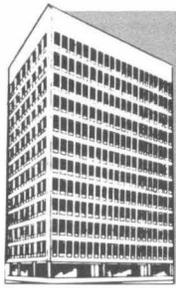


MKC  
9B96n



# business news

COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

## Sperry executive addresses 26th Annual Alumni Institute

**Kenneth F. Thompson**, Group Executive Vice President of the Sperry Corporation, was the featured speaker at the evening banquet of the 26th Annual Alumni Institute on November 13 at the Radisson South Hotel.

Thompson's topic was the Office of the Future. He described the great increases in productivity achieved by the agricultural revolution and the electronic information processing revolution by innovation and a shift from labor-intensive to a capital-intensive operation. He then compared them to the most labor-intensive segment of the workplace in America — the office and the white collar worker. The white collar worker, now more than half of the U.S. workforce, represents some 50% of the total operating costs in U.S. industry, he said. The white collar capitalists are the ones making the least direct use of capital to multiply its effectiveness. The office workplace of today has changed very little since the late nineteenth century. Thompson went on to say that we are headed for the year 2000 working much the way we did in 1900.

Technology in what we manage is growing rapidly — often at exponential rates, but the way we manage information is back with Teddy Roosevelt and the Rough Riders. We are not investing in or using the innovative tools available to multiply our own effectiveness.

We don't know what it is costing us not to invest and to innovate the workplace but it has been estimated that if we could increase the productivity of the white collar work force by a factor of only ten percent by 1985, we would add \$213 billion dollars to the GNP that year, Thompson concluded.

Single copies of Thompson's address are available at no charge upon request to the Research Division.

The Annual Institute program began in the afternoon with three concurrent panel discussions of fifty minutes each. Each panel was duplicated enabling participants



**Kenneth F. Thompson**

to attend two of the three sessions. Panel A, presented by **John J. Mauriel**, Director of the new Executive Development Center, had as its topic, Developing Executive Talent for the Next Decade: The College of Business Administration's Role. Panel B was presented by **Roger Upson**, Professor of Finance and Director of the MBA Program, who spoke on the new MBA program. Panel C, chaired by **Norman Chervany**, Chairman of the Department of Management Sciences, had as its subject, Barriers to Acceptance of Management Information Decision Support Systems: Problems and Solutions. Members of the panel were **Rajiv Tandon**, National Car Rental Company, **Herman Cain**, Director of Consumer Information Systems, Pillsbury Company, and **John Anderson**, Associate Professor of Management Sciences.

Preceding Thompson's address, James Cox, '50 BBA, CBA Alumni Board President, gave greetings from the Board and Dean Lilly announced that the College had received \$1.5 million dollars in support

*Sperry Address—to column 6*

## Minnesota Business Conditions Survey

**Indicators point to slowing business conditions for retailers in the November 1979 quarterly survey.**

Forty-eight percent of retailers report increases in dollar sales compared to last quarter. Also, fifty-seven percent of retailers say that their sales are higher than the same time last year. These numbers, however, may be misleading because of inflation. Almost all of the retailers agree that price levels are higher than last quarter or last year. This means that real sales may be stable or even declining. This is further evidenced by the fact that a great majority of retailers (69%) show stable employment compared to last quarter.

**Manufacturing production and new orders are up.**

Sixty-two percent of manufacturers report increased production. This is a definite improvement from last quarter whose figure was thirty-six percent. The two main reasons for this improvement seem to be seasonal demand and inflation worries, people buy now to avoid future higher prices.

Fifty-one percent of manufacturers report higher new orders, as compared to twenty-one percent last quarter. This is an indication of strengthening future demand.

The improved conditions for manufacturers is further evidenced by the fact that only thirteen percent of manufacturers report lower levels of employment.

*Business Conditions—to column 4*

## In This Issue

Issue 67	December-January 1980
Alumni Institute	1
Business Conditions Survey	3
Development Report	4
McCracken Lecture	7
Board of Overseers	10
Dean's Corner	13
Demand for business grads	13
MBA Update	16
Alumni News	20
Faculty News/Publications	24

## CBA Development Plan

Total gifts and grants to the college since January 1, 1979 now exceed \$3.7 million, David Merchant, Director of External Relations, announced November 15. This puts the college ahead of schedule in its five-year development program which seeks private support for six academic chairs and more than \$500,000 in annual unrestricted operating support.

Among the recent major grants to CBA are a commitment of \$400,000 by the Bush Foundation of St. Paul for the development of the new MBA Program and a General Mills Foundation grant of \$300,000 for faculty expansion and development.

Grants totaling more than \$1.5 million in support of two professorial chairs have been committed by a consortium of Minnesota insurance companies and associations for a chair in insurance and by a similar grouping from the Minnesota banking industry for a chair in banking. These are the first two chairs funded under the five-year development program.

The Minnesota Banking Chair is funded by grants from First Bank System, Inc., Minnesota Bankers Association, Northwestern National Bank of Minneapolis, and the other Northwest

Bancorporation (Banco) banks of Minnesota.

Companies and organizations contributing to the creation of the insurance chair are: Independent Insurance Agents of Minnesota; Lutheran Brotherhood; MSI Insurance; Minnesota Association of Professional Insurance Agents, Inc.; Minnesota Chapter, Society of Certified Insurance Counselors; Minnesota Chapter, Society of Chartered Property and Casualty Underwriters; Minnesota Mutual Life Insurance Company; Minnesota State Association of Life Underwriters; Northwestern National Life Insurance Company and the St. Paul Companies, Inc.

Dean David Lilly stated that these grants will help significantly in the College's efforts to attract and retain the best faculty available from throughout the country.

"Building a top quality faculty is our number one priority and will enable the College of Business Administration to become an unmatched resource upon which business can call for new employees, management training and research," said Dean Lilly. □

### *Business Conditions—from column 3*

#### **There is no sign of a drastic decline in inventories.**

The statistics for retail inventory levels are not very different from those of last quarter. The retailers divide almost equally into those who reported higher, equal, and lower inventories.

More manufacturers report higher than lower inventories. Fifty-four percent of manufacturers report higher inventories while only eight percent show a decline. These are inventories of purchased materials and may represent anticipatory buying.

#### **Inflation woes continue.**

Higher prices for almost all categories of products are reported by both manufacturers and retailers. Seventy-four percent of manufacturers and ninety-two percent of retailers report that purchased materials cost more now than three months ago.

#### **Is there a recession in Minnesota?**

This survey raises a major question — is there a recession in Minnesota? The answer appears to be "no" if you are a manufacturer, with employment, new orders, and production increasing on average. The answer is "perhaps" if you are a retailer, with many signs of a levelling in real sales. While seasonal factors may explain a few manufacturers' reports, there is no general explanation from respondents as to why this divergence is occurring. If it continues, it will dampen the impact of the national recessionary forces as they apply to Minnesota.

The quarterly survey is based on the responses of a panel of 110 Minnesota retailers and manufacturers. This report was prepared by Mr. Mansour Javidan, Graduate Assistant, under the supervision of Professor Roger B. Upson. Single copies of the complete report are available upon request to the Research Division of the College, 271 19th Av. So., Minneapolis, 55455. □

### *Sperry Address—from column 2*

of two professorial chairs, one in insurance and one in banking funded by a consortium of Minnesota insurance companies and associations and by a similar grouping from the Minnesota banking industry.

Another feature of the Institute banquet was the recognition of the MBA Project Course competition winner. The best project team and the sponsoring organization, The Electric Machinery Manufacturing Company, represented by Warner Nebbe, were presented with an award. The four MBA students on the winning team were Mary Breslin, John Masters, Ralph Vosters and Dave Wingfield. Faculty advisor was Professor Blaine Cooke. Cooke, Kappel Chair Professor of Business and Government, said, "The Electric Machinery Manufacturing Company group defined the company's problem accurately and proceeded to solve that problem: no client could ask more from a consultant than that, whether the consultants were a group of students or a group of professionals." □



**Students John Masters & Dave Wingfield Warner Nebbe, Electric Machinery & Professor Blaine Cooke**

## Economics adviser McCracken speaks at college

Paul W. McCracken, University of Michigan professor and former Chairman of the U.S. Council of Economic Advisers, spoke at the college on November 7 in a public lecture sponsored by the Department of Finance and Insurance with the financial assistance of Mr. Edwin S. Elwell.

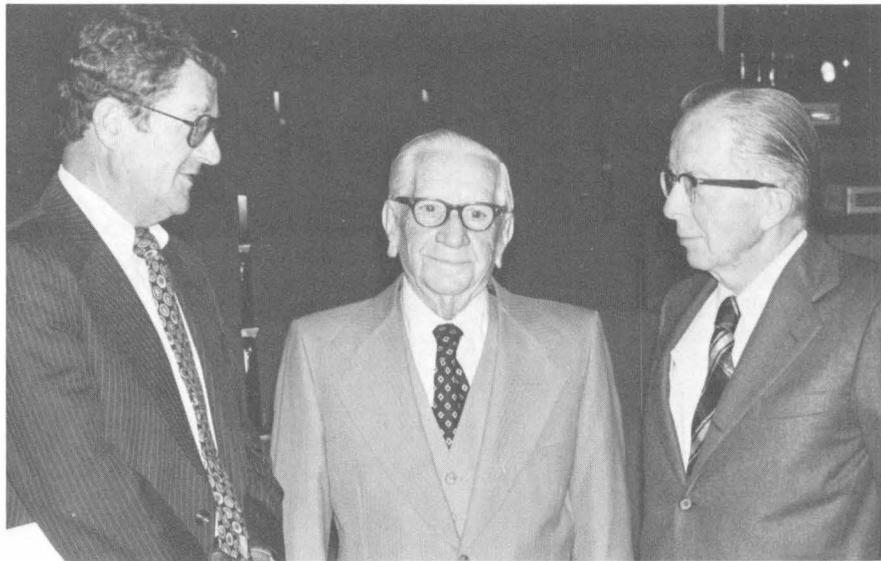
McCracken said he was guardedly optimistic about the long-run ability of the U.S. to address its twin problems of inflation and unemployment to increase productivity and regain its capability for orderly economic expansion. He said we try the wrong formulas first usually, and we've done that; so it is time we try the right ones.

A question and answer period followed with a panel assisting with questions from the audience. Panel members were Blaine Cook, Kappel Chair Professor of Business, Government and Society, Edward Foster, Professor of Economics and Associate Dean, William Hodder, President, The Donaldson Co., and Helen Lacko, MBA student.

Copies of McCracken's talk including the question and answer session will be available at no charge upon request to the Department of Finance & Insurance, College of Business Administration, University of Minnesota, 271 19th Av. So., Minneapolis 55455 (373-3579).

McCracken earned Masters and Doctoral degrees at Harvard University. He has been at the University of Michigan since 1948 except for leaves to serve as a member and later as chairman of the U.S. Council of Economic Advisers. He has lectured throughout the world and participated on national and international economic commissions, task forces, and advisory boards.

This lecture is the first public event funded by a grant from Edwin S. Elwell, retired Minnesota industrialist, for the purpose of research and public education on solutions to present day financial and economic ills. Mr. Elwell, who attended the lecture, is a 1910 graduate of the University's Law School and a founder and chairman of the board of Northland Milk and Ice Cream Company. □



David M. Lilly, Dean of the College, Edwin S. Elwell, and Paul W. McCracken



Panel members: Wm. A. Hodder, President, Donaldson Co., Blaine M. Cooke, Kappel Chair Professor of Business, Government & Society, Edward Foster, Professor of Economics and Associate Dean, Graduate School of Business Administration, Helen Lacko, MBA Student

## Overseers Meet

Dean David Lilly welcomed members of the newly established Board of Overseers to the first annual meeting in October.

N. Bud Grossman, Chairman and President of Gelco Corporation, Chairman of the Overseers, discussed his hopes for the College becoming one of the premier business schools in the country under the leadership of David Lilly and with the help of the Board of Overseers. He outlined the major areas of responsibility and involvement for Overseers including advising on development of curriculum and programs, helping to create greater understanding of the College in the community, assisting in communications efforts with the legislature concerning funding for College programs and helping to secure private financial support for the College.

University President C. Peter Magrath, reiterating the importance of an outstanding business school to the community and to the University, stated that the College was among the highest

priorities of the University of Minnesota and that his office was committed to the development of the business school and was assisting in this effort.

Dean Lilly described the programs and funding plans to achieve the twin goals of development of a business school which would be an unparalleled resource to Minnesota's business community and be recognized as one of the best business schools in the country. Programs to accomplish these goals include: development of mechanisms for continuing input from business, new Executive Development Center, new combined MBA and Evening MBA Programs, addition of 35 new faculty including 6 professorial chairs, expansion of College building, recruitment of graduate students from the best undergraduate schools.

Other presentations to the Overseers at the meeting were by Professor Roger Upson, Director of the new MBA Program, Professor John Mauriel, Director of the new Executive Development Center, David Merchant, Director of External Relations, and Associate Dean Edward Foster. □



President Magrath, Bud Grossman, Dean Lilly

## Enrollment trends highlight women's gains

Figures showing the rapid increase in enrollment by women in collegiate schools of business highlight the newly released 1979 AACSB (American Association of Collegiate Schools of Business) Enrollment Trends Survey. AACSB is the accreditation agency for professional business schools.

Data from the study shows that women represented 34 percent of Fall 1978 undergraduate enrollment at AACSB schools, and 30 percent of projected Spring 1979 graduates. Women comprised 27 percent of masters enrollment, and 16 percent of doctoral enrollment, with graduate rates being projected at 23 percent and 15 percent respectively. The dramatic growth of women in business schools is illustrated by comparing the 1979 totals with 1971-72 figures, which reported women accounting for 10 percent of bachelor's graduates, 4 percent at the masters level, and 2 percent of doctoral graduates.

CBA undergraduate statistics closely resemble the AACSB's. Women were 4.7% of the 1084 registered in the Fall of 1971, they were 30.7% of the 1488 registered Fall 1978 and 35.4% of the 1525 registered Fall 1979. Women were 4.4% of the 499 graduates for 1971-72 and were 25.5% of the 725 graduates for 1978-79.



Published quarterly by the  
College and Graduate School  
of Business Administration  
University of Minnesota,  
Minneapolis, Minnesota 55455  
David M. Lilly, Dean  
Mary Louise Hill, Editor  
(612) 373-4482

Second-class postage paid at  
Minneapolis, Minnesota

To be of maximum service to the business community, we are developing a substantial outreach program to continually monitor business needs, to enlist business assistance in developing and presenting our programs and to let the business community know the number and variety of contacts and interactions we enjoy with them.

I found when I talked to faculty members in my first year at the college, that there was much more CBA interaction with the business community than we had realized. In addition, there were advisory groups attached to the Industrial Relations Center, the Management Information Systems Research Center, the Minnesota Executive Program and the college's Consultative Council. There were several courses which had built in CBA-Business interaction: The course on management perspectives organized by Wheelock Whitney and the MBA project course which has teams of MBA students assigned to a local organization to research a problem under the guidance of a faculty adviser and a manager from the sponsoring organization. There was the Minnegasco-Paul R. Doelz Faculty Enrichment Award which provides a 5-week summer appointment for a faculty member to be associated with a Minnesota

business corporation working on a special project.

We are building on that foundation by continuing and strengthening those efforts and by increasing the involvement with the business community in other ways. I would like to tell you about several new vehicles to foster that involvement. First, we have established a new and larger college advisory board, the Board of Overseers. Its enlarged mission is to assist in creating public understanding and recognition of and confidence in the college, to advise on college programs and to provide assistance in seeking financial support.

The Minnesota Executive Program Board has been serving in the developing stages of the new Executive Development Center and has now become the EDC Board. It has named a three person steering committee from among its members to guide the development of the new Minnesota Management Institute (MMI) which is a program for operating managers in business, government and non-profit organizations designed to enhance the skills of specialists by broadening their knowledge of all aspects of general management.

We are utilizing business executives as active consultants in our recruiting for senior faculty to strengthen our programs

and expect to continue this practice when our search for faculty for the new endowed chairs gets under way.

The new Business and Technology Partners Program, a joint program of the CBA and the Institute of Technology, dedicated to making the programs of the two units the best in the nation, is committed to developing the active participation of the business community in those programs.

There are two new courses I want to tell you about too. They are the Small Business Course, begun on a trial basis last year, which will have two sessions this year, and the Senior Management Issues Seminar in the graduate program which Stephen Keating is assisting the college in developing and is enlisting the active participation of leading executives from the Minnesota business community. In the next issue, we will report more fully on these two new courses and from time to time report on some of our other college-business community interactions and programs.

We deeply appreciate the enthusiastic support we have received from the business community as we have enlisted their input and assistance.

David M. Lilly

## Demand for business grads continues strong

Demand for business school graduates continues strong according to Jan Windmeier, Director of the CBA Career Planning and Placement Office. Of the 763 registered with the Placement Office who were actively seeking positions, 86% (552) were employed by the end of August. Eighty-four percent (572) of 845 registrants were employed in 1977-78 by August 31.

The number of companies recruiting on campus was comparable to 77-78 with 200 in that year and 199 in 78-79. The number of visits, however, increased from 292 to 359. The number of job offers was 854 in 77-78 and 852 in 78-79. Ninety-nine graduates were still seeking employment by the end of August. Additional graduates have accepted jobs since then but the follow-up has not been completed to verify exact numbers.

Since last year's report, average salaries have increased 12% for the holders of the BSB Regular degree (average salary \$13,020), while they

increased 8% for the BSB Accounting degree (average salary \$14,040). The MBA salary average reflects an 11% gain over 1977-78 (average salary \$18,768) while MA-IR salaries were up 9% (average salary \$19,452).

The greatest number of job offers (150) were in the public accounting area to holders of Bachelors degrees. The second and third highest number of offers were in the merchandising and services area (68), and aerospace, electronics and instruments area (67). The highest number of offers to Masters graduates was in the aerospace, electronics and instruments area, (33). Second highest was public accounting with 27 offers and third was automotive and mechanical equipment with 24 offers.

Honeywell was the largest source of positions for CBA grads this year, hiring 22, 7 of whom were MBAs. Next highest was IDS hiring 16 new BSBs, 4 of whom were BSB Accounting grads. Arthur

Andersen and General Mills followed with 15 and 13 positions respectively. Other top sources of jobs were Cargill, Touche Ross, Control Data, IBM, 3M, Coopers and Lybrand and Montgomery Ward.

The Internship Program was strengthened last year with the addition of an MBA Internship. It started with three student participants and has grown this year to twenty companies hiring 25 student interns. A survey of the MBA Internship is being undertaken to assess its effectiveness from both the company's and the student's perspective. The Accounting Internship Program, a long-time program of the college, had 21 public accounting firms hiring 28 interns and 19 industries hiring 27 interns.

Compared to 1968-69, when 58.5% (149) of the 388 graduates had jobs by the end of August, 1978-79 was a very good year for business college graduates, Windmeier said. □

## Facts and Figures on the MBA Program

One hundred forty evening MBA students and fifty-three day MBA students started in the revised MBA Programs this Fall. They are distinguished by their high potential and by the quality and amount of prior work experience. These one hundred ninety-three students in the revised program join five hundred seventeen students who are enrolled in the existing program, for a total MBA enrollment of seven hundred ten. The accompanying tables provide a profile of the new program students and of this Fall's applications and enrollments. □

### Profile of Fall 1979 MBA Students

	Day	Evening
Average GMAT score —		
total	564	570
percentile	81st	83rd
Average undergraduate GPA	3.20	3.23
Percent who have had full-time work experience	82 %	100 %
Average age	28 years	28 years
Women	49 %	34 %
International	6 %	2 %

### Applications and Enrollments Fall 1979

	Day	Evening
Applications Received	<u>279</u>	<u>237</u>
Admitted for Fall 1979	156	106
Deferred Admittances	<u>21</u>	<u>11</u>
<b>Total Admitted</b>	<u>177</u>	<u>117</u>
Enrollment of students in the revised program	140	53
Enrollment of students in the existing program	<u>246</u>	<u>271</u>
<b>Total MBA Enrollment</b>	<u>386</u>	<u>324</u>

## Where Are They Now?

# CBA Grad Heads Worldwide Office for Arthur Andersen Co.

Duane R. Kullberg, 1954 graduate of the BA in Accounting Program and Vice Chairman — Accounting and Audit Practice-Worldwide for Arthur Andersen & Co., divides his time between two offices, one in Chicago and the other in Geneva, Switzerland.

Kullberg is one of five vice chairmen of Arthur Andersen heading up the 19,000 employees in more than 130 offices around the world. He spends about a quarter of his time traveling for his firm.



**Duane Kullberg—Arthur Andersen Co.**

He was born and reared in Minnesota, graduated from the College of Business Administration in 1954 and then began his career with Arthur Andersen. He took a leave of absence from 1956 to 1958, which he spent in New Orleans with the U.S. Army Audit Agency. It was in New Orleans that he met his wife, Sina. They have two daughters, Malissa, 18 and Caroline, 14.

Kullberg returned to Arthur Andersen in Minneapolis in 1958. He was made audit manager in 1961, partner in 1967 and managing partner of the Minneapolis office in 1970. In 1974, he was transferred to Chicago where he was made deputy managing partner of the Chicago office in 1975. In 1978, he became Vice Chairman — Accounting and Audit Practice-Worldwide.

Kullberg is a member of the Minneapolis and Illinois CPA Societies and the American Institute of CPAs. He has had wide civic interests in Chicago and Minneapolis in art, education, health and business organizations. Since 1978 he has served as a member of the Board of Directors Alumni Association.

During the 1960s his long-time interest in government and politics was expressed by volunteer work with the Republican Party during several campaigns and as a delegate to conventions.

In talking about his education in CBA, he said there was no doubt that it equipped him well for entering the accounting profession and provided an excellent foundation on which to build with experience. He looks back on the faculty of those years with appreciation and respect, especially Professor Carl Nelson, who had great influence on his career. Kullberg couldn't think of anything that was missing or could have been done or taught differently when asked for his appraisal of his undergraduate program. If he were graduating now, he thought he probably would go on for additional study in a graduate business or law program as so many do.

Kullberg sees more interaction between the business community and business colleges now than when he was in school. He believes that more open and aggressive dialogue between them is healthy and beneficial to both. The business community-college interaction could develop so that the business community could become a strong spokesman for the college at the legislature and instrumental in fostering understanding of the needs of and financial support for the college from alumni and the business community.

Alumni participation in college affairs, modest in the past in state-supported institutions, has developed and taken on many of the interests and attributes of the alumni of private colleges. He sees this as a recognition by the university college alumni that they have a role to play in the affairs of their alma mater and can contribute both financially and programmatically through giving advice and counsel formally and informally.

A major challenge of the future for his firm and for the accounting profession is to maintain the standards and the independence of the public accounting

*CBA Grad—to column 19*

## Jane Evans, General Mills Vice President, to keynote annual Business Day

**Jane Evans, Vice President and Director of Marketing and Planning for Fashion, General Mills**, has accepted the student Business Board invitation to give the keynote address at the annual Business Day banquet on April 17. □

## International exchange

A group of Japanese executives visited the College of Business and participated in a forum with faculty members and students in December.

Mr. Masatoshi Ito, President of Ito-Yokado Co., headed the group of executives. Mr. Ito's corporation is the second largest retailer in Japan. Sales this year will probably exceed \$4 billion. In addition to superstores, the I-Y Co. has 7-Eleven, supermarkets, and restaurants. Professor Robert Holloway met Mr. Ito last year while in Japan. Mr. Ito's son, Yasuhisa, is currently at the College.

### *CBA Grad—from column 18*

profession. If the profession does not maintain its status by high standards of performance and integrity it faces increased government regulation and restriction, the possibility of losing its independence and usefulness to society generally and to the business community.

When asked about his future, Kullberg said he has had very good and successful years with Arthur Andersen and could not speculate on what lay ahead for him. "It is up to the partners and to the firm." Whatever the next challenge, he will be ready. □

## '77 grad puts business education to work in Solomon Islands

Todd McClintock, '77 BSB with high distinction, has been putting his business education to good use as a Small Business Advisor in the Peace Corps in the Solomon Islands.

His duties have included reviewing small business loan applications and helping those whose loans were approved to become successful businesses. In addition, he has organized classes in bookkeeping and basic accounting which were non-existent at the time.

His tour with the Peace Corps is over in December and he plans to accept a job with a native who has a promising, growing business. Todd feels he has had a tremendous amount of well-rounded experience. □

## Alumni Update

### 1927

**John Welland** has retired from Montgomery Ward where he spent his entire business career and prior to retirement was Administrative Training Manager for the company. He and his wife, Mary Hurd, SLA '27, live in Evanston, Ill. and celebrated their golden wedding anniversary in April.

**Eugene W. Carlson** lives in Dallas, Texas with his wife, Margaret Mattison, '28 U of M grad. They celebrated their golden wedding anniversary in June. Eugene was employed by International Harvester for thirty-eight years before his retirement fourteen years ago.

### 1930

**Vernon A. Peterson** lives in the country in North Carolina with his wife, Mary Carleton, '31 graduate, managing his farm and investments. He says he is still continuing his education.

### 1935

**Paul E. Nordbye** is retired and living in Winlock, Washington. His hobby is studying about a civilization that existed before the 1st glacial age whose skillful artists put their portraits on little quartz stones and whose people wrote in Greek-style micro-writing.

### 1936

**Folmer Standskov** is retired and lives in Minneapolis with his wife.

### 1937

**Gerald L. Bendickson** lives in Chula Vista, California where he is a practicing attorney.

### 1938

**Herman D. Gordon** lives in La Jolla, California with his wife. Since retiring he has become happily involved with hobbies: Lapidary, Stained glass, Silversmithing.

**John E. Quenvold**, President of Quenvold's Safety Shoemobiles, Inc., lives in Lafayette, California with his wife. His one daughter attends the University of California, Santa Cruz. **William C. Raitt** is Assistant Vice President — Life Sales for the Hartford Insurance Group in Hartford, Connecticut. He lives in Avon, Connecticut but will live in Vermont when he retires in about three years.

### 1939

**William H. Burgess** is Chairman of International Controls Corporation, a company which barely survived under control of Robert L. Vesco from 1969-72 when its net worth decreased from \$41 million to \$4 million. Burgess acquired Electronic Specialty Co., a small manufacturing firm, in 1949 and managed it till its sales climbed to \$113 million before being taken over by Vesco. A court-appointed management ran the merged ICC until a stockholders elected board was permitted in 1978 when Burgess was named Chairman of the Board after a ten-year absence. By the end of 1978, ICC employed approximately 1900 people, had reduced its debts substantially and had sales of \$79.6 million.

### 1943

**J. Peder Kvamme** is President of Kato Engineering and lives in North Mankato.

### 1945

**William C. Crossley** is owner and president of several companies in the contracting, building materials and real estate business in Meriden, Connecticut. He is married, has three children and one grandchild. His hobby is flying radio-controlled model airplanes as well as full scale aircraft. He and his wife have a house at Hyannisport, Cape Cod and spend some time traveling in a motor home. He says he is trying to retire!!

### 1946

**Mary Binek Johnson** lives in Minneapolis and is employed part-time.

**Edwin A. Larson** lives in Redwood Falls where he is president of Larson's Home Furnishings, Inc. of Redwood Falls and Marshall. He is currently serving as chairman of the Minnesota Retail Merchants Association for 1979. He is married and has five children.

### 1947

**Robert M. Bigwood** is President and CEO of Otter Tail Power Company and lives in Fergus Falls with his wife. He has five children.

**Alden H. Bowman** is President and founder of Bowman Industries, Inc., a traffic control supply firm, and lives in Newark, California.

**Jean Jessup Halvorson** lives in Minneapolis where she is a Business Advisory Officer of Northwestern National Bank.

*Alumni News—from column 21*

**1948**

**Robert L. Albinson** lives in Richmond, Virginia where he is Zone Manager for Chevrolet Motors Division of GM.

**Clayton M. Anderson** lives in Houston, Texas where he is Senior Distribution Representative for Shell Chemical. He is married, has three children and one grandchild.

**Floyd D. Quaschnick** lives in St. Petersburg, Florida where he is Sales Manager and Vice President of P. J. Sattler Co. He is married and has one son.

**William T. Stoll** is President and Board Chairman of Farmers and Merchants State Bank of Pierz. He is married and has four children. His hobbies are photography, stamp collecting, golfing and foreign travel. He received the WCCO Good Neighbor Award in 1978.

**1949**

**Harry Bernat** is Assistant to the Chief Scientist for R & D of the Defense Communications Agency and lives in Maryland. He is married to Frances L. Simon, BS '48, and has three children. His hobbies are tennis and photography.

**Ray G. Olander** is Vice President—Commercial, Secretary and General Attorney for Bucyrus-Erie Co. of Milwaukee and lives in Greendale, Wisconsin.

**1951**

**John R. Silseth** is President of the Third Northwestern National Bank of Minneapolis and lives in Edina with his wife Marlene Schuster and a daughter and son. He returned to Minneapolis in August from Rochester where he was Executive Vice President and Director of the Northwestern National Bank of Rochester.

**1954**

**Richard T. Van Wyck** is Comptroller of the Early & Daniels Co, Inc. of Cincinnati, Ohio.

**1955**

**Stanley P. Thompson** has returned to Minnesota and lives in Faribault after retiring from the Navy where he was Director of Special Services Department.

**1956**

**Leif Jacobsen** lives in Bekkestua, Norway where he is Director of Finance for A/S Apothekernes Laboratorium for Specialpraeparater.

**Robert E. Maurer** is Assistant Vice President for the First National Bank of St. Paul and lives in West St. Paul.

**1958**

**Gerald L. John** lives in Vienna, Virginia with his wife Kathleen Ley and four children. He is Chief of Procurement for the U.S. Department of State.

**Marvin D. Juliar**, MBA, is Vice President of the LaSalle National Bank and lives in Evanston, Illinois.

**1959**

**Patricia Foy Rice** lives in Spring Lake, N.J. where she is School Business Administrator for the Board of Education. She is married and has three sons, and is working on an MS-ED-School of Business Administrator degree.

**Mark W. Schiedinger** is Vice President-Finance, Peripheral Products Divis. of Control Data. He is married and has three children and lives in Bloomington.

**1968**

**Thomas N. Watson, Jr.** is Senior Management Consultant with Peat, Marwick, Mitchell & Co. since September 1978 after spending over ten years with State of Minnesota. He is a part-time instructor in the MBA program at St. Thomas College and lives in St. Paul with his wife and two sons.

**1969**

**Jay R. Carlson** is Assistant Vice President and Auditor for the Pierce County Bank & Trust Co. He is married and has two children and lives in Prescott, Wisconsin. He enjoys skiing and carpentry.

**Fred Y. Chan** is Director-Marketing Services for Hooker Chemical Corp. and lives in Houston, Texas.

**James A. Engstrom** is a Real Estate Broker with Wyoming West Realty and lives in Jackson, Wyoming.

**Maurice D. Kilmer** is a Management Consultant for Century 21 Orange County, Inc. and lives in El Toro, California.

**Donald E. Link** is District Agency Supervisor for Hawkeye Security Insurance Co. and lives in Grand Rapids, Michigan. He is married and has three sons. His hobbies are sailing, swimming and bridge.

**James B. Proman**, BSB '69, JD '73, has joined the newly created Legal Division of Minnesota Gas Company. He previously represented Minnegasco in regulatory and corporate law matters while in private practice with Mastor and Bale, Ltd. Minneapolis.

**Jack N. Reif** is Manager for Deloitte Haskins and Sells and lives in Roseville.

**Charles A. Schons** is a Sales Representative for Aetna Live Insurance Co. and lives in Plymouth with his wife and two children. He has received the CLU designation. □

**Carl Adams**, Management Sciences, and **Fred Beier**, Transportation, received the first annual awards in the Dean's Prizes competition for the best publications in a practitioner journal. Adams won honorable mention for "Prospective Rate Setting and Projecting Inflation Related Cost Increases for Hospitals" in the *Journal of Health and Human Resources Administration*. Beier won first prize for "Railroads and Seasonal Peak Prices: The Dilemma of Private Equipment" in the *ICC Practitioners Journal*.

**Fred Beier** has just been awarded a contract from the Department of Energy to examine the Transportation Impediments to the Movement of Coal.

**Mike Bognanno**, Industrial Relations, on sabbatical leave this year to teach and engage in new research in collective bargaining and in the operation of labor markets in the Far East, writes from Saudi Arabia where he is doing some work that he and his family are having an exciting year.

**Richard Cardozo**, Marketing, has been named to the Editorial Board of the Public Policy and Management Program of the Intercollegiate Case Clearing House. He has just had a book, *Product Policy: Cases and Concepts*, published by Addison-Wesley. Cardozo was a visiting lecturer at the Jerusalem Institute of Management, a joint venture of the Harvard Business School and Hebrew University of Jerusalem this past June.

**Norman Chervany**, Chairman of Management Sciences, has been elected President-Elect of the American Institute for Decision Sciences (AIDS). His term started in October and runs through March 1983.

**Gordon Davis**, Management Sciences, has been appointed Director of the Management Information Systems Research Center. The MISRC has just begun the publication of a newsletter, *infoMIS*. This periodic publication is distributed to MIS educators, students, and professionals to provide a medium for informational exchange in the field of MIS.

**Bob Holloway**, Marketing, spent last year teaching at Doshisa University in Kyoto and at Keio University in Tokyo, and conducting research on multinational trade problems in Japan.

**Professor Emeritus Edmund A. Nightingale**, Transportation, continues his activities of the past several years as Consulting Transportation Economist and Registered Practitioner before the Interstate Commerce Commission.

**Ivan Ross**, Marketing, has been elected president of the Consumer Psychology Division of the American Psychological Association. He has also been appointed an editor of the journal, *Current Issues in Research in Advertising*, and continues as a consulting editor for the *Journal of Applied Psychology*.

**Orville Walker**, Marketing, has been named to the editorial board of the *Journal of Marketing Research*.

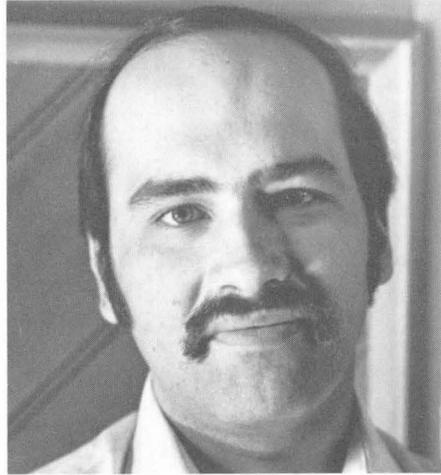
**C. Arthur Williams**, Insurance, has been appointed the academic member of a National Association of Insurance Commissioners Advisory Committee on Competitive Rating. He has just had Volume III of the Japanese translation of *Risk Management and Insurance* published in Tokyo by Kaibundo Shuppan Co. □

## John Anderson wins AIDS/ALPHA IOTA DELTA Outstanding Instruction Award

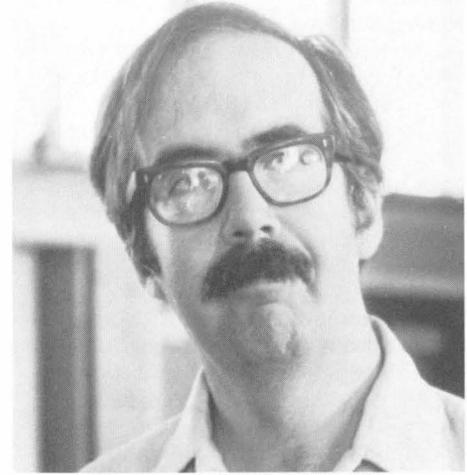
John Anderson, Associate Professor of Management Sciences, was named the winner of the 1979 AIDS/ALPHA IOTA DELTA Outstanding Instruction Award in November. His award-winning course, entitled "Problem Formulation: A Management Science Approach," focuses on issues and methods for identifying and formulating problems prior to the application of a decision science analytical method. The rationale for the course is that effective solutions to management problems cannot occur without effective, accurate problem definition. This course is one of the 'capstone' courses in the new MBA Program.

In the presentation of the award at the New Orleans convention, Sandra Beldt and Norman Chervany, award co-chairpersons, stressed the importance of innovative education within AIDS. "Since its inception," Chervany said, "AIDS has been committed to recognition and improvement of teaching in the Decision

## New Faculty, Fall 1979



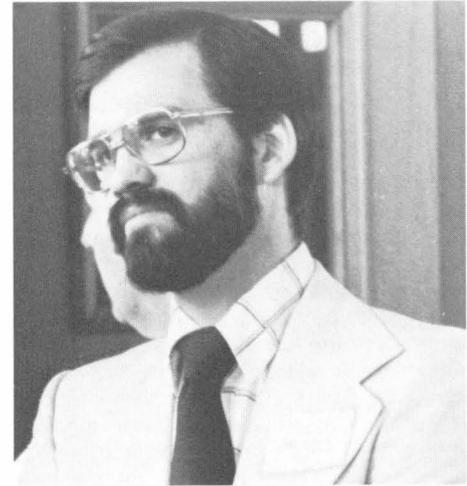
**Steve Bajgier**  
Assistant Professor of Management Sciences



**Robin Alexander**  
Assistant Professor of Accounting



**John Lawler**  
Assistant Professor of Industrial Relations



**Sal March**  
Assistant Professor of Management Sciences

**Ian Maitland**  
Assistant Professor of Management

Sciences. This competition and award are a visible, strong statement of AIDS' continuing and growing commitment to instructional excellence."

In addition to a Certificate of Commendation, the award involved a \$500 honorarium supported equally by AIDS and ALPHA IOTA DELTA. There were thirty courses submitted in the competition. □



**"Railroads and Seasonal Peak Prices: The Dilemma of Private Equipment"** by Frederick J. Beier, **Reprint Series No. 184**, reprinted from the *ICC Practitioners' Journal*, July-August 1979.

Peak period pricing has been an integral part of the strategies of utilities and many other institutions facing seasonal demand. This article analyzes some of the problems and potential of peak period rates as they would be used by railroads. The discussion identifies the basic principles of demand response pricing for utilities, in general, and railroads in particular.

A major difference for railroads is the use of privately owned rail cars; the impact of these cars is examined relative to an experimental peak period rate system proposed by the southern railroads. Alternative suggestions are made which could remedy many of the problems identified and also improve equipment utilization. The framework of the analysis is the short run. The long-term implications of peak period rates will be explained in subsequent studies.

**"A Simulation of Multiple Selection Using Nominal Group Procedures"** by Raymond E. Willis, **Reprint Series No. 185**, reprinted from *Management Science*, Vol. 25, No. 2, February 1979.

A common decision problem involves the selection of *K* alternatives from a larger but finite set. Examples are the selection of personnel for a training program or the funding of research proposals. A related problem is that of screening where a large but finite group of initial candidates is reduced prior to final selection. Choices of this type frequently are made on judgmental grounds by group processes; because of the subjectivity it is difficult to develop objective criteria for choosing one group process over another. In this paper, the comparative effectiveness of three procedures for group opinion summarization: standardized scores, sum of ranks, and zero-one scoring, are studied by means of a simulated nominal group process. The analysis leads to several simple 'rules of thumb' which should prove useful to the practicing manager.

**"Measuring the Risk of Unemployment: Changing Societal Responses"** by C. Arthur Williams, Jr., **Reprint Series No. 182**, reprinted from *The Annals of the American Academy of Political and Social Science*, May 1979.

Unemployment is enforced idleness among persons who are willing and able to work. Unemployment was not a serious problem until the Industrial Revolution produced a more complicated, interdependent, impersonal society. Unemployment may be classified according to its cause as aggregate, selective or structural, and personal. Unemployment rates vary greatly according to business conditions; they also vary greatly among different classes of the population. Most unemployment currently lasts less than fifteen weeks. Until the Great Depression society did little to help the unemployed. Friends and relatives were the major outside sources of support other sources being private charities, public relief, and employer or trade union plans. The Great Depression produced the highest unemployment rates ever experienced and a climate favoring federal intervention.

This paper reviews the types of unemployment, numbers and composition of the unemployed and society's response prior to 1935. It also reviews the post-1935 responses and their effects.

**"The Role of Auditing Theory in Education and Practice"** by Robert E. Hamilton, **Reprint Series No. 183**, reprinted from *Auditing Symposium IV*, Proceedings of the 1978 Touche Ross University of Kansas Symposium on Auditing Problems, May 1978.

Audit activities are receiving increased public attention and scrutiny. With public institutions increasingly being the subject of auditors' activities and with public disclosure of the financial and operating results of large CPA firms, there is an increasing demand for explanations of the auditor's role in our society. New audit procedures, new forms of audit organization, and new institutional arrangements have been rapidly introduced without a simultaneous infusion of explanations which are grounded in theory.

The purpose of this paper is to describe the nature of a theory of auditing which would improve the underpinnings for explanations of audit activities and to

identify specific linkages between improvements in theory and difficult problems in auditing education and practice. □

U.S. POSTAL SERVICE  
STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION  
(Required by 39 U.S.C. 3685)

1. TITLE OF PUBLICATION: **McNULTY NEWS** 2. PUBLICATION NO.: **927479** 3. DATE OF FILING: **Quarterly**

4. FREQUENCY OF ISSUE: **Quarterly** 5. NUMBER OF ISSUES PUBLISHED ANNUALLY: **4** 6. ANNUAL SUBSCRIPTION PRICE: **None**

7. LOCATION OF HEADQUARTERS OR GENERAL BUSINESS OFFICES OF THE PUBLISHERS (Not printing plant): **Colligan & Grad, School of Business Administration, U of Minn., Minneapolis, Mn. 55455**

8. NAMES AND COMPLETE ADDRESSES OF PUBLISHER, EDITOR, AND MANAGING EDITOR:

PUBLISHER (Name and Address): **David M. Lilly, Dean, Colligan & Grad, School of Bus. Adm., U of Minn., Mpls. 55455**

EDITOR (Name and Address): **Mary Louisa Hill, " " " " " "**

MANAGING EDITOR (Name and Address): **Mary Louisa Hill, " " " " " "**

9. OWNER (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual must be given. If the publication is published by a partnership or other unincorporated firm, its name and address must be stated.)

NAME: **Colligan & Grad, School of Bus. Adm., 271 - 19th Av. So., Minneapolis, 55455**  
ADDRESS: **University of Minnesota**

10. KNOWN BONDHOLDERS, MORTGAGEES, AND OTHER SECURITY HOLDERS OWNING OR HOLDING 1 PERCENT OR MORE OF TOTAL AMOUNT OF BONDS, MORTGAGES OR OTHER SECURITIES (If none are none, so state):

NAME: **NA** ADDRESS: **NA**

11. FOR COMPLETION BY NONPROFIT ORGANIZATIONS AUTHORIZED TO MAIL AT SPECIAL RATES (Section 132 (2)(F) of the Internal Revenue Code):

12. HAVE NOT CHANGED DURING PRECEDING 12 MONTHS:  HAVE CHANGED DURING PRECEDING 12 MONTHS:  (If changed, publisher must submit explanation of change with the statement.)

13. EXTENT AND NATURE OF CIRCULATION:

A. TOTAL NO. COPIES PRINTED (Net Press Run)	AVERAGE NO. COPIES EACH ISSUE DURING PRECEDING 12 MONTHS	ACTUAL NO. COPIES OF SINGLE ISSUE PUBLISHED NEAREST TO FILING DATE
22,000	22,000	23,000
B. PAID CIRCULATION	0	0
1. SALES THROUGH DEALERS AND CARRIERS, STREET VENDORS, COUNTERS, AND OTHER RETAIL SALES	0	0
2. MAIL SUBSCRIPTIONS	0	0
C. TOTAL PAID CIRCULATION (Sum of B and C)	0	0
D. FREE DISTRIBUTION BY MAIL, CARRIER OR OTHER MEANS, SAMPLES, COMPLIMENTARY, AND OTHER FREE COPIES	21,000	22,000
E. TOTAL DISTRIBUTION (Sum of C and D)	21,000	22,000
F. COPIES NOT DISTRIBUTED	1,000	1,000
1. OFFICE USE, LEFT OVER, UNACCOUNTED, SPOILED AFTER PRINTING	1,000	1,000
2. RETURN FROM NEWS AGENTS	0	0
G. TOTAL (Sum of E, F, and G) should equal net press run shown in 13A	22,000	23,000

14. I certify that the statements made by me above are correct and complete.

SIGNATURE AND TITLE OF EDITOR, PUBLISHER, BUSINESS MANAGER, OR OWNER: **Mary Louisa Hill, Editor**

15. FOR COMPLETION BY PUBLISHERS MAILING AT THE REGULAR RATES (Section 132 (2)(A), Postal Service Manual):

16. U. S. C. 3685 provides in pertinent part: "No person who would have been entitled to mail matter under former section 1302 of this title shall mail such matter or other matter provided under this subsection unless he files annually with the Postal Service a written request for permission to mail matter at such rate."

In accordance with the provisions of this statute, I hereby request permission to mail the publication named in item 1, at the special postage rate presently authorized by U. S. C. 3685.

SIGNATURE AND TITLE OF EDITOR, PUBLISHER, BUSINESS MANAGER, OR OWNER: **Mary Louisa Hill, Editor**

PS Form 3526 (Page 1) (See instructions on reverse)

---

# Employer Education Calendar

## Watch for Us In 1980...

### January

- "The Counseling Interview" (one day)
- "Recruiting & Selecting New Employees" (2½ days)
- "Job Analysis & Job Descriptions" (2½ days)
- "Labor Relations for Supervisors" (one day)

### February

- "Employing the Handicapped" (one day)
- "Contract Administration" (two days)
- "Privacy" (one day)
- "Career Planning & Management" (one day)

### March

- "EEO for Supervisors" (one day)
- "Employee Relations for Supervisors" (one day)
- "Job Evaluation Strategies" (1½ days)
- "Performance Problems" (one day)
- "Affirmative Action Programs" (two days)
- "Attitude Surveys" (two days)

### April

- "Human Resource Management Goals & Standards" (1½ days)
- "Supervision II: Beyond the Basics" (three days)
- "New Employee Orientation" (one day)
- "Labor Relations for Public Employers" (1½ days)

### May

- "Age Discrimination & Managing Older Workers" (two days)
- "Performance Appraisal Systems" (two days)
- "Assessing Promotability" (one day)
- "Labor Relations: Advanced Issues" (one day)

### June

- "Fundamentals of Effective Supervision" (two days)
- "Personnel Administration & the Law" (three days)
- "Compensation Programs: Management & Administration" (three days)

The above seminars are scheduled January through June, 1980.  
Individual descriptive brochures will be mailed.

For more information contact:

Employer Education Service  
Industrial Relations Center  
423 Business Administration Building  
271 19th Avenue South  
University of Minnesota  
Minneapolis, Minnesota 55455  
(612) 373-5391

# The Graduate School of Business Administration

University of Minnesota

## EXECUTIVE DEVELOPMENT CENTER

announces its  
1980 Winter Minnesota Management Institute (MMI)  
a four-week  
residential general management  
development program  
for operating-level managers

### Winter 1980 Schedule

dates	location
February 3-13, 1980	Cragun's Resort, Brainerd, Minnesota
March 16-21, 1980	Telemark Lodge, Cable, Wisconsin
April 21-26, 1980	Cragun's Resort, Brainerd, Minnesota

Tuition: \$3600

For reservations or  
to obtain a copy of the brochure  
describing the Minnesota Management Institute,  
please contact:

Executive Development Center  
324 Business Administration Building  
271 — 19th Avenue South  
Minneapolis, MN 55455  
(612) 373-3837

John J. Mauriel, Director  
Lynne Medcalf, Assistant Director — MMI

In cooperation with Continuing Education  
and Extension, University of Minnesota



COLLEGE AND GRADUATE SCHOOL  
OF BUSINESS ADMINISTRATION  
University of Minnesota  
Minneapolis, Minnesota 55455

Return Postage Guaranteed

UNIVERSITY ARCHIVES  
10 WALTER LIBRARY  
UNIV OF MINNESOTA  
MINNEAPOLIS, MN 55455

Second-class  
Postage paid at  
Minneapolis, Minn.

MKC  
JB96n



# business news

COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

## Tapping the expertise in the business community



**Stephen Keating, Vice Chairman of Honeywell and E. R. Kinney, Chairman, General Mills**

A special course, Senior Management Issues, conducted by Stephen Keating, Vice Chairman of Honeywell and member of the CBA Board of Overseers, has had overflow crowds during Winter quarter. About thirty MBA students (day and evening) were expected to enroll for the once-a-week sessions from 3:30 to 5:30 to hear senior executives from major companies discuss important issues and problems facing their companies. Instead, thirty-six MBA students, half day and half evening, are enrolled and attend every session, in addition to a few visitors and some CBA senior faculty members.

The presentations by key executives invited by Keating have included a statement of the problem to be discussed, the variables that were seen to be relevant and how the problem was eventually resolved. Following the presentations, there was an opportunity for questions. Some of the topics treated



**Curtis L. Carlson, Carlson Companies**

in the series were: Relationships with the Board of Directors, Managing international operations, Benefits of a privately held company, Mergers and acquisitions, Marketing strategy for long-term goals.

Mr. Keating's visiting faculty were **William A. Andres**, Chairman and CEO, Dayton Hudson Corporation; **E. W. Spencer**, Chairman and CEO, Honeywell; **Carl B. Drake, Jr.**, *Business community—to column 4*

## Minnesota Business Conditions Survey

### Business condition for retailers show a sharp decline

Sixty percent of retailers report lower dollar sales compared to three months ago, and forty-six percent report a decline in sales compared to a year ago. Only twenty-eight percent of retailers show increased dollar sales, but much of this is probably attributable to inflation, because prices of almost all items purchased by retailers have increased during the last three months.

These declines appear to include more than the seasonal reductions typically experienced at this time of year. Compared to a year ago, thirty-five percent of retailers have reduced their employment levels, thirty-nine percent have lower inventories, and forty-six percent have lower sales.

### Indicators point to slowing business for manufacturers

Production and new orders for manufacturers are declining, while levels continue to increase. Forty percent of manufacturers report lower production compared to November 1979. Only twenty-nine percent indicate higher production levels, compared to sixty-two percent in November. In addition, forty-nine percent of manufacturers report lower new orders. This is the largest proportion to report a lower level of new orders since the recession of 1974-75. Despite the declines in production and new orders, sixty-six percent of

*Conditions survey—to column 6*

## In This Issue

Issue 68	March 1980
	Column
Senior Management Issues .....	1
Business Conditions Survey .....	3
Young Presidents .....	7
Fellowships .....	10
Development Report .....	13
Management Institute .....	13
Alumni News .....	10
Faculty Pen .....	16

*Business community—from column 2*

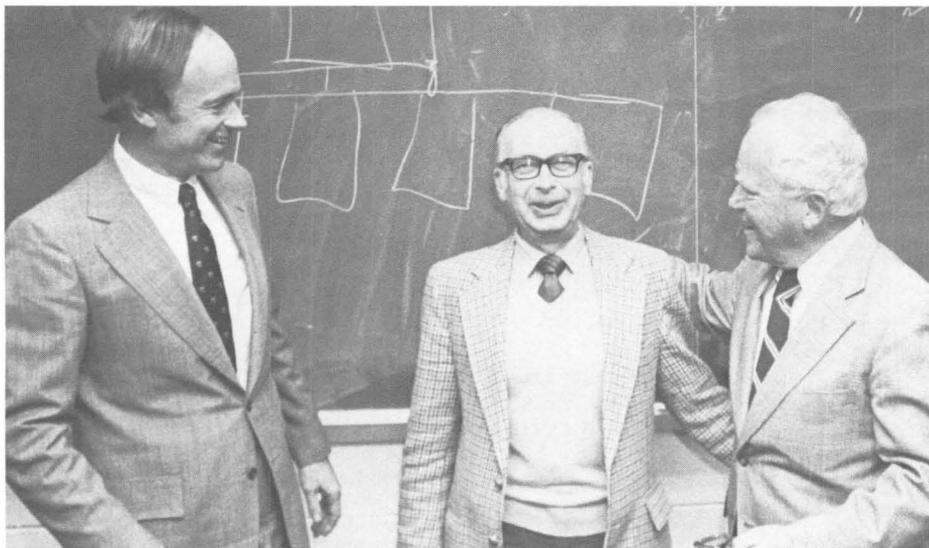
Chairman, St. Paul Companies; **Curtis L. Carlson**, Chairman, Carlson Companies; **W. H. Spoor**, Chairman and **Jerry Levin**, Vice President-Acquisitions, The Pillsbury Company; **Dr. Gene Mayberry**, Chairman, Board of Governors, The Mayo Foundation; **Frank Donaldson**, Chairman, and **Wm. Hodder**, President, Donaldson Company; **N. Bud Grossman**, Chairman, Gelco Corporation; **Robert M. Adams**, Vice

President, Research and Development, 3M Company; and **E. R. Kinney**, Chairman, General Mills.

Dean David Lilly has been very pleased with the response to this course which "exposes our students to the best minds in the business community, acquainting them first hand with real life cases." "This course is a major part of our strategy to bring the business community into the classroom to the benefit of both students and business," said Dean Lilly. □



**W. H. Spoor and Jerry Levin, The Pillsbury Co.**



**Wm. Hodder, President, Donaldson Co., Albert Wickesberg, Professor of Management, Frank Donaldson, Chairman, Donaldson Co.**

*Conditions survey—from column 3*

manufacturers experienced increases in inventories between November 1979 and February 1980. Higher unemployment may be ahead, especially for retailers.

Reports from manufacturers point to stable employment levels. Fifty-three percent indicate the same employment levels as in November 1979. Twenty-one percent show higher and twenty-six percent report lower employment.

The picture is not as encouraging for retailers. Although sixty-seven percent reported the same employment level as last quarter, thirty percent indicated lower employment.

**Manufacturers' inventories are up, but retailers' inventories are down**

Manufacturers' reports indicate the continuation of the last three quarters' trend toward inventory build-up. Sixty-six percent report higher inventories than last quarter. Retailers, however, show a decline in their inventory levels. Although this is partly a seasonal factor, it may also be an indication that retailers are being cautious about future demand.

The quarterly survey is based on the responses of a panel of 110 Minnesota retailers and manufacturers. This report was prepared by Mr. Mansour Javidan, Graduate Assistant, under the supervision of Professor Roger B. Upson. Single copies of the complete report are available upon request to the Research Division of the College, 271 19th Av. So., Minneapolis, 55455. □



Published quarterly by the College and Graduate School of Business Administration University of Minnesota, Minneapolis, Minnesota 55455

David M. Lilly, Dean  
Mary Louise Hill, Editor  
(612) 373-4482

Second-class postage paid at Minneapolis, Minnesota

## Young Presidents share talent and experience with students

Analysis and discussion of a case titled "The Science Technology Company" was the topic when members of the Young Presidents Organization (YPO) met with Professor Jim Gahlon's MBA class on Financial Management on January 30.

In the case, the president is reviewing a financial plan developed by his chief financial officer which at first glance, seems manageable. However, the forecasts ignore inflation which when factored in makes Science Technology's

situation very precarious. The financing needs far exceed that available from bank loans and the sale of equity in the immediate future is virtually impossible due to the erratic profitability of the recent past. A revision of the sales volume, operating, and financial targets therefore becomes necessary.

In the first part of the evening the YPO members discussed the case among themselves and had the opportunity to use a computerized financial planning model to develop their

own financial forecasts for Science Technology. In the second part they each met with a group of students to discuss the case. The last part was devoted to a full class discussion led by Professor Jim Gahlon of the Finance Department and Professor Bob Hansen of the Marketing Department. At this time, the solutions proposed by the various groups were analyzed. In particular, the solutions focused on coping with the effect of inflation by raising profit margins through cost reduction methods, increasing turnover through better control of receivables and inventory, and slowing sales growth. The latter precipitated a discussion of the key considerations in determining where and how to cut volume.

The YPO executives who participated were: **Donn P. Barber**, Sunn Musical Equipment Co.; **James Campbell, Jr.**, The Satterlee Company; **Noel Coon**, Northern Pipeline Const. Co.; **Harold L. Holden**, Holden Industries; **Allen O. Johnson**, Vandusen Air; **William S. Reiling**, The Towle Company; **Michael Sill**, Road Machinery & Supplies; **Dean E. Terry**, Lyon Food Products; **E. David Willette**, Vaughn's Inc. □



**Harold L. Holden**  
Holden Industries, Inc.  
& MBA students



MBA students with **Michael Sill**  
Road Machinery & Supplies

## Fellowships for 1979-80

Graduate fellowships for 1979-80 were announced by the Graduate School of Business Administration. The recipients, prior degree and college, and the donors are listed below:

### To MBA students

Robert Bushman	BBA-Accounting, Ohio State, 3M
Catherine Flexner	BA-Pol. Sci., Northwestern, NU Comp. Systems
Wm. Johnson	BA-Math, Colorado State, NU Comp. Systems
John Zimny	BS-Psych., U of Wisconsin-Madison, NU Comp. Systems
Susan Heckler	BA-Chemistry, U of Minnesota, Pillsbury
Karen Schoenebeck	BS-PE/Math, U of Wisconsin-LaCrosse, General Mills
Wm. Tanner	BS-Accounting, Ohio State, General Mills
Gregg Weisskirk	BA-English, U of Minnesota, Am. Production & Inventory Control

### To Ph.D. students

Noel Clive	B. Elec. Eng. & MBA, U of Karachi, Pakistan, IBM
Carol Eger	BA-Psych., U of Rochester, MA-Speech, U of Minnesota, Ernest Heilmen
Hudson Nichols	BA-Econ., MBA, Tulane, 3M
Joseph Weber	BA-Math, St. John's, MA-Math, U of Colorado, Rosenblatt
Terry Wharton	BS-Business, U of Minnesota, Am. Prod. & Inventory Control

Seventeen graduate students also received Corporate Associate Fellowships for 1979-80, three to Ph.D.s and twelve to MBAs, one IR-MA and one IR-Ph.D. They were listed in the Sept./Oct. issue. □

## International participation in research project on auditing advanced EDP systems

There is international participation in a research project on auditing advanced EDP systems being conducted between January and June of 1980 by the Management Information Systems Research Center of the College of Business. The researchers are Professor

## Management Development Program Head Named

Kenneth W. Myers, a doctoral candidate of the Case Western Reserve University Ph.D. program in organizational behavior, joined the Executive Development Center (EDC) of the College of Business in January to head the new Minnesota Management Institute (MMI).

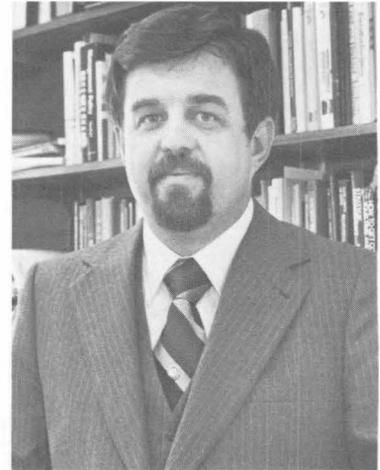
Myers served with the U.S. Navy from 1956-74 where his primary activities were in training and organization development. He was named Director, Advanced Management Programs, Center for Management Development and Research, at Case upon retiring from active duty with the Navy in 1974. He remained in that position until 1976 while studying in the Ph.D. program. Myers has been a consultant to business and organizations since his Navy days along with his Case Management Development Center duties.

Among Myers Navy experiences was his work with the Chief of Naval Operations developing an organization development model and effecting it Navy-wide. He also developed and brought to fruition a major continuing education program for academic credit for Naval professionals.

As director of Advanced Management Programs at Case, his responsibilities included elements of program design, marketing, faculty negotiation, delivery and administration of an 8-month certificate program and various workshop activities with mid to upper level managers.

Gordon Davis of the College, Dr. Ron Weber, on leave from the University of Queensland, Australia, and Efrim Boritz, a doctoral candidate in Accounting and MIS from Canada. All of the researchers have extensive backgrounds in auditing EDP systems. The research is being funded by the Limperg Institute of the Netherlands (an accounting research institute founded by five Dutch universities and the Dutch Institute of Certified Accountants).

The objectives of the research are to define the significant controls that can be used in advanced EDP systems, assess the cost and effectiveness of these controls, identify and evaluate methods for assessing overall reliability of advanced EDP systems. The results



**Kenneth Myers, Director, Minnesota Management Institute**

During February Myers conducted the first session of the new Management Institute for ten days and defended his Ph.D. thesis at Case. Two additional sessions of MMI will be held in March and April for participants in the new development program for operating-level managers.

John Mauriel, Director of the Executive Development Center, says he is pleased to have Myers join the Center with the wealth of experience he has had in the Navy, at Case and as consultant to major organizations. □

of the project will be a monograph that will be made available to system designers, auditors, and EDP auditors throughout the world.

The research method will involve interviews with EDP personnel and audit personnel having leading-edge experience with advanced EDP systems. Interviews are planned in the United States, Canada, Great Britain, Western Europe, and Australia.

Ron Weber who received his Ph.D. from Minnesota in MIS/Accounting is visiting for the six months from January to June at the College. His primary purpose is to work on the research project on Auditing advanced EDP systems, but he will also be teaching EDP auditing. □

## Development Report

### General Mills Challenge Grant Update

Contributions from alumni and friends to the College of Business Administration in the first six months of 1979-80 total \$56,198. Support by individual alumni in 1978-79 totaled \$12,000.

New or increased contributions now are over half way to the \$50,000 goal set by the General Mills Challenge Grant. Of the \$56,198 received by January 31, \$37,600 qualifies. General Mills matches all new or increased gifts by individuals of \$2,000 or less up to a maximum total of \$50,000.

### Dean's Council

The Dean's Council, established as a new major gift club in the CBA Fund which recognizes those alumni and friends who make an annual gift of \$500 or more, now has forty-two of the one hundred members needed.

### Super Valu Contribution Received.

Super Valu has pledged \$100,000 in an unrestricted gift in support of the CBA program aimed at making it one of the top business schools in the country.

### New Fellowship Funded by IBM

IBM has made a grant of \$11,900 for a fellowship in Management Information Systems in CBA to help develop faculty qualified to teach in this high demand area. The award is given to cover tuition and fees and a stipend for one academic year for an outstanding full-time Ph.D. candidate plus a departmental grant of \$2,000.

### Partners Program Receives Major Grants

The Business and Technology Partners Program, launched last Fall with major grants from the 3M Company and the

Donaldson Company, has now added support from six additional companies. NSP has given \$60,000; the Carlson Companies, \$100,000; American Hoist and Derrick Company, \$100,000; Deluxe Check, \$60,000; H. B. Fuller, \$20,000; and Tennant Company, \$30,000.

This support will be divided equally between the College of Business Administration and the Institute of Technology, helping each to develop programs to meet the expanding needs of business for technology and management education. The Partners Program was established to encourage interaction and cooperation between the business community and the two units of the University which serve it most directly. It provides a mechanism for involvement of faculty and students with business as well as providing needed support to the colleges. □

## MMI holds first session

The Minnesota Management Institute (MMI), the new four-week residential management development program for operating managers, held its first session from February 3-13 at Cragun's Resort, Brainerd. Two additional sessions will be held in March and April for the participants of the program.

MMI is responding to a continuing need of men and women in middle management positions: to better understand the functional and human interrelationships in an organization; to further develop managerial skills; to understand functional specialties other than their own; and to identify how their own leadership styles may affect their potential success in the organization. Not only are these individuals charged with operational responsibility for translating corporate strategy to results within company units, they are the talent pool for future top management positions.

Quality middle management is crucial to a firm's success experience has shown and participants in the Minnesota Executive Program for top management have frequently stressed the need for a comprehensive program for their

operating managers—a program that goes beyond the special topics covered in one- and two-day seminars and presents a more complete view of companywide issues and relationships.

The MMI program is complete—from marketing, to human relations, to financial management, it covers all aspects of an organization's functions; it is current—because participants are professionals in their fields, faculty and outside experts have to be knowledgeable about the newest techniques and innovations; it is compact and intensive—thirty to forty participants spend four weeks (in one- and two-week segments) in a residential setting, with no distractions, no interruptions.

Twenty-seven operating managers are participating in this first session of the new program which will be a mix of case studies, lecture/discussion, and individual preparation. Core faculty from the Graduate School of Business Administration will be supplemented by outside executives who will be called upon to lead discussions on application of course content to real situations.

MMI core faculty are Norman

Chervany, Professor and Chairman, Department of Management Sciences; Willis J. Dombrowske, Professor of Accounting, and former chief financial officer for several major Minneapolis companies; W. Bruce Erickson, Professor of Business and Government and Chairman, Department of Management and Transportation; Richard K. Gaumnitz, Professor of Management; Peter Rosko, Associate Professor of Finance; William Rudelius, Professor of Marketing; Roger G. Schroeder, Professor of Operations Management; Gertrude G. Verser, Visiting Assistant Professor of Organizational Behavior. Kenneth W. Myers, former director, Advanced Management Programs at Case Western Reserve University, is the new director of MMI. (See article col. 11) □

## New Director for Industrial Relations Center

James G. Scoville, Professor of Economics and Labor and Industrial Relations, University of Illinois, was named Professor and Director of the Industrial Relations Center, College of Business Administration, following an intensive, nation-wide search.

After receiving his doctorate, Professor Scoville served as Economist with the International Labour Organization in Geneva, Switzerland, 1965-66. From 1966 to 1969 he was Assistant Professor of Economics at Harvard University. In 1969 he joined the faculty at the University of Illinois.

Scoville has been engaged in extensive labor market and manpower research in Mideast countries. These activities include serving as consultant to the International Bank for Reconstruction and Development in Jordan and Saudi Arabia and A.I.D. in Afghanistan. He was also an expert with the ILO Comprehensive Employment Strategy Mission to Iran. In the U.S., he was a member of the Task Force on the 1970 Census Manpower Reports and consultant to the Cost-of-Living Council and other federal, state, and local agencies.

He has published extensively in such areas as occupational data and statistics, manpower planning and forecasting, labor markets and labor relations.

Scoville, an internationally recognized expert in the areas of comparative industrial relations systems and labor market aspects of economic development, brings to the Center's academic core a comparative and policy perspective. He is charged with the task of leading the Center toward greater research on public policy issues, especially as regards productivity and inflation and other areas of national concern in industrial relations. Scoville, who received his A.B. from Oberlin College in 1961 and his M.A., 1963, and Ph.D. 1965, in Economics from Harvard University, succeeds Professor Mario (Mike) Bognanno, Director of the Center since 1973. Bognanno will return to teaching at the College full time next



**James G. Scoville**

year when he returns from his sabbatical leave in Korea.

The IR Center, which will celebrate its 35th Anniversary in 1980, maintains a wide array of research activities and provides graduate educational curricula for the over 100 students in the M.A. and Ph.D. programs in Industrial Relations. Additionally, the Center's faculty and staff, which numbers over 75, are engaged in conducting continuing education programs for employers and labor groups. The Center also has an extensive reference collection for research and educational purposes. Its faculty includes members from the Departments of Economics, Psychology, Sociology and History, as well as from the College of Business Administration. □

### Alumni luncheon scheduled

The Beta Gamma Sigma Scholar of the Year, Sidney Davidson, Arthur Young Professor of Accounting at the University of Chicago, is scheduled to address the spring Quarterly Alumni Luncheon on May 14. The title of his speech will be "Inflation Accounting." Alumni and business friends wishing to attend should contact the Alumni Services Office, 373-4174.

Mark H. Willes, President, Federal Reserve Bank of Minneapolis, was the February 27 Quarterly Alumni Luncheon speaker. He discussed the economic outlook for 1980. Copies of his address will be available free of charge upon request to the Research Division of the College.

## Shoot for Success

Shoot for Success is the theme of Business Week '80, April 14-18, the biggest week of the year for undergraduate business students.

A series of programs, held throughout the week covering almost every area of business, is planned by all CBA organizations and coordinated by the Business Board. Business Day, Thursday, April 17, is an all-day event for which classes will be cancelled to allow students, faculty and staff to attend the activities at the St. Paul Radisson Hotel.

Business Day, divided into two segments, features morning discussion sessions between students and representatives from the Twin Cities business community and a luncheon and keynote speaker. There will be six panels of representatives from local companies and a faculty member as moderator in the morning session. Topics range from what are the advantages/disadvantages of getting an MBA directly after a bachelor's degree as opposed to working a few years first, to how do you make decisions and what decisions are the most difficult to make, to how important are the variables of education, extracurricular activities and work experience in selecting entry-level employees?

The noon luncheon will be followed by an address by Jane Evans, Group Vice President, Apparel, General Mills. The title of her talk will be Guidelines for Success. An annual feature of the B. Day luncheon is the presentation of awards for the Teacher of the Year, Teaching Assistant of the Year, and Recruiter of the Year. Recipients for these awards are selected for their performance during the year by a vote of the business students.

The day will end with a B. Day Boogie at McKnight Tower beginning at eight o'clock.

## Where are they now?

### 75 grad writes capital source book

Dileep Rao, 1975 Ph.D. in Business Administration, who heads his own company, has also published his own book, "**Handbook of Business Finance and Capital Sources**," (by Dileep Rao. *Interfinance Corp.*, Minneapolis, \$50).

Dr. Rao's book is said to be the most comprehensive collection of financial-source information available. The **Handbook** begins with the fundamentals of business finance including information sought by financial institutions. It covers types of debt, capital sources and specialized areas of financing. It is intended to be a one-stop library of accurate, periodically updated information to help businessmen, financial officers, attorneys, accountants and others make a success of their businesses.



**Dileep Rao**

Rao, who earned his undergraduate degree in engineering from the University of Bombay, has been in the U.S. since 1967. He received a Masters degree in Industrial Engineering from the University of Minnesota in 1969, but found he did not like the prospect of being confined to the four walls of a factory so decided to enter the field of business. He opted for the Ph.D. rather than the MBA program because he believed his plans for consulting and writing would be furthered by the research knowledge and skills gained in the Ph.D. program. The research know-how has been useful he thinks and is an excellent preparation for the future.

Rao, who has been in business for himself since 1976, is president of InterFinance, a consulting and publishing firm whose clients are primarily new and

young companies needing venture capital and advice.

Dr. Rao, in a recent article in **Commercial West**, stresses the use of alternative financing sources and the role of bankers in community growth. He believes that bankers, with their unique position in the community and the knowledge of financing they possess, are in the most appropriate position to provide the leadership and assistance to new companies required for the economic growth being sought by every small community. □

## Alumni Update

### 1970

**Daniel Ben-Asher**, MA-IR, is a staff member, Committee on Labor, New Jersey General Assembly and was married in 1978.

**Carl D. Herington** lives in Clayton, California where he is Vice President for Personnel-Cashiers Division, for the Crocker National Bank.

**James R. Jagielski**, MS, is serving with the Resources Management Office of the HQ VII Corps of the U.S. Army in Stuttgart, West Germany. He was promoted to Lieutenant Colonel in March of 1979.

**Gerald M. Johnson** is President and owner of Johnson Advertising Service and lives in St. Croix Falls, Wisconsin.

**Donald G. Pishney** is Manager of the Ernst & Ernst Office in Tucson.

**Jeffrey S. Smith** is Assistant Vice President/Manager of Direct Compensation for the First Bank System and lives in Edina.

**Richard I. Smith, Jr.**, is an agent for Equitable Life Assurance Society and lives in Rochester. He is married and has one child.

### 1971

**Bruce D. Ellefson** is Managing Officer and Secretary of the Board of Directors of the St. Peter Savings and Loan Association and lives in St. Peter with his wife and two sons.

**Richard Fischer** is Systems Manager for National Car Rental Systems and lives in Minneapolis.

**Richard A. Lind** is a lawyer with Coulter, Nelson, Sullivan and Frevert in Minneapolis.

**Stephen H. Westmark** is a Senior Sales Associate with Executive Home Consultants where he was top salesperson for 1977 & 1978. He is married and has one daughter. □

### 1972

**George J. Claseman** is Executive Director for the Hennepin County Bar Association. He received his law degree in 1976 from Wm. Mitchell College.

**Norajeon Crowley** is Accounts Payable Supervisor for 3M. She received an MBA degree from St. Thomas College in 1977.

**Lee K. Karayusuf** is Traffic Supervisor for Frito-Lay, Inc. in Vancouver, Washington.

**Michael R. Pauling** is Vice President of Satellite Industries and lives in Eden Prairie with his wife and two children.

**Curtis Sippel**, MS-Marketing, is Assistant State Auditor for the State of Minnesota.

### 1973

**John J. Burke** is Senior Trust Systems Analyst for the First National Bank of Minneapolis and lives in Champlin with his wife and two sons and two daughters.

**Stephen L. Johnson** lives in Ogden, Utah where he is employed with Wm. E. Johnson and Associates, Certified Public Accountants.

**David V. Rudd**, EMBA, has been appointed Director of New Products Marketing for the Golden Valley Division of General Mills.

**Spencer L. Schram** is President of the American Professional Academy of Continuing Education and lives in Bloomington. He has been active with the Independent Republican Party having served as vice chairman and was campaign manager of the 1978 IR campaign for State Treasurer.

**Pal Sunde** is Manager, Crude Oil, for Norsk Hydro, in Oslo, Norway.

**Kenneth V. Yager** is General Manager for the Centra Sota Cooperative and lives in Buffalo with his wife.

### 1974

**Wendell H. Eriksson** is Financial Analyst for the Dept. of Public Service, State of Minnesota and lives in Brooklyn Center with his wife and son.

**Dale S. Kihlman** is Production Control and Purchasing Manager for Ceramichrome, Inc. (subsidiary of Tonka Corp.) and lives in Danville, Ky. with his wife and two children.

**John V. Lawler** is Industrial Relations Analyst for the Ford Motor Co. in Dearborn and lives in Westland, Michigan with his wife and daughter.

**Carrick A. Martin** is Associate Professor of Accounting at Macquarie University in New South Wales, Australia where he is chairman of the Accounting Department.

**Charles H. Meyer** is an attorney with Oppenheimer, Wolff, Foster, Shepard and Donnelly and lives in Roseville. He recently had an article on wealth transfer taxation published in the New York University Journal of International Law and Politics.

**Jeff H. Walton** is Senior Sales Engineer-Semiconductor Division, Texas Instruments and lives in Maple Plain where he was elected City Councilman in 1978. He is also a volunteer fireman and on the rescue squad. □

**"Consumer Behavior and Perceived Decision Freedom: A Reexamination,"** by John R. Walton, Eric N. Berkowitz and Ivan Ross, *Reprint No. 186*, reprinted from the *Journal of Applied Psychology*, 1979, Vol. 64, No. 5.

In an earlier study Reibstein, Youngblood, and Fromkin found that for two- and four-alternative choice sets, perceived decision freedom was positively related to amount of soft drink consumed but was not related to postchoice attitude change. This study attempted to replicate these findings while controlling for a quantity effect and similarity of preference toward alternatives in the respective choice sets.

The results of this study indicate that perceived decision freedom is not linearly related to soft drink consumption. Furthermore, some support for a positive relationship between perceived decision freedom and postchoice attitude change was found. A possible explanation of the conflict between these studies and future research directions are discussed.

**"Methods for Managerial Problem Cause Analysis,"** by John C. Anderson and Marius A. Janson, *Reprint No. 187*, reprinted from *Interfaces*, Vol. 9, No. 5, November 1979.

The important managerial processes of problem identification, formulation, and solution are often approached experientially. There are, however, several formalized approaches which

have been developed and are currently the subject of many management development programs. These approaches attempt to structure the establishment of a cause and effect relationship between a problem and its cause(s) for purposes of taking corrective action.

This paper summarily presents the cause and effect methods, critically evaluates them, explores their differences, similarities, and the kind of problems for which each method is appropriate.

**"Assessing Project Implementation Risk: A Methodological Approach,"** by John C. Anderson and Ram Narasimhan, *Reprint No. 188*, reprinted from *Management Science*, Vol. 25, No. 6, June 1979.

Successful implementation of OR/MS is increasingly becoming a concern of researchers and practitioners in the field. Research efforts to date have resulted in various conceptual models of the implementation process. While offering general insight, these conceptual models provide little assistance to an OR/MS implementor in managing the implementation process or more specifically assessing the nature and extent and resolving implementation problems.

This paper proposes a project-risk assessment methodology which could assist the OR/MS implementor in this determination, pointing out the need for

development of relevant implementation strategies directed at increasing the chances of successful implementation. Specifically, the methodology involves the use of a discriminant function to: 1) identify high, marginal, or low risk implementation situations; and 2) point out particular "risk factors" that reduce the chances of successful implementation. This paper emphasizes that knowledge of the risk factors specific to an implementation situation is essential for developing relevant strategies to mitigate their influence.

**Single copies of the reprints may be obtained free of charge upon request to the Research Division of the College of Business Administration.**



COLLEGE AND GRADUATE SCHOOL  
OF BUSINESS ADMINISTRATION  
University of Minnesota  
Minneapolis, Minnesota 55455

Return Postage Guaranteed

Second-class  
Postage paid at  
Minneapolis, Minn.

UNIVERSITY ARCHIVES  
10 WALTER LIBRARY  
UNIV OF MINNESOTA  
MINNEAPOLIS, MN 55455



**business  
news**

MKC  
7B96n

COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

## Honeywell gives million dollar grant to CBA

The Honeywell Fund has made a grant of one million dollars to the College of Business Administration. In accepting the grant, Dean David M. Lilly said, "it is truly a leadership grant and will be used to help accomplish educational goals mutually shared by the College and the business community. With this support we are well on our way to building the kind of excellence this business community needs in the form of new management employees, research, and training of existing management personnel."

The grant will be used to fund the following activities within the College:

- \$750,000 to fund the Honeywell Chair in Management Information Systems;
- \$125,000 to support a visiting professorship in Accounting;
- \$125,000 to support fellowships for students with technical education backgrounds seeking an MBA.

Dean Lilly said that this grant provides major resources to the MIS Pro-

gram and the Accounting Department, making these two outstanding programs even better and thereby more responsive to business needs.

This grant is the largest single grant received from a corporation thus far and brings total contributions to CBA to \$5.3 million since the start of the development program. It is part of a \$3 million Honeywell grant to the University with \$2 million going to the Institute of Technology to develop its Center for Micro-electronic and Information Sciences. □

## Overseers to head major corporations

Two members of the College's Board of Overseers have made some important changes in their positions recently.

**Lewis W. Lehr**, who was Vice Chairman and Chief Executive Officer for 3M be-

came Chairman June 1, replacing Raymond Herzog, retiring Chairman.

**Walter D. Scott**, who was Executive Vice President of Pillsbury, has become President and Chief Executive Officer of IDS.



**Lewis W. Lehr**, Chairman and Chief Executive Officer 3M Company



**Walter Scott**, President and CEO, IDS

## Minnesota Business Conditions Survey

### Most retailers and manufacturers report decreased sales and production

Unusually large percentages of the 115 retailers and manufacturers replied that sales and production declined in May compared to three months ago. Sixty-seven percent of retailers report lower sales while only twenty percent report higher sales. Similarly, fifty-four percent of manufacturers report decreased production compared to February's production level.

In addition, seventy-four percent of retailers report that sales are lower than a year ago. These figures for retailers are the largest percentages showing declining sales, on both a three month and an annual comparison, in the six year history of the survey.

*Conditions Survey—to column 10*

## In This Issue

Issue 69

June/July 1980

	Column
Million Dollar Honeywell Grant	1
Board of Overseers	2
Business Conditions Survey	3
Business Day	10
Whitney Top Management Course	4
MBA Internship Program	13
MBA Team Project	16
Alumni News	22
Executive Development Center News	24
Faculty Pen	29

## Whitney again presents Top Management Perspectives

Wheelock Whitney presented fifteen top management personnel from the area's top companies and organizations to a business college class during Spring Quarter. The course, Top Management Perspectives, begun in 1973, has had over two hundred chief executives over the eight years.

The course is restricted to seniors and graduate students and is supposed to be limited to sixty-five students but is always oversubscribed. Whitney begins each class session with a brief lecture then introduces his guest lecturer who has been invited to speak thirty to forty minutes on any topic he or she wishes. At that time the students may ask questions of the guest on any subject.

Albert Wickesberg, Professor of Management, who provides academic input, says that the course allows students a

unique opportunity to learn how top executives operate, to get to see and know them personally, and to learn how their positions affect their personal lives.

Whitney's guests this year have been:

**James C. Colville**, Executive Director, United Way of Minneapolis area

**Nancy Olkon**, Chair, Hennepin County Commissioners

**Stanley S. Hubbard**, President, Hubbard Broadcasting

**Luther Prince**, President, Ault, Inc.

**William W. Holes**, Chairman and President, Holes Webway Co.

**William O. Naegele**, Chairman and CEO, Restaurants No Limit, Inc.

**Donald R. Dwight**, Publisher, Minneapolis Star & Tribune

**Willis K. Drake**, Chairman and President, Data Card Corp.

**H. Brewster Atwater, Jr.**, President & COO, General Mills

**George H. Dixon**, President, First Bank System

**William A. Hodder**, President, Donaldson Company

**Michael W. Wright**, President and COO, Super Valu Stores

**Garry B. Rappaport**, Chairman and CEO, Napco Industries

**Paul W. Kraemer**, President, Minneapolis Gas Company

**John E. Pearson**, President and CEO, Northwestern National Life Insurance

Mr. Whitney is pleased with the course. "It is one of my ideas that worked—a very productive kind of course. It is good for the University, good for the business school, good for the students and guest speakers and good for Whitney too," he says. □



George H. Dixon and Wheelock Whitney during class discussion

George H. Dixon lecturing to class



H. Brewster Atwater, Jr. talking with students after class

## CBA students benefit from new microcomputers

How does our nation prepare and equip its citizens for the vastly different society of the 21st Century, one in which computer data bases will replace the written word as the storage media for man's accumulated knowledge? Computer literacy, the skill required to 'read and write' in this new environment, has been compared to the challenge of one hundred years ago when many Americans were ill-prepared for the coming 20th Century because they could neither read nor write.

While the nation has looked to its educators to provide the masses with computer understanding and skills, the high costs and complex systems of the large computers inhibited the level and breadth of exposure necessary to achieve computer literacy. Recent developments of the microcomputer and its application in education is changing that situation and will make it possible for society in general to fully utilize the power of computing. The microcomputer is now small enough, inexpensive enough, and simple enough to use so that it can be thought of as a device for personal use. The microcomputer offers educators, large and small businesses and individuals the opportunity to realize the capability which has been limited to the domain of large firms and institutions during the last two decades of computer development.

The increasing use of personal computers in business which is bringing the power and efficiency of rapid data processing to small businesses and giving managers of larger firms 'hands-on' access to business data when they need it, is taking place faster than many in the personal computer industry expected. It is reported that over three-quarters of a million business people are currently using small computers, which contribute to competitiveness by both increasing internal efficiency and improving customer service.

In the College of Business there are fourteen microcomputers, the Apple II, available for student and faculty use, with ten more in the adjacent Wilson Library. There are about one hundred in



**MBA students Anne Burkholder and Nancy Browning**

use within the University and approximately one thousand in the state in various educational institutions. CBA's Apple IIs have 48K memory, are equipped with communications capability and one or two floppy disks. They cost about \$2000 each, purchased through the Minnesota Educational Computer Consortium. All MBAs learn to use the Apple in their courses while other CBA students may teach themselves and use them at their discretion. Thomas Hoffmann, Professor of Management Sciences and Director of the West Bank Computer Center, who is in charge of the Apple II facility, noted that faculty too make extensive use of the personal computers.

In commenting on the development of the microcomputer and its role in the achievement of computer literacy for our nation, Professor Hoffmann said, "The personal computer will soon be located in every home for entertainment, energy control, and most importantly, education. Businesses of all sizes will be able to



**MBA student Roberta Hoffman**

profitably use them in process control, word processing and information management, and planning and control. We all need to become knowledgeable about their capabilities and limitations." □

## Jane Evans, General Mills executive, 20th Anniversary Business Day Speaker

"We're making a strong bid to take a place at the head of the table instead of just making the meals and serving them," **Jane Evans**, Group Vice President, Apparel, General Mills, told the audience at the annual Business Day luncheon speaking about women in the corporate world.

Evans, the first woman corporate executive to address the annual student event in its twenty year history, gave eight guidelines to success which helped her get ahead. She also credited her father's advice to have confidence in herself "because if you don't, nobody else will," as the most important advice he gave her.

Ms. Evans, who began her career with I. Miller and Republic Shoe Company in 1965 after graduation from Vanderbilt University, rose to president of I. Miller by 1970, and became Vice President of international marketing for Genesco by 1973. She then became president of Butterick Fashion Marketing in 1974 and Vice President of administration and corporate development for Fingerhut Corporation in 1977 before joining General Mills in October 1979 as Vice President and Director of marketing

planning for fashion activities. Evans was named Group Vice President, Apparel, in February.

"The effective manager for the future will be those individuals who possess both leadership skills and supporting and helping behaviors," Evans said. "In other words, people who possess the best attributes—of both sexes and demonstrate androgynous behavior will be the top managers in the decades ahead." She told the students that they, because of their acculturation process, were the generation that could bring true equality to the workplace. "We need each other's help in a lot of ways if we're ever going to develop our full potential as human beings and become equal contributors to the top management teams of our companies—for the betterment of those companies." "In the future," she concluded, "there must be more people at the top who understand the full impact of the new relationships between men and women and all of the ramifications—in the home, in business and in the marketplace."

Business Week, the annual student-run event which affords business students the opportunity to meet and to



Jane Evans

### *Conditions Survey—from column 3*

#### **Employment reported to be level or decreasing**

Hardly any retailers or manufacturers report increased employment over the past three months. Instead, fifty-three percent of retailers report the same amount of employment as three months ago, and forty-three percent report decreased employment. Manufacturers present a similar picture; forty-seven percent report stable employment and forty-four percent report decreased employment.

#### **Inventories also are reported to be lower**

The present downturn is being accompanied by many reports of reduced inventories. Forty-one percent of retailers and forty-two percent of manufacturers report reduced inventories of purchased

materials. This is the first time in the six years of the survey that so large a percentage of retailers has reported an inventory decline in May. This is also unlike the 1974 recession, when inventories increased while sales and production decreased.

#### **Prospects for the future**

Further reports of declines in manufacturing production are possible, because fifty-seven percent of manufacturers report that new orders decreased in the past three months, while fifty-four percent decreased production and forty-two percent decreased inventories. However, the considerable percentages of retailers and manufacturers who decreased inventories may be evidence of good inventory control, which reduces the need for large production cutbacks in the future.

Inflation may not occur as fast in the next few months. Only seventy-seven percent of manufacturers reported that prices rose on their purchases, a decline from eighty-six percent in the February survey. However, retailers have not had a similar experience. Eighty-six percent of retailers in this survey and eighty-nine percent in February reported that inventory prices rose.

This May quarterly survey is based on the responses of a panel of 115 Minnesota retailers and manufacturers. The report was prepared by Mr. Mansour Javidan, Graduate Assistant, under the supervision of Professor Roger B. Upson. Single copies of the complete report are available upon request to the Research Division of the College. □

hear business executives discuss various topics and problems pertaining to business, began on April 14. A different area or topic of concern was presented for the students each day of the week-long observance by managers and experts in the various specialties.

The 20th anniversary of Business Day, held on Thursday, April 17, began with a coffee hour and panel discussions of topics ranging from employment opportunities to how decisions are made. Faculty members moderated the panels composed of sponsoring company representatives. A luncheon followed the panel discussions, attended by over 750 representatives of the eighty-six companies sponsoring the event and students, faculty and staff of the college. Prior to the keynote address by Jane Evans, annual awards were made and **Professor Paul V. Grambsch**, Dean of the College from 1960-70, gave a brief history of Business Week and Business Day.

**William Hrabe**, college recruiter for Northwestern National Bank, received the Recruiter of the Year Award. **Jim Gahlon**, Assistant Professor of Finance, was presented the Outstanding Teaching Award by John Hake, President of the CBA Alumni, which sponsors the award, and **John Ozment**, TA in Management received the TA of the Year Award. Business students select the persons receiving the annual awards.

Copies of the Jane Evans address are available at no charge upon request to the Research Division. □



**Asst. Professor Jim Gahlon,  
teacher of the year**

**William Hrabe, recruiter of the year**



**John Ozment, TA of the  
year**



Published quarterly by the  
College and Graduate School  
of Business Administration  
University of Minnesota,  
Minneapolis, Minnesota 55455

M. David Merchant  
Director, External Relations  
(612) 376-8284

Mary Louise Hill, Editor  
(612) 373-4482

Second-class postage paid at  
Minneapolis, Minnesota

## The MBA Internship Program

The MBA Summer internship program is commencing its third summer. Beginning in 1978 with three interns working in the metropolitan business community, summer 1979 saw an increase to thirty students employed by twenty-one companies. Although at the time of this writing not all the offers have been confirmed or accepted, forty-five students are expected to secure internship positions this summer.

These internships provide short-term project help for the hiring firm or organization and valuable management

experience for the student. In addition, internships are recruitment-placement tools. Both employer and student get a close look at one another, for a limited time and cost. The duration of MBA internships range from eight to fourteen weeks. Monthly salaries in 1980, negotiated between company and student, range from \$1000 to \$1500.

During the past year the MBA internship program has been in an awareness-building stage. Last December information letters introducing the program were sent to top executives of 260 area companies. In follow-up calls by MBA candidates, over half of these companies requested additional information. Out of these requests have come

*Internship—to column 24*

## MBA team studies Honeywell Protection Services

A four-member team of MBA students under faculty adviser, J. David Naumann, is evaluating present and future branch management information needs for Honeywell Protection Services during the Spring Quarter BA 8159 course. The course, Quantitative Approaches to Administrative Problems, is a project team, required course in the MBA curriculum. This quarter there are thirty-seven teams of four students from various business disciplines, a faculty adviser and a company representative at work on a wide variety of problems such as quality control and evaluation of new business opportunities.

Each year companies are invited to participate in the project course by posing a problem they wish to have a team study, agreeing to cooperate and naming a company executive to work with the team.

The Honeywell Protection Services team began its work by describing the current system which was developed and implemented in 1973, went on to outline the scope of the project, described project outputs and summarized what its final report would include. It also did an analysis of project steps and time projections from April 6 to June 8 when a final presentation would be

made to the company. The team estimated it would require 1037 hours of work by the four person team.

The students who make up the Honeywell team and their specialities are: Philip Gilbertstadt, Finance & Accounting; Gwen Holmgren, Marketing; Richard Kottke, Management; Marcy Tavernier, Accounting. Brian Harter is the Honeywell Protection Services Coordinator.

The team is obtaining the information needs of the branches by interviews with branch managers and supplementing that information by inputs from both the home and regional offices. It will analyze the management decisions of the branches as a basis for determining branch information needs. This analysis which emphasizes the financial and operational information needs of the branch managers is to be used as a basis for a further development of a complete divisional information system.

The student team members said that working with Honeywell Protection Services has been a rewarding experience. "The Honeywell staff has been very supportive of our efforts and has given us an opportunity to apply our academic skills to a practical business problem. We feel fortunate to have worked with a company that has taken such a genuine interest in our project." □



### Standing

Brian Harter, Honeywell Protection Services (HPS) Coordinator, students Gwen Holmgren, Philip Gilbertstadt, Richard Kottke

### Seated

R. H. Matson, Vice President Marketing & Sales (HPS), R. J. McCracken, Field Director Operations (HPS), student Marcy Tavernier

## Operating Managers Complete First New Residential Management Program

The new four-week residential management development program for operating managers completed its final session in April at Cragun's Resort at Brainerd and graduated its twenty-seven class members. Dr. Ken Myers, director of the new program, Minnesota Management Institute (MMI), said he was pleased with the insights gained from the inaugural offering and believes the participants were satisfied with the overall program.

Designed for individuals charged with operational responsibility for translating corporate strategy into results within company units, the program also fosters the development of those who form the talent pool for future top management positions. It is a comprehensive program that goes beyond the special topics covered in one or two-day seminars and presents a more complete view of company-wide issues and relationships.

The four-week program is divided into three sessions of from five to ten days each which take the participants away from their offices affording an opportunity for a continuous span of time in which to evaluate from a distance the individual's and his/her organization's practices and techniques in the company of other managers who share similar objectives.

The last session in the April component consisted of a panel discussion dealing with corporate objectives and their application to decision making by middle managers. Professor Bruce Erickson, Chairman of the Management Department, presented an overall view of corporate objectives, arguing that non-financial objectives such as sales growth and social responsibility influence corporate behavior. Professor Peter Rosko of the Finance Department supported a ROI standard by pointing out that changes in ROI are good ways of measuring the financial costs of the achievement of non-financial objectives. Professor Will Dombrowske of the Accounting Department described many of the accounting problems involved in the measurement of the new income and investment components of ROI.

Discussion centered on the goals that middle managers were expected to meet. Profitability, sales growth, and cost reduction were the most common goals cited. Most of the middle managers present had compensation agreements that tied their pay to their performance as measured by the relevant corporate goals; several indicated that criteria for increased compensation and for promotion sometimes differed. The number of criteria on which performance was evaluated ranged from one to more than one hundred, but the typical case involved several criteria.

In addition to regular business college faculty, several visitors presented parts of the program: Thor Anderson, Assistant US Attorney, talked about white-collar crime and what to do when one encounters it; Tom Supel, Research Analyst for the Federal Reserve Bank, spoke on the state of the economy.

Ken Myers points out the major elements of the MMI design include: the opportunity for participants to share with their business colleagues and to develop a strong, informal consulting network, to expand their experiences and their horizons into other functional areas of management, and to build their capabilities as a general manager. Further, it is the intent of the program to develop a strong alumni network with the participants. Dr. Myers also expects to invite some of them back in a teaching capacity to share with other classes various unique management ideas and tools.

Participants in the first MMI Program and their firms are listed below:

**John O. Beal**

Manager, Vehicle Dynamics Division  
MTS Systems Corporation

**Donald L. Bree**

Project Manager  
Owatonna Tool Company

**Nicolai A. Burns**

Manager, Corporate Planning  
Northern States Power Company

**M. J. Degen**

Manager of Materials  
Pako Corporation

**Rudolf A. M. Draijer**

Manager  
Cargill

**George Dutra, Jr.**

Director, Systems Development Operating Systems  
Burlington Northern, Inc.

**Richard N. Elmquist**

Comptroller  
Carlson Craft

**Thomas B. Fitzgerald**

General Manager—Neenah Container  
Menasha Corporation

**Larry D. Gorden**

Office Manager, Austin Plant  
George A. Hormel & Company

**Andrew A. Habiger**

Director of Operations  
Rosemount, Inc.

**James Paul Haeg**

National Sales Manager  
National School Studios, Inc.

**Clifford P. Harris**

Manufacturing Manager  
Western Gear Corp./Flight Structures Division

**Robert L. Ingalls**

Vice President, Merchandise and Petroleum Operations  
North Central Public Service Company  
Division of Donovan Companies, Inc.

**Gary W. King**

Director of Operations  
National Computer Systems

**Thormen A. Leines**

V. P. General Manager  
Mobile Crane Division  
American Hoist and Derrick Company

**Edward L. Lundstrom**

Assistant Controller  
Sheldahl, Inc.

**David A. McChesney**

Vice President  
First National Bank of Minneapolis

**Bert T. Phillips**

Director—Power Production  
Minnesota Power and Light Company

**Susan E. Plantikow**

Public Relations Manager  
National Car Rental System, Inc.

**Frederick Richter**

Director of Architectural Design  
Ellerbe Association

**Kenneth C. Rownd**

Assistant Engineer Tests  
Burlington Northern

**Daniel M. Schmalz**

Manager Revenue Requirements  
Northern States Power Company

**Thomas A. Triebes**

Manager, Basic Products Development & Manager Evaluation Department  
Conwed Corporation

**Romelle M. Vanek**

District Manager, Willmar  
Northwestern Bell Telephone

**Charles Voss**

Assistant Superintendent  
Duluth, Missabe & Iron Range Railway  
Company

**John D. Ward, Jr.**

Technical Director  
Blandin Paper Company

**Milton J. Werkema**

Director, Engineering and Product Development  
Sheldahl, Inc. □

## MBA student receives award

**Shelley Smith**, MBA student and CBA graduate, received the Cadwell Davis Savage MBA Prize, a cash award given to an outstanding student concentrating in marketing. The award was presented April 1 by Nicholas P. Santrizos, vice president of marketing services, Cadwell Davis Savage Advertising, New York, an alumnus of the University. He was on campus to address marketing graduate students on "The Accelerating Importance of Advertising in Today's Marketing Mix."

Other universities included in the Cadwell Davis Savage MBA Prize Program are Harvard University Graduate School of Business Administration, The Wharton School of the University of Pennsylvania, Columbia University's Graduate School of Business and Cornell University's Graduate School of Business and Public Administration. □



**Shelley Smith and Nicholas P. Santrizos**

WHERE ARE THEY NOW?

## CBA alumnus wins Taylor Key Award

**Edward C. Schleh**, BBA 1937, best known for his concept of "results management," received the Taylor Key Award at the 1980 Society for Advancement of Management National Conference in Chicago on May 9. This award is one of the highest honors given by the Society. It is awarded for outstanding contribution to the art and science of management as conceived by Frederick W. Taylor.

President of Schleh Associates, Inc. Business Analysts, of Palo Alto, California, Schleh has been a management consultant for both industry and government for the past 25 years. His company specializes in organizational planning, implementation of management controls, and management compensation. In addition to his consulting practice, Schleh is active in international management circles. He is a past director of the Council for International Progress in Management and has been a U.S. delegate to international management congresses sponsored by the International Committee of Scientific Management in Chile, France, Germany, Australia, and Japan. He has also maintained a keen interest in the College of Business, having served several quarters as a visiting lecturer two years ago. He has also served on the College's Alumni Board.

The "Results" approach has been presented by Mr. Schleh in four books. The most recent is *The Management Tactician*, published by McGraw-Hill. These books present the basic principles and method of application of "Results" management. They elaborate on a top executive approach that fully capitalizes on the abilities of key personnel at every level. Various facets of the "Results" approach have also been outlined in fifty articles written for management publications over the past thirty years, including *Management Review*, *Harvard Business Review*, *Management International*, and *Advanced Management Journal*.

The principles of Management by Objectives developed by Mr. Schleh



**Edward C. Schleh**

make objective setting a more practical management tool. He was a pioneer in the Management-by-Objective field having published one of the first articles on MBO principles in the *Management Review* of November, 1959. In addition, he stated a number of MBO principles in two chapters of his book, *Management by Results*, published seventeen years ago.

An indication of the extensive application of Mr. Schleh's "Results" philosophy is demonstrated by a sampling of some of the clients he has served: Caterpillar Tractor Company, Monsanto Company, Standard Oil of Indiana and locally the Donaldson Company and Webb Company. The universality of Mr. Schleh's approach is attested to by the wide variety of the types of organizations in which he has applied it; they include airlines, banking, contract engineering, foundry, hospitals, insurance, printing, restaurants, and the space program.

Some of the prior recipients of the Taylor Key Award are Peter F. Drucker, noted teacher, author, consultant; Herbert C. Hoover for his work heading the Government Reorganization Commission; Robert S. McNamara, as Secretary of Defense; James L. Hayes, President of the American Management Association. □

## Inflation Accounting is topic at Alumni Lecture

**Sidney Davidson**, Arthur Young Professor of Accounting, Graduate School of Business, The University of Chicago, who is the Beta Gamma Sigma Scholar of the Year, spoke at the May Quarterly Alumni Lecture/Luncheon. Each year the May lecture is co-sponsored by the Minnesota Chapter of Beta Gamma Sigma and presents the Scholar of the Year address.

Davidson in 1962, helped establish the Institute of Professional Accounting at the Chicago business school, and headed it until mid-1969 when he became dean of the school, serving as dean until June 1974.

Professor Davidson was president of the American Accounting Association and served as its Distinguished International Lecturer. Davidson earned degrees at the University of Michigan and is a CPA. He has taught at Michigan and Johns Hopkins and has served as visiting professor at the University of California at Berkeley, the London School of Economics and Stanford. He has been a consultant to the U.S. Treasury Department and to the SEC.

Single copies of Davidson's talk on Inflation Accounting in which he discussed the differences in the constant dollar and current cost standards and their effect on a firm's income and dividend statements are available upon request to the Research Division of the College at no charge. Copies of Mark Willes address at the February Alumni Lecture are also available upon request. He spoke on the economic outlook for 1980. □

### Internship—from column 15

the approximately forty-five internships for this summer.

David Reynolds-Gooch, recently appointed Coordinator of Corporate Relations for the College and Graduate School of Business Administration, has assumed responsibility for the internship program. He views his task as continuing to expand awareness of the program among the business community, while also seeking input from the business community, students, and faculty on how best to expand and adapt the program to meet the needs of all involved. □

## Director of Management Seminar Program Named

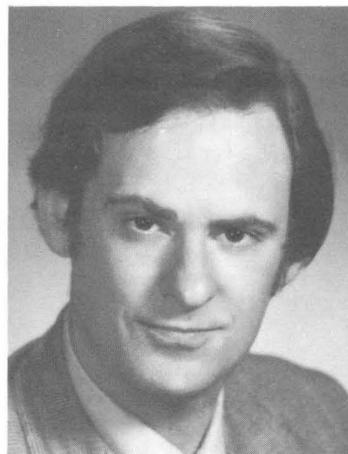
Charles D. Barnes has been appointed Director of Management Seminar Programs, the newest addition of the recently reconstituted Executive Development Center (EDC). The EDC is headed by John Mauriel, Associate Professor of Management and Director of the Minnesota Executive Program (MEP), the residential program for senior management; Kenneth W. Myers is the Director of the Minnesota Management Institute, the residential program for middle managers.

Mr. Barnes came from the University of Michigan where he was a program director in the Division of Management Education of the Graduate School of Business Administration. His responsibilities while at Michigan, the largest business school-based seminar program in the country, was the management of a series of seminars and the development of new seminar programs. Prior to his experience with Michigan, he served as the Training Manager with the Blue

Cross of Central Ohio, and as a Training Coordinator with the State of Ohio Department of Administrative Services. He received his BA in Government from Windham College, Vermont and his Masters of Science in Public Management Science from Case Western Reserve University.

He is excited about his opportunity to develop the new management seminar programs. The seminar programs will reflect the Graduate School of Business curriculum and faculty teaching and research interest. Our goal, Barnes says, is to develop the analytical, conceptual skills of executives and managers while serving Minnesota businesses and organizations. He believes an attractive feature for local companies will be the ability to secure quality management education while reducing their travel expenditures for such activities.

Maximum enrollments of thirty has been established for these seminars so as to assure maximum interaction among participants and seminar leaders. Barnes expects to utilize the services of



**Charles Barnes**

executives from major corporations to complement faculty participation. The length of programs will be determined by the subject matter and by the level of management involved. □

## Workers' Compensation Conference brings record registration

Workers' Compensation, the Minnesota solution to cost containment and self-insurance, was the first conference sponsored by the new Management Seminar Programs unit of the College on April 24.

Ninety was the expected number, Charles Barnes, new director, said when planning the conference on workers' compensation, but applications were so heavy that the larger space was found to accommodate the two hundred participants. Barnes, though shocked by the response, was elated. "We have found that the Twin Cities executives are indeed interested in attending one day conferences on business issues of topical concern." The Executive Development Center is planning to conduct another Workers' Compensation conference on June 20 to accommodate those persons who could not be served in the April session.

Workers' Compensation is the largest and fastest growing commercial casualty

insurance line—premiums constitute 30 to 70 percent of all property casualty insurance for many business firms.

The conference was designed for owners, managers, financial and personnel business executives who deal with workers' compensation benefit programs and for risk managers and insurance agents. The program reviewed techniques designed to reduce workers' compensation premiums, claims and losses; reviewed the new Minnesota Workers' Compensation Act providing new opportunities for premium reduction, self-insurance and rehabilitation. The requirements and economics of self-insuring under the new Workers' Compensation Reinsurance Association (WRCA) were also covered. The program concluded with the experiences of a chief executive, a risk manager, and a consultant in applying cost containment techniques.

In addition to regular business college faculty members Insurance professors Andrew F. Whitman and C. Arthur Williams, the following individuals served as visiting faculty: H. Lee Berghoff, President of DeBourgh Manufacturing

Company; David Evert, Manager of Disability Benefits for Control Data; Berton Heaton, Insurance Analyst, State of Minnesota Insurance Division, and Michael Markman, Commissioner of Insurance; Ernest Kallgrin, CPA, President of Employee Benefit Administration Company; and David Wendt, CPCU, Vice President and Partner in Wood Nelson Company.

Comments of the participants indicate a real concern for cost containment, loss control and loss reduction techniques. They emphasized the value of the presentations by people in real situations and the practical applications for business. Information on the 1979 legislation and how the current rating system works was especially useful, as was the information on self-insuring.

Finance for Non-Finance Managers, a four-day seminar is scheduled for June and several others are being considered, possibly one on health care marketing and one on private transportation management. More information about registration for those programs and others may be obtained by completing the form on column 34 or by calling Ms. Pamela Jensen at 373-3837.

*Compensation—to column 34*

## Alumni Update

1931

**Alvar J. Nixon** retired as Senior V. President Pennsylvania Dairies but continues to serve as consultant to a national trade association for milk marketing. He is married, has two sons and three grandchildren.

1942

**John T. Cooney** is president of Jack Cooney Associates of Fort Lauderdale, and is chairman of the Board Inverrary Classic Foundation which conducts the Jackie Gleason Golf Classic. He is president of the Boys Clubs of Broward.

1948

**Robert W. Gefvert** lives in Andover, Massachusetts and is Director of Sales for Converse Company.

**Betty (Wood) Stein** lives in Champlin and is Executive Secretary to the Conference Minister of the Minnesota Conference of the United Church of Christ. Her husband is owner of Artifex Studio in Minneapolis. They have three children.

1952

**Robert D. Anderson** is Director of EDP Systems for George Engine Company and lives in New Orleans. He has four children and one grandchild.

**Robert T. Sprouse**, MBA '52, Ph.D. '56, is Vice Chairman of the Financial Accounting Standards Board. He reports that the two children born during his attendance at the University are now daughter (26) employed as social worker in Honolulu and son (25) finishing degree at Norwalk State Technical College. Sprouse lives in Darien, Connecticut.

1956

**Frederick O. C. Anderson** is Vice President, Computer Sciences Corp. and lives in Citrus Heights, California. He is married and has four children.

1959

**Stanley J. Hille**, BBA '59, MBA '62, Ph.D. '66, is Dean, College of Business Administration, Kent State University. His wife, Gail, a 1965 Nursing grad, and he have two boys and two girls.

1961

**James E. Rice**, CLU, was appointed Divisional Sales Manager for IDS Marketing in San Jose, California

**William D. Young**, is Deputy Personnel Director for the Panama Canal Commission. He and his wife, Virginia, have two sons.

1964

**James R. Campbell** was named President of the U.S. National Bank in Omaha in August of 1979.

1969

**Robert E. Cook, Sr.** lives in Kankakee, Illinois and is Director, Product Engineering & Development for A. O. Smith Corporation.

**David C. Christensen** is President of C. & S Construction and lives in Englewood, Colorado.

**James P. Morgan** is employed by the Social Security Administration and lives in Hibbing. He is married and has one daughter.

1970

**David J. Lanford** is President and Publisher of the Niles Newspapers and lives in Niles, Michigan having started with the Ridder Publications and worked for them for twelve years. He is married to the former Mary L. Petersen of Jackson, Minnesota.

**Charles E. Samson** is cost analyst for Aeronautical Systems Division (U.S.A.F.) and has been awarded a grant to attend a program at the University of Washington for a year on "Education for Public Management." He is married and has a son and daughter. He received an MBA in 1975.

**Richard B. Whiting** is Senior Vice President for Blyth Eastman Dillon & Co. and lives in Mendham, New Jersey with his wife and four children.

**David D. Yun** is Director of Marketing for Berkey Photo, Inc. and lives in Closter, New Jersey with his wife and two children. He received an MBA in 1972 from the University of California at Berkeley.

1971

**Gerald P. Bentz** is married with two children and lives in Rochester where he is a Patient Service Counselor for St. Mary's Hospital.

**James W. Gleisner** is Lt. Colonel in the U.S. Army and is Comptroller, Army Research Institute for the Behavioral and Social Sciences, and lives in Burke, Virginia with his wife and two children.

**Jeffrey S. Picard** is a sales Representative for 3M and lives in Billings, where he was transferred in 1978 after working for 3M in St. Paul for six years. He is married and has three children. He enjoys snow and water skiing.

**James J. Speers** is Corporate Product Manager—Future Systems for Burroughs Corporation in Detroit and lives in Southfield.

1972

**Thomas S. Larson**, MBA is Train Accident Prevention Engineer for the Chessie System. He was named 1977 Young Engineer of the Year, Minnesota Section, American Society of Mechanical Engineers. He is a Director of the Baltimore Section of the American Society of Mechanical Engineers and lives in a renovated rowhouse in downtown Baltimore.

1973

**Philip J. Asgian** is Division Controller for H. B. Fuller Company and lives in Houston.  
**Didier G. Etienne**, M.S. Mktg. Finance, is Lending Officer for Credit Lyonnais Bank. He is married and lives in Courbevoie, France. □

**Modern Bank Management** by Paul F. Jessup, West Publishing Co., St. Paul 1980

To demonstrate the vitality and opportunities of modern banking, this book seeks to: provide a unifying managerial perspective, build toward a comprehensive view of banking, specify the changing environment within which banks operate, and demonstrate the applicability of research to banking decisions.

Professor Jessup, in his third book on banking, summarizes the principal results of much of recent bank research, of which he says there was an explosion during the 1970s, and demonstrates how bankers can use such results in their strategic planning. Footnotes throughout the book alert readers to convenient sources that provide more detailed analyses of specialized topics.

**"Differences Between Male and Female Retail Salespeople's Job Satisfaction, Performance, Organizational Commitment, Role Conflict, and Role Ambiguity,"** by Alan J. Dubinsky and Bruce E. Mattson, *CESB Reprint No. 33*, December 1979.

Much research attention has been given to the differences between male and female employees on several variables such as job satisfaction, performance and turnover. Types of employees that have been examined by researchers include managerial personnel and salespeople. No research however, has explored the differences between retail salesmen and saleswomen.

This article discusses the results and the managerial implications of a study that examined the differences between male and female retail salespeople's levels of overall job satisfaction, performance, organizational commitment, role conflict, and role ambiguity.

**"Consequences of Role Conflict and Ambiguity Experienced by Retail Salespeople"** by Alan J. Dubinsky and Bruce E. Mattson, *CESB Reprint No. 34*, December 1979.

This paper reports on a study examining the constructs of role conflict and role ambiguity to determine if they are related to retail salespeople's job satisfaction, job performance and propensity to stay with the organization. Retail salespeople from seven retail outlets of a large retail chain located in a large, midwestern, metropolitan area were the

respondents. The questionnaire was personally administered by the researchers at each store.

The study indicates that retail salespeople—as industrial salespeople and other boundary-role personnel in an organization—do indeed experience role conflict and ambiguity. In addition, both role conflict and ambiguity appear to be inversely related to retail salespeople's job satisfaction, job performance, and organizational commitment.

**“Ethical Beliefs: How Students Compare With Industrial Salespeople”** by Alan J. Dubinsky and William Rudelius, *CESB Reprint No. 35*, January 1980.

Ethical perceptions of business people and students have attracted increasing research interest. No previous research, however, has compared the ethical perceptions of the two groups. This paper: 1) examines how industrial salespeople and business students perceive twelve common situations salespeople face in their jobs that can pose ethical problems and 2) discusses the implications.

**“Selling Techniques for Industrial Products and Services: Are They Different?”** by Alan J. Dubinsky and William Rudelius, *CESB Reprint No. 36*, May 1980.

Although much marketing literature exists pertaining to whether products should be marketed differently from services, little attention has focused on whether product selling differs from service selling. This paper reports the results of an empirical investigation that examined whether salespeople selling industrial products use different selling techniques than those selling services. The results suggest that product sales personnel prefer techniques that can use tangible aspects of the product to advantage, while service sales personnel prefer techniques that stress the importance of the personal assistance of customers. The implications of the results are also presented.

**“An Experimental Comparison of Human Subjects and Heuristic Algorithms for the Traveling Salesman Problem”** by Arthur V. Hill, *Working Paper No. 49*, May 1980.

This paper reports the results of an experiment that compared the performance of inexperienced human subjects

and seven heuristic computer algorithms on a set of 253 randomly generated Euclidean distance traveling salesman test problems. The results suggest that inexperienced, untrained human subjects can consistently find traveling salesman solutions as good as or better than four of the seven heuristic algorithms including the widely used Clarke-Wright distance saved heuristic and the recently published largest-angle insertion heuristic. The human subjects found traveling salesman routes as good as the best heuristic tested (Lin's 3-optimal) in 27 percent of the test problems. Overall, the human subjects' solutions were only 3.3 percent above the 3-optimal heuristic solutions.

**“Challenges of Multinationals in Japan”** by Robert J. Holloway, *Working Paper No. 50*, Fall 1979.

Minnesota is directly involved in trade relations with Japan since a number of State companies are located there and many more export to Japan. Interviews with multinational company executives (including Minnesotans) in Tokyo, Osaka and Nagaya revealed many problems facing the foreign managers in Japan. Results shed light on the causes of these problems and suggested some solutions. Transferability of management skill was examined. It was learned that Japanese appear stronger in personnel and production whereas foreign operations were considered superior in other regards. (Managers have bias in favor of their own nationality.) In the future of Japan, some executives see little change and others see major changes such as in lifetime employment, government regulation and even distribution channels. It is a challenging and rewarding environment in which to operate.

**“Propensity to Buy Ratings”** by Charles H. Ptacek and Ivan Ross, *Reprint No. 189*, reprinted from *Journal of Advertising Research*, Vol. 19, No. 6, Dec. 1979.

This study demonstrates that the elimination of nondiscriminators can effectively decrease the degree of leniency error associated with ratings from two commonly employed propensity-to-buy scales. From a theoretical standpoint, this is important, since previous attempts to eliminate response bias have relied primarily on manipulating scale formats or employing comparative designs. From an applied point of view, the elimination

of nondiscriminators enhances the ability to measure stimulus differences. Although not measured in this study, it is hypothesized that the elimination of nondiscriminators will also lead to better predictive accuracy.

**“Marketing Research in Health Services Planning: A Model”** by William A. Flexner and Eric N. Berkowitz, *Reprint No. 190*, reprinted from *Public Health Reports*, Nov.-Dec. 1979, Vol. 94, No. 6.

With an appropriate framework, the methodological strengths of traditional approaches to institutional health services planning can be successfully integrated within a managerial structure. To provide such a framework, a model based on a marketing research approach is proposed. This approach will result in more effective and efficient exchanges between health care organizations and consumers than present approaches to health planning.

In a marketing approach, the essential element is the timing of each step in the planning process. Typically, health service organizations plan from inside the organization out to the consumers. With a marketing approach, planning begins with the consumers. The proposed framework based on a marketing research approach has been used in actual field research in a major midwestern metropolitan area to identify potential market segments of health care consumers who would use hospital-based ambulatory care services. A qualitative research technique called focus group discussion revealed nine attributes related to consumers' perceptions of hospitals. □

**Single copies of the reprints and working papers may be obtained free of charge upon request to the Research Division of the College of Business Administration or by calling (612) 373-4482.**

**Single copies of the address by Paul W. McCracken, former Chairman, U.S. Council of Economic Advisers, presented in November by the Department of Finance and Insurance and the College, are also available free of charge.**

## Former faculty member dies

Notice has been received of the death of **Professor Bruce Mudgett**, who taught in the College of Business Administration until his retirement in 1952. He had been living in California since retiring.

*Compensation—from column 26*

Please send me more information on Management Seminar Programs.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Return to:

The Executive Development Center  
Graduate School of Business Administration  
University of Minnesota  
271-19th Av. So.  
Minneapolis, Mn. 55455

The Executive Development Center of  
**THE GRADUATE SCHOOL OF BUSINESS  
ADMINISTRATION**  
University of Minnesota

## announces the Fall 1980 and Spring 1981 MINNESOTA MANAGEMENT INSTITUTE

- An intensive four week residential program offered in 3 modules. First fall module Oct. 5-15; First Spring module Feb. 1-10.
  - Focus is on up-to-date knowledge and skill development in the key management functions of Policy, External Relations, Finance, MIS, Marketing, Control Systems, Operations Management, and Managing Human Resources.
  - Aimed at operating level managers with considerable organizational responsibility. Organizational sponsorship is required.
  - For Managers in a broad spectrum of organizations. For these organizations MMI is a valuable tool for internally developing tomorrow's senior executives.
- for more information as to how MMI might meet your personal or organizational needs, please contact:

Dr. Ken Myers  
(612) 373-3837

Second-class  
Postage paid at  
Minneapolis, Minn.



COLLEGE AND GRADUATE SCHOOL  
OF BUSINESS ADMINISTRATION

University of Minnesota  
Minneapolis, Minnesota 55455

Return Postage Guaranteed

UNIVERSITY ARCHIVES  
10 WALTER LIBRARY  
UNIV OF MINNESOTA  
MINNEAPOLIS, MN 55455



**business  
news**

MKC  
LB96n

COLLEGE AND GRADUATE SCHOOL OF BUSINESS ADMINISTRATION—UNIVERSITY OF MINNESOTA

## Private contributions to CBA exceed \$5 million in fiscal year 79-80

David Merchant, Associate Dean for External Affairs, reports that private contributions from business, alumni, friends and foundations to the College of Business Administration were \$5,007,290 in the fiscal year ending June 30, 1980.

Included among the gifts and grants to CBA are commitments totaling more than \$2.5 million to fund chairs in insurance, banking and management information systems; \$1 million to assist in recruiting new faculty and \$400,000

for the development of the revised MBA program. In addition, sixteen companies joined the Business and Technology Partners Program providing pledges totaling \$500,000 in unrestricted support over 1-3 years. Support from alumni and friends increased from \$18,175 during the previous fiscal year to \$87,613 this year enabling the college to receive an additional \$50,000 from the General Mills Foundation under the terms of its Challenge Grant to CBA. □

## Accounting Department Chairman Appointed

Andrew D. Bailey, Jr. has been appointed chairman of the Accounting Department of the College and Graduate School of Business Administration at the University of Minnesota effective September 16.

Professor Bailey received his Ph.D. from Ohio State University. He has both C.P.A. and C.M.A. certificates. He has taught at Purdue University's Krannert Graduate School of Management since 1974, and has also taught at the



Andrew D. Bailey

Universities of Maine and Iowa. He spent the 1978-79 year as visiting professor at the University of Queensland in Australia. Professor Bailey received his undergraduate and masters degrees in Accounting at the University of Minnesota.

Professor Bailey has published in the *Accounting Review*, *Journal of Accounting Research*, *Journal of Financial Management*, and *Management Accounting*. He served on the editorial board of *The Accounting Review* from 1976 to 1979. His current teaching and research interests include Auditing, Computers in Auditing, Auditing and Statistical Sampling, and Quantitative Methods in Management Accounting.

"I am most enthusiastic about the college and about the Accounting Department," Bailey said. "The department has a long tradition of excellence on which we hope to build. With the recent increased emphasis in the college on business community-college relationships and with the resulting private funding support which Dean David Lilly has secured, we expect to be able to attract some exceptionally good research oriented faculty in the next few years."

Bailey—to column 6

## Minnesota Business Conditions Survey

### Indicators point to further deterioration of economic conditions for manufacturers

Manufacturers are facing the most severe economic conditions in the six-year history of this survey according to the August survey. Sixty-six percent of manufacturers report lower production compared to three months ago. The figure for May was fifty-four percent. Still further reports of declining production are possible because a record seventy-three percent report a decrease in new orders during the past three months.

### Seasonally improved conditions for retailers

According to survey results, there are signs of seasonal improvement in business conditions facing retailers. Thirty-seven percent of retailers report increased sales in August and thirty-seven percent report decreased sales, compared to three months ago. This is an improvement, because sixty-seven percent reported decreased sales in May. This may be interpreted as a sign that retailers are coming out of the slump reported in the May survey. However, conditions are still much more depressed than last year: seventy-three percent of retailers now report lower sales than a year ago.

### Inventories are lower

The trend toward lower inventories that was reported in May, continued through August. Thirty-nine percent of

*Business Conditions—to column 11*

## In This Issue

Issue 70

October 1980

	Column
Contributions to CBA.....	1
Accounting Chairman Named.....	1
Business Conditions Survey.....	3
Ph.D. Program Review.....	4
Insurance Chair.....	7
MBA Program.....	11
Internship Program.....	16
Alumni News.....	19
Faculty News.....	22
Faculty Pen.....	24
Management Seminars.....	28
Controllership Center.....	32

## Ph.D. Program Review Underway

Attention is being focused on the Ph.D. Program, now that the MBA Program has passed through the revision process and has been in operation for a year.

According to Professor Roger Schroeder, Director of Doctoral Studies, the Ph.D. "is under a comprehensive review to determine how the program should be improved." Instrumental to that is a faculty committee, which is reviewing the entire Ph.D. program and making recommendations. Later, the Graduate faculty will study the recommendations, make suggestions, then review and vote on the final package. The revised program is expected to be "on line" by fall, 1981.

The review committee has a laundry list of objectives to study, including the curriculum, admissions criteria, facilities, placement and financial aid. It is also brainstorming how current operating problems can be turned into a positive learning experience for the revised program.

Professor Schroeder says the underlying guidelines for the committee's work are to improve the quality of the program itself, and to strengthen the placement of graduates. Quality improvement looks mainly at internal controls, such as admissions criteria and standards, and external controls. "You judge the externals," he says, "by measuring job placement in major universities for teaching and research."

Right now, the external demand for qualified Ph.D.'s is high, with several job offers given to each new graduate.

Those who choose to teach can expect good salaries and support for their research efforts.

The Ph.D. attracts students who have a master's degree and are motivated toward academic interests. "It's a different orientation, attracting a special kind of person," says Professor Schroeder. "They want to be associated with scholarship, research and teaching—it's a choice of a lifestyle."

The road to that lifestyle is one of course work and research, of exams and writings. Currently, a prospective Ph.D. candidate chooses a major from a list of ten, then augments the major with a related field in business. Twenty-four credits must be taken outside the business school in economics, psychology or sociology and a twelve credit research methodology is required. The first testing hurdle consists of three written preliminary exams and one oral exam before a faculty committee. Only after passing these three tests does the individual become a candidate, who then writes a Ph.D. dissertation. "We then expect the candidate to be doing research and contributing new knowledge to his field," says Professor Schroeder. The final phase takes the form of one more oral exam on the dissertation before a faculty committee.

Ph.D. candidates assist in teaching some of the business school classes, giving them training for future professorships. Professor Schroeder says changes under consideration include requiring a research apprenticeship or some kind of specialized research internship.

Professor Schroeder, who took over the directorship of the program September 15, replaces Professor of Transportation Donald V. Harper, who has headed the program since 1970. □

Bailey—from column 2

Some recent honors and awards Bailey has received are: the Certified Public Accounting Examination with the Elijah Watts Sells Awards, Honorable Mention, May 1976; the Certified Management Accounting Examination with the Beyer Gold Medal, December 1977; a Peat, Marwick and Mitchell Research Grant, 1979.

Bailey's organization memberships include the American Accounting Association, MAS Section and Auditing Section; American Institute of Certified Accountants; the Institute of Management Accounting.

Bailey expects to be pretty busy in his new position and doesn't expect to be able to keep up on his hobby of reading military history, but does hope to do a little cross-country skiing.

Bailey replaces Professor Jack Gray who served as acting chairman last year. Gray will be visiting professor during Fall quarter at the Institute European d'Administration des Affaires (INSEAD) in Fontainebleau, France, and will return to the University Winter quarter. □

## College placement conference held in Minneapolis

Jan Windmeier, Director of Career Planning and Placement, and Ken Dobson of First Bank Minneapolis co-chaired the Annual Midwest College Placement Association Conference which met in Minneapolis September 2-5.

The theme for the convention, attended by over 700 college placement officials and employers, was "Communications—Sight, Sound, and Script." Featured speakers for the program were Larry Wilson, Chairman of the Board, Wilson Learning Center; James Sullivan, Dow Jones Company; Kate Rand Lloyd, Editor-in-Chief of *Working Woman*; and Charles Kuralt, CBS News. The program also provided workshops on conducting effective meetings, new communication techniques, improving recruiting literature, making presentations flexible, and the art of asking questions. □



Published quarterly by the  
College and Graduate School  
of Business Administration  
University of Minnesota  
Minneapolis, Minnesota 55455

M. David Merchant  
Associate Dean, External Relations  
(612) 376-8284  
Mary Louise Hill, Editor  
(612) 373-4482

Second-class postage paid at  
Minneapolis, Minnesota

### FORECAST '81

The College of Business Administration and the Industrial Relations Center will present *Forecast '81*, a look at the economy during the coming year, on November 18, 1980, at the Thunderbird Motel, Bloomington, MN. For additional information or registration, call (612) 373-4123 or 373-5391.

## C. Arthur Williams Named Minnesota Insurance Industries Professor

University Regents have approved the naming of Professor C. Arthur Williams to the Minnesota Insurance Industry Chair which has been funded by commitments from the insurance community of over \$1 million.

The Insurance Chair is the first of three privately endowed chairs established this year by the college with business support. The other two chairs are the Honeywell Chair in Management Information Systems and the Minnesota Banking Chair. The Frederick R. Kappel Chair in Business-Government Relations, the first chair in the college, held by Professor Blaine Cooke, was established in 1967.

Williams, a distinguished scholar who has been on the University faculty since 1952, was dean of the college from 1972 to 1978, has an extensive publication, lecture and consulting record on



**C. Arthur Williams, Jr.**

risk management and insurance, rate regulation, worker's compensation and social security issues. In 1981, he will become editor of the *Journal of Risk and Insurance*.

The Insurance Chair fund, in addition to Professor Williams salary, will support additional staff, research and publications in the insurance area. Dongsae Cho, who is completing his doctoral degree in insurance at the University of Illinois, has been appointed as visiting insurance instructor for 1980-81 to assist Professor Williams and Professor Andrew F. Whitman in the insurance program.

An Insurance Industry Advisory Council has been formed and is expected to hold its first meeting in October. The Council is expected to "evaluate the current insurance program and to suggest ways in which we might improve our teaching, research, and service," Williams said. "Through this committee we hope that the already strong ties between our insurance faculty and the risk management and insurance community might be strengthened." □

### The members of the advisory council are:

Independent Insurance Agents of Minnesota

Lutheran Brotherhood

Miles W. McNally

Minnesota Association  
Professional Insurance Agents

Minnesota Chapter, Society  
of Certified Insurance Counselors

Minnesota Mutual Life Insurance Co.

Minnesota CPCU Chapter

Minnesota State Association  
of Life Underwriters

MSI Insurance

Northwestern National Life  
Insurance Co.

St. Paul Companies, Inc.

David Reynen  
Strifert, Reynen, Capretz

Harlan Hogsven, CLU  
Vice President, Human Resources Divis.

Miles W. McNally, CLU  
McNally, Dunnavan, & Lund, Inc.

Vernon Knudsen, CICU, CIC  
Lyndale Agency, Inc.

Newell Chester, CIC  
Anoka County Agency, Inc.

Milton H. Hildebrandt  
Second Vice President & Controller

Sherman O. Fjalstad, CPCU  
Federated Insurance

J. Beryl Clifford, CLU  
North American Life & Casualty

Roman N. Eller  
President

James Bloyer, FSA  
Vice President, Corporate Resources

Carl B. Drake, Jr.  
Chairman

## Merchant Named Associate Dean for External Affairs

David Merchant's appointment as Associate Dean for External Affairs of the College and Graduate School of Business Administration has been approved by the University Regents.

Dean David M. Lilly said Merchant will have responsibility for all of the College's non-educational external activities including fund raising, alumni relations, corporate relations, placement, community relations, and publications.

Mr. Merchant joined the College as Director of Development in September 1978 and became Director of External Relations in 1979. □

## Dean Lilly receives Outstanding Minnesotan Award

Dean David M. Lilly was honored by the Minnesota Broadcasters Association as the "1980 Outstanding Minnesotan" on September 11 at a banquet at the Normandy Inn in Duluth. The award was given in recognition of distinguished service as the dean of the college, as past chairman of the board and CEO of the Toro Company, for service as a Governor of the Federal Reserve Board, and other distinguished business and personal achievements.

The broadcasters association, made up of television and radio stations in Minnesota, pays tribute each year to a Minnesotan who has achieved success in a particular endeavor, or in their business activities. Past recipients have included Curt Carlson, Vice President Walter F. Mondale and Jeno Paulucci of Duluth, who was the first recipient in 1967.

In accepting the award, Dean Lilly said "the vitality of this state depends on the continuing flow of talented people in all fields, and the continuing flow of new ideas that come from fundamental research that the University generates. But the benefits don't come to Minnesota automatically. The people and the ideas are footloose, and if we don't do what's needed to keep the University at the forefront nationally they'll go somewhere else." He concluded by making a special plea to the broadcasters, as leaders of the information industry with the unique opportunity to help shape public opinion on important issues, to join him in supporting the University. He stressed that even in the face of inflation and falling enrollments, nurturing research at the University is good business. □

## The new MBA Program after one year

An effective, high quality, integrated, flexible MBA program, one which would involve students and the business community in the educational effort, one which would help to propel the University of Minnesota Graduate School of Business Administration into the ranks of the nation's finest business schools—this was the goal Professor Roger Upson, Director of the MBA Program, and other faculty members established two years ago, when they set about revising the school's MBA Program. By the nature of the objective, the task was enormous, but now that the program has been in operation for a year, initial evaluations are very positive.

The year-old revised MBA Program is the result of hours of planning and meetings, of careful structuring, of efforts to involve the most talented individuals in each department into one broad and comprehensive plan. Taking the best elements from the previous MBA and drawing on faculty, student and community involvement, the program premiered in fall quarter, 1979. A total of 177 day students and 257 evening students began their MBA studies during the year.

### The Program

As Professor Upson puts it, "the new MBA is a cross fertilization of talents and offerings. In the first year, students acquire various perspectives on management through the foundation, or core, courses. These are courses carefully planned to interweave, to build a sense of "class" among the students through a year of interaction, and to encourage an interface between students, faculty and the business community. In the second year, students personalize their MBA degrees by choosing from one of eighteen concentrations."

The concentrations give students "a large menu to choose from," says Professor Upson, and some draw on units of the University outside the business school. Within the chosen concentration, a student selects an individual project which is researched and written under the direction of a faculty advisor.

### Interface with the Business Community

The revised MBA Program includes three important interfaces with the business community, a field project,

### *Business Conditions—from column 3*

manufacturers and forty-five percent of retailers report reduced inventories of purchased materials. This is an encouraging sign, especially for manufacturers, who are facing declining production and new orders.

### **Retail employment is stabilizing but employment in manufacturing shows signs of decline**

Retailers' improved economic conditions have led to somewhat stable employment levels for them. Sixty percent of retailers report level employment compared to three months ago, while thirty-five percent report lower levels. Manufacturers, however, report declining employment levels. Forty-five percent have lower employment and forty-two percent show stable employment compared to the May survey.

### **Inflation pressures ease for manufacturers, but are still a major concern for retailers**

Depressed conditions have slowed inflationary pressures on manufacturers. Only fifty-eight percent report higher prices. This is the lowest figure reported since November 1977. Retailers, however, are still facing increasing prices for products in almost every category. Eighty-two percent report higher prices compared to three months ago.

The August quarterly survey is based on the responses of a panel of 95 Minnesota retailers and manufacturers. This report was prepared by Mr. Mansour Javidan, Graduate Assistant, under the supervision of Professor Roger B. Upson. Single copies of the complete report are available upon request to the Research Division of the College. □

## Minority Student Advisor Stresses Early Preparation

Business school is for "businessmen," and in the minority mind's eye, primarily "white" men.

That idea is planted in the thoughts of many minority students, be they Black, Asian, Latino or Indian, and as a result, the University of Minnesota has had to struggle to find qualified minority students for the business school, both at the undergraduate and graduate levels. That idea, however, is a motivator for Rick Moore, Minority Student Advisor and Counselor for the College of Business Administration. Rick works with minority students interested in business at all levels of their undergraduate education. Since Moore joined the dean's staff in March, he has recognized that effective minority recruitment means zeroing in on preparedness.



**Rick Moore**

"A lot of minority students say that the business program is prejudicial because of the quantitative, analytical subjects that are required, which many minority students have not had before," says Moore. He explains minorities aren't usually in environments which encourage serious study of analytical subjects. "It's not that minority students can't get a business degree," he says, "it's more that they don't have the right preparation to help them get through."

For most students, this preparation comes at the junior high and senior high school levels, Moore explains, not just in the first and second year of college. He's working on a CBA game plan for minority recruitment which makes it clear to young students what getting a

*Minority Student—to column 27*

student internships and practitioner participation in the classroom.

The field project is done by forty four-person teams, with each team assigned to a company to deal with a specific problem selected by the company. For almost fifteen weeks, the teams investigate the problems then make recommendations to management. It's a system which offers both sides a chance for gain: for the students, a "live" case, a chance to increase exposure to the business world, and the learning experience of working in a small group; for the company, an opportunity to get a problem researched and to recognize the excellent training given by the Graduate School of Business, as well as a means of seeing potential employees in action.

The student internships also have received outstanding reviews from both the students and the companies. These place a student in a business situation for the summer months. The companies assign students the responsibility for a broad cross section of projects, including market research, accounting, investment analysis, computer implementation and sales. Competition for this summer's forty-four internships was keen. The school is working to increase the number of businesses that will utilize interns.

The relationship with the practitioner community is not confined to the world

outside the campus, but is seen in the classroom as well. During 1980, executive / management groups from two organizations, the Young President's Organization and the 3M Company, became involved in class sessions when they joined in case study discussions. In this setting, management practitioners were able to spend time with students analyzing cases, and they agreed the calibre of individual who is working toward a University of Minnesota MBA is high.

### Program Evaluation

The program is monitored on a continuing basis by Professor Upson, Dean David Lilly and the faculty, drawing on responses from students and the business community. "What we've done is a huge innovative effort," says Professor Upson. "We have a feedback system where we take student evaluations and use them to make the courses better. We also evaluate the students, to let them know how they're doing. It's our mechanism for picking up problems and for trying to get the quality where we want it to be."

### The Student Body

Each successive year, the MBA is expected to draw from a rich field of applicants. The average 1980-81 entering student is expected to rank at the 85th percentile on the internationally administered Graduate Management Admis-

sions Test, and have an undergraduate GPA of 3.28. This compares to the 81st percentile and 3.2 GPA for the 1979 entering class. But Kathryn Spaulding, the admissions director, emphasizes that the overall quality of the individual is the admissions criterion, not just the scores.

"We look for maturity, intellectual capacity, experience and other qualities appropriate to administrative responsibility," says Ms. Spaulding. She adds that work experience and individual aptitude are considered, especially for those who have been out of academia for several years. "A student profits from an MBA program when the academic achievement is supported by several years experience outside the academic realm," she says, "although work experience is not a prerequisite for entering the program. We are definitely trying to look at the whole person rather than just numbers."

In 1981, the revised MBA program will produce its first graduates. They will have a sound foundation in business practices, methods and ethics. Based on the comments of this summer's interns and the evaluations from the Evening MBA participants, they should be a productive influx into the economy of creative managerial talent. □

## MBA Summer Interns Report

Forty-five MBA summer interns returned this fall fresh from work experience in thirty-three companies and organizations. Students brought knowledge and analytical skills gained in the first-year MBA curriculum to a variety of existing management problems. Functional areas in which interns worked include marketing, finance and accounting, human resources management, operations management, information systems, and strategic planning.

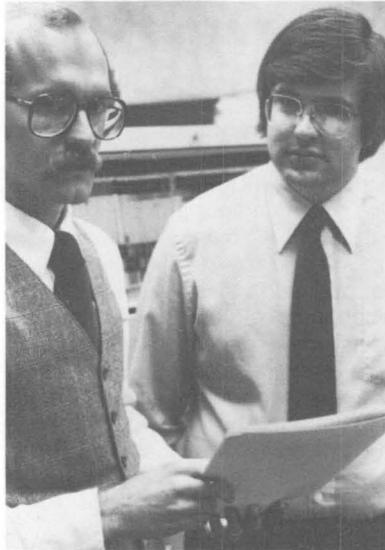
Judith Rutscher, a financial analyst intern at FMC's Northern Ordnance Division, developed a variable overhead rate to be used in make/buy decisions. She also was involved in analyzing and arranging operating leases. Galen Sevcik, Ms. Rutscher's supervisor, had been an MBA intern himself at FMC last summer.

Bill Zimny at Comserv analyzed an existing marketing information system and then designed and implemented a consolidated system. "The internship was excellent and provided me with the practical experience I need for my classes this year," Mr. Zimny commented. He will work part-time at Comserv during the academic year.

Rosemount, Inc. began hiring MBA summer interns in 1979. Vernon Heath, CBA '50, President of Rosemount, cites two reasons: to get a look at potential MBA employees and to get help with certain projects. He likes the two-way viewing—"The interns get a look at us as well." Rosemount hired three MBA interns that first summer and two in 1980. The results so far? "It's worked better than expected!" says Mr. Heath.

Target began a summer internship program for MBA students in 1980. Recruiting and project assistance are both expected payoffs. This summer Barbara Greer worked for assistant buyer Maria Kust. Ms. Greer says, "They (Target) are an excellent company for a student to work for because they do things the way a business should."

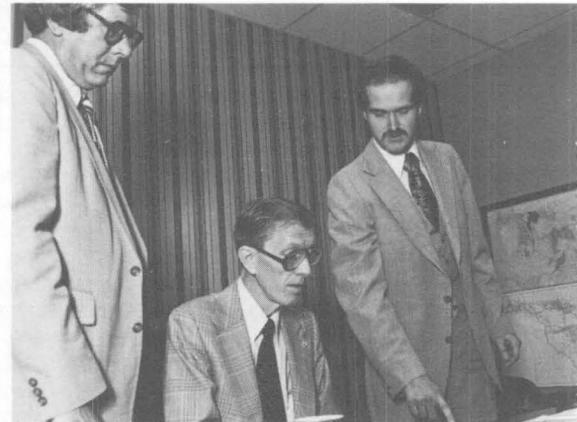
While most interns worked for local firms, MBA students found employment in Rochester and Duluth, Minnesota, and in Vienna, Austria. Two health care organizations hired interns. Students also worked at the city, state, and federal government levels. □



**William Brown, MBA Intern; Steve Jensen, Financial Accounting & Reporting Mgr., Pillsbury Co.**

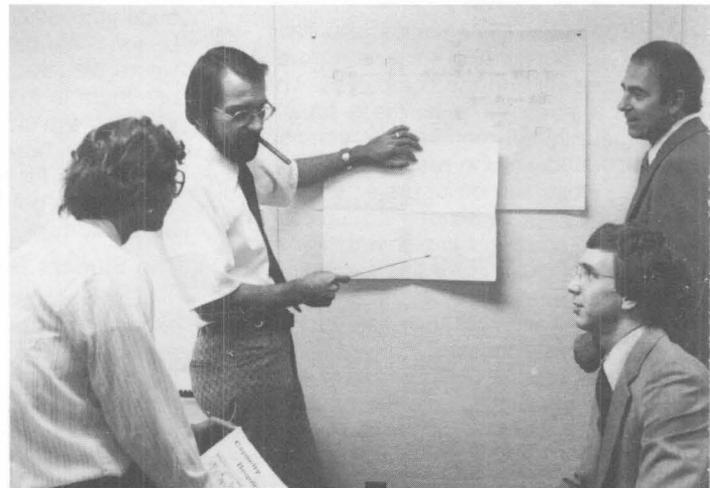


**Bentley Patterson, MBA Intern; Tim Dierich, Mgr. Data Communications; Esther Chang, MBA Intern; Economics Laboratory**



**Tim McDevitt, MBA intern (far right) Richard E. Tipler, Manager Car & Trailer Billing Glen Peterson, Asst Vice President Finance, Burlington-Northern Co.**

**Bill Naus, Capacity Planning Supervisor; Glenn Walsh, Senior Systems Analyst; Paul Anderson, MBA Intern; Gene Wiley, EDP Systems Manager; FMC/Northern Ordnance Division**



## Alumni Society Highlights The CBA Alumni Quarterly Luncheon Series

This year's Quarterly Luncheon Series begins on Wednesday, November 12, 1980. The November program will feature Russell G. Cleary, President, Chairman, and Chief Executive Officer of G. Heileman Brewing Company, LaCrosse, Wisconsin. Mr. Cleary, *Corporate Report* magazine's "1980 Executive of the Year" will address the topic, "Heileman's, Minnesota, and the Brewing Industry."

The November 12 luncheon begins at noon and will be held at the Sheraton-Ritz in downtown Minneapolis. The Alumni Quarterly Luncheon Series, an annual program of the College and Graduate School of Business Alumni Society, is chaired by Les Gable, '57, Vice President, Federal Reserve Bank, member of the Alumni Society Board.

For information or reservations, call the CBA Alumni Relations Office, (612) 376-3217.

## The Annual Alumni Institute

The annual Alumni Institute is scheduled for early 1981, and a new format has been developed by the Alumni Board's Institute Committee. The new design of the Institute includes a luncheon featuring a distinguished speaker followed by afternoon dialog and participation sessions related to the speaker's topic. The proposed topic for the program is Business/Government Policy. The day will end with a cocktail party sponsored by the CBA Alumni Society Board of Directors. The Institute Committee is chaired by Alumni Board member, Jim Rustad, '72 MBA, Account Executive, Merrill Lynch Pierce Fenner & Smith.

## Corporate Tours

Local Corporate Tours are being planned for CBA undergraduate and graduate students by the CBA Alumni Society Board for the 1980-81 academic year. Phil Sherry, '49, Vice President and Controller, Honeywell, member of the Alumni Board, is chairing the project. The first tour, scheduled for November 20, will be at Honeywell, and will begin with presentations by Honeywell personnel. The Honeywell tour is being sponsored jointly by the CBA Alumni Society and Beta Alpha Psi, national honorary accounting society.

## CBA Alumni Relations Director Appointed

The College and Graduate School of Business Administration is the first college at the University to undertake a cooperative program with the Minnesota Alumni Association to build and direct a comprehensive program of alumni relations with a collegiate unit.

Gretchen Roufs has been appointed to direct the program for CBA. She also holds the title of Assistant Director, Alumni Activities, in the Minnesota Alumni Association.

According to Roufs, the purpose of her position is "to enhance the status of and promote excellence within the College and Graduate School of Business through working with alumni, and, at the same time, to encourage a strong relationship between our 16,000 CBA alumni and the College."

Roufs is a graduate of the College of St. Scholastica in Duluth. She served as an Admission Counselor; as the Assistant Director of Admissions; and as the Director of the Annual Fund and Alumni Relations at the College of St. Scholastica. Roufs was named an "Outstanding Young Woman of America" in 1978 and 1979; chairs the State Public Affairs Committee for the Junior Leagues of Minnesota; and is a member of the Junior League of St. Paul and of the Council for the Advancement and Support of Education.

## Alumni Update

### 1939

**Bob Watson**, Chairman and founder of the Minneapolis-based executive search firm, Balch and Watson, has moved to Napa, California. The West Coast office will service western clients as well as Minneapolis clients. Balch and Watson was founded 10 years ago. Bob was formerly a vice president of the Pillsbury Company.

### 1971

**Thomas E. Ryan** is on military leave of absence from the U.S. Treasury Department serving as a recruiter for the Navy for Central Minnesota. He is married and has three children.

### 1972

**Charles A. Janzen** is an administrative assistant at the Iowa State Department of Health and lives in Des Moines with his wife. His hobbies are tennis, volleyball and travel. **Michael C. Melin** lives in Blaine with his wife and two children. He is a Senior Buyer (electronics) for FMC Corporation/Northern Ordnance Division.

**Robert L. Reimer** is an Account Executive with Performance Incentives Company and lives in Houston, Texas with his wife and two children.

**James D. Von De Linde** is a placement interviewer with the Utah Department of Employment Security Job Service. He lives in Granger, Utah with his wife, Diane Peterson and son, Jeff. He received an MS in Human Resource Management at the University of Utah College of Business in 1979.

### 1973

**Jon C. Astleford** is an attorney in private general practice. He says he is still single, and therefore, interested in gourmet cooking, fine vintage wines, and sewing.

**Jere R. Francis** is a lecturer at the University of New England in New South Wales, Australia.

**Jim Haemer** is sales manager for Dynamic Industries and lives in Fargo.

**Jim W. Hurley** is a store manager for Hudson's Bay Company in North Vancouver, B.C. Canada.

**Laurel E. Johnson** is Personnel Coordinator in the Market Research Department of Procter & Gamble in Cincinnati.

**Mark P. Williams** is an accountant for Rheem Mfg. and lives in La Place, Louisiana with his wife.

### 1974

**Arni Arnason** is President of the Iceland Chamber of Commerce and lives in Hafnarfjordur, Iceland.

**Robert R. Corrick** lives in Wilmette, Illinois where he is General Manager, Corporate Finance Department of the Prudential Insurance Company.

**Harley D. Feldman** is Manager, Product Integration, CAD/CAM Systems for Control Data and lives in White Bear Lake. He has a year old daughter.

**Bimleshwar P. Gupta** is Manager, Solar Thermal Program Office of the Solar Energy Research Institute in Golden and lives in Lakewood, Colorado with his wife and daughter. He is enjoying tennis and skiing in sunny Colorado.

### 1975

**Robert D. and Susan (Gaukstad) Brickley** live in Bloomington. She is Manager, New & Used Vehicle Accounting for Gelco and he is in sales for JL Company.

**Sunglark Rim** is Chief, Business Coordination Division of the Korea Development Finance Corporation and lives in Seoul with his wife and year and a half old son.

### 1976

**Peter Charles Jarnberg** has recently been promoted to Assistant Comptroller of the South Chicago plant of General Mills. He lives in Frankfort with his wife and daughter. **Douglas D. Kirk** lives in Schenectady, New York where he is Corporate Auditor for General Electric.

*Alumni Update—to column 24*

**PROMOTIONS**

**Robert Hansen**, from Assistant to Associate Professor of Marketing

**NEW APPOINTMENTS**

**ACCOUNTING**

**Andrew D. Bailey**, Professor and Chairman (see article on page 1)

**FINANCE**

**Timothy J. Nantell**, Associate Professor Ph.D., University of Wisconsin, 1971

**Bruce G. Resnick**, Assistant Professor DBA, Indiana University, 1979

**INDUSTRIAL RELATIONS**

**Dennis Ahlburg**, Assistant Professor Ph.D., University of Pennsylvania, 1979

**Howard Miller**, Assistant Professor Ph.D., University of Illinois, expected 1980

**Sara Rynes**, Assistant Professor Ph.D., University of Wisconsin, expected 1980

**MANAGEMENT SCIENCES**

**Bruce Feiring**, Assistant Professor Ph.D., Texas A & M, 1980

**Gilbert Fox**, Assistant Professor Ph.D., University of Cincinnati, 1980

**Richard Penlesky**, Assistant Professor DBA, Indiana University, expected 1980

**Mary Ann Rothermel**, Assistant Professor Ph.D., Ohio State, expected 1980

**Gary Scudder**, Assistant Professor Ph.D., Stanford, expected 1980

**James C. Wetherbe**, Associate Professor DBA, Texas Tech., 1976

**MANAGEMENT**

**Harold Angle**, Associate Professor Ph.D., University of California, 1980

**Christopher Quinn**, Assistant Professor Ph.D., Syracuse University, 1980

**Gertrude G. Verser**, Assistant Professor DBA, Harvard University, 1978

**MARKETING**

**Barbara Loken**, Assistant Professor Ph.D., University of Illinois, expected 1980

**Ganesan Visvabharathy**, Assistant Professor Ph.D., University of Illinois, 1979

Professors Penlesky, Rynes, Scudder and Visvabharathy will not join the faculty until winter quarter. The other new faculty began fall quarter.

**FACULTY LEAVES**

The following faculty will have year-long leaves:

**Paul F. Jessup**, Professor of Finance, to do research, especially portfolio theory and management;

**Delbert C. Hastings**, Professor of Management, to do research and write in field of managerial economics, will investigate how firms fare in unsettled conditions in Middle East while at the American University in Beirut;

**Gary W. Dickson**, Professor of Management Sciences, to update skills and complete a research monograph on historical development in the area of Management Information Systems technology.

**Patrick Pinto**, Associate Professor of Industrial Relations, to serve as Visiting Professor, University of British Columbia.

The following faculty will have single quarter leaves:

**Fall '80**

**Carl Adams**, Professor of Management Sciences, to investigate potential role of clinics and clinical education methods in schools of business;

**Jack Gray**, Professor of Accounting, to serve as Visiting Professor at INSEAD in France.

**Winter '81**

**Raymond E. Willis**, Professor of Management, Fulbright-Hays Grant to teach and study in France.

**Eric N. Berkowitz**, Assistant Professor of Marketing, to conduct research on the development of a taxonomy for evaluating efficiency of marketing activities.

**Spring '81**

**John R. Walton**, Assistant Professor of Marketing, to do research and analysis of consumer responses to diverse sales promotion stimuli. □

**"In-Home Shoppers: The Market for Innovative Distribution Systems"**

by Eric Berkowitz, Orville Walker and John Walton, **Reprint No. 191**, reprinted from the *Journal of Retailing*, Vol. 55, No. 2, Summer 1979.

In-home shopping is a concept predicted to have increasing appeal to consumers. Earlier studies have resulted in conflicting profiles of the in-home shopper. This research compares the in-home food shopper to store food shoppers. Data from 1,000 consumers were used to compare 1) the demographic profile, 2) shopping behavior, 3) attitudes, and 4) the decision criteria for each group. This study's findings suggest some strategic implications for the initiation of new in-home food distribution systems.

**"Statistical Considerations in the Fitting of Growth Curves"** by Raymond Willis, **Reprint No. 192**, reprinted from *Technological Forecasting and Social Change*, No. 15, 1979.

In long range trend projection, one of the most frequently used models is the "S"-shaped growth curve originally suggested by Pearl and Reed. Because of the nonlinear form of this model, problems exist in the statistical evaluation of model fit and in estimating the precision of forecasts developed from the model.

Based on an approach first suggested by Yule, a procedure for fitting and evaluating the Pearl-Reed

*Alumni Update—from column 21*

**John F. Zellie** is Operations Manager for Searle Will-Ross Inc. and lives in Shorewood, Wisconsin.

**1977**

**Richard Davenport** was named Peace Corps Volunteer of the Year in 1978, was co-founder of VAC Council and lives in Nagua, Dominican Republic. This was submitted by fellow Peace Corps Volunteer and fellow classmate **Jack Kohler**.

**R. Scott Schofield**, Assistant Professor of Business Law at St. Cloud State University, has established his office for the general practice of law in St. Cloud. He is admitted to practice law in Minnesota and the District of Columbia. He currently holds the rank of Lieutenant Commander in the U.S. Naval Reserve.

**Editor's Note:** Apologies for the fact that some of these alumni updates are slightly out of date. You alumni have been so good about sending them in to us that we have had quite a backlog. We will try to get current with the next issue. □

curve is developed in this study. Confidence intervals for parameters and forecast prediction intervals are presented.

**"The Effect of Forced Conversions on Common Stock Prices"** by Gordon J. Alexander and Roger D. Stover, **Reprint No. 193**, reprinted from *Financial Management*, Vol. 9, No. 1, Spring 1980.

Companies frequently issue convertible securities to delay equity financing during a period in which management considers its common stock to be undervalued. This study analyzes the effect of forced conversions on the equity valuation process by examining underlying common stock price activity around the announcement date of the calls.

The authors found that forced conversions follow strong upward price movements and precede strong downward price movements. The observed pattern of price behavior around the announcement date was found to be unaffected by either the percentage of the convertible issue outstanding at the call date or by APB Opinion 15. However, the post-call decline was found to be somewhat more drastic after the adoption of APB Opinion 15.

**"Portfolio Revision: A Turnover-Constrained Approach"** by John Schreiner, **Reprint No. 194**, reprinted from *Financial Management*, Spring, 1980.

This paper presents a new approach to revising portfolios which limits turnover of securities to a designated maximum rate. It is demonstrated that this is readily achievable—mathematically, computationally and economically—for populations of securities from small to large. The method produces theoretically proper results without resort to judgmental searching or testing. Further, it sidesteps the difficult task of estimating total trading costs by substituting a constraint descriptively in terms familiar to both academicians and practitioners.

**"Identifying and Compensating for Motivational Bias in Subjective Predictive Probability Distributions"** by P. George Benson and Norman L. Chervany, *Working Paper No. 51*, July 1980.

This paper presents a conceptual approach for 1) identifying whether a subjective predictive probability distribution has been affected by motivational biases and 2) modifying the affected distribution to compensate for the motivational biases. The procedure is designed for use in forecasting environments in which 1) the forecaster's "track record" is unavailable or nonexistent, 2) the forecaster cannot be replaced with an "unbiased" forecaster, and 3) there is insufficient time to revamp the incentives of the forecast environment before the forecast is needed.

**"Mixed-Integer Programming Formulations for the Traveling Salesman and Vehicle Scheduling Problems"** by Arthur V. Hill, *Working Paper No. 5*, July 1980.

This paper presents mixed-integer programming formulations for the traveling salesman problem and the vehicle scheduling problem that require substantially fewer variables and constraints than the "classical" formulations found in the literature. Both proposed formulations involve less than one-half as many zero-one variables as the comparable "classical" formulation. Significant problem size reduction is realized by the symmetric traveling salesman problem as well as the asymmetric problem.

**Single copies of the reprints and working papers may be obtained free of charge upon request to the Research Division of the College of Business Administration or by calling (612) 373-4482.** □

*Minority Student—from column 15*

business degree from the University of Minnesota entails.

"I'm writing a brochure for senior and junior high school students which defines what courses are needed at the high school level to prepare them," says Moore.

While working on the course brochure for pre-college students, Moore also coordinates with minority centers which feed into the business school. One is the Martin Luther King Center (MLK), an advising and counseling unit of CLA for minority students. Reports from these feeder centers show that a noticeably greater number of minority students are preparing for a business degree.

"In the 1979-80 school term, the CBA had 50 minority students enrolled," he says. That compares to well over 150 designating through the MLK Center in 1980 that they are interested in receiving a business degree. At present, most of these 150 students are taking pre-business course work."

Mark Cruz is one of those on the pre-business track. His business interests stem from a family tie. "I have a brother in business who has shared with me some of the inner workings with his work for the Laredo Transit System in Laredo, Texas. Last June, during a visit with him, I had an opportunity to see first hand how business operates and witnessed its importance for the community of Laredo," says Mark.

In spite of the uphill climb, the payoffs for minorities with business degrees are high. Calls are taken on a regular basis by Moore from industrial and accounting firms, as well as government agencies, seeking minority graduates. Salaries for BSB graduates begin around \$14,000 and for MBA's at \$18,000. □

## MANAGEMENT SEMINARS

### HEALTH CARE MARKETING

The Graduate School of Business Administration's Executive Development Center and the School of Public Health offer a unique marketing management course to help turn the crisis of a changing market into a marketing opportunity. The two-day Health Care Marketing seminar will give marketing techniques and strategies enabling the administrator and operating executive to:

- Understand the role of marketing in the health care environment
- Formulate a marketing strategy using quantitative and qualitative research in uncovering market needs and potentials
- Identify the changing environmental pressures on management including technological, cultural, legal, and economic
- Identify marketing research methods and new service strategies
- Design effective promotional strategies and a service portfolio from a marketing perspective
- Develop marketing strategies to improve your multiple public image

- Evaluate one's own and competitive market strategies

#### Faculty

**Eric N. Berkowitz** is an assistant professor of marketing in the College of Business Administration. He has been involved in marketing aspects of health services as well as consulting assignments with a variety of firms. Berkowitz is a regular faculty presenter at programs sponsored by the American Hospital Association and the American Academy of Medical Directors.

**John E. Kralewski** is Assistant to the Vice President for Health Sciences and Professor and Director of the Center for Health Services Research. Kralewski has received honors as a Kellogg Fellow, was listed in *Who's Who in Colorado*, and is Commissioner of the Accreditation Commission on Graduate Education for Health Administration.

#### General Information

##### Dates and Locations

October 27-28, 1980 at Cragun's Resort, Brainerd, Minnesota  
January 12-13, 1981 at Spring Hill Center, Minneapolis

#### Fee

\$450 per person including room, board, and materials

#### Enrollment

Classes are limited to 30 people

#### Schedule

Seminar hours are from 8 a.m.-9:30 p.m. the first day and 8:30-4:30 p.m. the second day

### MANAGING THE PROFESSIONAL EMPLOYEE

The new seminar on Managing the Professional Employee will provide a methodology for creating an innovative work environment, one that increases the productivity and accountability of professionals.

This three-day program is for managers responsible for professional employees including audit managers, managers of engineering, health care administrators, EDP managers, system and programming managers, and marketing and financial managers from industries and businesses where managing the professional employee is necessary for continued growth and profitability.

Participation will show:

- How to utilize managerial delegation as a career development tool for professionals;
- How to develop accountability systems for professionals;
- How to develop career lattices and developmental planning systems;
- How to develop departmental goals and objectives and how to integrate them with the professional employee's objectives.

#### Faculty

**Blaine Cooke, Ph.D.**, was Senior Vice President of Marketing for Trans World Airlines before joining the University of Minnesota faculty in 1976 as Frederick Kappel Professor of Business and Government Relations. He teaches in the area of management, corporate strategy, the politics of management and is engaged as a consultant in several major corporations. He was designated as "Leader in Marketing" by the American Marketing Association.

**Allan Hurst** is President of Quorum Limited, Fairway, Kansas, a consulting practice limited to professional presentations. Mr. Hurst has a broad background in management and marketing. He is best known, and recognized nationally, for his management development programs for professionals and sales personnel.

#### General Information

##### Dates and Location

November 18-20, 1980  
Sheraton-Ritz Hotel, Minneapolis

#### Fee

\$475 tuition fee per person, includes luncheon, coffee breaks, and materials

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_ Division \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

Course Title \_\_\_\_\_

Dates \_\_\_\_\_ Applicant Signature \_\_\_\_\_

Signature of Approved Paying Official \_\_\_\_\_

(Company approval is required for billing)

\_\_\_\_\_ Fee enclosed (check payable to University of Minnesota)

\_\_\_\_\_ Bill Company

Mail to: Pam Jensen  
Executive Development Center  
Graduate School of Business Administration  
271 - 19th Av. So.  
University of Minnesota  
Minneapolis, Mn. 55455  
or  
Register Fast by Phone: (612) 373-3837

**Enrollment**

Classes are limited to 30 people

**Schedule**

The seminar hours are 8:30 a.m. to 5 p.m. the first two days and 8:30 a.m. to noon the third day.

**FINANCE FOR THE NON-FINANCIAL MANAGER**

This three-day seminar is designed to provide non-financial managers with a basic understanding of finance principles. The sessions are led by experienced faculty and will include short lectures, group discussions, and problem solving to assure maximum learning. Special attention is given to an up-to-date analysis of the effects of inflation and evaluation of division versus corporate performance.

Managers should attend this seminar who, though without formal training in finance, need to understand the financial implications of their decisions and who must confer knowledgeably with financial managers.

**Faculty**

**James M. Gahlon**, Ph.D., C.P.A., is Assistant Professor of Finance. He has developed and participated in seminars and workshops on financial statement analysis, working capital management, financial forecasting, and commercial bank lending and has taught Finance for the Non-Financial Manager numerous times. This year he was selected by the college's students to receive the Outstanding Teacher Award given annually by the CBA Alumni Society.

**Timothy J. Nantell**, Ph.D., is an Associate Professor of Finance in his first year at the University of Minnesota, having just come from the University of Michigan where he taught for nine years. He has published research reports on such topics as leasing versus buying, capital costs for regulated firms, stock repurchasing, valuation theory, dividend policy, and inflation. Professor Nantell taught extensively in the Management Education Division at Michigan and has offered seminars privately to several firms.

**General Information****Dates and Location**

March 11-13, 1981  
Sheraton-Ritz Hotel  
Minneapolis, Minnesota

**Fee**

\$475 tuition per person, includes luncheon, coffee breaks and materials

**Enrollment**

Classes are limited to 25 people

**Schedule**

Seminar hours are from 8:30 a.m. to 5 p.m. the first two days and 8:30 a.m. to 3:30 p.m. the third day □

## The Controllership Center— concept and current status

by **W. J. Dombrowske**  
Department of Accounting

Prior to joining the senior accounting faculty in June of 1977, I expressed my concern over the lack of professional training for controllers. My observation was that while a few short seminars existed, they appeared to miss the professional and technical mark, and also appeared needlessly expensive.

Conceptually it appeared that what was necessary was a University-level program that would motivate these senior accounting professionals to get back into the mainstream of accounting practice and research.

Our overall design for the center was to identify the critical success factors for a firm's controller (chief accounting officer). Our research indicated eight areas or modules of knowledge. The first, designed to bring practitioners back up to speed is entitled "Current Topics in Controllership." It has been designed to expose the participants to the current literature and techniques bearing on the role of the controller. A unique aspect of this first module is that we are exposing the participants to University level research in five of the currently scheduled fourteen sessions. This has been well received by the participants, and presents a fine opportunity for the faculty.

In several instances the faculty member has traced current accounting practice directly back to the original research! In this module we also emphasize the exchange of experiences. The module syllabus introduces topical areas, resources are provided in the form of texts and handouts, and we then proceed to critically identify issues and approaches to their solution.

We are now at the half-way point of the development of the modules. The eight module topics are:

1. Current Topics in Controllership
2. The Management of Internal Controls
3. The Planning and Control Process
4. Behavioral Accounting and the Decision Process
5. Cost Accumulation and Inventories
6. Systems Design and Controllership

7. Financial Accounting Standards Board Update
8. Tax Planning and the Identification of Tax Issues

Module five dealing with "Cost Accumulation and Inventories" is in the early stages of design, and will be offered in April of 1981. By September 1981, we plan to have all eight modules designed and ready to offer.

The Controllership Center represents a unique opportunity for the University of Minnesota. To our knowledge, no other major institution has undertaken this type of project. We are firmly convinced of the necessity for such a center. When the center is fully operational in September 1980, we have the potential of an executive level offering equivalent to a medium scale graduate school of 280 participants.

We have formed an advisory board of practitioners to guide us in policy formulation and module content. Members have been chosen for their achievements in the field of controllership.

The concept has been a very exciting one to develop, and at the half-way point we find ourselves more thrilled than at the outset!

### Controllership Series—Fourth Module Behavioral Accounting and The Decision Process

The fourth module in the Controllership Series will be offered beginning on Tuesday, November 18, 1980, and continue for the following four Tuesdays. These five sessions will begin with breakfast at 7:30 a.m., the seminar will begin at 8:15 and conclude at 11:30. It will meet at the Sheraton-Ritz Hotel in downtown Minneapolis. Parking has been reserved in the hotel ramp. The fee for this module is \$350 and includes all meals, parking and instructional materials.

The faculty of six individuals involved in teaching this module in the Controllership Series are:

Controllership Center—from column 33

**Mary Lippitt**, Assistant Professor of Management

**Stan Biggs**, Associate Professor, University of Wisconsin (Minnesota Alumnus)

Ph.D. candidates in Accounting **Urton**

**Anderson, Carol Eger, Hudson**

**Nichols;**

**Will Dombrowske**, Lecturer, Accounting Department, and designer and

coordinator of the Controllership Series. Behavioral Accounting represents one of the most significant areas in accounting today. To our knowledge this offering is unique to the University of Minnesota and represents an outstanding educational opportunity for the accounting and financial professional.

The following is a brief outline of topical coverage for the five sessions which are broadly divided into two parts:

**Part I**—The first three sessions focus information processing as performed by the individual. The underlying disciplines in this part are accounting, economics and psychology.

**Session 1**—An introduction to the research in individual decision making and human information processing.

**Session 2**—Human information processing and judgment under uncertainty.

**Session 3**—Choice processes and decision aids.

**Part II**—The fourth and fifth sessions examine decision making performed by groups and organizations. Session four offers several different ways of looking at how decisions are made in organizations. Session five explores the kinds of problems which are particularly appropriate for groups and presents techniques of effective leadership.

**Session 4**—Decision making processes in organizations.

**Session 5**—Managing group problem solving.

For more information, call the Accounting Research Center (612) 373-3599 or complete the application below and return it with your check (\$350) payable to the Accounting Research Center. Previous participants in the Controllership Series are being notified in advance of public notice to afford them a first opportunity at enrolling. Attendance will be limited to 35.

### APPLICATION

Name \_\_\_\_\_

Firm \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Phone (office) \_\_\_\_\_ (Home) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Return to: Anne Selner  
Accounting Research Center  
Graduate School of Business Administration  
University of Minnesota  
271 - 19th Aven. So.  
Minneapolis, Mn. 55455



COLLEGE AND GRADUATE SCHOOL  
OF BUSINESS ADMINISTRATION

University of Minnesota  
Minneapolis, Minnesota 55455

Return Postage Guaranteed

UNIVERSITY ARCHIVES  
10 WALTER LIBRARY  
UNIV OF MINNESOTA  
MINNEAPOLIS, MN 55455

Second-class  
Postage paid  
Minneapolis, MN