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**business
news**

COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

Business Week '78

Business Week (April 3-7) is the one week during the year when College of Business students have the opportunity to see and hear many speakers from the local business community discussing important topics which students choose and which aren't regularly covered in their classes.

The speakers who come to CBA for Business Week include a number of company presidents and vice presidents. "They feel it is an opportunity to get back to school and find out what students are thinking about; students feel it is a chance to hear and question people who really know today's business world. It is a good experience for everyone," said John Dunn, Executive Vice President of the Business Board, the student board which sponsors Business Week.

Business Week programs will be broken down into five areas this year: Marketing, Management, Finance, Industrial Relations and Accounting. Most of the programs will take place

in scheduled classes the second week of Spring quarter. Others will be held in a West Bank auditorium in order to allow more people to attend, such as the Cleo Awards film program highlighting the best commercials of the year. There will be at least one program in each area every day during Business Week, except Thursday, April 6 which is Business Day.

Business Day events will be at the Prom Center in St. Paul on Thursday, April 6. All CBA classes after 10:00 a.m. will be cancelled to allow every student to attend. The day is divided into two segments: 1) discussion sections and 2) luncheon and keynote speaker.

William C. Norris, Chairman and Chief Executive Officer of Control Data, will be the keynote speaker following the luncheon. Past speakers have been Wheelock Whitney, former Chief Executive Officer of Dain, Kalman and Quail, and W. T. Beebe, Chief Executive Officer of Delta Airlines and a CBA Alumnus.



William C. Norris

Two additional annual features of B. Day are the awards to the Recruiter of the Year, chosen by the graduating students who utilize the Placement Office, and to the Outstanding Teacher of the Year, a faculty member chosen by a student committee, the award co-sponsored by the CBA Alumni Association.

Business Week — to column 7

Dean Candidates Visit College

Six dean Candidates have visited the College of Business during the month of February as part of the search process initiated by the resignation of Dean C. Arthur Williams last April to be effective June, 1978.

The Dean Search Committee, named by President Magrath at the end of June, has conducted a number

of meetings in which they established criteria for the selection of the candidates and established a subcommittee for screening the 270 names which had been submitted prior to the November 1 deadline. From that list, the subcommittee submitted a list of names for the consideration of the full Search Committee and in accordance with an understanding reached with University Vice President Koffler and President Magrath, a slate of six candidates was submitted who would be invited for interviews.

The visitors and the dates of their visits were:

Feb. 6 & 7 **Gary Andrew**, Vice Chancellor for Administration and Planning, University of Colorado at

Dean Visit — to column 8

Minnesota Business Conditions Survey

Business conditions flatten out in early 1978

A seasonal decline in retail sales and employment and a leveling of manufacturing production and employment are the main features of Minnesota's business conditions in early 1978.

Sixty-four percent of retailers reported that sales were lower in February 1978 than they were three months before. While much of this decline is attributable to seasonal patterns, some retailers also listed bad weather, poor farm prices, continued effects of the steel strike, and the power line dispute as contributory factors.

Manufacturers' reports of decreases in production (thirty-five percent) are balanced by an almost equal num-

Business Survey — to column 9

In This Issue

Issue 60	March 1978
	Column
Business Week	1
Dean Candidates	1
Business Conditions Survey	3
Profile of Executives	4
Effective Economic Policy	10
Role for Auditors	10
Alumni News	13
Faculty Pen	18

Profile of Executives Involved in Continuing Business Education

What do we know about the person who attends a seminar offered by Continuing Business Education (CBE)? What do they think of CBE seminars? Those are the questions that Dick Grefe, Director, CBE, asked last summer. The results of a survey are now complete. Here is a profile of seminar participants based on responses from those who attended 12 different one-day seminars in Autumn, 1977.

Age: Over half were between 30 and 49. Of the remaining, two-thirds were 29 or under and one-third were 50 or over.

Men and Women: The participants were 47% males and 53% females. This high percentage of women is partially explained by the fact that three of the twelve seminars in the survey were targeted at secretaries, a working assignment most frequently held by women. However, since more women are now being groomed for managerial levels of business—the targeted audience for most CBE seminars—they do constitute a substantial percentage (28%) of the general audience.

Type of Organization (Industry): Those with the highest representation were manufacturing (18%); finance, insurance, and real estate (14%); and medical services (10%). Others with substantial representation included wholesale; personnel, professional or technical services; education; communication; retailing; construction; public utilities; and transportation.

Organizational Function: People involved in accounting represented one of the largest percentages (13%) of functional specialists. Other areas highly represented included sales, programming, manufacturing, marketing, and engineering.

Level Within the Organization: "Executives" made up 12% of the participants; 23% identified themselves as "administrative/managerial"; and

36% as "managerial/supervisory"; a wide range of functional specialists accounted for the remainder.

Reading Habits: As might be expected from such a diverse business audience, 46 periodicals were cited as "regular reading" by individuals. In addition, general business publications had the highest multiple readership: Wall Street Journal, 18%; Business Week, 11%; and Harvard Business Review; Newsweek, and Kiplinger (5% each).

Perhaps even more important than the profile of participants were the comments received on evaluation forms distributed at the end of each seminar. When asked what they perceived as key strengths of the program, they responded with such as: lots of relevant material . . . good basic information . . . very well organized; examples were outstanding . . . solid content . . . clarity and conciseness . . . speaker and audience participation . . . preparation and materials . . . small class size . . . material was relevant to problems of today . . . free exchange of ideas . . . interaction of group . . . organization and format of material . . . the common sense approach . . . it's practical . . . excellent instructor . . . mixed backgrounds of participants.

The schedule of seminars for the next few months includes a wide variety of topics. Those with an asterisk (*) on the following list are designed to meet the special interests of owners/managers of small- to medium-size businesses. Other seminars deal with procedures of management that apply to all companies, whatever the size, product line, or service.—One major benefit of CBE programs is the sharing of ideas between persons from different kinds of organizations.

Effective Listening: Improving Your Ear-Q (2/28)

Database Management Seminar and Workshop (3/1-3)

Managing Conflict for Women in Business (3/1)

Assertiveness Training for Women in Business (3/8)

Time Management (3/9)

One-to-One Communication in Management (3/13)

Better Management Through Executive/Secretary Team Communication (3/14)

Conflict Styles and Strategies (3/16)
Finance for Non-Financial Managers (3/29)

Raising Employee Productivity: Mentoring (4/4)

Teamwork: Making it Work Through Communication (4/5)

The Meeting Moderator (4/6)

Speaking to an Audience (4/10)

*Assessing the Health of Your Business (4/11)

Elements of Human Behavior for Secretaries/Executive Assistants (4/12)

Interpersonal Communication for Secretaries/Executive Assistants (4/18)

Management Development for Women (4/19)

Effective Report Writing (4/28)

If you would be interested in learning more about CBE seminars, you can receive a descriptive catalog by calling (612) 373-3680 or by writing to Continuing Business Education, 334 Business Administration Tower, University of Minnesota, Minneapolis, Minnesota 55455. Registration for a particular seminar can also be made by phone: 373-3680. □



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Business Week — from column 3

In the morning session, each discussion section is composed of a panel of about ten representatives from local companies, and one business professor as moderator. Each panel member states his views on the topic, then the meeting is opened for questions from the students. It is the students' chance to find out what recruiters really think about subjects such as types of jobs and extracurricular activities companies like to see students engage in, 2) interviewing skills students most often lack and how skills can be improved, 3) affirmative action policies, 4) career opportunities in various areas of business.

Students may sign up in advance to sit with the company of their choice at the luncheon where they will have the opportunity to meet and talk with local company representatives. About sixty companies sponsor tables to host the students at the luncheon.

Another special event during Business Week is Computer Day. College teams from throughout Minnesota gather at the University to participate in a business problem simulation game. Following completion of the competition, there will be a dinner for all participants.

Business Week comes once a year, but it provides opportunities that students find valuable and hopefully that the business participants find interesting and stimulating in the knowledge they are serving the students and the College. □

Management in a (partially) Regulated Economy topic of next alumni lecture

Ira Horowitz, Professor of Quantitative Methods, University of Florida, will be the next Alumni Lecture speaker in the quarterly series on May 5. Horowitz is the Beta Gamma Sigma Distinguished Business Scholar of the Year. His topic will be Management in a (partially) Regulated Economy. □

Dean Visit — from column 2

Boulder, former Professor of Management Science, U of M 1964-71.

Feb. 9 & 10 **Richard L. Van Horn**, Vice President for Business Affairs and Professor of Industrial Administration, Carnegie Mellon University.

Feb. 13 & 14 **David M. Lilly**, Member of the Federal Reserve Board, June 1976-January 31, 1978, former President and Chairman of the Toro Company, member of the Board of the Federal Reserve Bank of Minneapolis from 1969-73.

Feb. 16 & 17 **Ferdinand K. Levy**, Professor Georgia Institute of Technology, College of Industrial Management; Dean College of Industrial Management, Georgia Institute of Technology, 1972-77.

Feb. 20 & 21 **Paul O. Gaddis**, Sr. Vice President for Management & Finance, University of Pennsylvania, and Professor of Management and Multinational Enterprise, Wharton Graduate School.

Feb. 27 & 28 **Robert K. Jaedicke**, Wm. R. Kimball Professor of Accounting & Associate Dean, Graduate School of Business, Stanford University.

The visit scheduled over two days gave the candidates time to meet and visit with University Central Administration officials, other University college deans and department heads, College of Business faculty, staff and students, the College Consultative Council and other business leaders.

Prominent among a formidable list of criteria for selection of the dean were: 1) have the stature to command the respect of the college faculty and staff, fellow deans, the central officers and community (business, government, public, etc.); 2) evidence of an understanding of the goals and purposes of an academic institution of higher learning, a demonstrated appreciation of research and scholarship and a record of personal creativity; 3) evidence of an ability to interact effectively with diverse constituencies, students, faculty and staff, business, labor, the public and government, and especially to capitalize on the opportunity resulting from a productive relationship with the business community. □

Business Survey — from column 3

ber of reports of increases in production (thirty-two percent) and the remaining third report no change from three months ago. This is the first time since the February 1975 survey that manufacturers on balance have reported a decline in production.

Sixty percent of manufacturers and forty-five percent of retailers reported employment at the same level as three months ago. Reflecting seasonal conditions, only two percent of retailers reported an increase in employment. Poor weather and increases in the minimum wage were also mentioned by some retailers.

Retail conditions likely to improve; Manufacturing conditions more questionable

New orders received by manufacturers are down on balance, with forty-three percent reporting declines and only twenty-five percent reporting increases. In addition, more manufacturers report increases than decreases in inventory levels. Such a combination does not look good for further expansion in manufacturing. However, very similar reports were received exactly a year ago, and were followed by increases instead of decreases in manufacturing employment and production. In last year's situation, the drop in new orders was ascribed to the economic dislocations caused by winter weather conditions. Thus, to the extent that manufacturers who experience declines in new orders can trace them to temporary factors, the present reports may not be forerunners of an economic slowdown.

Retailers appear to be anticipating continued expansion. Compared to a year ago, sales, inventories, and employment have all increased on balance. Thus the current declines compared to data for three months ago are most likely due to seasonal factors.

This quarterly survey is based on the responses of a panel of 149 Minnesota retailers and manufacturers. It is prepared by Ms. Cathie Michlitsch, Graduate Assistant, under the supervision of Professor Roger B. Upson.

Copies of the full report may be obtained by calling the Research Division, 373-4482, or by mail to the College of Business Administration. □

Effective Economic Policy Discussed by Fed President

Mark H. Willes, President of the Federal Reserve Bank of Minneapolis, discussed "Key requirements for effective economic policy in an address to the business and University community on November 17. Willes, at age 35, is the youngest person to be appointed president of a Federal Reserve Bank in the history of the Federal Reserve System. He arrived in Minnesota in April 1977 to assume his new position.

The community lecture at Willey Hall was Willes' largest audience since arriving in Minnesota. Approximately 800 persons were in attendance — comprised principally of students, faculty, and numerous business executives. The lecture was sponsored by the Business School's Department of Finance and Insurance, the Department of Economics, and the Minnesota MBA Finance Association. Some twenty-two of the area's major corporations and trade associations served as financial sponsors of the event.

Willes stressed the conditions he considers essential to effective economic policy: 1) have a good knowledge of how the economy works, 2) use appropriate tools to influence the economy, 3) have the consent of the public—general agreement that the policies that are being followed are appropriate. He went on to state that "we are a long way from satisfying any of those conditions, and we will not have the kind of economic policy we all want, until we have made a great deal of progress in each of these three areas."

In order to have public support for governmental policies it is necessary to scale down the rhetoric, the public promises, the expectations, so that "public officials and policy are believable and therefore worthy of support." Willes went on, "One of the reasons why it is necessary to limit what we say we can accomplish with economic policy is because we really don't know very well how the economy



Mark H. Willes

works. . . . We know (I think) how to prevent major depressions such as was experienced in the 1930s. And we know how to prevent the run-away inflation that we saw in Germany after the war. But we don't know how to fine tune the economy to produce steady growth—with no ups and downs. We don't really know how to get stable prices and low unemployment at the same time."

It is to "the academic community and other research groups that we look to for the theories, the empirical tests, and the insights that will allow us to improve our understanding of how the economy works. . . . We must have a coherent theory of how the economy works; one which has been *Economic Policy* — to column 13

The Role For Auditors, Subject of Alumni Lecture

What is the role for auditors and what should it be? Robert E. Hamilton, Assistant Professor of Accounting, discussed his findings in research he has been conducting on "The Role for Auditors in an Economy", as a result of a stipend from The American Accounting Association.

With the recent U.S. Senate investigation of the public accounting profession (the Metcalf Committee), the tentative conclusions reported by the AICPA's Commission on Auditors' Responsibilities and the AICPA's recent policy action creating two categories of CPA firm members, the auditor's role in society has been subject to criticism and is expected to change.



Robert E. Hamilton

Professor Hamilton reviewed and analyzed some of the recently suggested changes and criticism directed towards the public accounting profes-

sion using a basic economic framework to help explain the role for auditors in society.

Hamilton is a CPA in Minnesota and California, the Midwest regional director of the auditing section of the American Accounting Association, a member of the Minnesota State Society of CPA's Committee on Auditing Procedures and has worked in internal auditing, management accounting and public accounting. Prior to joining the faculty at the University of Minnesota CBA in 1976, he taught at Miami University, the University of Southern California, and the University of California, Berkeley.

Single copies of Hamilton's remarks may be obtained upon request to the Research Division, 612-373-4482. □

Message from the President

1978 promises to be a good year: one of continuing outreach by the University to the business community and Alumni . . . and a reaffirmation of the Alumni's commitment to the College of Business Administration and to the students.



Pam Nichols

The interest graduates have shown in reacquainting themselves with the College and becoming more active is most gratifying. Only through the interest and support of the graduates can the College be a great one. On behalf of the College of Business Administration's Alumni Board of Directors, I extend an invitation to join the Association if you are not a member and, if you are currently a member, to take advantage of the seminars, luncheons, services and facilities already available to you and to share your ideas and suggestions for improving our services with us.

Please direct them to me at 906 IDS Center, 777 Nicollet Mall, Minneapolis, Minnesota 55402.

Pam Nichols
CBA Alumni President □

Economic Policy — from column 12

tested against and supported by real-world facts and events." Willes said our needs are urgent in this regard.

Single copies of Willes address are available at no charge from the Research Division of the College of Business Administration. □

Alumni Update

1918

Ralph B. Beal died in December 1977 in Indian Wells, California.

1920

Gwendolyn E. Magandy reports that she has suffered a stroke but gets around fairly well in a wheel chair in Sunrise Manor, Tyler, Minn.

1924

Harry Mark lives in Tucson where he retired in 1956 for health reasons. He keeps active with charitable work. His daughter has passed the Bar in Arizona and Colorado; son is enrolled at the University of Arizona.

1930

Harold Fischbein lives in Edina and is President of the Dave Fischbein Company.

1931

Doris Hutton Vernon (Mrs. James R.) lives in N. Forestville, Maryland where she is self-employed as a Realtor. She received the Realtor of the Year last September from her County Board of Realtors, the first for a female in the county. She has three sons, is active in the Lioness', in church and as a realtor.

Horace Greenberg is semi-retired and lives in Laguna Hills, Calif.

1935

M. Rodney Effress lives in Rancho Mirage, California where he is President of Select Ventures, Inc. He is a Life Member of the Minnesota Alumni Association and President of the Mission Hills Country Club of Palm Springs, California.

1938

Marvin J. Pennington retired in 1970 from Commercial Credit Corporation to pursue personal interest in real estate in Los Altos, California. He served as President of the Northern California Alumni Assn. of the U. of Minnesota in 1967 and was Treasurer in 1977 of the City of Los Altos Silver Anniversary Project to benefit their local library.

1940

Virginia A. Langum (Mrs. John K.) died in 1967.

1941

Wm. R. Chamberlain lives in Pompano Beach, Florida since he retired from

3M Company as Chief Cost Accountant. He expects to spend summers at his Bay Lake home.

Carl A. White lives in Fargo where he enjoys traveling, hunting, skiing and politics since he retired. He has three married children. He served two terms in the North Dakota House of Representatives.

1947

Gerald R. Dirks is Vice President Investments and Financial Relations of the Dayton Hudson Corporation. He lives in Excelsior with his wife. He has three children and two grandchildren.

1948

Robert H. Dillon is Director of Tax Administration for Honeywell. He is married, has six children ages 14 to 23. Dillon is a member and 1st Vice President of the Tax Executives Institute; Minnesota Society of CPAs; church organist at Nativity Catholic Church in Bloomington where he lives.

1949

Harry Bernat, BBA also BEE '49 and MA/Public Administration '51, is Assistant to the Chief Scientist for Research and Development, Defense Communications Agency, Arlington, Virginia. He lives in Oxon Hill, Maryland with his wife, Frances Simon, BS/Med. Tech. '49. She works as a Doctors Assistant and office nurse for two internists in Maryland.

1951

Lloyd A. Wampach lives in St. Joseph, Michigan with his wife, Sally, where he is Vice President, Laundry Products Group of the Whirlpool Corporation. He has four children.

1952

Carl H. Fritze died in September in Tustin, California where he had been a partner in a law firm of Russell, Schuneman, Fritze and Hancock. A memorial has been established through the Motor Carrier Lawyers Association Foundation for a scholarship at the University of Minnesota in Transportation.

1957

James J. Keegan is senior partner of Cummings, Keegan and Company, CPAs. He was named Outstanding Chairman of the Year in 1976-77 by

Alumni Update — to column 16

Alumni Update — from column 15

the Minnesota Society of CPAs, is Vice Chairman of the Suburban Henn. County Voc-tech Accounting Advisory Board. He is married with two children; oldest daughter is freshman at U of M.

1961

J. H. Halldorson is Vice President and Controller for National Car Rental System and lives in Hamel.

1964

David G. Cook is Vice President Commercial Products of Litton Industries and lives in Fridley.

1967

Anthony Senarighi, MA/IR, is Corporate Director of Personnel for Buckbee Mears of St. Paul and lives in Shoreview.

Charles A. Warnes lives in Fresno, California where he is a safety engineer for the Hartford Insurance Company. He is married to Julie Olmstead of Edina and has a daughter age four and son age two.

1969

Michael L. Lovdal is an Assistant Professor at the Harvard Business School where he received an MBA with Distinction in '72 and DBA in '75.

1970

Earl H. Cohen, JD '73, is Principal Attorney in Office of Halpern and Cohen and lives in Minneapolis, is married and expecting a child in May.

Steven O. Haugland is Chairman of the Board of Haugland Insulation, Inc. and is President of Insulation Contractors Association of the Northwest.

David D. Yun, MBA '72 U of Calif., Berkeley, is married and has two children. He is Director of Marketing, Berkeley Photo, New York and lives in New Jersey.

1971

Claire L. (Hedemark) Golden, formerly of Ortonville, died suddenly from a stroke in May 1977.

1972

Victor Bodnia is Senior Auditor for Hennepin County and lives in St. Louis Park.

Richard A. Whiting, MBA '77, is an engineer for Honeywell in Hopkins and lives in Minnetonka where he enjoys amateur radio, cross-country skiing, canoeing and photography.

1973

Patrick J. Bradley is self employed as an attorney and lives in Edina.

James C. Scaramuzzo is a manufacturers representative for Pharmaseal and lives in Roseville.

1974

Jeffrey L. Hanson is Senior Accountant for Olsen, Thielen and Company and lives in White Bear Lake. He received his CPA Certificate in September.

Stephan T. Mann is Supervisory Survey Statistician, Data Collection for the National Unemployment Rate for the U.S. Dept. of Commerce, Bureau of the Census. Mann received the Dept. of Commerce Special Achievement Award for Significant contributions to data collection in the comprehensive redesign of the monthly survey of retail and wholesale trade. He is currently supervising the Population Survey which gathers data used to compile the National Unemployment Rate.

1975

Richard V. Muehlke, MBA, is General Materials Supervisor for Central Vermont Railway and lives in St. Albans, Vermont.

Larry E. Rittenberg, Ph.D., is Assistant Professor of Accounting and Information Systems, University of Wisconsin, Madison.

1976

Shelby W. Coyle is Supervisor of Business Accounting for Pillsbury and lives in St. Paul.

Cynthia R. Gillespie is Budget Officer and 2nd Lieutenant with the U.S. Air Force based at Warren AFB, Wyoming and is working on an MBA at the University of Wyoming.

Susan M. Kansier, MBA, is Senior Systems Analyst with Hills Bros. Coffee of San Francisco and lives in Daly City, California.

1977

Douglas W. Kirk is an Accountant with General Electric and lives in East Cleveland, Ohio.

Editor's Note:

We have received so many Up-date responses from Alumni that we have been unable to print them all in this issue but will do so in subsequent issues. Please keep them coming. □

from the
faculty pen

"Incorporating Judgments in Sales Forecasts: Application of the Delphi Method at American Hoist & Derrick" by Shankar Basu and Roger G. Schroeder, Reprint No. 165. Reprinted from *Interfaces*, Vol. 7, No. 3, May 1977.

In many organizations complete reliance on historical data is not an adequate basis for forecasting future sales. Since underlying conditions or assumptions may be changing, a means of incorporating management judgments in sales forecasts is needed.

This paper reports on the development and application of a Delphi method ("opinion methodology") for sales forecasting at the American Hoist and Derrick Company. Although the Delphi method has only been in use for one year, the sales forecast error for 1975 was reduced to less than 1 percent, whereas sales forecast errors for the previous ten years were significantly higher.

The authors conclude: that Delphi has definite utility as an analytical tool for predicting sales of a corporation. As the forecasts incorporate anticipation of the future by experienced and qualified individuals, the results seem to be meaningful and realistic; Apart from its analytical value, a Delphi study has an inherent educational value. The corporate officers are presented with past and present economic conditions and status. As a result, there is the development of a congruence in outlook on business conditions and corporate sales volume. This provides for a more uniform singular base for decision making by the different managers involved in the study.

"Pricing the Insurance Product —How Much Should Your Constituents Pay?" by C. Arthur Williams, Jr., Reprint No. 166. Reprinted from the *Proceedings of the Conference of Insurance Legislators*, February 1977.

This paper on pricing the insurance product is divided into three parts. The author first discusses what objectives insurers are trying to achieve in their pricing, or from a different perspective, what standards should be used to judge the effectiveness of insurance pricing.

The second part deals with ways in which insurance companies actually establish their rates. The third part is concerned with the subject of rate regulation, particularly the regulation of property and liability insurance rates. The model law is discussed briefly and its alleged advantages and disadvantages, and how some states have moved away from that particular approach.

"The Determination of Efficient Record Segmentations and Blocking Factors for Shared Data Files" by Salvatore T. March and Dennis G. Severance, Reprint No. 167. Reprinted from *ACM Transactions on Database Systems*, Vol. 2, No. 3 September 1977.

It is generally believed that 80 percent of all retrieval from a commercial database is directed at only 20 percent of the stored data items. By partitioning data items into primary and secondary record segments, storing them in physically separate files, and judiciously allocating available buffer space to the two files, it is possible to significantly reduce the average cost of information retrieval from a shared database.

An analytic model, based upon knowledge of data item lengths, data access costs, and user retrieval patterns, is developed to assist an analyst with this assignment problem. A computationally tractable design algorithm is presented and results of its application are described.

"A Relational Approach to Accounting Models" by Gordon C. Everest and Ron Weber, Reprint No. 168. Reprinted from *The Accounting Review*, Vol. LII, No. 2, April 1977.

This paper addresses some aspects of the problem of integrating accounting and information systems theories. Previous attempts at integration, especially the matrix and tree-theoretic approaches, are reviewed and evaluated. These attempts are criticized because they do not satisfy the requirements laid down by database management systems theorists as necessary for information systems to have long-term survival.

The relational database management approach is introduced since it provides a means to fulfilling these requirements. To show its relevance to accounting, the relational approach is

applied to a traditional managerial accounting model and a traditional financial accounting model. Various data retrieval operations are shown on these models. Finally, future research directions of an integrative nature are identified.

"Pricing in the New Issue Convertible Debt Market" by Gordon J. Alexander and Roger D. Stover, Reprint No. 169. Reprinted from *Financial Management*, Fall 1977.

Recent research on the efficiency of the common stock market has generally concluded that not only is the after-market efficient, but that underpricing of new issues also exists.

This study examines the initial pricing decisions of investment bankers in the new issue convertible debt market by analyzing the market performance of a sample of convertible debentures issued during the period 1967-1970. Using the mean-variance model, which explicitly measures the risk-adjusted performance of both the convertible debt issues and their respective common stocks, the authors test the hypothesis that this market is efficient as evidenced by a lack of systematically abnormal performance. The empirical results illustrate positive excess returns immediately after the offering, followed by price behavior typical of efficient capital markets. This suggests underpricing.

"The Roles of Internal and External Auditors in Auditing EDP Systems" by Larry E. Rittenberg and Gordon B. Davis, Reprint No. 170. Reprinted from *The Journal of Accountancy*, December 1977.

The increased complexity of EDP systems calls for new approaches to EDP auditing. As a member of the organization, the internal auditor has sufficient day-to-day contact with data processing to effectively design and carry out audit programs that should strengthen EDP controls. Internal auditors can be effective in "preventive approach" to EDP auditing. Technically competent EDP auditors can perform post-implementation audits of existing applications and audits of data processing operations that can strengthen managerial controls as well as provide substantial design phase audit input to ensure the auditability of newly developed systems.

This paper reports on a research study which investigated the EDP audit function in the internal audit departments of 39 major corporations. The CPAs participating in the study are willing to use the work of the EDP internal auditor. There are, however, differences between the audit activities presently conducted and the activities most likely to affect the external auditor. These results provide a good starting point for cooperation between CPAs and internal auditors interested in advancing effective EDP auditing.

"A Practical Approach to Selecting Record Access Paths" by D.G. Severance and J.V. Carlis, Reprint No. 171. Reprinted from *Computing Surveys*, Vol. 9, No. 4, December 1977.

The physical organization of information within a database has a major influence on the cost and performance of a computerized information system. The most efficient organization for a specific problem depends on the volume and intrinsic structure of stored information, the frequency and extent of updates, the formats and frequency of retrievals, and hardware accessing characteristics. Since these factors affect design performance in complex, subtle ways, an analyst faced with selecting a database design may well feel overwhelmed by the multitude of choices.

This paper offers the practitioner a straightforward comparison of traditional record-accessing structures. For the important class of applications involving a single record type, this article identifies the three most critical problem characteristics; it structures the essential macro-level design decisions; and it offers a procedure for choosing a reasonable data organization.

"A Call for Action: Students' Assessments of Personal Selling" by Alan J. Dubinsky, *Center for Experimental Studies in Business Reprint No. 27*.

Surveys of students' attitudes toward personal selling generally portray a negative perception of sales careers. Consequently, it is increasingly difficult to fill sales positions with the

Faculty Pen — to column 22

Faculty Pen — from column 21

quantity and quality of college students desired. Continuation of this situation could jeopardize the future of firms low in sales personnel. Despite the significance of the problem, little research has focused on the crucial issue of altering students' attitudes toward personal selling—a problem that must be resolved if business organizations are to build future success.

This paper reviews the literature pertaining to students' assessments of sales occupations and personal selling. Special attention is paid to students' perceptions of the sales job and the desirability of sales positions. Recommendations for future research into students' evaluations of the selling occupation, as well as the implications of the research, are suggested.

"Perceptions of Foreign Products: Changes Over Time" by Akira Nagashima and Robert J. Holloway, *Working Paper No. 39*, December 1977.

Images of foreign products are favorable or unfavorable for many rea-

sons. So it is with changes in product images. Currency problems, a well-known innovation, political problems and competitiveness are all added to one's own personal experience with the products.

In 1965, Nagashima conducted a study among Minnesota manufacturers in order to learn of their perceptions of products made in five countries. This report presents the results of a 1977 study and discusses the two sets of studies.

Probably the single most apparent finding in the latest studies was the improvement in images of Japanese products. Some parts of the old image remain in both the U.S. and Japan, but Sony, Nikon, Datsun and Seiko are giving Japanese products a new look. U.S. manufacturers, as a result, face greater competition in all markets. On the other hand, U.S. products have built up very respectable images over the years and these are still good.

"Uncertainty and the Selection of Depreciable Lives for Property Qualifying for the Investment Tax Credit"

by John C. Lere and Grover A. Cleveland, *Working Paper No. 40*.

What approach should the tax accountant use to select a depreciable life for newly acquired assets qualifying for the investment tax credit? The decision as to choice of life is made under conditions of uncertainty as to the period of time the asset will be in use. The investigation focused on the impact of choice of life on the net present value associated with the investment decision and recognized that there exists uncertainty as to the period over which the assets will be used.

The optimal choice of life is dependent on the taxpayer's marginal tax rate, the rate of return used in the present value calculation and the estimates of asset life. Generally, taxpayers with low marginal tax rates should select longer lives than those taxpayers with high marginal tax rates.

Single copies of the Reprints and Working Papers may be obtained at no charge upon request to the Division of Research, College of Business Administration. □



COLLEGE AND GRADUATE SCHOOL
OF BUSINESS ADMINISTRATION

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COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

Lilly Named Dean of College of Business

David M. Lilly, chairman of the executive committee of the Board of Directors of the Toro Company, was named dean of the College of Business Administration on April 10 and approved by the Board of Regents on April 14.

In announcing Lilly's appointment to the faculty, Vice President for Academic Affairs, Henry Koffler, said, "He has a particularly fortuitous combination of interests, experiences, and talents which make him seem exceptionally well suited for this position. He has over the years had close personal and professional ties not only with industry and commerce, but also with education and most recently with government in his role as one of the governors of the Federal Reserve Banks."

Dean Lilly joined Toro as vice president and general manager in 1945 after serving in the Army from 1942-45. He was named president in 1950 and chairman in 1968. On June 1, 1976, Mr. Lilly resigned those posts and took a leave of absence from Toro to accept a Presidential appointment to the Board of Governors of the Federal Reserve System where he served until February 24, 1978. He resigned as well from the boards of the First National Bank of St. Paul, the First Bank System, the Dayton Hudson Corporation, the St. Paul Companies and General Mills, Inc.

Lilly had also been chairman of the Board of Trustees of Carleton College, where he continues as a Trustee. He is a member of the Visiting Committee to the Graduate School of Education, Harvard University, and a member-at-large, Council of the Alumni of Dartmouth College. He also served as a member, and chairman, of the Board of Overseers of Thayer School of Engineering, Dartmouth College. He served as a Trustee of the St. Paul Academy for 17 years, secretary for 7 years and vice president for 8 years.

Since his return from Washington, D.C. he has rejoined Toro and has been re-elected to its Board of Directors.



Dean-Elect David M. Lilly
and Dean C.
Arthur Williams, Jr.

Mr. Lilly graduated from the St. Paul Academy in 1935 and received an A.B. degree from Dartmouth College in 1939. He was associated with the First National Bank of Minneapolis from 1940 to 1941, prior to serving as Assistant to the Undersecretary of the U. S. Treasury in 1941-42.

Mr. Lilly has been spending several days a week at the University since his appointment was announced meeting with faculty and University administrators although he did not take office officially until June 1.

C. Arthur Williams, Jr., Dean since 1972 when he was named to succeed J. Don Edwards, who was Dean for one year, 1971-72, will return to teaching full time after a leave to begin at the end of June.

Minnesota Business Conditions Survey

Seasonal up-swing in most indicators

Most of the indicators measured by this survey showed evidence of seasonal improvements in business conditions for Minnesota manufacturers and retailers. These trends are very similar to those experienced a year ago.

Manufacturers reported increases on balance in all areas with the most notable changes in production where fifty percent said production was up while only sixteen percent indicated a decline. New orders have also turned up with fifty-two percent of respondents indicating that orders are up while twenty-three percent report a decrease.

The retail picture is less consistent. Sales and inventory levels are up seasonally. However retailers are divided almost evenly as to whether sales are more or less than twelve months before. This is an unusual report and when taken with inflationary trends considerably dampens the impact of the seasonal increases reported in sales.

Survey-to column 4

In This Issue

Issue 61

June 1978

Column

Lilly Named Dean	1
Business Conditions Survey	3
Minnegasco-Doelz Award	4
Bank Management Casebook	7
Norris at B. Day	10
Dean's Message	13
Continuing Business Education	15
Alumni News	21
Faculty News	30
Faculty Pen	31

Minnegasco-Doelz Award to Study Impacts of Regulatory Environment on Decision-Making

Mary Lippitt, Assistant Professor of Management, has been awarded the Minnegasco-Doelz Faculty Enrichment Award for summer 1978 research. The award, initiated and supported by Minnegasco honoring Paul R. Doelz, retiring chairman of the Board at the time the award was made in 1977, is in its second year.

The purpose of the award is to create a working interface between the College and the business community by providing one faculty member each year with a five-week summer appointment during which the faculty member will be associated with a Minnesota business corporation. It will provide an opportunity for the member to gather information and experience that will be useful in the classroom, to generate research ideas or conduct a research project, or to discover new ways in which the College can be of service to the community. Companies who are interested and have projects or problems they would like help with are invited to contact the Dean.

Professor Lippitt's project is a study of Regulatory Environments on Decision-Making Processes. She will

be working with International Multi-foods. Her research will concentrate on unclear and unstable regulations, because they are hypothesized to be more disruptive than the clear, stable regulations. The nature and magnitude of the disruption is not yet understood. The purpose of her research is to determine what the impact is of unclear or unstable regulatory environment on the decision processes of a firm and on the individual managers' activities.

John Walton, Assistant Professor of Marketing, who received the first Minnegasco-Doelz Award for summer research in 1977, believes this type of award is extremely important in facilitating the close working relationships between members of the local business community and the business faculty which both recognize as mutually beneficial.

In Spring 1977, after discussing with the Tennant Company the possibility of a consulting arrangement, Professor Walton and company officials jointly identified a sales forecasting problem faced by Tennant. At that time, Walton decided to submit a pro-

posal for the summer research award to the Dean of the College who selects the recipient. When the proposal was accepted, Walton developed a formal schedule with Tennant. During July and August the computerization of fourteen quarters of sales data was accomplished. He then developed a regression forecasting model on the basis of these data. Professor Walton reports that initial performance of the model looks promising but needs more work and the relationship with Tennant is continuing.

"Frankly, I see this continuity in relationship as one of the most positive aspects of the Doelz Award, Walton says. The experience does not end after five weeks in the summer. Rather it may continue for some time in the future. Also, I see the Doelz Award as an excellent device to get younger faculty involvement with the business community. I hope that the Minnegasco-Doelz Award can serve as a model for other interested local companies to follow. I am convinced that as more bridges are built, greater benefits will accrue to both parties."

Survey-from column 3

Inflation is a continuing problem

A greater number of manufacturers reported increased prices for materials and components than at any time since the August 1974 report. Seventy-three percent of respondents reported increases compared with sixty percent in February. Eighty-two percent of retailers reported increases. This figure is likely to remain high as manufacturers' increased costs are passed on. A wide range of goods were cited by respondents as contributing to overall increases.

Employment problems trouble both retailers and manufacturers

Although manufacturers reported higher employment levels on balance than last quarter, the trend is not as strong as last year while there is an increase due to seasonal factors. Some

respondents report that uncertainty over labor contracts is impacting some industries.

The retail employment picture usually decreases during the first six months of a year, but this is the first time in two years that retailers have on balance reported lower employment levels when compared to the previous year. Some of this change is probably due to low retail sales levels but respondents also cite the increased minimum wage as a reason for cutbacks.

This report was prepared by Ms. Cathie Michlitsch, Graduate Assistant, under the supervision of Professor Roger B. Upson. This quarterly survey is based on the responses of a panel of 172 Minnesota retailers and manufacturers. Copies of the full report are available upon request to the Research Division at no charge.



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Professor-Author Hosts Contributors to Bank Management Casebook

Professor Paul Jessup of the Finance Department hosted a reception in the Campus Club in April for contributors and co-workers on his recently published book, *Modern Bank Management: A Casebook*, West Publishing Co., St. Paul. The purpose of the reception was to acknowledge and thank those who helped develop the published book.

Bankers and business executives who suggested case situations and banking problems, graduate students and former graduate students who worked on the cases, either in their development or in their testing, secretaries who typed the manuscript, editors and officials from the publishing firm, all attended the informal function. Professor Jessup's wife, his parents and brother who drove from Illinois, also were present.

Among those attending the reception were the following former graduate students who assisted in the development and/or testing of the cases and who now have taken positions in business: Jim Angle, Andy Christensen, Dodd Cosgrove, Bob Faulkner, Steve Fritze, Russ Heise, Duane Hoff, Jerry Kraut, Mike Monahan, Dave Moser, Lee Skold and Mike Summers. It is interesting that three of them have taken positions in area banks.

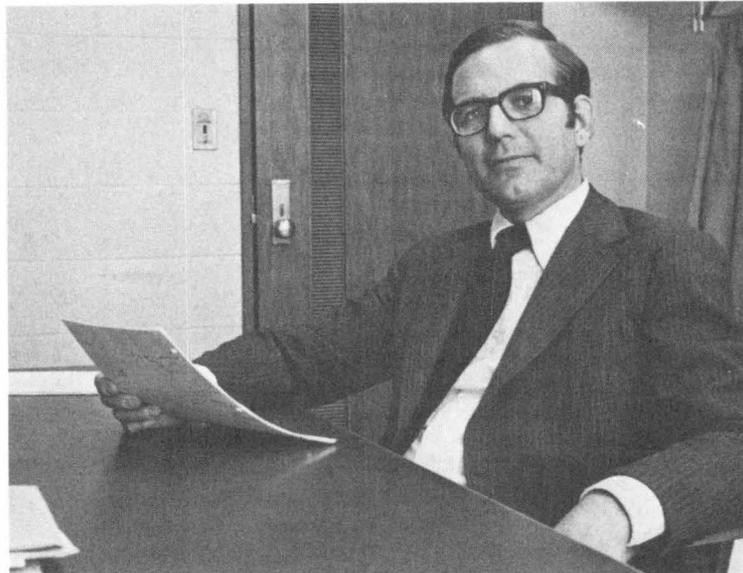
The cases in the book although disguised build on actual banking episodes. Bankers or bank regulatory officials have reviewed each of the cases in order to verify its realism. The cases build sequentially, are set in various geographical locations and depict various banking organizations such as unit banks, branch systems and bank holding companies and are of various sizes although they focus on medium size banks. They represent a spectrum, ranging from proposed new banks, to recently chartered banks, to banks with long histories.

Banks operate within a rapidly changing legal and regulatory environ-

ment, and these cases depict major changes in this environment. The cases involve many of the topics that concern modern bankers: the competitive inroads of nonbank financial intermediaries; competition and participation with government-insured lending programs; the costs and benefits of membership in the Federal Reserve System; floating-rate loans and deposits; and the explicit pricing of bank loans, loan commitments, deposits, and other services.

Bankers increasingly find that they make and have to account for their decisions in the context of changing social standards. Several of the cases discuss how some of the new laws affect bank loan policies and procedures. Several raise basic issues about the social responsibilities that face banks.

Each case usually cites one or more related readings to introduce students to sources of information about banking topics and to encourage them to search for articles that can increase their understanding of issues raised in specific cases. This book should enable students to develop their skills as decision makers.



Professor Paul F. Jessup

Ed Lewis Retires

Edwin H. Lewis, Professor of Marketing, is retiring after teaching in the College of Business Administration since 1947. He was Chairman of the Marketing and Business Law Department from 1965-75.

Professor Lewis received his MBA and Ph.D. from the University of Pennsylvania and taught at The Citadel, Charleston, South Carolina, and at the Wharton School, University of Pennsylvania while completing his graduate studies. From 1942-47, he worked for the U. S. Department of Commerce, Philadelphia Region, as Business Specialist and Consultant. He has been Editor, National Director and on the Committee on Professional Standards of the American Marketing Association, as well as President of the Twin Cities Chapter.

Professor Lewis has authored books and monographs on marketing and numerous articles for professional journals. He has consulted widely and has been a frequent participant in professional meetings and seminars.

To honor Professor Lewis, the Marketing Department sponsored a lecture by Reavis Cox, Professor Lewis' Thesis advisor at the Wharton School, on Marketing Channels on May 10, followed by a luncheon at the Alumni Club and a coffee hour later in the afternoon.

Norris Challenges Business Students in Business Day Address

William C. Norris, Chairman of the Board and Chief Executive Officer of Control Data Corporation, challenged business students to help private enterprise solve our national problems in his remarks at the Business Day luncheon at which he was the featured speaker on April 6.

"Society will not tolerate indefinitely the ever-rising costs of living, unemployment, underemployment, urban blight, ever-increasing energy problems, environmental degradation and inadequate education. The message is clear. Private enterprise will solve these problems or another system will take its place. If you don't provide the initiative and leadership in the years ahead for our business system, who will?" Mr. Norris concluded. Norris' address emphasized two facts: "our major societal problems of employment, energy, cities and environment are inter-related, their solutions ought to be inter-related: 2) millions of new jobs will come from the development and production of alternate sources of energy, from conservation of energy, from greater environmental protection and from building and rebuilding cities."

The programs for building and rebuilding cities "should be planned within a national framework with appropriate cost-sharing between government and business," Norris said. A national framework is "the assembly of information on replicable technologies that provide essential elements of quality urban living. The problems of South Bronx are essentially those of inner Dearborn. Solutions in one city should apply to another; today, one city doesn't know what worked and what didn't work in another. Even worse, cities across the country are repeating the same mistakes."

Norris luncheon address was preceded by two awards given annually by the College at B. Day: The Recruiter of the Year Award made by the College Placement Office based upon student votes on recruiters who interview students in the Placement Office during the year seeking jobs



William G. Norris, Control Data Corporation

upon graduation. Terrell Towers of the 1st National Bank of Minneapolis was this year's award winner. Robert Vigeland, Assistant Professor of Accounting, was named by the students as Outstanding Teacher of the Year. This was Vigeland's first year at the College. In addition to the honorary plaque presented to Vigeland, a check for \$500 contributed by the Alumni Board was given.

The morning session of B. Day, held at the Prom Center, had two sessions with representatives from local companies and a business professor as moderator on each panel. The session provided students an opportunity to learn what recruiters think about extra curricular activities and student jobs, interviewing skills and how to improve them, career opportunities and affirmative action policies.

The B. Day luncheon, sponsored by local companies, had seventy-five companies participating this year. Students are given the opportunity to meet and talk with local company representatives by selecting the company

they wish to sit with at the luncheon.

B. Day is the conclusion of the week-long annual Business Week which this year featured lectures by local business executives on various business topics each day of the week, the Cleo Awards film highlighting the best commercials of the year, and a computer simulation game to which college teams from throughout Minnesota are invited.

Perry Berg, Student Board President, and John Dunn, Executive Vice President of the Student Board, responsible for B. Day said "the 1978 B. Day program was once again a tremendous success, thanks to record participation from seventy-five companies who sponsored tables at the luncheon. We felt the cooperation of the company representatives was excellent and provided a good deal of information for students. The Business Board greatly appreciates the concern and interest of all the sponsoring companies and would like once again to thank them for their participation."

Dean's Message

To Alumni and Friends in the Business Community

Eight years have passed since I left my faculty position to become Acting Dean for one year, Associate Dean for one year, and then Dean. During these eight years the College has experienced many changes, many problems, and many advances.

The major development was a dramatic increase in enrollment which was not matched by a corresponding increase in resources. Student credit hours almost doubled over this period. We were pleased with this strong interest in our programs but unfortunately, because these were retrenchment years at the University, our staff increased only about 20 percent. The student-teaching faculty ratio is now about 25 to 1, considerably more than the University average of about 14 to 1. One bright note is that the situation is better than two years ago. Enrollment then was even greater than at present and faculty resources were less, producing a student-faculty ratio of about 29 to 1. Undergraduate admission standards introduced the following year and additional resources have improved matters but the College still needs considerably more faculty and staff. The University's Central Administration is well aware of these needs and intends to ask the Legislature for funds to improve our student-faculty ratio.

In addition to this heavy day workload the College accounts for about one-fifth of the evening classes offered by the University. This evening workload has also doubled over the last eight years.

The College continues to strive for both academic excellence and professional excellence. Its faculty is more active than ever in national, regional, and local professional associations. Its research output is much greater than ever before. It is producing an ever increasing stream of books, articles, and reports which add to our knowledge of business administration and increase the reputation of Minnesota in academic circles.

The College has long recognized that as part of a great University lo-

cated in a progressive metropolitan community and near the state capital it has certain comparative advantages which it should maximize. Accordingly during the past eight years the College has attempted to intensify the college-business community interrelationships. Examples are an expanded Continuing Business Education program including the Minnesota Executive Program, a quarterly lecture series sponsored by our Alumni Board, the Minnegasco-Paul R. Doelz Faculty Enrichment Award, a more vigorous Corporate Associates program, the Survey of Minnesota Business Conditions, Wheelock Whitney's Top Management Perspectives Course, a larger and more varied number of individual faculty consulting arrangements, and many improvements in *Business News*—publication on a regular basis, a new format, more pages, and a much larger circulation.

The appointment of David Lilly as my successor is consistent with this desire of the College to increase its ties with the business community. Dean Lilly's highly successful business and government experience, coupled with his keen interest in education and the community's needs, make him well-qualified for the leadership position in our school. As a full-time professor I will do my best to help him to raise the College of Business Administration closer to its yet unreached potential. I urge others to do the same.

In closing I wish to thank all who have helped me in various ways during the past eight years—faculty, staff, students, alumni, our Consultative Council, and friends. A special note of thanks goes to Roger Upson who as Associate Dean for the past six years has helped me and the College in countless ways. Being Dean has had its difficult moments but on balance it has been an enjoyable, rewarding, and highly educational experience. One of the great advantages of being Dean is the opportunity to become better acquainted with the full-range of activities of the faculty, staff and students and the achievements of its alumni. This knowledge has made me even more proud of the College than I was eight years ago.

Art Williams

What IS "Continuing Business Education?"

During the past two decades a movement toward "lifelong learning" has made inroads on the traditional view that schooling ends when you leave school. The American Society of Training and Development recently reported that industry spent \$1.2 billion on management development in 1976. Another study placed the figure at \$2 billion with one in eight employees participating in a formal learning experience. A third study identified 5.6 million registrations in 1967 with an increase to 8.8 million by 1976. The 1976 figure included 800,796 in non-degree offerings in business administration and management.

With the half-life of knowledge often reported at eight years, there seems little doubt that recurrent education—a descriptive favored by incoming Dean of the College of Business Administration, David Lilly—is not only increasingly necessary for the business community but is also an increasingly important obligation of CBA. That obligation is being met on many fronts. The Department of Continuing Business Education (CBE) is one of those agencies which now serves as a link between CBA and the business community. Participation in CBA management seminars has shown an increase parallel to the national figures. Started in 1965 with only ten seminars serving 400 registrants, CBE now projects some 80 seminars serving close to 3,000 participants for the 78-79 fiscal year.

While this increase in public acceptance of CBE efforts implies wide recognition of their programs, such is not the case according to Bernadine Hoff, Program Director for the Department. "Based on recent national statistics and our own population studies," she reports, "only two out of every 10 managers and executives are aware of our management seminars. There is much confusion about management seminars in general, these days; much

What is CBE-to column 16

What is CBE-from column 15

of it due to the proliferation of schools and private organizations providing various formats for continuing education."

"Letting people know what we're doing is not the only problem," Hoff continued. "Another issue—one that relates to quality—often comes into play." Many prospective enrollees, she reports have asked if a one-day seminar is effective. That was a legitimate question and CBE set out to discover if their one-day intensive teaching/learning sessions have long-range value.

In the survey of participants in 27 CBE management seminars, reports from respondents showed that, three months after attending a seminar:

- 90% said it was worthwhile,
- 67% were still using seminar notes and materials, and
- 91% have had opportunity to apply the skills and techniques learned.

Another ongoing concern of CBE is keeping up to date on the needs of management. Its present focus is on

three categories of management needs:

- Management seminars for mid-managers and key executives;
- Technical updating seminars for functional specialists;
- The Minnesota Executive Program for upper level managers.

The catalog recently issued describing seminars being offered from July to October includes lists of new topics now being developed. Dick Grefe, Director of CBE, had this to say about their plans for the future. "I would really like to hear from CBA alumni. I'd like to know the problems they face in their day-to-day work situations. And what we can do to help find solutions. I'd like to know if our current development plans are on target."

If you would like a copy of the new catalog, complete the form below or call CBE at (612) 373-3680. After you've looked through the catalog, call Dick Grefe or Bernie Hoff (612) 373-3680 and tell them what you think.

A Catalog of Continuing Business offerings is available upon request.

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Following are seminar titles for the coming months

July

- 11 Effective Report Writing
- 12 Introduction to Computers (For Users)
- 13 Time Management for Secretaries/Executive Assistants
- 18 Business Insurance and Risk Management
- 18 For Engineers: Writing to the Nonengineer
- 25 Managing Sales Personnel

26 Functions of Management: An Introduction

27* Finance for Nonfinancial Managers I

August

- 3* Working with Citizens' Groups
- 8 Delegation: Maximizing Employee Results
- 15 Time Management
- 16 Managing Conflict

17 Taxation and the Growing Business
30 Computer Applications in Management

September

- 5* Reading: An Effective Timesaver
- 6 Motivation: Keeping People Productive
- 7 Improving Performance Appraisal by Management
- 13* Written Communication in Business
- 19 Marketing for Managers Without Marketing Training
- 20 Planning and Budgeting in Business
- 21 Speaking to an Audience
- 27 Integrated Management: An Alternative to MBO
- 28 Interpersonal Communications for Secretaries/Executive Assistants
- 29* Finance for Nonfinancial Managers 1

*Only the first date of these multi-day offerings is shown. See seminar description for complete schedule.

University Foundation Honors Fellowship Program Contributors and Fellows

The University of Minnesota Foundation hosted its annual dinner honoring the contributing companies and the recipients of the Corporate Associates Fellowship Program at the Campus Club on April 25.

The dinner provides an opportunity for the sixty-three company representatives and the forty-five Fellows to get acquainted.

Richard A. Jay, Vice Chairman of the Goodyear Tire and Rubber Company, was the dinner speaker. John H. Gerstenmaier, President and Chief Operating Officer of Goodyear, a 1938 graduate of the University and a recipient of the Alumni Outstanding Achievement Award in 1977, was to be the speaker but was unable to attend at the last moment and offered Mr. Jay as a replacement.

Mr. Jay spoke on the need for cooperation and understanding between education and business and drew considerable response from both the business executives and the students on his remarks. He said "I believe the future of education in this country depends to a great extent on what businessmen think and do about higher education. I also believe the future of Business in this country depends to an even greater extent on what happens on the campus. I'm not suggesting that business and education should always share the same perspectives. But, I do believe that both should be taking dead aim on the same primary objective: Better living for all in a free society."

"Ever since the United States became an industrialized nation, the business community has been thinking about, talking about and doing something about its responsibility to higher education. The industrial accomplishments that made possible the distribution of over a trillion dollars in goods and services in this country last year are a result of our high standards and

achievements in education," Jay stated. He went on to note the many reasons Goodyear appreciates and benefits from cooperation from the academic community and outlined the kinds of support Goodyear gives to educational institutions in areas where it has concentrated operations and people available to work with the institutions.

In speaking about mutual understanding and cooperation between the business and academic communities, he said, "Business expects 'fair play' from the educators. We don't expect colleges and universities to *sell* the American economic system. But we *do* expect them to explain it and its accomplishments just as clearly and objectively as other systems and their accomplishments. If they do that, the facts alone will do the selling." He said he did not think business should have strings to its support of education but he could not "see using the fruits of the system to nourish teaching aimed at weakening or destroying it." He said he endorsed "wholeheartedly the free play of ideas on the campus and full and free consideration of all ideologies which society has considered for its advancement."

He stressed his belief that "the business enterprise system will stand strong and paramount as a way of life in any fair and equitable exchange of ideas The expansion and vitality of higher education in the United States today and its development through the years reflect, to a considerable degree, the support of business and the bond of common interests between the academic and business communities."

Since the beginning of the fellowship program in 1969-70, 155 awards have been made to College of Business graduate students, 93 for MBA and 62 for Ph.D. fellowships.

Management in a Regulated Economy

"The manager must recognize that regulation and national planning are here to stay. The only viable means of ameliorating their effects and stemming the regulation tide is for management to, first, appreciate and understand the rationale for the regulations affecting the manager's firm—whether management agrees with the rationale or not—second, to anticipate possible regulatory dicta, by achieving a greater awareness of the firm's responsibilities as a 'citizen' of this nation, and third, to act voluntarily in the economically optimal manner in accordance with these responsibilities and desiderata," Ira Horowitz, acting chairman of the University of Florida Management Department, said in his Quarterly Alumni Lecture May 5.

Horowitz' appearance was jointly sponsored by the College of Business Administration Alumni and Beta Gamma Sigma, National honorary business society. Horowitz was awarded the Beta Gamma Sigma award for Distinguished Scholar of 1978.



Ira Horowitz, Professor of Management, University of Florida, May 5, 1978 Alumni Lecturer

Horowitz stressed that management "must accept the national economic, social and political desiderata as crucial environmental inputs into the business system, and must treat those regulations that it has failed to finesse by anticipation as additional constraints that only limit the flexibility of the managerial decision-making process. Ignoring the desiderata, or seeking to either evade the regulations or delay complying with them, can only serve to encourage more regula-

Economy-to column 22

Economy-from column 21

tory activity and less productive regulatory activity and tighter restrictions, with all of the nefarious implications inherent in the latter. The choice is management's. And the choice is clear, if not especially palatable," he concluded.

Copies of Horowitz' Alumni Lecture are available at no charge upon request to the Research Division.

The 1978-79 schedule of Alumni Lectures follow:

July 27 Gary Dickson, Professor of Management Sciences, "Harnessing Information Technology: A Challenge to the Manager in the 1980's"

October 25 Carl Adams, Associate Professor of Management Sciences, "Clinical Education in Management: The Need for Teaching Clinics"

January 18 Peter Rosko, Associate Professor of Finance, "Economic Conditions in Eastern Europe"

May 10 Wm. Lazer, Professor of Marketing, Michigan State University Beta Gamma Sigma Distinguished Scholar Beta Gamma Sigma Distinguished Scholar of 1979

Alumni and business colleagues are invited to call the College Alumni Services Office (373-4174) if they would like to be on the mailing list for all the Alumni Lectures.

Alumni Update

(Unless otherwise stated, the year given is the year of the undergraduate degree)

New Alumni Board Members

The following alumni were elected to serve three year terms at the Alumni Institute: Dennis Cavanaugh, '65 BSB, Assistant to the Executive Vice President of the Soo Line Railroad; John Hake, '64 BSB, Vice President Communications, Dain, Kalman & Quail; Robert Potts, '65 BA, Touche Ross & Company; Lynne Medcalf, '71 BBA, Sippel, Von Kuster & Associates. They join the eight alumni whose terms continue. Pamela Nichols, '67 BBS, Corporate Staff Personnel Manager, Dayton Hudson Corporation, is President of the Board. Ron Everson, '51 BBA, Vice President, Piper, Jaffray & Hopwood, is Vice President.

Annual Alumni Board-Faculty Dinner

The Alumni Board hosted its annual dinner for the College of Business faculty on May 9 at the Alumni Club. Members of the College Consultative Council were also invited.

Alumni Institute

Roger E. Birk, President of Merrill Lynch, will be the keynote speaker at the annual Alumni Institute to be held this year on November 15 at the St. Paul Radisson Hotel.

Alumni Update**1922**

Philip R. Jacobson Retired in 1969 after 50 years in hardware trade association. Since "retirement" he has been a Management Consultant for the Small Business Administration and the Ace Hardware Corporation of Chicago. He and his wife have lived in Iowa for 47 years but still consider themselves Minnesotans at heart. Daughter Ruth and her family live in Appleton Wisconsin.

1926

Margaret Fisher Northridge lives in Lakehurst, N.J. Her husband died in 1975. Her only grandchild is a sophomore at the University of South Carolina.

1928

Robert O. Paulson retired from Sperry Rand-Univac Division after 37½ years, now living in Huntington Beach, California. He has two children and four grandchildren.

1937

Wilbur M. Bennett retired from 3M as Director of Civic Affairs about a year ago and now is working as a consultant

Dr. William L. Campfield, MBA, Visiting Professor, San Jose State University, received the L.J. Buchan Distinguished Professorship Award at the Beta Gamma Sigma National Honoree Luncheon in April. Campfield was in the first MBA class and served one quarter at the College of Business as a Visiting Professor in the Department of Accounting in 1973. He retired in June 1972 after serving as associate director in the U.S. General Accounting Office for twenty-two years.

John Spooner retired from the Internal Revenue Service at Los Angeles in 1969. For the past several years he has resided in Fort Dodge, Iowa where he has been occupied in managing an estate.

1942

Herbert J. Parker, Jr. recently moved from California, now lives in Arden Hills and is working for Overland Express.

1943

Allen F. Haskin lives in Tulsa, Oklahoma and is President of Manpower, Inc.

1944

Robert F. Thursdale, former Chief Auditor City Public Service in San Antonio, Texas, died in 1976.

1947

Alden H. Bowman resides in Menlo Park, California and is President and General Manager of Bowman Industries, Traffic Control Devices and Monitoring Systems.

1948

Robert C. Becker, Assistant Professor, Auburn University in Montgomery, Ala. Was in Class of 1941 but took time for W W II, retired Lt. Col. USAF. He was elected to Phi Kappa Phi while earning MBA at age 50.

Robert W. Gefvert, lives in Mt. Prospect, Ill. and is Regional Sales Manager for Converse Rubber Company. His two sons have also graduated from Minnesota.

1950

Richard I. Halvorsen is Operations Director for the Minneapolis Star & Tribune. He is married and has four children, one in Mechanical Engineering at the U of M. He was president of the Minneapolis Aquatennial for 1974-75, writes a weekly column on bowling for Minneapolis Tribune.

1951

William H. Farnum is Senior Cost Reduction Analyst for Pratt and Whitney Aircraft Group, United Technologies and lives in Bloomfield, Conn.

1952

Robert J. Roney is Marketing Director for First Data Resources (largest credit card processing company), lives in Omaha, Nebr., is married and has two sons.

Austin J. Stibbe lives in Mendota Heights and is Professional Standards Officer and a CPA for Wilkerson, Guth-

mann and Johnson. He and his wife have four children.

1954

Robert M. Redmond lives in Minneapolis and is Agency Relations Supervisor for Motors Insurance Corp.

1956

Herschel Kahn lives in Cincinnati and is Regional Personnel Manager for IBM. He is married and has four children.

1959

LeRoy A. Bengston lives in Denver where he is Vice President and Western Operating Region Manager for Management design Associates. He is a CPA and earned an MBA from Michigan State in 1966.

1960

Russell H. Ewert is Vice President and Manager of the First National Bank of Chicago in Kansas. He is married and has three children. He reports that he is doing some guest lecturing and regularly conducts seminars for AMR. He and his brother David, Minnesota MBA 1960, coauthored a chapter in *The Treasurer's Handbook*.

1961

Paul J. Marschall has been elected to serve a three-year term on the Indiana Association of Certified Public Accountants' Board of Directors. He is a partner of McGladrey, Hansen, Dunn and Company in South Bend, Indiana, has served on several IACPA committees and is a member of the American Institute of CPA's regional trial board.

1962

Robert J. Moeller, MBA '65, has joined Toro Co. in the new position of VP-Marketing and Sales for the company's outdoor power equipment group. He was VP-Marketing and Sales for Tonka Toys before joining Toro.

1963

Earl M. Hardy is a Partner in CPA firm in Phoenix Arizona, Mitchell, Hardy and Colbert.

Lou Nanne, who played hockey for the North Stars since the end of their first year here eleven years ago, was named general manager and coach in February.

John R. Nelson is a Partner in Ernst and Ernst in Edmond Oklahoma. He is married and has one daughter, age 12.

1964

Paul N. Keaton, Ph.D. '73, has accepted an appointment as Associate Professor in the School of Business Administration at the University of Wisconsin, LaCrosse. He has been teaching at the University of Tennessee.

1965

William J. Tomlinson, President of William J. Tomlinson and Co., Inc., an advertising agency specializing in printed media, lives in Deephaven with his wife Marilyn and two children.

1966

Leroy W. Peterson, Associate Pastor for Evangelism and Discipleship of the North Shore Baptist Church, Chicago, worked as an Associate Research Analyst at Equitable Life Assurance in New York before attending a seminary. He served a five year pastorate in Dubuque, Iowa before moving to Chicago.

1967

Charles W. Thelen, MBA, is agency manager for State Farm Insurance in Waukesha, Wisconsin. He is married and has four children, one is a junior in Aeronautical Engineering at the U of M.

1968

Jack Doty, Ph.D., is Professor of Management (on leave) at the School of Business Administration, University of Montana. He is currently Professor and Chairman of Management Development Programs at the University of Petroleum and Minerals in Dhahran, Saudi Arabia.

Norman G. Morrisson, is Director of Corporate Auditing for the First National Corporation (multi-bank holding company) in Appleton, Wisconsin. He is married and has a daughter, 5 and son age 2. He is Director and Treasurer of the Fox River Area Girls Scouts and Casa Clare, Inc. (a half-way house for women). He is a CPA in Minnesota, Michigan and Wisconsin.

Francis Taillefer is Senior Staff Associate at the National Center for State Courts. He received a MBIS (Information Systems Design) from Georgia State University. He is married and lives in Williamsburg, Virginia. He served in Vietnam and was awarded the Bronze Star and Army Commendation Medal.

1969

James P. Henderson, MBA, is Manager-Market Development/Car Repair Division, for North American Car Corporation and lives in Park Ridge, Illinois. He is married and has two children.

Lynn A. Hemming lives in Dallas, Texas and is employed by W. Pak, Inc. and will complete an MBA in International Management at the University of Dallas.

James B. Proman has been in private law practice since graduating from the U of M Law School in 1973. Most of his time is devoted to regulatory work in the area of natural gas at both federal and state levels. He is married to a buyer at Dayton's and has one daughter.

Scotland B. Rutherford, received an MBA in 1974, and is Manager, Research and Engineering Accounting and Control for the Pillsbury Company.

Andy M. Wangstad, is District Executive for the Viking Council, Boy Scouts of America and was recognized in 1977 with the Regional Distinguished Executive Award.

1970

Eugene C. Adams is Sales Representative for West Central Minnesota and N.E. South Dakota for Gamble-Robinson Company and lives in Spicer. He is married and has one son.

Thomas R. Brokl is Mail Order Analyst for D.R.I. Industries and lives in Minnetonka.

David M. Egeland, MA-IR, is a registered Representative for IDS and has been a qualifying member of the Millionaire Club every year since joining IDS in 1972, is currently enrolled in CLU. He is married with two children.

Bonita Kespohl Hackner is Manager, Merchandise Information Systems and Inventory Control for Dayton's.

Mark P. Kovalchuk is an attorney with Van Valkenburg, Comaford, Moss, Fassett, Flaherty and Clarkson.

Jerry Leener lives in Chevy Chase, Md. and is CPA-Director for Coopers & Lybrand. He is married and has one child.

Bruce E. Lindsey is Procedures Coordinator for the Minnesota Dept. of Economic Security and lives in St. Paul.

Owen G. Lokken, JD '75 John Marshall Law School, is a Tax Law Specialist with the J.I. Case Company in Racine, Wisconsin.

Bruce J. Owens is District Manager-Baltimore for Airborne Freight Corp. and resides in Fairfax, Virginia.

Keith A. Peterson is Manager for Price Waterhouse & Company and lives in Edina.

1971

Wm. L. DeCoursey, MBA '73, is Production Manager, Photofinishing Plant for National School Studios. He lives in Minneapolis, has three children, and five grandchildren. His hobby is genealogy and he is a board member of the Minnesota Society of Mayflower Descendants and the Minnesota Genealogical Society.

1972

Steven D. Hanson is President of Midstates Resin Supply Corporation and lives in St. Paul.

James D. Pavlik has been promoted to controller for Smoke-Craft, meat snacks manufacturer and part of International Multifoods' Consumer Products Division. He will be moving to the Albany, Oregon plant from Minneapolis where he has been audit manager.

Daryl A. Spilde, CPA, is Controller for Kohler Mix Specialties, Inc. in White Bear Lake.

Randall M. Olson is Auditor for Blue Cross of Virginia. He is married and lives in Virginia Beach, Virginia.

Paul E. Veit, MBA, is Audit Manager for Arthur Young & Company in Columbus, Ohio. He received an award for Highest Proficiency in Ohio and National Certificate of Honorable Mention on May 1973 CPA Exam. He is married to Barbara Runyon.

1973

Eric W. Ingvaldson is an attorney with Harstad & Rainbow and lives in St. Louis Park.

1974

Barry J. Konsor is an accountant with Union Engineering Company and lives in Oxnard, California.

Gerald B. Hanson, MBA, is Traffic Manager for Terminal Grain Corporation and lives in Elk Point, South Dakota. He is married and has a year old daughter. His wife, Elaine, HEC. Ed. '71, teaches Home Economics in the Sioux City Community School District.

Charles Meyer is an attorney with Oppenheimer, Wolff, Foster, Shepard and Donnelly and lives in Roseville. He graduated Magna Cum Laude from Harvard Law School in 1977. He received Elijah Watt Sells Gold Medal and Harold F. Utley Award for May, 1974 CPA Exam.

1975

Terrance L. Carlson will be an attorney with Gibson, Dunn & Crutcher in Los Angeles, following his graduation from the University of Michigan Law School in May. He was Associate Editor in 1976 and Managing Editor in 1977 of the *Michigan Law Review*.

Henry Thomas McCaffrey is an Analyst for Banco Financial Corporation and lives in Bloomington.

W. Patrick McKanna is a Registered Representative for the State Bond and Mortgage Co. of New Ulm and lives in Minneapolis.

R. A. Patterson, Ph.D., is an Assistant Professor at the University of Manitoba in Winnipeg.

Gary H. Schwartz is Human Resources Administrator for the Minnesota Mutual Life Insurance Company and lives in Bloomington with his wife, Kathleen.

Graig M. Sinks is Senior Sales Representative for Panasonic and lives in Edina. He received a Skill Competence Certificate in Systematic Selling Techniques in 1977.

Charnchai Suppamornpan, MBA, has started his own business doing importing and exporting of foods, beauty products and household cleaning products in Bangkok, Thailand.

James Harley Thompson is an accountant with Barbarossa and lives in Crystal.

Brian J. Tuttle, MBA, is General Accounts Supervisor for General Telephone Company of the Southeast and lives in Durham, North Carolina.

John Zellie, MBA '77, has been named Operations Manager in Hartford for the American Hospital Supply Division of American Hospital Supply Corporation.

1976

David C. Marty is Senior Associate Programmer/Analyst for IBM in White Plains, N.Y.

Business Faculty Member Receives Award

Roger Schroeder, Professor of Management Sciences, was one of seven University of Minnesota faculty members named recipients of the Horace T. Morse-Amoco Foundation Award for Outstanding Contributions to Undergraduate Education for 1978. He will receive the award at the college commencement in June.



Roger G. Schroeder,
Professor of Management Science

The award is named for a former dean of the General College and made possible through a grant from the Amoco Foundation. Each recipient will receive an award of \$1,000. Selection is made by a faculty-student subcommittee of the all-University Council on Liberal Education from nominees submitted by the colleges of the University.

Professor Schroeder received his BS and MS in industrial engineering from the University of Minnesota and his Ph.D. from Northwestern University in Management Sciences in 1966. He has been at the University College of Business for seven years.

In selecting Professor Schroeder, the all-University Committee said, "Professor Schroeder's success as a teacher stems from a sound teaching philosophy, a uniquely energetic teaching style, and an exceptional ability to establish a close rapport with his students" according to a colleague. He has made special efforts to bring "real world" applications to the classroom setting in order to make material more interesting and meaningful to students.

Not since 1968, when Professor of Accounting Glen Berryman received it, has a faculty member from the college received this award.

"Mixed Security Testing of Alternative Portfolio Selection Models" by Gordon J. Alexander, Reprint No. 172, reprinted from *The Journal of Financial and Quantitative Analysis*, December 1977.

This study expanded the previous work done in exploring the feasibility of using index models to approximate the Markowitz model by considering various fixed income securities (preferred stocks, corporate bonds, and U.S. government bonds, in particular) in addition to common stocks.

The author concludes that the inclusion of certain fixed-income securities in the selection of assets is beneficial to the investor by enhancing the location of the efficient set, particularly at low levels of return. Multiple index models may be used to derive the efficient set, since they accurately represent the Markowitz model. However, the improvement over Sharpe's single-index model is not significant.

"Foreclosure, Abandonment and Settlement: The Tax Effects on Mortgages" by Grover A. Cleveland, Reprint No. 173, Reprinted from *The Tax Adviser*, February 1978.

Although real estate values are continuing to increase due to inflation and possibly not due to true economic appreciation, investors in real estate will continue to encounter financial difficulties with economically unsound properties. The end result may well be foreclosure, abandonment, or settlement.

The tax results are numerous and varied. An owner can achieve capital gain or ordinary gain, capital loss or ordinary loss, or deferral of income recognition in the appropriate disposition or settlement transaction involving real estate. This study summarizes these effects and notes that the tax consequences of the various solutions should be considered and planned appropriately for to provide some small haven to an otherwise financially troubled investor.

"A Reevaluation of Alternative Portfolio Selection Models Applied to Common Stocks" by Gordon J. Alexander, Reprint No. 174, reprinted from *The Journal of Financial and Quantitative Analysis*, March 1978.

Two methods for deriving efficient sets involve either the Markowitz approach, where every security can be viewed as being related to an index unique to itself, or the Sharpe single-index model, where every security is related to the same index. Given the extreme differences between these models, Cohen and Pogue developed two intermediate models. They found that the efficient set derived from the Sharpe single-index model came closer to approximating the Markowitz model's efficient set than their models when empirically tested on a sample of common stocks. Subsequently a similar test was performed by Wallingford which yielded contradictory conclusions.

The objective of this paper is to locate the major source of the discrepancy between these two studies, allowing a definitive statement to be made regarding the use of these index models to describe ex post common stock returns. The results show that the major source of the discrepancy between the two studies lies in the method of forming indices. There is no need to use a multiple index model described by Cohen and Pogue if an index based on a large population is used for the single-index model.

"The Market Reaction to Statement of Financial Accounting Standards No. 2" by Robert L. Vigeland, *Working Paper No. 41*, Dec. 1977.

SFAS No. 2, issued in October, 1974, required that the costs of all research and development activities be expenses in the year incurred. Firms that had previously been deferring some portion of these costs were required to change their accounting method. This study considers, both analytically and empirically, the effect of this accounting change on the equilibrium prices of affected firms' shares. The *a priori* analysis leads to a hypothesis of no expected market reaction to the accounting change. This hypothesis is confirmed empirically by comparing the mean returns of 95 affected firms in the period surrounding the release of SFAS No. 2 with the mean returns of a control group of 95 comparable but unaffected firms.

"Inflation: What it Means for Life Insurance Sales and Portfolio Management" by Delbert C. Hastings, *Working Paper No. 42*, September 1977.

What does inflation mean from the policyholder's viewpoint, which is basically the same as the sales viewpoint? Life insurance is doubtless seen by most people as still necessary. But with the spread of Medicare, Social Security, pension plans, change in women's working and the so-called breakdown of the family, the public's view of life insurance may have changed somewhat, though it remains central to their personal financial planning. The vulnerability of fixed dollar policies would seem to discourage purchase. But since insurance is a way of controlling risk, inflation may encourage the purchase of insurance. And by pushing up expected future living costs, inflation necessitates larger policies. Inflationary pressures probably push policyholders toward certain types of insurance: Term Insurance, rather than whole life; Participating policies and policies with mutual companies may be preferred; Policies offering inflation-hedging provisions may be sought; Group insurance may be sought with costs borne by the employer.

Portfolio Management: Inflation increases investor's risks also, making rational portfolio management more difficult. The predictability of investment outcomes declines. With increased inflation risk the insurance firm must pay more attention to its own survival, attention taken from earning returns for policyholders. Life insurance firms must, by the nature of their business, invest for long-term. Thus they must take risks out to and beyond the horizon of rational forecasting. Inflation acts perversely by shortening the horizon of rational forecasting:

Single copies of the Reprints and Working Papers may be obtained at no charge upon request to the Division of Research, College of Business Administration.

WHERE ARE YOUR CLASSMATES?

All of us, especially the longer we are out of school, wonder what has happened to the men and women with whom we spent much of four (or more) years.

The Alumni Board feels that your classmates also want to know about you and have, therefore, designed the following questionnaire. In subsequent issues, certain graduating classes will be highlighted with a brief sketch of each respondent.

Please fill out and return the questionnaire; feel free to give your editorial comments.

SEND TO: Ms. Mary Lou Hill, Assistant to the Dean
College of Business Administration
University of Minnesota
Minneapolis, MN 55455

Name _____
Last First Middle Initial or Former Name

Address _____
Street

_____ City State Zip

Year of Graduation _____

Current Employer _____

Current Position _____

INFORMATION YOU WOULD LIKE TO SHARE WITH YOUR CLASSMATES (MARITAL STATUS, CHILDREN, HOBBIES, HONORS, AWARDS, ETC.)

- I would like to join the Alumni Association (or find out more information about the benefits of membership).
- I would like to become more actively involved with the College or Alumni Association.
- I have an idea for an article for the BA Business News.

If you are changing or have changed your address and it has not been corrected, will you please return this addressplate to the College with your new address noted on it. It will save us a .25¢ charge for bad address mail return. Thank you. The Editor



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COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

College Programs Under Study Expansion Planned

The College of Business programs including curriculum, faculty and staff resources, and space available are all under study since Dean David Lilly began his term. The summer months have been devoted to concentrated work by two college committees, Deans Lilly and Foster and numerous staff.

For the past several years faculty attention has been directed to a revision of the MBA degree program but had awaited the arrival and input of a new dean. In June, after Lilly became dean, a faculty committee was elected to concentrate on the MBA program

during the summer and present its report to the faculty in September at a retreat before the Fall term opens. At the same time a committee was named to do an intensive market survey on the MBA and other degree and course offerings of the college. The Curriculum Committee is chaired by Professor Roger Upton, former Associate Dean. The Market Survey Committee is headed by Professor William Rudelius, Chairman of the Marketing Department.

The market research is based on surveys now under way of students, alumni and employers who represent

the market for the college's educational services, and covers the traditional BSB and MBA degree programs offered both day and night, and also the one or two-day continuing business education programs directed to working people seeking to upgrade their skills. Results will be given to the MBA Curriculum Committee for its use in revising the program and utilized in future consideration of other programs. The specific aim of the survey project is to learn what particular, teachable skills and knowledge a business school should convey to its students and to make certain that our curriculum teaches those skills and that knowledge.

The Curriculum Committee has reviewed both the existing program and *College Programs—to Column 7*

Dean Lilly Joins State Council on Economic Education

Dean David Lilly of the College of Business Administration has just been named to the Board of Directors and Executive Committee of the Minnesota State Council on Economic Education. Lilly's involvement in the Council reflects the tradition of the College of Business Administration's commitment to cooperative and objective economic education.

The Council, formed in 1961 as a non-profit organization, is aimed at impacting the quality and quantity of economics taught in Minnesota schools. It implements its programs of teacher training, curriculum development, research and general services through six affiliated collegiate centers (located at the State Universities of Moorhead, Mankato, and St. Cloud, the College of St. Thomas and the University of Minnesota — Minneapolis and Duluth). The Council is recognized as a national as well as local leader in economic education.

The Council is supported by some 179 corporate, union, and educational organizations. Its program budget is currently \$150,000 per year. In addition, each of the affiliated collegiate institutions and some 120 cooperative pre-college schools make a commitment of resources. Last year the Council worked with over 700 teachers on improving economic education in Minnesota.

Both Professors Paul Grambsch and C. Arthur Williams were active in *Economic Education—to Column 9*

Minnesota Business Conditions Survey

Retailers report increased sales and stable employment

Retail sales are reported to be higher than three months ago by sixty percent of panel respondents, while only ten percent report declines. Although some of this increase would be expected on seasonal basis, this report represents a substantial improvement over the past survey in May, when almost a third of the retailers reported lower sales. Fifty-seven percent of the retailers indicate that sales levels are higher than for this period a year ago.

Retail employment is reported to be the same as three months ago by *Business Survey—to Column 6*



Wm. Becker and Dean Lilly

In This Issue

Issue 62	September 1978
	Column
College Programs Under Study	1
Lilly Named to Economic Ed Council	1
Business Conditions Survey	3
Business and Society Course Study	4
EES Begins 5th Year	13
Team of the Year	16
Alumni News	22
Faculty News	32
Continuing Business Education	34

Business and Society Courses Studied

Two Business Administration faculty, Professors Delbert Hastings and Robert Holloway, have undertaken a study of Business and Society courses which were developed in most schools of business about a decade ago. These courses were designed to sensitize future managers to the changes in values, laws and institutions brought about by the turbulence of the 1960's and 70's which affected views of what business' appropriate role and behavior should be.

A variety of dissatisfactions and discontents have arisen and these courses have not achieved stability and acceptance comparable to others in the curriculum. Seeking means to found the course more solidly and to increase its acceptance in both academic and business circles, the authors undertook by mail survey and personal interviews to get at reasons for its problems and to offer some thoughts and recommendations for its future. The Levi Strauss Foundation interest in assisting the teaching of social responsibility in business schools prompted it to offer financing for the study.

The study involved a mail survey of leading AACSB member schools scattered throughout the United States, with 47 of 90 responding, and personal interviews with some 50 businessmen, business college faculty members, association executives, and government officials. Interviews were conducted in Boston, New York, Washington D.C., Chicago, the Twin Cities, Seattle, San Francisco and Los Angeles. Because of non-returns the mail survey results are probably more representative of schools placing emphasis on the social responsibility of business than of those less interested.

Respondents' views were asked on five main questions: Does the school offer a Business and Society course, is it required and will it be continued? What is your perception of the state of the world today in the relationship of business to society? What do you see as the principal purposes of the Business and Society course during the next few years? What are your biggest problems relative to the Business and Society Course? What assistance could a business firm offer to help improve the Business and Society course?

Of the 47 mail survey respondents, 41 were offering one or more courses in the Business and Society area, and all 41 expected to continue offering the course. Two additional respondents expected to institute such courses. Some non-offerers noted the availability of closely similar courses or indicated that such material was incorporated into other business school courses.

No evidence arose in the survey that the Business and Society course is declining in interest or acceptance. Whatever the difficulties with the course, its importance apparently is sufficiently recognized to insure it a place in the curriculum at least at present. Twenty-six of the 41 require the course for graduation, several of those, however, only at the MBA level.

The authors who have both taught the course in the ten years it has been given at the College, note some of the changes that have occurred since the course was instituted and some likely to occur. They conclude that "this theme, management of external affairs, was one of the original conceptions of the Business and Society course, and while the specific issues falling within its purview rose, matured and fell, the general external management function has now been recognized as necessary and lasting."

Single copies of the working paper will be available upon request to the Research Division of the College. □

Business Survey—from Column 3

sixty-eight percent, and the same as a year ago by sixty percent of retailers. Minimum wage levels continue to be cited as contributing to decisions to keep employment relatively level.

Nearly all retailers experience price increases in their purchases, but some manufacturers experience decreases. A continuing feature of survey responses is high agreement that inventory prices have increased over a year ago and over three months ago. Indeed, this survey shows that eighty-seven percent of retailers are facing increases compared to three months ago. This is the highest figure ever reported since the survey commenced in May 1974.

Although manufacturers on balance agree that prices of materials are higher than in May, there are some areas where prices have declined seasonally, mostly in agricultural products. Only twenty-three percent of manufacturers said prices paid by them were the same as in May.

Manufacturing indicators continue upward

Almost half of the manufacturers report increases in production, new orders, inventory levels, and employment since the last survey in May. Most of the rest report stable activity levels, with relatively few reporting decreases. Although new orders are up, on balance, with forty-three percent reporting increases and only twenty-four percent reporting decreases, a number of respondents commented about increased competition and more quotation activity related to orders received.

This report is based on the responses of 91 panel members in manufacturing and retailing companies from throughout the state. It was prepared by Ms. Cathie Michlitsch, Graduate Assistant, under the supervision of Professor Roger B. Upson. It is based on the responses of a panel of 172 Minnesota retailers and manufacturers. Copies of the full report are available upon request to the Research Division of the College. □

College Programs—from Column 3 previous proposals for revision and has included analyses of programs at other schools. Currently the committee is working on the content of the degree, involving questions such as how best to meet the common body of knowledge requirements, how much concentration or specialization, and how much breadth should be required. It is also considering admission standards and the organizational implications for the college of any proposed curriculum. In addition to the results of the market survey, input is also being sought from other faculty members. An important consideration is the need to continue to meet the standards of the AACSB which is the accreditation agency for business schools.

Dean Lilly, former chairman of the Toro Company, has met with both committees during the summer to encourage and support their efforts. He is a vocal supporter of a strong MBA program and is working to develop a resource base which will allow the college to expand its MBA program.

Lilly thinks that there is even greater need and potential demand for business programs than has been indicated by increased enrollment over the past years. He believes that the College of Business with increased support from the business community, the University and the Legislature can become one of the very best business schools in the country to serve that need. He says he is committed to seeking that kind of cooperation and support which will enable the college

to acquire the resources necessary to do the job.

Resources which pay for additional faculty and staff and space have not kept pace with the student influx since the College first occupied the present building, having increased from 900 to 2200, a 150 percent increase. Senior faculty have increased by 40 percent over the same period, from 52 to 70. As a result, the faculty is now so overwhelmed with teaching duties that quality of instruction, research and service all suffer. Many new initiatives which the College could develop to be of greater assistance to the University and to the state have had to be discarded for lack of resources.

Although the University is committed to a major effort to expand legislative funding for the College, even a major effort may still leave funds inadequate to restore the quality of our service. Dean Lilly is committed to finding additional resources and will aggressively pursue all avenues, he promises, including expanded alumni giving, foundation grants, research grants, and gifts from business firms. But the key to fund-raising efforts Lilly says will be plans to expand educational services to local business firms, in the belief that non-recurring funds such as gifts from businesses and foundations will more likely be forthcoming in response to a plan of self-help.

Lilly says that in order to develop new programs and expand enrollment which will generate the extra funds the College needs, development funds are needed now to hire new faculty and supporting staff. Exploration with Central Administration on means to acquire the needed development funds is now underway.

Building needs are also under study. Rooms suitable for management development seminars and short courses, space where students can meet, relax over breaks and meals, offices both for the new faculty and program staff, and space to ease the overcrowding that has already occurred over the last fifteen years are all urgently needed. The University will be asked to pursue in the forthcoming legislative session, funds for renovation and expansion of the Business Administration Building to accommodate the clearly demonstrated need. □

Seminar in Banking and Public Policy

"Advanced Topics in Bank Management and Public Policy" was the title of a graduate Finance seminar co-taught by Professors Paul Jessup and Roger Stover during Spring quarter 1978. The seminar focused on topics such as: modern developments in electronic funds transfer systems (EFTS), benefits and cost of membership in the Federal Reserve System, measuring capital adequacy, expansionary bank holding companies, and new directions in bank supervision.

In addition to its assigned readings and its discussions, the seminar had a series of guest participants that included Frank Farrar (a banker and a former governor of South Dakota), Les Gable (vice president of the Federal Reserve Bank of Minneapolis and a CBA alumnus), and Jerry Hansen (regional counsel of the Office of the Comptroller of the Currency). Professor Bob Cramer, a Distinguished Visitor in Finance from the University of Wisconsin, led the final discussion session, in which several senior officials of Minnesota banking organizations were participants. Other CBA faculty and students attended some of these special sessions.

As with many seminars, the format went beyond the classroom to include informal luncheon discussions among students, guests, and faculty. □

Economic Education—from Column 2 the Council when they were Deans of the College of Business Administration, each was Council Chairman. According to Dr. George Young, Superintendent of the St. Paul Public Schools and current Council Chairman, "The Council is fortunate to have Dean Lilly join the Board and Executive Committee. The University's College of Business Administration's support of the Council has been a mainstay in its success over the years. Together with the College of Education and the Department of Economics, the College of Business Administration has insured the University's commitment to efficient and unique programming." Wm. E. Becker, Jr., Associate Professor of Economic Education, is Director of the Council. □



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College Recruiting Hits New High for 70's

College recruiting in 1977-78 got off to a fast start in the early months of the season and finished at an even faster pace. The activity, particularly at the bachelor's degree level, could well have been as high, if not higher than the boom years of the Sixties, according to Jan Windmeier, career planning and placement director at the College of Business Administration, a participating institution in the national Salary Survey conducted by the College Placement Council.

The latest data, prepared for the final Survey report of the season by the College Placement Council showed offers to bachelor's recipients up 35% over last year and 90% ahead of 1975-76, considered one of the better recruiting years of the Seventies. At the doctoral level, 20% more offers were recorded than last year and almost 60% more than in 1975-76. Master's offers did not show the same gains, rising only 3% over 1976-77; however, the increase over two years ago was almost 50%.

One factor which could be affecting the number of master's offers in business administration reported in the Salary Survey is the growing trend toward work experience prior to obtaining the MBA degree. Inasmuch as the master's portion of the Survey is restricted to candidates with one year or less of previous full-time employment, the number of MBA's eligible to be reported in the Survey may be declining.

While the number of offers provides an indication of employer demand for college graduates, these figures should not be construed to mean number of jobs available. In a highly competitive season, multiple offers are made frequently in order to fill one position.

Over 90% of the bachelor's offers came from employers in the private sector, with manufacturing and other industrial firms accounting for almost three quarters of them. The remainder were from government agencies (local, state, and federal) and non-profit organizations.

While all curricular areas at the bachelor's level experienced improvement, the emphasis was in the engineering curricula which accounted for 58% of total offers. Employers made 41% more offers to engineering graduates this year than they did in 1976-77. This was on top of last year's 53% increase over 1975-76.

The business-related disciplines, with 28% of the bachelor's volume, were up 30% over last year nationally. Jan Windmeier says that our offers are up but perhaps not as much as 30%. Other volume gains were 26% in the scientific disciplines and 21% in the humanities and social sciences. These last two areas accounted for only 9% and 6% of the total bachelor's volume.

Reversing last year's pattern and resuming a trend of several years, the percentage increase in job offers to women bachelor's degree graduates was considerably higher than for men. Women received 50% more offers than in 1976-77 while men collected 32% more. Although women accounted for only 21% of the total bachelor's volume, this represents a steady improvement. As recently as 1974-75 their proportion of the total was 13%.

The CPC Salary Survey, now in its 19th year, is based on job offers, not acceptances, made to graduating college students in selected curricula and graduate programs during the normal recruiting period, September to June. Data are submitted on an ongoing basis by approximately 160 colleges and universities throughout the United States. The Survey covers job offers in a broad range of functional areas, except teaching. Three reports are issued each year — in January, March, and July.

In starting salary averages, the undisputed leader for the second year was petroleum engineering with a monthly average of \$1,653. This average topped all of the master's-degree averages and was 9% higher than the \$1,513 average recorded by chemical engineering, the next highest bachelor's discipline. By contrast the lowest average offer to bachelor's candidates was to humanities graduates at \$871.

Business-related disciplines registered average offers of \$1,124 for accounting and \$993 for general business.

Generally, beginning engineering salaries increased 8% to 10% and business and other non-technical disciplines about 6% to 7%. Dollar increases in the sciences showed no particular pattern, ranging from a low of 4.4% for agricultural science to a high of 17.5% for the biological sciences.

All employer groups contributed to the increased activity at the bachelor's level. In the private sector, percentage gains of 40% or more over last year were reported by the aerospace-electronics-instruments, electrical machinery and equipment, glass-paper-packaging, petroleum and products, research and consulting, and public utilities and transportation categories.

At the master's level the composition of offers by broad curricular areas was: 56% business-related, 29% engineering, 12% sciences, and 3% humanities and social sciences. MBA graduates with a non-technical undergraduate degree received the most offers reported in the master's survey, followed by electrical engineers and MBA's with a technical undergraduate degree.

Women accounted for 18% of the total master's volume, up from 16% last year and 12% in 1974-75. Like the bachelor's level, the women's rate of increase in job offers exceeded the men's. Women master's candidates received 16% more offers than a year ago while men received only 1% more.

Editors Note:

In the December issue of the *BA News* we will report on the CBA Placement Office detailing our graduates' offers, acceptances and salaries.

In addition, we will also be conducting an alumni survey which has been suggested to us from time to time by various alumni who would like to know how they have fared in comparison to graduates from their year and other years, and in comparison to other fields. □

Employer Education Service Begins Fifth Year

The Employer Education Service (EES), a non-profit community service function of the Industrial Relations Center, College of Business Administration, will initiate, as it begins its fifth year, a training program of personnel-industrial relations policies and practices designed and adapted specifically for government and non-profit employers. These programs may also be presented on a co-sponsorship or contract basis with professional or employer groups. Tom Donaldson, Director of the Employer Education Service said.

Donaldson is beginning his second year as director, having served as deputy commissioner of the State Department of Human Rights for over ten years. Barbara A. Hanley is Associate Director of EES. Donaldson and the Industrial Relations Center are delighted with the acceptance and utilization the EES programs have had in the four years since it was funded by the Legislature largely as a result of the strong support given the program by prominent business and labor leaders. The EES was designed as a companion service of the Labor Education Service (LES) which had been servicing the continuing education and training needs of Minnesota labor both public and private since 1959.

EES audiences and programs are increasingly national in scope. Staff members are interdisciplinary, from industry, government and academic circles. Seminar leaders, also representing industry, government and academic institutions, are top professionals in their respective areas of expertise. The EES provides professional education and resource center opportunities to employers, focusing on personnel administration, industrial relations, and human resource management, topics at both line and staff levels. These services are delivered through: presentation of approximately seventy conferences, seminars, lecture series each year; providing information and referral, technical assistance services to employers with specific questions, problems; the publication of practical "how-to" guidelines, bibliographies.

All EES programs open to public registration now offer Continuing Education Units (CEU's) in conformance with the guidelines established and published by the National Task Force on the Continuing Education Unit. CEU's are accepted as evidence of educational attainment by many employers, credentialing agencies and professional associations.

Most EES programs are available on a tailored, contract basis to single employers or employer groups. Employers who have fifteen or more people who could benefit from instruction or a short course on a special subject,



Compensation Management Mini Course



may save dollars and increase program effectiveness by arranging for an in-house presentation.

The Management of Compensation course session pictured here is a three-day 'mini-course' in compensation management providing twenty-one hours of instruction and practice in the design, administration, and control of total compensation systems which is held annually. The topics move from discussion of the 'givens'

faced by different organizations in the design of compensation programs, to specific compensation alternatives for achieving organization goals (controlling cost, attracting/retaining/motivating employees, maintaining external and internal equity).

Instruction includes lecture, case examples, and participant problem-solving. Because of the scope of the

Employer Education - to Column 16

Team of the Year Selected

A 'million dollar' course team of MBA students working with Super Valu on an inventory problem won the competition for 'team of the year' by developing methods to reconcile a large deviation between a theoretical inventory level and an actual on-hand inventory level. These methods have the potential of reducing inventory substantially. Dave Naumann, Faculty Advisor to the team and Assistant Professor of Management Sciences, said in nominating the team for the competition, "The team members displayed outstanding initiative in an unfamiliar area, worked together with no conflict, and earned the respect of the company representative."

The Course (BA 8-159) Quantitative Approaches to Administrative Problems, is a project team required course in the MBA curriculum, which not only benefits the students by giving them live cases to actually work on with a local business or organization but also benefits the organization involved. The 'million dollar' designation

resulted from a calculation last year by one of the faculty coordinators of the program which put the market cost of the project teams since the initial year of 1972 at slightly over one million dollars.

The Super Valu team was composed of Jim Palmer and David B. Schreppe, MBA Generalists and Kevin Collins and Edward N. Bennett, MBA Finance Specialists. Eric Jaede served as the company contact.

The team first identified fifteen potential factors, then selected eight for analysis using the dual criteria of potential payoff and 'do-ability' in ten weeks, the length of the Spring Quarter course. Using several or all products of a sample of vendors in the eleven warehouses, the team studied these eight factors and chose five for detailed analysis. One of these required a lengthy study which was undertaken by Super Valu staff. The team studied the remaining four in detail. The results of their work indicate a potential 20% (\$20,000,000) reduction in a well-managed inventory.

Eric Jaede, an internal consultant at Super Valu, said he was extremely positive about this type of course, in that it gives 'real world' experience to students. It is very important that they get this kind of exposure along with their other course work. He is also

very positive about this particular team and its efforts. "They discovered some important things for the company that were surmised before," he said, "and made recommendations that the company began utilizing immediately." Jaede said, "we are so impressed with this team, which was probably exceptional, that we would like to have two teams next year." It took a great deal of Super Valu management time, almost full-time for Dr. Jaede, during the time the team was working on the project, but was well worth it.

Three teams were selected out of the thirty-eight who worked on projects in the course this Spring to present their project in June before a panel of judges selected by C. Arthur Williams, Dean of the College at the time. The judges were: Harold Chucker of the Minneapolis Star, Joe Delmont of the St. Paul Pioneer Press-Dispatch, Ron Hubbs, former Chairman of the St. Paul Companies, David Lilly, Dean Designate at the time, Susan Wolf, Lossing Orthopedic, C. Angus Wurtele, Valspar Chairman of the Board and Williams. Susan Wolf, Business Manager of Lossing Orthopedic, said she was impressed with the program from three standpoints: as a student — she took the course several years ago herself (she received her MBA in 1976); as a company contact when her company, Lossing Orthopedic, had a team prior to this year and as a member of the judges panel this year. She says it builds teamwork and

Employer Education—from *Column 15* subject matter and instructional methods employed, the seminar attracts persons new to the field of compensation, as well as those with up to five years of compensation experience, Tom Donaldson says. Seminar subjects covered are employment, personnel laws and their implementation, compensation, training and development, labor relations, personnel management and employee relations.

A catalog with a comprehensive listing of all seminars, conferences and courses describing the content, length, and current fees is available upon request. Calendars of program dates are also available and will be mailed semi-annually to organizations and individuals who have participated in some of the programs or who request to be on the mailing list.

Copies of the catalog and calendar will be mailed upon receipt of the form below requesting them.

Mail to the Employer Education Service, Industrial Relations Center, College of Business Administration, University of Minnesota, 271-19th Av. So., Minneapolis, Mn. 55455

Yes, I would like to receive copies of the EES Catalog and the calendar of programs for 1978-79.

Name _____

Address _____

Firm/organization _____

gives much needed practical experience to the students. She also feels it is very valuable to the company involved.

The other two teams were Apogee Enterprises and Horst and Friends. Apogee is a multi-division holding company engaged in several segments of the glass business. Sales have increased at a sizeable annual rate over the last six years and prospects are good for even faster growth in the near future. Internal cash flow has provided less than half of the capital required to finance this growth. The balance has been borrowed from banks and institutional lenders. Management is seeking improved methods for forecasting its capital requirements and for determining the optimum mix of debt versus equity in the company's capital structure.

Al Chambard, MBA Generalist, Edie Godfrey and Tim Hassett, Finance Specialists, and Ram Seshadri, Accounting Specialist, were the team members; Wm. Gardner, Treasurer of Apogee, was the company contact who worked closely with the team. Peter Rosko, Associate Professor of Finance, was the Faculty Advisor. Apogee management was extremely generous with their time to explain their business to the team. At least eight top management people were interviewed, Rosko said. The test of value — the recommendations already were being applied by the company at the time of the team presentation in June.

Gary Dickson, Professor of Management Sciences and Director of the MIS Research Center, Faculty Advisor to the third team, said that he was extremely proud of the work done by the student team and knows that the client, Horst and Friends, was very pleased with the quality of work. The problem addressed by the team was to investigate various markets and channels of distribution to those markets for new Horst hair care products. A survey of outlets and distribution channels led to a profitability analysis for the products. In addition, a marketing strategy was recommended. Since two markets, one termed professional and the other classed as consumer were involved, several alternative dis-

MBA Students and Alumni Form Organization

The Minnesota MBA Association, an organization of graduate business students and MBA Alumni interested in further developing themselves as business professionals, held an open house all day September 26 in the MBA/Faculty Lounge at the College to inaugurate the new organization.

The MBA Association evolved from the Minnesota Finance Association, composed of Finance Specialist MBA students, which was organized two years ago under the advisorship and with the support of Professor John Schreiner, Finance Department Chairman. That group of enthusiastic students realized that some of the most valuable learning they acquired during their MBA studies was acquired as the result of interaction with other students. They have been working for two years to develop an organization which would provide opportunities for students to get together after classes and outside busy study and work schedules to share common concerns, solve mutual problems, and learn from

tribution strategies were investigated. The recommendations, considered by the size and cash position of the business, were quite unique. This team had two Marketing Specialists, Sophie Bozek and Cynthia Kieffer and two Generalists, John Cervone and Arun Koparkar.

About half of the students in these three teams had some prior 'real world' business experience, ranging from heading a department in planning and organizing hotel services in one of the national parks to managing a newspaper to industrial engineering manager for a major national airline. The other half of the students came to the required course with fresh Bachelor's degrees, not all in business, and little business experience. Carl Adams and Roger Schroeder, Professors of Management Sciences, serving as co-

the experiences of peers the ins and outs of getting their MBAs and in succeeding in their careers afterwards.

The MBA Association Board and Diana J. Hays, President, have designed a program of seminars, speakers, social and business activities which they believe will be interesting and appealing to students and alumni alike. A small membership fee will support the program, mailings and special events.

The program will provide an opportunity to meet businessmen and women, corporate executives, staff/line managers from area firms, and recent graduates in one's own and other business fields; plan career options and opportunities through association-sponsored events, association contacts, and special intern projects; develop one's own valuable social and professional network with other MBAs; gather practical advice and opinions on classes, professors, Plan B papers, OAM projects, areas of specialization, and job-hunting.

MBA — to Column 24

ordinators of the course this year, said that about twelve to fourteen faculty members from the various departments of the College are involved with the course each year acting as advisors to about three teams normally. An expensive course to provide as a requirement of the MBA degree, Adams and Schroeder stress its beneficial exposure for the students. Registration is restricted to students in the last quarter of their MBA degree program.

One of the best recommendations for the course was given by businessman turned dean, David Lilly, who said after the presentation by the three teams, "I would hire any one of them." □

Alumni Hear About Harnessing Information Technology

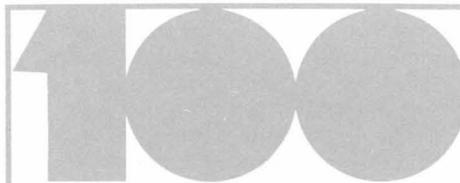
"We are in a productivity race and if we don't start using our technology, we are going to be in difficulty. A real crisis exists, and it is a crisis in managerial productivity. One of the attempts to increase managerial productivity is to utilize our technology . . . and we are doing an awfully poor job at the moment of harnessing that technology," Gary Dickson, Professor of Management Sciences and Director of the MIS Research Center of the College of Business Administration, said at the Quarterly Alumni Lecture in July.

Dickson went on to recount what some of the problems have been: oversell that has raised expectations far above what was realistic, uncoordinated information system development, lack of qualified professionals and experience, irresponsibility of top management, a hostile organizational environment and lack of properly directed resources in terms of research and education.

What about solutions? "One of the solutions has got to be to recognize that the problem exists, first of all, on a national productivity level, and secondly, from an organizational level, in each individual organization." On the individual organization level, he said, you must have the basic data processing system functioning as a base before you can start to develop management information and utilize this technology to assist the manager. Secondly, there must be a key MIS executive with the proper kind of attitude. And most important, is the attitude and role that is played in the organization by the senior management. Dickson concluded by stressing what the College of Business MIS Research Center and Management Sciences have done and are doing to help bridge the gap between what is and what might be in the MIS area. By all measures, they have been very successful with rather modest resources.

The next Alumni Lecturer will be Carl Adams, Professor of Management Sciences, who will talk about Clinical Education in Management: The Need for Teaching Clinics, on October 25. Reservations may be made by Calling the Office of Alumni Services, 373-4174.

Copies of Professor Dickson's address may be obtained by request to the Research Division of the College.



Century Council Holds Annual Meeting

The 4th Annual Century Council luncheon was held August 8 in the Alumni Club in Minneapolis. Alumni Board members also attended. Dean David Lilly was the featured speaker.

The Century Council is composed of alumni and former students who contribute one hundred dollars or more annually to the College of Business. The current number of Century Council members is fifty-one, thirty three located in the Twin Cities.

MBA—from Column 21

MBA alumni who may have been missed in the initial mailing and who are interested in learning more about the association and/or in joining it may complete the form below and return it to the College.

Diana J. Hays, President
Minnesota MBA Association
University of Minnesota
271 19th Av. So.
Minneapolis, Mn. 55455

Yes, I am interested in learning more about the MBA Association and in membership.

Name _____

Address _____

City _____ State _____ Zip _____

Year of MBA Degree _____

Alumni Institute Scheduled

Roger E. Birk, President and Chief Administrative Officer of Merrill Lynch & Company, Inc., will be the featured speaker at the 25th Annual Institute of the College of Business Administration. The program of panel discussions, dinner and keynote speech will be held at the St. Paul Radisson Hotel on Wednesday, November 15, 1978, beginning with the panel discussions in the afternoon.

Highlights of the event will be the presentation by Mr. Birk, The Need for Incentives for Individual Investment in Today's Economy, and comments by the recently-appointed Dean of the College of Business Administration, David Lilly. This annual event provides a unique opportunity for interaction among business people, faculty, alumni and students which will strengthen the important relationship between the Twin Cities business community and the College of Business. This year's Institute will continue to provide a community forum for the presentation of challenging ideas on the role of business in our society.

Alumni Update

1921

Max F. Stevens retired as officer of Wyoming National Bank of Casper, remains as Director. Mrs. Stevens passed away in 1971. His two children live in California.

1923

Maurice N. Olson retired from Western Electric two months short of thirty-six years, lives in Plainfield, New Jersey, a widower since 1970. His hobbies are flower growing and working part-time for a floral shop.

1924

Ethel M. Bowman, Mrs. D.M. Campbell, died in March 1977.

1930

Gordon L. Bjornstad retired as Controller of Land O'Lakes, active in Service Corporations of Retired Executives and in the American Association of Retired Persons.

Walter T. Miller retired as president of Electro Cote Company which merged into H.B. Fuller in 1970. Married to Lillian Decker of St. Paul, two daughters,

one a professor of German in Columbus and other one a paralegal in Chicago

Arthur H. Nielander retired in 1973 after thirty-three years with Birmingham & Prosser, a division of the Mead Corporation, as secretary of corporate division. Retired from Glenview, Illinois to Leisure World, Laguna Hills, very happy with Southern California climate. Active in church, lawn bowling, Illinois Club.

1931

Don W. Westbee retired in 1974 as Chairman of the Board and Chief Executive of the National Bank of South Dakota, the largest bank in South Dakota.

1933

Powell F. Krueger retired from Minneapolis Tribune as staff photographer after twenty-eight years. His hobbies are amateur radio, figure skating, biking, travel trailering and photography. Has two sons and one daughter, nine grandchildren.

1934

Dorothy A. Liebig retired as Assistant Vice President of Northwestern National Bank of Minneapolis in 1977, lives in St. Paul.

1936

Marion Cormack Nelson does estate and moving sales and lives in Minneapolis. She is a widow, mother of four and grandmother of two.

1938

Henry L. Bardin is a General Agent for Crown Life Insurance Company in Minneapolis.

1939

Willys P. Jones is President and CEO of Allison-Williams Company of Minneapolis, lives in Stillwater.

1942

Albert H. Heimbach retired as officer of Farmers and Mechanics Bank of Minneapolis. Married Frances Ann Roll, three children, six grandchildren. President of Minneapolis Aquatennial 1966, President of College of Business and of U of M Alumni Associations.

1943

Robert N. Pedersen, MBA 1947 Harvard Business School, Job Program Planner, Research Division, Stanford Linear Accelerator Center, Stanford University. Married, four children, four grandchildren.

1946

Ted Tasuku Yamada died in March 1978.

1947

Einar Hardin, MA, Ph. D. 1957, Professor of Labor and Industrial Relations, Michigan State University.

1948

John S. Cardarelle lives in Fort Lauderdale where he is Sales Manager for VWR Scientific of Miami.

Carl W. Vorlander is Executive Director of the National Association for State Information Systems in Lexington, Kentucky. He is married, has five children.

1949

John O. Starr died in November 1976.

**UNIVERSITY OF MINNESOTA
COLLEGE OF BUSINESS ADMINISTRATION ALUMNI ASSOCIATION
25th ANNUAL INSTITUTE**

THE RADISSON HOTEL, ST. PAUL WEDNESDAY, NOVEMBER 15, 1978
For reservations, please return this form and your check (made payable to the 25th Annual Institute) to: Alumni Services Office, Business Administration Tower, University of Minnesota, 271 19th Avenue South, Minneapolis, Minnesota 55455.

Please Reserve _____ registrations at \$15 each

Name _____

Company _____

Address _____

City _____ State _____ Zip _____

Or for more information, please call Janet Windmeier or Annette Villars at 373-4174.

Everett P. Stephens, MBA 1964, is Deputy Director, Administration, St. Lawrence Psychiatric Center, Ogdensburg, New York. Married, four daughters, one of which received her MA LS at the U of M and is employed as medical librarian, St. Lukes Hospital, Fargo.

Richard D. Thorsen, Managing Partner, Thorsen, Campbell, Rolando and Lehne, CPA's, Teaching part-time in new Masters Program in Taxation, active in American Inst. of CPA's, Minnesota Society of CPA's. Wife, Rosemary, son, MD at Mayo, one daughter music therapist, one student at St. Catherine's.

1950

Peter Henningsen, Jr., Manager Packaging Worldwide Industrial Engineering, ITT NYC, lives in White Plains. 1969-70 National President of Society of Packaging and Handling Engineers, "Member of the Year" of Society of Packaging and Handling for 1968, *Who's Who in America* 1972-78. Hobbies are travel and music. Married, daughter, BS in Nursing, employed at U of M Hospital.

1951

Donald S. Bates, recently appointed Vice President and General Manager, General Electric Company's Information Services Business Division, the world's largest computer time-sharing business with operations in over twenty countries. Resides in Germantown, Md.

Richard C. Timmerman, President of First Metals Bank, Butte, Montana.

1952

Paul H. Meyers, Health Systems Management Consultant, resides in Clearwater, Florida. Retired Management Engineer, Director, Health Systems Research & Development Center, US Veterans Administration, Department of Medicine and Surgery, thirty-six years.

1953

George L. Glotzbach, Executive Vice President, Trust Life Insurance Company of America, lives in St. Paul. Married, four children. Hobbies: Old cars, numismatics, genealogy, biking.

1954

Robert M. Blatt owns a real estate development company in Wyoming, Ohio. Married, six children.

Rodger R. Wetherbee, Jr., Salesman with NVF Company of Atlanta, Georgia. Married, three children.

1956

Robert F. Garland, Vice President and Controller, Burlington Northern, lives in St. Paul.

1957

James E. Klapmeier is owner and president of Blue Water Yachts and lives in Mora, Minnesota.

J.C. Levendowski lives in Sacramento, California and is Assistant to the State Director of Vocational Education.

Allan N. Nash, '57 BBA; '59 MA-IR; '73 Ph. D., is Professor and Director of Graduate Studies, College of Business and Management, University of Maryland.

1958

Richard L. Norgaard, '52 BA Econ.; '58 MBA; '62 Ph. D., is Professor of Finance at the University of Connecticut and lives in Storrs.

1959

Lowell A. Medin is Rebuying Manager, Montgomery Ward Home Office, Chicago and lives in Palatine, Illinois. His hobby is working on the Medin and Grandstrand family trees. He is married and has two children.

J.R. Pearman, Ph. D., is Professor of Economics at the Florida State University in Tallahassee.

1960

John D. Sward is Market Manager Ores and Minerals for AT & SF Railway and lives in Evanston, Illinois

1962

Paul C. Nystrom, '62 BS Economics; '70 Ph. D. IR, is Professor in the School of Business Administration, University of Wisconsin-Milwaukee and lives in Whitefish Bay.

1964

Malte Faber, Ph. D., is Professor of Economics at the University of Heidelberg, Germany.

Tom Teresi is President, Advance Computer Systems and teaches Introduction to Computers in the Extension Division of the University. He received an MA from St. Thomas in 1967, is married and has four children, and lives in Wayzata.

1965

Michael J. Merriman is Assistant Controller—Procurement Division for General Mills. He is married, has two children and lives in Wayzata. He enjoys flying and softball.

James S. Rausch, MBA is Vice President, Brown Bridge Division of Kimberly Clark Corporation, lives in Troy, Ohio. He is married and has two daughters.

Robert B. Allen is Manager of Internal Auditing for Bandag, Inc. and lives in Muscatine, Iowa.

1966

Randall R. Larson is Controller for Royal Stationery Company and lives in Minneapolis. He is married and has two children.

1967

Robert A. Benner is Partner in Riggs, Benner and Company, CPAs. He is married and has three children.

Robert P. Bowles, is Second Vice President of the Chase Manhattan Bank and lives in Jackson Heights, New York. He is married to the former Marcia Ann Duffy, a U of M graduate.

Edward M. Currie is Professor of Accounting at the University of Hawaii.

Thomas K. Lanin is General Controller, Litton Microwave Cooking Products and lives in Eden Prairie. He recently moved back to Minnesota after living in Michigan for eleven years, most recent six years spent with Diamond Crystal Salt Company, as Assistant Treasurer.

1969

Jim R. Hemak is Executive Director for Junior Achievement of Puget Sound and lives in Seattle.

1970

William L. Bedor is Systems Manager for Graco Manufacturing, working in Paris, France. He is married and has two children.

Michael C. Duepner, MBA '71, is President/Chief Executive Officer for the First National Bank of International Falls.

Richard M. Hetland is Manager, License & Fuel Taxes for National Car Rental System and lives in White Bear Lake.

Martin G. Johnson is an attorney with Johnson, Moonan & Bradshaw. He was awarded CPA Certificate in 1975. He works primarily in the corporate and individual business planning as well as estate planning. He is married, expecting first child in December.

1971

Louis R. Tilton is an attorney with Jardine, Logan & O'Brien in St. Paul. He is married and has one son.

1972

Erik G. Andersen, MS in MIS, is Systems Manager for Datapoint Corporation in Oslo, Norway. He is married, coaches and referees for soccer, enjoys x-country skiing.

Terry Irvine, MBA, is Spokane General Manager and Division Vice President, Van Waters & Rogers, division of Univac Corporation.

1973

John M. Dockerty is Controller & Data Processing Manager for American Academy of Ophthalmology & Otolaryngology, in Rochester, Minnesota. He received Certified Internal Auditor award in 1978, is married with two children. □

Foster Named Associate Dean

Professor of Economics Edward Foster was named Associate Dean of the College by Dean David Lilly in June. He took office July 1.

Foster was Associate Dean of the Graduate School since 1975. He has been a member of the Economics faculty of the College of Liberal Arts since 1961. He received his BA in Economics from Claremont Mens' College and his Ph.D. from Massachusetts Institute of Technology. □

Promotions

Gordon Alexander, to Associate Professor of Finance

John Dickhaut, to Associate Professor of Accounting With Tenure

Hoyt Wheeler, to Associate Professor of Industrial Relations With Tenure

New Faculty

Robert A. Hansen, Assistant Professor of Marketing (Ph.D. University of Wisconsin, 1973)

John P. Miller, Instructor of Management, (Ph.D. Northwestern, Expected Fall 1978)

Visiting Faculty

John Diracles, Visiting Lecturer of Accounting, Fall Quarter

Will Dombrowske, Visiting Lecturer of Accounting, 1978-79

James Nelson, Visiting Assistant Professor of Marketing, 1978-79

Thomas O'Connell, Visiting Lecturer of Management, Fall and Winter Quarters

Ken Wheeler, Visiting Assistant Professor of Industrial Relations, 1978-79

Gertrude Verser, Visiting Assistant Professor of Management, 1978-79

Leaves 1978-79

Robert Holloway, Professor of Marketing, to study business with emphasis on marketing and future planning in foreign environments in Japan and other Asian nations.

George Milkovich, Professor of Industrial Relations, to serve as faculty member at Graduate School of Management at UCLA.

William Weitzel, Associate Professor of Industrial Relations, to serve on faculty at University of Oklahoma.

Single Quarter Leaves

Mary Lippitt, Assistant Professor of Management, to study managerial decision-making in ambiguous authority situations. (Fall)

Roger Stover, Assistant Professor of Finance, to develop a predictive model for a one bank holding company formation. (Winter)

Mahmood Zaidi, Professor of Industrial Relations, to study wage-price-unemployment in US and Australia. (Spring)

C. Arthur Williams, Jr., Professor of Insurance, to retool professionally by revising two books, doing some research and preparing and delivering several papers at national meetings.

Departing Faculty

Steven Heinen, Assistant Professor of Management, resigned in January to work in industry.

Edwin Lewis, Professor of Marketing, retiring after teaching in College since 1947.

George O'Connell, Assistant Professor and Director of Labor and Urban Affairs, to Associate Professor and Director of the University of Connecticut's Labor Education Center.

William C. Pyle, Associate Professor of Industrial Relations, to join faculty of University of Massachusetts.

James Rakowski, Assistant Professor of Management and Transportation, to join faculty of Memphis State University.

Dennis G. Severance, Associate Professor of Management Sciences, to join faculty at the University of Michigan.

Cyrus Smythe, Associate Professor of Industrial Relations, to return to private business consulting, will continue to lecture in Industrial Relations.

Fred Jacobs, Assistant Professor of Accounting, leaves regular faculty to become Director of Masters of Taxation Program. □

Continuing Business Education Calendar of Business Seminars

Seminar Title	Date
Mathematics and Statistics Applied to Business	October 3
Introduction to Computers (For Users)	October 4
Time Management for Secretaries/Executive Assistants	October 5
Assertiveness Training for Managers	October 12
Understanding Financial Reports, Internal and External	October 17
Teamwork: Making it Work Through Communication	October 19
Chairing a Meeting: Staying on Target	October 20
Office Systems*	October 25
Management Development for Women*	October 25
Accounting for Nonaccountants	October 31
Elements of Human Behavior for Secretaries/Executive Assistants	November 1
Time Management	November 2
Finance for Nonfinancial Managers I	November 4
Finance for Nonfinancial Managers II*	November 6
Employee Relations: Laws, Regulations, and Trends	November 7
Effective Organizational Presentations	November 8
Functions of Management: Applications for Decision Making*	November 9
Letter and Report Writing for Secretaries/Executive Assistants	November 10
Effective Report Writing	November 13
Planned Growth: An Operational Approach	November 14
Business Insurance and Risk Management	November 16
Writing Organizational Manuals and Directives	November 17
Assertiveness Training for Women in Business	November 29
33rd Annual Tax Institute for Public Accountants	November 30
Better Management Through Team Communications	December 1
New Approaches to Decision Making	December 4
Reading: An Effective Timesaver*	December 5
One-to-One Communication in Management*	December 6
Duties of the Functional Manager	December 12
Written Communication in Business	December 13
Effective Listening: Improving Your Ear-Q	December 14
Teamwork: Making it Work Through Communication	December 19

*Only the first date of these multi-day offerings is shown. See seminar description for complete schedule.

If you would like the next catalog of business seminars, call (612) 373-3680 or write to: Continuing Business Education, 334 Business Administration, 271 19th Avenue South, University of Minnesota, Minneapolis, MN 55455.

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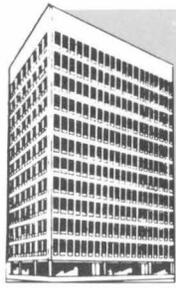


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COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

Business Alumni Hear Merrill Lynch Executive

Roger E. Birk, President and Chief Executive for Merrill Lynch & Co., spoke to the Business Alumni Annual Institute on November 15, on The Need for Incentives for Individual Investment in Today's Economy.

Birk said that Americans have been reacting logically to changes in our economy during the past 15 years, changes which have provided more incentive to consume excess dollars through spending than saving. Because of inflation he said "there is little incentive to save when you end up with less money in real terms than when you started. On the other hand, there is a real incentive to borrow, since you'll be repaying your loan with inflated dollars. Besides, the interest you pay is tax-deductible. It's not much of a surprise that consumer borrowing is at an all-time high right now."

One important change Birk sees in the near future is "the resurgence of

the stock market from the doldrums it has been exhibiting for the last decade" which he sees as a correction for the almost uninterrupted rise of the past 20 years. "In other words, the market's poor performance during the last decade is the logical aftermath of the longest bull market in history."

Birk who joined Merrill Lynch in 1954 as a margin clerk in the Minneapolis office, managed offices in Fort Wayne and Kansas City before being elected a Vice President in 1967, going on to New York in 1968 as Assistant Director of the Operations Division. In 1974, he became President of Merrill Lynch, Pierce, Fenner & Smith. He was named President and Chief Administrative Officer of Merrill Lynch in July 1976. Mr. Birk is a native Minnesotan and received a BA degree in business and economics from St. John's University.

Another feature of the evening banquet at the Annual Institute was the presentation of an Outstanding Achievement Award, the highest award the University makes to alumni, to Carl L. Nelson by University Regent Erwin Goldfine. Professor Nelson, who received his BBA in 1931 and a Ph.D. in 1944, from the College of Business, is George O. May Professor of Financial Accounting at Columbia University and one of the nation's outstanding accounting educators. His impact upon accounting is measured not only by his direct contributions but by the exceptionally large number of his former students who are among the most prominent educators and practitioners in the accounting profession today. His former students include Robert T. Sprouse, Vice Chairman of the Board, Financial Accounting Standards Board and Robert K. Jaedicke, William R. Kimball Professor of Accounting and Associate Dean, Stanford University. Nelson taught at the University of Minnesota for sixteen years before going

Lynch - to column 7

November Business Conditions Survey Does Not Anticipate a Recession

Retail sales are reported to be continuing to increase, compared to the last report in August of this year or November of last year, but the proportion of retailers reporting increased sales has decreased compared to three months ago. Employment levels have increased over a year ago, but there is little aggregate change since August.

Fifty-two percent of manufacturers report increased production and forty-two percent increased employment in November compared to August. This is one of the stronger three-monthly gains in production and employment recorded since this survey started in May 1974.

Eighty-nine percent of manufacturers and ninety-four percent of retailers reported that the prices of the goods they purchased increased in the past three months. This is the highest percentage of retailers and the second highest percentage of manufacturers since May 1974.

Sixty-one percent of manufacturers increased their inventories of purchased materials compared to three months ago, the second largest three-monthly increase on record. However, only thirty-four percent of retailers re-

Business Conditions - to column 14



Roger Birk

In This Issue

Issue 63

December 1978

Column

Business Alumni Hear Merrill Lynch Exec	1
Business Conditions Survey	3
Update on the MBA	4
In-state Placement for Business Grads	6
Development Officer Named Corporate Associate	10
Fellows Honored	13
Keeping Current with MEP	16
Faculty News	18
Faculty Pen	24
Alumni News	28

Update on the MBA

In the first large-scale, formal "market survey" of its audiences conducted by a college of business administration nationally, the University of Minnesota's College of Business Administration has surveyed some 1100 randomly selected MBA students and alumni, BSB students and alumni, area Chief Executive Officers, and area corporate recruiters. These six key "markets" of the college's services were asked to assess the college, its programs and activities. The views they expressed in the mail questionnaire, summarized below, are important in the college's efforts to improve its programs and to forge closer ties to the area's business community under its new dean, David M. Lilly.

The student and alumni groups were generally either satisfied or very satisfied with the college. The coursework was rated as adequate; more cohesiveness and challenge were considered desirable in the degree programs, as were more training in oral and written communications. Both students and alumni and chief executive officers and recruiters want to see the college take more of a practical orientation and are especially interested in projects linking the college and the community, such as internships.

Chief Executive Officers and corporate recruiters in the area hire at Minnesota in large numbers and find Minnesota generally comparable to or better than other colleges of business. However, a number of Chief Executive Officers, by stressing their own lack of knowledge about the college, laid down perhaps its major challenge: to work more closely with the area's business community to improve its programs and activities.

The results of this formal market survey have already been used as an important input in the revision of the MBA program. As survey data became available during the summer, they were passed to the Special Curriculum Committee for the MBA. This committee was elected by the faculty to propose a revised MBA program to be



Roger B. Upson, Professor of Finance & new Director of MBA Program

effective in the fall of 1979. The committee investigated MBA curricula at other leading schools, and solicited ideas from the faculty in addition to having data from the market survey.

The new program, to be written up in detail in the February issue of *BA Business News*, is definitely more cohesive, practical oriented, and challenging than the present one, and pays more attention to communication skills, says Roger Upson, Professor of Finance and former Associate Dean, who has been named to the newly created position of Director of the MBA Program by Dean Lilly. Briefly, the committee recommended, and the faculty agreed at the faculty retreat in September, to a more tightly structured program in which, for example, the first year of a full-time program comprises a core of ten courses open only to MBA students, and a second year in which a student elects one of eighteen carefully defined concentrations.

The MBA program will continue to be available to evening and part-time students through the EMBA, and an accelerated version has been designed for students with business administration undergraduate backgrounds. For more details, contact Ms. Kathryn J. Spaulding, Director of Admissions, Graduate School of Business Administration, University of Minnesota, 271-19th Ave. So., Minneapolis, Mn. 55455 (612-373-5505). □

In-state Placement High for Business Grads

Janet Windmeier, CBA Placement Director, says that the Minnesota business community and the Legislature ought to be pleased by the in-state employment of so many University of Minnesota business grads, 83% of BSB Regular and 91% of BSB Accounting grads. Even a large number of MBA grads remained in-state in 1977-78, (70% of the MBA and 90% of the MBA Public Accounting and 67% of the MA IR grads 45% remained in-state.

In 1978, 845 students were registered with the CBA Placement Office, of that number 571 (84%) were placed by August 31, up 1% from 1977 (462 in-state and 109 out-state).

Salary offers for BSB Regular Accounting grads increased 7%, up from a 5% increase for the previous year. MBA salaries increased 5%, a drop from the 9% gain the year before, MA IR salaries were up 11%, down from a 12% increase in 1977. Of the 215 BSB grads accepting in-state jobs, the average monthly salary was \$942. Of the 45 accepting out-state jobs the average salary was \$1039. But the highest in-state salary was only \$15 less than the highest out-state salary of \$1600.

Placement - to column 15



Issue 63

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Lynch - from column 2 to Columbia where he has taught for the past fifteen years.

The Institute program began at four o'clock with three concurrent panels which presented: 1) An Update on a Major Corporate Expense - Product Liability and Workman's Compensation, 2) Computers and Productivity; and 3) a Regional Economic Forecast. Dean Lilly hosted a Chief Executives

Round Table with Roger Birk as guest preceding the social hour and evening banquet.

Executives from some seventy Minnesota firms which support the annual institute attended the banquet as did College of Business students, faculty, and staff.

Copies of Mr. Birk's address will be available upon request to the Research Division of the College. □



Regent Erwin L. Goldfine & Professor Carl Nelson



Head table at Alumni Institute



Alan Ruvelson, President U of M Alumni Association at podium



Development Officer Named

"Most people think one would have to be crazy to leave Phoenix to come to Minnesota with winter coming on, but the challenge of working with a person such as Dean Lilly and the Minnesota business community was one which I could not pass up," David Merchant said about his appointment as development officer for the College of Business Administration.

"The business community in Minnesota is one of the strongest and most diverse I have ever encountered," says Merchant. "It both needs and deserves a business school which is second to none in the quality of its education and research programs and its responsiveness to the requirements of business. I look forward to working closely with business, alumni, friends, faculty, staff, and students toward achievement of that goal," he said.

Mr. Merchant was named Senior Development Officer in September after serving as Director of Development and Public Affairs at American Graduate School of International Management in Phoenix, Arizona. Prior to that he was Project Director, International and Governmental Affairs, American Assembly of Collegiate Schools of Business (AACSB).

Following graduation from Carleton College in 1963, Merchant spent three years as a teacher in the Peace Corps in Tanzania, East Africa. Then, he served ten months at the American Embassy in Karachi, Pakistan, in a Syracuse University Graduate Student Internship Program as an Assistant General Services Officer and as an Assistant Political Officer. He received a Masters degree in International Public Administration from Syracuse University in 1968. From 1968 until 1971, he was Assistant Director and then Director of Overseas Programs for the State University of New York, Office of International Studies and World Affairs.

Since his appointment in September, Merchant has been informing himself about the college and its needs, and getting acquainted with faculty and staff and the University Foundation officials with whom he will be working closely. Dean Lilly and Mr. Merchant have begun to visit local



David Merchant, Director of Development, College of Business Administration

business firms to discuss the College plan for meeting its needs, the program it expects to offer for the business community and to seek business support. Merchant says that local firms may expect a call from him and Dean Lilly any time now requesting a meeting. He is pleased with the reception Lilly and he have been receiving and says he is pleasantly surprised by the calls he has received initiating a meeting before he has had a chance to request one.

The major need of the College is for teachers, Lilly and Merchant say. To achieve top business school status it will be necessary to substantially increase the size of the faculty. Lilly proposes to add 35 new faculty members over the next five years. The plan is to seek 1) private funding from business and individuals for six endowed chairs; 2) business participation in College programs (tuition payments for management development seminars and for employees enrolled in evening MBA programs) will generate funds for 9 more faculty positions; 3) business and alumni support for the College drive to obtain University/legislative funds for the other 20 positions.

The second need is for space. Pri-

vate funding has been sought for working drawings for an addition to the present building of 50,000 square feet for which legislative funds will be requested. At its November meeting the University Board of Regents approved a \$100 million building request which includes \$4 million for the Business College addition. The additional space is needed to accommodate offices for the new faculty, conference rooms for management development seminars and MBA classes, student discussion rooms and restaurant space that will allow informal mixing among faculty, students, and conference participants.

Since the College first occupied the present building in 1963, additional faculty and space have not kept up with the influx of students, who increased from 800 to 2200 (150%) while faculty increased from only 52 to 70 (a 40% increase).

The College's third need is for supplementary funds for working capital to develop new initiatives. Such funds are needed for faculty research and student support, for an expansion of middle management and support staff, executive training and development programs, a faculty internship program and other innovative efforts.

"To achieve the goal of providing our students and the business community the best possible programs in management education, we will require substantial outside support," says Merchant. "Legislatures can build sound public educational programs, but only private financial assistance can build great ones." Over the next five years we hope alumni, business, and friends of the college will respond to the challenge of participating in the development of a preeminent program in business education here at the University of Minnesota, one which is equal in quality to the business community it serves." □

Corporate Associate Fellows Honored

Twenty-two College of Business graduate students who are recipients of Corporate Associate Fellowships for 1978-9 were honored at a coffee hour hosted by Dean David Lilly on November 29.

The Corporate Associate Program of graduate fellowships is in its tenth year having begun in 1969-70. The program is shared with the Institute of Technology and is funded by business and foundation support through the efforts of the University Foundation. Over the years there have been 177 fellowships awarded through the College of Business, to 66 Ph.D. students and 111 MBA/MA IR students.

This year there are four Ph.D. Fellows and 18 MBA Fellows listed below with their area of major interest:

Ph.D.

Donald A Blyly	Marketing
Alan J. Dubinsky	Marketing
Carol E. Eger	Accounting
Richard Helleloid	Accounting

MBA/MA Ind. Rel.

David L. Anderson	Accounting
Robert K. Anderson	Accounting
Janet Calander	Oper. Mgmt.
Linda H. Dickson	Accounting
Michael J. Hegsted	Oper. Mgmt.
Mary H. Hinz	Ind. Rel.
James R. Holin	Accounting
Catherine Holtzclaw	Accounting
Earl C. Joseph	Management
Joan M. Kampmeyer	Generalist
Pamela Lillethun	Accounting
Susan Martin	MIS
Leta Miller	MIS
Thomas S. Nelson	Accounting
Stephen K. Piskor	Accounting
Mary Rasmusson	Ind. Rel.
John W. Reik	Finance
Gary L. Tobison	Accounting

The purpose of the Corporate Associates Program is to provide a framework for the major industries of the region to join with the University in support of higher education of the leaders and teachers in science, engineering and business and for advancing business and industry through research. The presence of exceptional graduate students is vital to the quality of education at Minnesota. Better fac-

ulty are attracted by top-notch degree candidates; the research product is increased through their efforts; and since graduate students handle half of the undergraduate instruction the first two years, the improved quality of the instructor positively affects the undergraduate experience.

Dean Lilly told the graduate Fellows how important their contribution is to the College quality and that he hopes to secure increased funding for attracting more high caliber graduate students. □

Business Conditions – from column 3

ported increased inventories and forty-five percent reported stable inventory levels.

The data on manufacturers' new orders and buying policies for capital goods imply a period of continued expansion. The reports from retailers are less buoyant, but do not indicate an immediate recession. On balance, manufacturers report that new orders are increasing. Information on new orders is a leading indicator, and the proportion of manufacturers with higher new orders has increased in November compared to August. Although retailers report a slower rate of expansion than in the past, they also report modest increases in inventories. Thus the sales to inventory ratio is not imbalanced at this time.

Consequently, it would appear that the respondents to this survey are not anticipating a recession in the next few months. However, the survey forms were probably completed by respondents between the announcement of voluntary wage and price controls and the announcement of measures designed to increase interest rates and do not, therefore, include any results of manufacturers' and retailers' responses to these changes in government policy.

This report is based on the responses of 93 panel members in manufacturing and retailing companies from throughout the state. Copies of the complete report may be obtained by request to the Research Division of the College. □

Placement – from column 6

Accounting salaries generally were higher, \$1106 average monthly salary for Public Accounting and \$1029 average for Industrial Accounting in-state. Out-state average salary was slightly higher for public but not for Industrial Accounting.

The average monthly salary accepted for in-state MBAs was \$1409; it was \$1395 for out-state average. In-state Accounting MBA average salary was \$1351 for Public and \$1372 for Industrial. The in-state average for MA IR grads was \$1377 while it was \$1550 for out-state. The highest salary accepted was \$1800 for an out-state job for an MA IR. The highest salary in-state was \$1750 for an MBA.

This year 200 individual companies made 292 campus visits. The total number of interviews taken by students for 1977-78 was 4527. The number of offers increased this year to 854 from 745 the previous year.

The highest employers of CBA grads in 1978 were: Honeywell (15); IBM (14); Peat, Marwick, Mitchell & Co. (12); Arthur Andersen & Co. (10); and Ford Motor Co. (10).

The Placement Office also schedules interviews for the College Accounting Internship Program which provides a valuable experience for the students. This year 22 public accounting firms participated, hiring 21 interns; 23 industrial accounting firms hired 30 interns.

An important employment source for business grads and alumni is the job listing service. Employers who are unable to interview in the office or who have openings at times other than when they are coming to campus may list permanent full-time jobs, part-time jobs or summer jobs. This year there was a significant increase in job postings with 1011 full-time positions listed and some 250 summer and part-time jobs listed. There were 107 alumni who formally used the office last year. □

Keeping Current With MEP

The Minnesota Executive Program is now in its eighth year under the direction of Professor John J. Mauriel. The program this year has its largest group with 28 key executives representing 27 companies.

The Minnesota Executive Program is the first and only residential management program of its kind in the nation. It is designed for men and women who command key management positions. Specifically, this means anyone reporting to a chief executive officer, chief operating officer or to a general manager of an autonomous division of a multi-divisional corporation.

Corporate Strategy, the central theme of the six-week program, is taught by Professor John J. Mauriel, Associate Professor of Business Policy and Bernard L. Gross, MEP Visiting Professor of Business Policy, Florida Atlantic University. Contributing further to this theme with special emphasis on their own fields are several additional core faculty members: Richard N. Cardozo, Professor of Marketing, teaches Marketing Management and Strategy; Roger B. Upson, Professor of Finance, who teaches Financial Management and Policy (also, he is the newly appointed Director of the MBA program); Roger G. Schroeder, Professor of Management Science, teaches Operations Management; the Organizational Behavior segment is taught by Gordon Lippitt and Leslie This, President and Chairman of the Board respectively of Project Associates, Inc.

F. T. Weyerhaeuser, President, Conwed Corporation, was recently appointed the new Chairman of the MEP Advisory Board. He succeeds George Pennock who was chairman for four years. Prior to Mr. Pennock, William G. Phillips was the chairman from 1971-1974.

On January 21-24, 1979 the Minnesota Executive Program is conducting its fourth biennial Chief Executive Officers Seminar. Many national and internationally known speakers will participate in this program. Workshops, panels and lecture will be the format for the 3½ days with time given for the presidents to interact, exchange ideas and thoughts amongst themselves.

Speakers Panel — 1979 CEO Seminar

Economic Outlook for the Eighties

Alan Greenspan, Chairman, Council of Economic Advisors Under President Ford

Managing Productivity

C. Jackson Grayson, Chairman, American Productivity Center

Presidency and the Influence of This Office

Don K. Price, Professor and Former Dean, Kennedy School of Government, Harvard University

Strategic Planning

Daniel T. Carrol, President, Gould, Inc.

Environmental Control —

Decision-Making

Berne Schepman, President Enviro-tech Corporation

Research and Development

Horace Brock — Stanford Research Institute

Corporate Culture

Scott Cunningham, Professor, Harvard Business School

Financial Strategies

Walter Scott, Executive Vice President, The Pillsbury Company

Mergers and Acquisitions

Alfred Rappaport, Professor, Graduate School of Business, Northwestern University

For further information, please call the Minnesota Executive Program office at 612/373-3837. □

Exploring the Effects of Regulations on Internal Management Processes

"Regulations affect not just the executives, but they dramatically affect everyone throughout the organization both directly and indirectly. Directly they may require a helmet to be worn, indirectly they may result in a very specialized, narrow job for a production worker," is the most striking conclusion, **Mary Lippitt**, Assistant Professor of Management, says may be drawn, as a result of interviews she conducted during the summer with several firms as part of a research project.

Lippitt's study was made possible by the Minnegasco-Doelz award which is a research program supported by Minnegasco honoring the late Paul R. Doelz, a former chairman of the Board of Minnegasco, initiated in 1977. The purpose of the program is to create a working interface between the College and the business community by providing one faculty member each year with a five-week summer appointment during which the faculty member will be associated with a Minnesota business corporation or with several. It provides an opportunity for gathering information and experience that will be useful in the classroom, for generating research ideas or actually conduct a research project, or for discovering new ways the college can be of service to the community. Companies who are interested in such an association or have a project or problem they would like help with are invited to contact the Dean.

The purpose of Professor Lippitt's study is to understand the effects of external regulations on the internal process of organizations. Specifically, to discover the differences in the effects of clear, stable versus unclear, unstable regulatory environments. The initial study was conducted during the summer of 1978. It consisted of structured interviews in several firms with personnel ranging from the president to first-line supervisors.

The interview consisted of questions in three areas:

- (1) their perceptions of the firm's relationship with its primary regulatory agency.

- (2) characteristics of the management process in the organization.
- (3) their own job characteristics and their feelings about their job.

The questions were specific but allowed open-ended responses.

The study was not conducted to test hypotheses but instead to generate research hypotheses. Currently Professor Lippitt is focusing her efforts on developing a systems model which describes how the regulatory environment influences internal organizational practices. The model will in turn provide the basis of an organized research effort.

At this stage, there is evidence, Professor Lippitt says, that lack of clarity or stability in the regulatory environment is related to:

- (1) shifts of power toward those people who interface with the regulators
- (2) shift in management attention and shift of most competent personnel away from the stable, even, bread and butter product lines;
 - a. shift in status among production workers toward those in unclear regulatory environment (accompanied in some cases by higher turnover in the higher status jobs)
- (3) centralization of decision making
- (4) increased task structure for production people
- (5) decreased autonomy for middle and lower managers
- (6) less perceived opportunity to "innovate"
- (7) increase in the number and detail of policies and procedures
- (8) increased use of staff for control

No attempt has been made at this point to determine whether these responses are effective or even necessary.

Additionally, lack of clarity or stability in the regulatory environment also consciously impacts:

- (9) strategy, particularly product mix decisions
- (10) personnel decisions, with special skills sought for managers who will deal with an unclear, unstable environment

During Professor Lippitt's Fall Quarter leave she is designing studies

and doing some necessary background work preparatory to testing some of the eight hypotheses listed above. She says that several other questions emerging from the initial study which also demand attention are the following: (1) What are the most effective means of coping with an unclear, unstable regulatory environment? (2) In what ways could the regulatory process be changed so that it is minimally disruptive but still effective? (3) How do unclear, unstable regulatory environments affect worker productivity?

John Walton, Assistant Professor of Marketing, received the first Minnegasco-Doelz Award for summer research in 1977, working with the Tennant Company on a sales forecasting problem. Both Walton and Lippitt are enthused about the opportunity this program gives, especially to young faculty, to work with a local firm on some problem it has identified on a practical level and to interact with the business community. □

John Anderson and Roger Schroeder, Management Sciences, presented the results of a survey on materials requirements planning (MRP) to a conference on MRP Implementation held in St. Paul. The survey was made of 1700 firms in the Midwest area. Anderson served as co-chairman of the conference co-sponsored with the American Production and Inventory Control Society. Schroeder served as program chairman.

Blaine Cooke, Kappel Chair Professor of Business-Government Relations, served as a judge for the Hotel Sales Management Association Advertising Awards in October.

Eric Berkowitz, Marketing, presented a paper entitled "Consumer Interaction with the Micro-Marketing System: Empirical Support of a Satisfaction Model" at the Third Annual Conference on Consumer Satisfaction, Dissatisfaction, and Complaining Behavior in Chicago.

John J. Flagler, Labor Education Service, has been appointed to membership of the National Academy of Arbitrators, the governing society responsible for establishing the code of professional responsibility for arbitrators of labor management disputes in the US and Canada. Professor Flagler is the second Minnesotan to be elected to the 300 member academy in its history.

Donald V. Harper, Transportation, was elected Vice Chairman of the Transportation and Public Utilities Group of the American Economic Association in August at its annual meeting.

George Milkovich, Industrial Relations has been elected President-elect of the Academy of Management Personnel-Human Resources Division for 1979.

Ivan Ross, Marketing, chaired a symposium entitled, Advertising Effects on Consumer Behavior, at the American Psychological Association meeting in August.

C. A. Williams, Insurance professor and former dean, chaired a session on automobile insurance pricing classifications at the annual meeting of the American Risk and Insurance Association at Dallas in August and participated in the semi-annual meeting of the National Risk Management Panel, in Colorado in September.

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Sabbatical Leaves Provide Research and Writing Time

Each year several faculty take advantage of the sabbatical leave program of the University which allows the faculty member freedom from teaching and other college and university service to undertake or complete some research and writing. For the period of the furlough, the University pays the faculty member one half of his regular salary, which may be augmented up to the level of his regular University salary providing that the activities yielding the additional compensation are consistent with the purposes of his sabbatical furlough.

During 1977-78, **Professor of Industrial Relations George W. England** was on sabbatical leave at the International Institute of Management, Berlin, West Germany and developed a cross-national comparative study to be conducted in ten nations which will examine the meaning of work elicited from a wide range of individuals and critical groups in each country, and from a representative national labor force sample in each country.

The major focus of the research will be at two levels, assessment of the meaning of work as it exists today, and the meaning of work in a futuristic sense. Both aspects are important in a world of changing worker values and educational levels and by working at both levels the study will provide badly needed background information now lacking for important policy issues such as those on early retirement, part-time work, occupational changes in the labor force and structural unemployment.

The project will be of three years' duration and includes the following countries: Belgium, England, Germany, India, Israel, Japan, Netherlands, Sweden, USA and Yugoslavia.

Professor Thomas Mahoney, also of the Industrial Relations Department, was on sabbatical leave last year during which his time was devoted to completion and reporting of past research, theory development, completion of a textbook and the design of research projects which will be conducted during the coming years.

He completed research and reporting on Secrecy and Managerial Com-

penensation which dealt with managers' perceptions of the compensation of superiors, peers and subordinates and the relationship of compensation comparisons upon job satisfaction. He also reported on an analytical review of alternative models for human resource planning within organizations, and on research into University of Minnesota departmental budget decisions and variables that influence these decisions. These reports have been or will be published in professional journals.

Mahoney also completed a textbook to be published in January by Richard D. Irwin Company. It is an integrated readings and text developing theories of motivation, performance and compensation, particularly as related to the design of organizational compensation systems.

His work in theory development dealt with middle range theory development for organizational behavior and suggested directions for future development, elaboration of theory of planning within centralized and decentralized organizations, organizational hierarchy and position worth, and job satisfaction and performance.

Practitioner-educator Interaction

Professor Robert K. Zimmer, former chairperson of the Department of Accounting, was among the country's leading accounting educators who attended Ernst & Ernst's 12th Annual Symposium for Educators in July at the accounting firm's Richard T. Baker Education Center in Cleveland. Pioneered by Ernst & Ernst and first held in 1967, the Symposium brings together the practicing and teaching branches of the accounting profession to discuss the major issues and problems they are facing.

Wayne J. Albers, Partner in Charge of Personnel, who arranged the meeting, said E & E's initial symposium eleven years ago was the first national meeting of its kind to offer in-depth discussion on the accounting profession's problems. In addition to E & E officials Daniel T. Carroll, President of Gould Inc. spoke. He discussed Education for Management Consulting. □

"The Variability of Inflation" by Edward Foster, Reprint No. 175, reprinted from *The Review of Economics and Statistics*, Vol. LX, No. 3, 1978.

This paper reviews the issues surrounding the question of whether the rise in the average rate of inflation might mean a rise in its variability and what effect that could have and perhaps should have on choosing a macroeconomic policy.

The author summarizes some of the findings on inflation rate and variability and reports additional evidence which suggests that countries with higher rates of inflation do experience more variable rates. If a higher average rate of inflation means more variability, Foster says that inflationary policies carry a cost that we have so far neglected. Therefore it would be useful to know if a causal relation exists.

"Corporate Social Responsibility and Stock Performance" by Gordon J. Alexander and Rogene A. Buchholz, Reprint No. 176, reprinted from *Academy of Management Journal*, September 1978.

The relationship between the market performance of a firm's common stock and its social responsibility has been the subject of contradictory views in the past. One view is that a socially aware and concerned management will also possess the requisite skills to run a superior company making its firm an attractive investment. A contradictory view is that socially responsible firms will be at a competitive disadvantage due to the added expense incurred by such behavior.

Two studies which support the contradictory views had certain deficiencies which the authors of this paper corrected in their study by taking a longer time period and by evaluating stock market performance on a risk-adjusted basis.

The results of this study indicate that the degree of social responsibility as measured by the rankings of businessmen and students bears no significant relationship to stock performance.

“Trends and the Future of Marketing” by Robert J. Holloway, *Working Paper No. 43*, July 1978.

The realization and acceptance of the notion of “future shock” has thrust new attention upon our understanding of the future. Although predictions about the future remain hazardous just as they did thousands of years ago, marketing planners and decision-makers alike see value in studying future trends. Both the private and public sectors have allocated substantial amounts of time and money for the purpose of studying the future.

This report is a kind of pilot study in the look at marketing trends and the future of marketing. The goal was not to make predictions but instead to gain some actual experience in the trend analysis process. Trend analysis for the marketing manager has a number of benefits, Professor Holloway concludes. It helps one to think in terms of cause and effect and in terms of interactions. This helps the manager to get a better idea of what might happen in the next decade or so. It helps one to understand the interaction of all the environmental forces. A more holistic view of the world is possible as a result of examining all kinds of trends that might impact upon one's marketing operations.

“It Works: A Testimonial for Pre-notification Telephone Calls in Industrial Surveys” by Cathie Michlitsch and William Rudelius, *Center for Experimental Studies in Business Reprint No. 28*, April 1978.

Can a prenotification telephone call really double or triple mail-survey response rates? This article describes two ways of checking this hypothesis using a mail survey of purchasing managers in manufacturing firms: first, by talking directly with the purchasing manager on the telephone, and second, by simply leaving a telephone message for him or her.

The results of this study show that the response rate in the mail survey that used a prenotification telephone call was more than three times the response rate in the survey that did not. There was no statistical difference in mail response rates and questionnaires having unanswered items

whether the prenotification telephone call reached the purchasing manager respondent directly or simply involved leaving a message for him or her. However, a statistically greater percentage of respondents took time to write comments on the questionnaire when they were reached directly than when they were not.

“A Method of Forecasting Sales for Project-Oriented Businesses” by William Rudelius and Ramond E. Willis, *Center for Experimental Studies in Business Reprint No. 29*, August 1978.

Project-oriented firms — those selling a limited number of “projects-to-order” to a restricted number of buyers — have a dramatically different sales forecasting problem than firms manufacturing products for inventory that are eventually sold to countless buyers. Consulting organizations, architectural firms, and defense-aerospace manufacturers are examples of project-oriented firms.

These firms often divide future sales into three categories: 1) work under contract, 2) follow-on-work, and 3) new business. New business, the least predictable of the three categories, can be estimated using a probability model that considers four key factors: 1) the number of proposals outstanding, 2) the probability of winning each proposal, 3) the estimated sales generated by a successful proposal each month of its project life, and 4) the date work on the project commences.

This paper analyzes some key factors in the model using data from a General Electric department. The overall sales forecast for a project-oriented firm can then be made using a bottoms-up technique to sum the three categories of future business.

“Helping Your Industrial Purchasers Off Their Ethical Hooks” by William Rudelius and Rogene A. Buchholz, *Center for Experimental Studies in Business Reprint No. 30*, September 1978.

Mark Twain once said, “Always be honest. This will gratify some people and astonish the rest.” But honesty alone won't extricate industrial purchasing personnel from their daily eth-

ical dilemmas. What experienced purchasing managers and their buyers say they want most is more policy direction from top management.

Using the results of a survey of 66 senior industrial purchasing managers and 136 industrial purchasers, the authors examine the common ethical dilemmas of purchasing personnel. Most purchasing managers see a need for stated policy from higher management, especially in an area such as preferential treatment for certain suppliers, as well as for gifts, entertainment and trips. They are not particularly concerned, however, about the ethics of using their power leverage. Most of the purchasing personnel in general see some ethical problems in their relationships with suppliers, other company departments, top management, purchasing management, and other buyers, in that order.

The authors discuss how management policy in this area might be formulated. □

Business community-student interchange

The new MBA Association of MBA students and alumni fall schedule of seminars has provided an interchange that the MBA Board and Diana Hays, President, believe has been extremely helpful to students who have participated and hopefully useful to the business executives too.

The fall series of seminars began with two MBA alumni, David Rudd, Product Manager and Jan Spring, Marketing Assistant, at General Mills, who discussed their responsibilities at GM, and Robert Newsome, Manager of Recruitment, answered questions about marketing careers.

Clarence G. Frame, President and CEO of the First National Bank of St. Paul, met with the MBA Association and guests and talked about the opportunities and problems facing the financial industry and commercial banks in particular. In November, Sidney Jones, Assistant to the Board of Governors, Federal Reserve System, *Interchange — to column 33*

1929

Paul Van Drimmelen is self-employed as President of Franklin Optical Company, manufacturers of optical products and scientific instruments, and lives in Buffalo, New York.

1954

Raymond B. Mailhot is employed by the Jackson County Board of Education in Scottsboro, Alabama, where he teaches first grade students. He is retired Acting Executive Officer of the EPA Motor Vehicle Emissions Control Laboratory in Ann Arbor, Michigan and today is a consultant for Language Arts Assessment in the State of Alabama, member of Editorial Review Board, Alabama Reading Association. He has four children, three in college and one who has graduated.

1955

Douglas Waiser Thomson, graduated from the University of Minnesota in business in March 1955, spent two years in the army and attended the William Mitchell School of Law in St. Paul. He is a practicing criminal lawyer in Minneapolis.

1956

Robert K. Knowlton is married, has 4 daughters (2 of whom are attending the University of Minnesota full-time) and lives in Big Lake, Minnesota. He is presently employed by Citizens State Bank of Big Lake as President and Cashier. He is a member of Minneapolis Minute Men and his favorite hobby is sports.

1961

Charles E. Kirk, Jr. whose current employer is the National Endowment for the Arts where he is Director, Evaluation Division, is married and has two children. He is presently enrolled in a doctoral program in public administration through Virginia Polytechnic Institute & State University at the Dulles Airport facility.

1967

Anthony W. Merchlewitz is President of Products Engineered for Plastics, Inc. He is married and has two children. His hobbies are show dogs and draft horses.

Gregory R. Wilson is Manager, Industrial Relations, at Steiger Tractor, Inc. He lives in Harwood, North Dakota with his wife, Jean, and two sons, Richard and Michael. He is an ASPA Superior Merit Award winner and presently President of Fargo-Moorhead Personnel Association.

1968

Len Thiede BSB '68, MBA '72 is currently employed by IBM as a Marketing Representative in Minneapolis where he lives.

1969

Frank Abramson is an attorney with Lapp, Lazar, and Smith. His wife, Barbara, teaches elementary school in Wayzata. He has one daughter, Paige.

Gunnar Bjorn Gunnarsson lives in Gardabaer, Iceland and is currently employed by National Research Council as Office Manager.

Robert V. Jacobs is Assistant Administrator at the Presbyterian Hospital Center in Albuquerque, New Mexico. He received a Master's Degree in Hospital and Health Care Administration from the University of Minnesota in 1973. He is affiliated with a multi-hospital system which operates 10 hospitals in New Mexico and he also serves as President of the Albuquerque Area Hospital Council.

Alan J. Mac Phail is General Manager of Burroughs of Minnesota, Inc., distributor of industrial storage, office and display shelving products. He and his wife, Joyce, and their three-year old son live in Bloomington. He is Chairman of the Small Business Council and a member of the Board of Directors of the Bloomington Chamber of Commerce.

Steven J. Mueller is employed by the Hennepin County Park Reserve District as Park Manager, Scott-Hennepin Park Authority Parks. He is married and has two children.

David L. Strand, MBA, is Project Manager, Agrichemicals Project, at 3M Company. He is married and has two children Bradley, (18) sophomore at Carleton College, and Meredith (13) who is in the 8th grade. Returned from a 4-year assignment with 3M in Brussels, Belgium in 1977.

Norio Takemura is Associate Professor at Senshu University in Tokyo, Japan. He is married and has two children, a five year-old boy and a four year-old girl. He was a Fulbright Exchange Professor to Northwestern University from September 1977 to April 1978.

1970

David H. Innes is a self-employed veterinarian now living in Mill Valley, California.

Donald L. Myers is a partner in the Minneapolis Office of Certified Public Accountants, Myers, Baune, Dosen, Kuitunien and Co. He is married and has six children. He received the Elijah Watt Sells Award for November, 1971 CPA Exam.

Thomas J. Reader is Senior Financial Analyst at Soo Line Railroad Company.

Thomas H. Skoog is employed by H. B. Fuller Company, Atlanta, Georgia as a controller — Southern Region. He is married and has a son, 5, and a daughter, 3. He is presently pursuing an MBA degree from Georgia State University.

1971

John H. Ford is Branch Manager of Honeywell Information Systems in Dallas, Texas. He is married and has one daughter age 5 and a son age 1½ years old. He was Honeywell's Branch Marketing Manager of the Year of 1977.

1972

Stephen W. Ludwick, MBA, was one of our Corporate Associate Fellows the first year of the program, 1969-70. He is presently employed as Manager, Project Finance, at Pullman Swindell, a Division of Pullman Incorporated, in Pittsburgh, Pennsylvania.

Patrick Rothamel, MS, is an Instructor in Business Administration at Western Wisconsin Tech. He is presently pursuing an Educational Specialist degree in Educational Administration from Winona State University.

James William Rustad, MBA, is an Account Executive at the Minneapolis Office of Merrill Lynch Pierce, Fenner and Smith. Formerly in real estate and corporate law practice in the Twin Cities for ten years.

Rex Toh, MS, Ph.D. '75, is an Associate Professor at the University of Singapore.

1973

Brynjolfur Bjarnason, MBA, is General Manager at AB Publishing Company in Reykjavik, Iceland.

Frederick W. Bursch is President of Bursch Travel Agency, Inc., offices in Alexandria and St. Cloud. One of his hobbies, racquetball, led him to open the Alexandria Racquetball Club.

Kimberley John Crumb is President of Audio Innovations, Inc. He started the business in 1974 and it has grown to over ¼ million dollars in sales yearly. His hobbies are cars, cameras, and stereos.

Arnt Magne Jatog, MBA, is Financial Manager for Tandbergs Radiofabrikk A/S in Oslo, Norway.

Scott Jensen has joined Piper, Jaffray & Hopwood Incorporated in the Minneapolis office as a Registered Representative. Before joining the firm, Jensen taught and coached at Breck School for three years.

Adolph W. Link is Executive Vice President of Coast to Coast Stores.

Michael G. Nelson is employed by Boeing Marine Systems as a Cost Accountant. He is single and lives in Tacoma, Washington. He enjoys reading science fiction and following the U.S. Space Program.

Warren Pennig is a Legal Administrator with Seltz Tolaas Jensen, Public Accountants.

1974

Izak Benbasat Ph.D., is an Assistant Professor at the University of British Columbia.

James M. Blackford is currently employed by Comten, Inc. where he is an Income Tax Accountant. He received his C.P.A. certificate in 1976.

John K. Courtis, Ph.D., is Associate Professor of Accounting and Financial Management at The University of New England, Armidale, New South Wales, Australia.

Miklos Konkoly-Thege, MBA, is Manager, Management Controls, at ITT Europe, Inc. in Brussels, Belgium.

Charles C. Parrish is Commodity Futures Broker at National Commodity Exchange, Inc. and also deals in rare coins and precious metals.

Gerald A. Ronning lives in Edina and is a supervisor for Peat, Marwick, Mitchell & Co.

Stephen Schlachter lives in Houston and is manager-financial procedures for Texas International Airlines.

Craig Van Fossan, MBA, has joined the Minneapolis office of Piper, Jaffray and Hopwood as a Registered Representative.

Responses from alumni from 1974 on will be printed in the next issue. Sorry we ran out of space. Please keep your news coming. □

Interchange – from column 27

spoke on the role of the Treasury and the influence of its officials on public policy. Other seminars were scheduled on Developing a Small Business, and faculty consulting experiences. A Halloween and a Pre-finals party were part of the MBA Association fall program just to demonstrate that all work and no play is not the MBA way.

Alumni, faculty and students are invited to stop in to the faculty-student lounge on the 7th floor of the CBA building and to participate in the MBA Association winter schedule of seminars and events. □

CONTINUING BUSINESS EDUCATION—JANUARY SEMINARS

Title	Date
Productive Relationships at Work	January 9, 1979
Assertiveness for Managers	January 10
Finance for Non-Financial Managers I	January 11 & 18
Speaking to an Audience	January 16
Marketing for Managers without Marketing Training	January 17
Conflict Styles and Strategies in Management	January 24
Effective Delegation: The Art of Holding on While Letting Go	January 25
Improving Performance Appraisal	January 26
Time Management — Secretaries	January 30
Motivation	January 31

Continuing Business Education Seminar Catalog Available

A catalog describing specially designed one and two day seminars for managers will be available in January. Seminars are scheduled for the period February-June. Topics include Finance for Non-Financial Managers, Introduction to Computers, Effective Report Writing, Delegation and over 35 additional offerings on timely management topics.

Effective management for key executives in small/growing firms is a focus for a new seminar series described in the catalog. Seminars on management issues such as financial planning in the smaller firm, and transferring business ownership are included.

For complete program descriptions, please call 373-3680 or send in the coupon below.

Name _____ (last) _____ (first) _____ (middle)

Address _____

Telephone No. _____ Please send me the February-June Catalog _____

Detach and Mail to: Department of Continuing Business Education
334 Business Administration Tower
271 19th Avenue South
University of Minnesota
Minneapolis Minnesota 55455

WHERE ARE YOUR CLASSMATES?

All of us, especially the longer we are out of school, wonder what has happened to the men and women with whom we spent much of four (or more) years.

The Alumni Board feels that your classmates also want to know about you and have, therefore, designed the following questionnaire. In subsequent issues, certain graduating classes will be highlighted with a brief sketch of each respondent. Please fill out and return the questionnaire; feel free to give your editorial comments.

SEND TO: Ms. Mary Lou Hill, Assistant to the Dean
College of Business Administration
271 19th Avenue South
University of Minnesota
Minneapolis, MN 55455

Name _____
Last First Middle Initial or Former Name

Address _____
Street

City State Zip

Year of Graduation _____

Current Employer _____

Current Position _____

INFORMATION YOU WOULD LIKE TO SHARE WITH YOUR CLASSMATES (MARITAL STATUS, CHILDREN, HOBBIES, HONORS, AWARDS, ETC.)

- I would like to join the Alumni Association (or find out more information about the benefits of membership).
- I would like to become more actively involved with the College or Alumni Association.
- I have an idea for an article for the BA Business News.

If you are changing or have changed your address and it has not been corrected, will you please return this addressplate to the College with your new address noted on it. It will save us a .25 charge for bad address mail return. Thank you. The Editor



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