Medical in Dallas. He recently was named

Regent Medical's regional manager of the year for the second straight year. Regent Medical is the world's leading manufacturer of powder-free and label-free surgical gloves.

2000

**Russ Klein, MBA '00**

married **Debbie Libman, BBA '00**, on May 25, 2003, in Cleveland. The wedding party included **Sachin Gadhvi, MBA '00**, with many other alumni in attendance. The couple met at Michigan and currently reside in Cleveland. Russ is a consultant at Diamond-Cluster International. You can reach him at kleinr@umich.edu.

2001

**Ajay K. Amlani, MBA '01**

has been named to the 2003–2004 Class of White House Fellows. Ajay is assistant vice president for strategic planning with Pacer Stacktrain, and was recognized with the 2002 Pacer Significant Contributor Award for the strong economic results he achieved related to opening U.S.-Mexico cross-border freight transportation. He serves on the board of directors and holds leadership positions at the YMCA Urban Services, the Network of Indian Professionals and the Children's Council of San Francisco. He is also actively involved in Habitat for Humanity, the Volunteer Center of San Francisco, and Child Relief and You.

**Peter Hansell, MBA '01**

"After graduation, Barbara and I tried to land in Portland, Oregon, but we pulled up stakes and moved to Quincy, California (Barbara's hometown), located in the northern end of the Sierra Nevada range," says Peter. He is now general manager of American Valley Aviation, leading the company through tough times. "If anyone out there wants to perform market research and mentor a sales department, what we lack in pay is surely made up in small town, country living. Drop me a line," adds Peter. Barbara and Peter were married last year. You can reach Peter to find out all the news about the job and wedding at phansell@umich.edu.

**Jennifer Hollems, MBA '01**

is senior associate brand manager for Kraft Foods. "My husband Tim and I are enjoying the company of our first child, Carter Jacob Hollems, born February 20, 2003," reports Jennifer enthusiastically. Congratulations can be sent to jhollems@kraft.com.

**Brodie Killian, BBA '01**

is a salesman with G.X. Clarke & Company in Jersey City, New Jersey. "After finishing my BBA, I decided to continue my academic career at the University of Michigan Gerald R.

Ford School of Public Policy, where I received my Master of Public Policy in economic policy in April 2003," reports Brodie. "I will be selling government securities, agencies and mortgage-backed securities, and have taken residence in midtown Manhattan."

2002

**Sara Chen, MBA '02**

is knowledge manager for Medstat in Ann Arbor, a new function that she built. In 2002, she was able to see the French foreign exchange student her family hosted over 12 years ago. To find out more about Sara's work at Medstat, e-mail her at srchen@umich.edu.



**Frank C. Fontana, MBA '02**

founded and became president of Banyan Asset Management Inc. (www.banyan-asset.com), a registered investment adviser dually based in Harrison Township, Michigan, and Fort Myers Beach, Florida. His firm provides professional money management services to individual investors and corporate clients. In 2003, Frank earned the Chartered Financial Analyst designation, a globally recognized credential for investment analysis and management. You can reach Frank at FCFontana@banyan-asset.com.

**Russ Heilbrun, BBA '02**

is a business analyst, movies department, with Target Corporation in Minneapolis. To reach him before the mosquitoes do, e-mail rheilbru@umich.edu.

**Masatsugu Inoue, MBA '02**

is manager of Inoue Manufacturing Inc. in Kanagawa, Japan. "I sold the largest machine my company manufactured, collaborated with a chemical company to develop a new processing system and am involved in an in-house project to develop a new product to be patented in the near future," says Masatsugu. He also participated in an MBA symposium held in Japan, with alumni from Harvard, UC Berkley and Dartmouth. "I definitely advertised Michigan. I also have gotten my best score in golf and have started gardening as a hobby," adds Masatsugu. He and his wife Mie reside in Kanagawa. You can reach him at minoue@umich.edu.

## CLASS NOTES

### Amy Mell, MBA '02

is a strategic pricing associate with Guidant Corporation in St. Paul, Minnesota. "I've been here since August 2002, bought an 80-year-old house in St. Paul and have mastered the art of removing ugly wallpaper," laughs Amy, who also helped her youngest sister open and operate her bar/restaurant, Mell's Beauty Bar, in Minneapolis. Amy is working toward completion of training necessary to move into a field rotation with Guidant. To learn why she also considers herself an expert at toilet repair, e-mail [amymell@yahoo.com](mailto:amymell@yahoo.com).

### Rob Oliver, MBA '02

is director of the MassMutual Financial Group in Springfield, Massachusetts. He's competing in his first triathlon and is taking the CFA Level II exam.

### Smrity Prakash, BBA '02

is director of Daya Engineering Works Ltd. in New Delhi, India. "I modernized the family enterprise, computerized several procedures such as inventory management and introduced an incentive-based salary system for management," says Smrity. He has been

accepted to the Stanford Graduate Business School for a PhD in accounting and should be in class by the time you read this. However, you can always reach him at [sprakash@umich.edu](mailto:sprakash@umich.edu).

### Daljeet Sidhu, MBA '02

is a senior analyst with Capital One Financial in Glen Allen, Virginia. Daljeet spent the summer of 2002 in Shanghai learning Mandarin. You can reach him at [dsidhu@umich.edu](mailto:dsidhu@umich.edu).

### David J. Wible, BBA '02

is an associate financial analyst with E & J Gallo Winery in Modesto, California. "I moved to the west coast, where I didn't know anyone, and established a strong network within months," says Dave. To order your award-winning wines, e-mail him at [david.wible@ejgallo.com](mailto:david.wible@ejgallo.com).

## 2003

### Winston Wenyan Ma, MBA '03

was the founder and president of the Financial Derivatives and Risk Management Club at the Michigan Business School. Recently the

club has become an affiliate member of the Professional Risk Manager International Association, and Winston has become a member of the steering committee for the association in Shanghai. He has joined JP Morgan Securities at its equity derivatives group based in New York. Working in the products and solutions group, he structures/markets OTC structured equity products to corporate, funds and high net worth clients. He can be reached at [wenyanm@umich.edu](mailto:wenyanm@umich.edu).

### Jennifer Vandenbrooks, MBA '03

has returned to Kaplan K12 Learning Services, a leading provider of standards-based educational services for schools, as director of district services, responsible for working with major urban school districts to implement the Kaplan Achievement Planner and other comprehensive curriculum programs. A former manager and teacher in Kaplan's test preparation division, Jennifer returns to the company after serving as a product director of Renaissance Learning. She also has taught high school and middle school social studies and English in Detroit area public and private schools. You can reach her at [jenvb@umich.edu](mailto:jenvb@umich.edu).



**Marketplace**

Visit our Web site at [MBSmarketplace.com](http://MBSmarketplace.com) for more logo merchandise featuring the new Business School brand mark from T-shirts to business accessories.

Place an order online or call toll free 888.262.6499.

Kyle Yam  
BBA '04

Anuja Rajendra  
MBA '04

## Walter M. Ream

**BBA '49, MBA '50**

died of heart failure on September 27, 2003, at St. Joseph Mercy Hospital in Ann Arbor following intestinal surgery. Walt was born in Detroit in 1926 and graduated from Cass Technical High School in 1944. He enlisted in the U.S. Navy and was selected for the V-12 Officer's Training program during World War II. In 1945, he married Janeth Knapp Ream. Following his military service, he entered the University of Michigan under the GI Bill. He was an avid, life-long Wolverine football fan, missing very few games since his school days. He worked for over 30 years for Ford Motor Company and was a veteran world traveler, fulfilling six-year assignments in both Ford of Argentina and Ford of Australia. In 1962, Walt received the Ford Motor Company Award for Outstanding Community Service. He founded the Redford Township Junior Athletic Association, which began with Little League Football and grew to add basketball and baseball leagues. Walt is survived by his wife Janeth, sons Charles and Ted, and five grandchildren.

## Frederick E. Ittner

**MBA '53**

died peacefully from cancer at his home in Moraga, California, on December 7, 2003, at age 73. Fred was born in Saginaw, Michigan, earned his BA at the University of Michigan in 1952 and received his MBA from the Business School in 1953. After college he served with the U.S. Army in Korea. Fred taught at Laney College in Oakland, California, the College of Alameda in Alameda, California, where he was the college's first business department chairman, and at Vista College in Berkeley, California, where he also served as dean of instruction. He was vocational dean at Bakersfield College in Bakersfield, California, and at Santa Ana Community College in Santa Ana, California. In his retirement he continued to teach at Alameda and Vista, as well as the University of San Francisco. Fred also had his own investment advising business.

He loved being a part of the Berkeley Breakfast Club, Rotary and the Bay Area Graduate Chapter of Phi Gamma Delta. He served on the boards of Peralta Cancer Research Institute, Saybrook Institute, Ombudsman of Contra Costa and the University of Michigan Development Advisory Board.

Fred is survived by his wife Helen Louise, his son Philip and many cousins. His son David predeceased him. Memorial gifts may be given to the Michigan Business School, c/o Elsie Orb, Associate Development Director, 701 Tappan St., Ann Arbor, MI 48109-1234 or to the Hospice of Contra Costa, 2051 Harrison Street, Concord, CA 94520.



## Russell L. Epker

**BBA '64**

died November 4, 2003, at age 61, from complications from cancer. Russ was one of five former Thomas H. Lee & Company investors who formed Boston-based Berkshire Partners, a private equity firm, in 1986. He retired from full-time duties in June 2000, but continued to serve as an advisory director. Russell was born in Ohio and raised in Michigan. After graduating from Seaholm High School in Birmingham, he attended the University of Michigan, where he served as the president of the student government.

An enthusiastic supporter of the Business School, Russ contributed generously to the school's Annual Fund, 75th anniversary celebration, Domestic Corps and the Initiative Endowment, which supports innovative approaches to education. Between the late 1980s and 2003, Russ served on the Alumni Society Board of Governors, Corporate Advisory Board and the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies Advisory Board. "We certainly were the beneficiaries of Russ' personal involvement and generous spirit. Over and over again, he stepped forward with sound advice, infectious enthusiasm, strong encouragement and general support. "We will miss him greatly," said Dean Robert J. Dolan.

Russ earned an MBA in 1967 from the Harvard Business School. A year before graduating, he began working for Ford Motor Company and eventually moved to Puerto Rico to supervise Ford's plant there. When he returned to Boston, he worked briefly for Xerox, Tyco International and the Thomas H. Lee Company before founding Berkshire Partners. He was active in Boston's nonprofit community and served as chairman of the board of the Boys & Girls Club of Boston, vice chairman of United Way of Massachusetts Bay and co-chair of the Friends of Camp Committee of Camp Hale.

Russ is survived by his wife Anne Percival; his three children, Kristen, **Mark, MBA '01**, and Allison; four grandchildren; his mother and two brothers. Donations may be made in his memory to: The Boys & Girls Club of Boston, attention: Jill Goldweitz, 50 Congress Street, Suite 730, Boston, MA 02109-4002.

Don't keep us  
in the dark!

Your Business School Classmates  
Want to Hear from You!

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

**MAIL** Fill out all or part of the forms on the following two pages and mail in the envelope included in this magazine.

**FAX** You can also fax the form to 734.647.2401.

**E-MAIL** Our address is [Dividend@bus.umich.edu](mailto:Dividend@bus.umich.edu).



# 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 Alumni Relations 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.*

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| <p><b>FUNCTION</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Accounting</li> <li><input type="checkbox"/> Buying/Purchasing</li> <li><input type="checkbox"/> Computer/Management Info. Systems</li> <li><input type="checkbox"/> Consulting-General</li> <li><input type="checkbox"/> Consulting-Info. Technology/System</li> <li><input type="checkbox"/> Consulting-Internal</li> <li><input type="checkbox"/> Consulting-Operations/Process</li> <li><input type="checkbox"/> Consulting-Strategy</li> <li><input type="checkbox"/> E-Commerce</li> <li><input type="checkbox"/> Engineering Management</li> <li><input type="checkbox"/> Entrepreneur</li> <li><input type="checkbox"/> Finance-Commercial Banking</li> <li><input type="checkbox"/> Finance-Corporate</li> <li><input type="checkbox"/> Finance-General</li> <li><input type="checkbox"/> Finance-Investment Banking</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Finance-Investment Mgmt.</li> <li><input type="checkbox"/> Finance-Sales/Trading</li> <li><input type="checkbox"/> Finance-Venture Capital</li> <li><input type="checkbox"/> General Management</li> <li><input type="checkbox"/> Human Resource Mgmt.</li> <li><input type="checkbox"/> International Business</li> <li><input type="checkbox"/> Legal Counsel</li> <li><input type="checkbox"/> Marketing-Advertising</li> <li><input type="checkbox"/> Marketing-General</li> <li><input type="checkbox"/> Marketing-Product Mgmt.</li> <li><input type="checkbox"/> Marketing-Research</li> <li><input type="checkbox"/> Marketing-Sales/Retail</li> <li><input type="checkbox"/> Marketing-Services</li> <li><input type="checkbox"/> Marketing-Technical</li> <li><input type="checkbox"/> Operations Management</li> <li><input type="checkbox"/> Other</li> <li><input type="checkbox"/> Real Estate</li> <li><input type="checkbox"/> Strategic Planning</li> </ul> | <p><b>INDUSTRY</b></p> <p><b>Manufacturing</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Aerospace</li> <li><input type="checkbox"/> Agribusiness</li> <li><input type="checkbox"/> Auto./Trans. Equipment</li> <li><input type="checkbox"/> Chemicals</li> <li><input type="checkbox"/> Computer/Electronics</li> <li><input type="checkbox"/> Construction</li> <li><input type="checkbox"/> Consumer Goods</li> <li><input type="checkbox"/> Diversified Manufacturing</li> <li><input type="checkbox"/> Engineering Design</li> <li><input type="checkbox"/> Energy/Petroleum/Minerals</li> <li><input type="checkbox"/> Healthcare Products</li> <li><input type="checkbox"/> Machinery &amp; Equipment</li> <li><input type="checkbox"/> Metals/Metal Products</li> <li><input type="checkbox"/> Paper/Wood/Glass</li> <li><input type="checkbox"/> Pharmaceutical/Biotechnology</li> <li><input type="checkbox"/> Rubber/Plastics</li> <li><input type="checkbox"/> Textiles</li> </ul> | <p><b>Services</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Advertising</li> <li><input type="checkbox"/> Business Services</li> <li><input type="checkbox"/> Computer/Internet &amp; Software Services</li> <li><input type="checkbox"/> Consulting/Research</li> <li><input type="checkbox"/> Education</li> <li><input type="checkbox"/> Entertainment/Leisure</li> <li><input type="checkbox"/> Environmental</li> <li><input type="checkbox"/> Finance-Commercial Banking</li> <li><input type="checkbox"/> Finance-Insurance</li> <li><input type="checkbox"/> Finance-Investments</li> <li><input type="checkbox"/> Finance-Services</li> <li><input type="checkbox"/> Finance-Venture Capital</li> <li><input type="checkbox"/> Government-Federal</li> <li><input type="checkbox"/> Government-International</li> <li><input type="checkbox"/> Government-State/Local</li> <li><input type="checkbox"/> Healthcare</li> <li><input type="checkbox"/> Hotel &amp; Restaurant Mgmt.</li> <li><input type="checkbox"/> Import/Export</li> <li><input type="checkbox"/> Law</li> <li><input type="checkbox"/> Media/Entertainment</li> <li><input type="checkbox"/> Nonprofit</li> <li><input type="checkbox"/> Other</li> <li><input type="checkbox"/> Printing/Publishing</li> <li><input type="checkbox"/> Public Accounting</li> <li><input type="checkbox"/> Real Estate</li> <li><input type="checkbox"/> Retail</li> <li><input type="checkbox"/> Search Firms</li> <li><input type="checkbox"/> Self-Employed</li> <li><input type="checkbox"/> Sports Marketing/Management</li> <li><input type="checkbox"/> Telecommunications</li> <li><input type="checkbox"/> Transportation</li> <li><input type="checkbox"/> Travel/Leisure</li> <li><input type="checkbox"/> Utilities</li> <li><input type="checkbox"/> Wholesale/Distribution</li> </ul> |
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# Alumni Network Update

## 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): \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

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

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

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

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

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FAX to *Dividend*, 734.647.2401, or e-mail to [Dividend@bus.umich.edu](mailto:Dividend@bus.umich.edu)

Mail news and photos to: *Dividend*

0253 Davidson Hall  
University of Michigan Business School  
701 Tappan Street  
Ann Arbor, MI 48109-1234

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.)

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)

# REUNION 4

The handy "clip and save" personalized Reunion 2004 kit:



## Save the Date!

October 8 – 10, 2004

All alumni are invited to attend a weekend of Michigan spirit and memories! We'll be having special celebrations for the anniversary classes of: 1954 • 1974 • 1979 • 1984 • 1994 • 1999 • 2003

Catch up with your classmates, attend the Annual Business Conference, watch the Michigan vs. Minnesota game at the Big House and see what's new at the Business School.

For more information, please visit: [www.bus.umich.edu/reunion2004](http://www.bus.umich.edu/reunion2004).

 **MICHIGAN**  
BUSINESS SCHOOL

To get connected and to stay in touch, send your e-mail address to Alumni Relations at [alumni@umich.edu](mailto:alumni@umich.edu).

## “Someday Our Books Too Will Be on the Wall”



(Left to right) Li Jiang and Xinxin Hu, Michigan Business School doctoral students in operations management, examine a book display on the first floor of William Davidson Hall. Li Jiang and Xinxin Hu told photographer Philip Datillo, “Someday our books too will be on the wall.” The display of books, written and edited by Business School faculty, includes 30 new titles added in 2003. For more about faculty books, see <http://www.bus.umich.edu/FacultyResearch/Books/>.