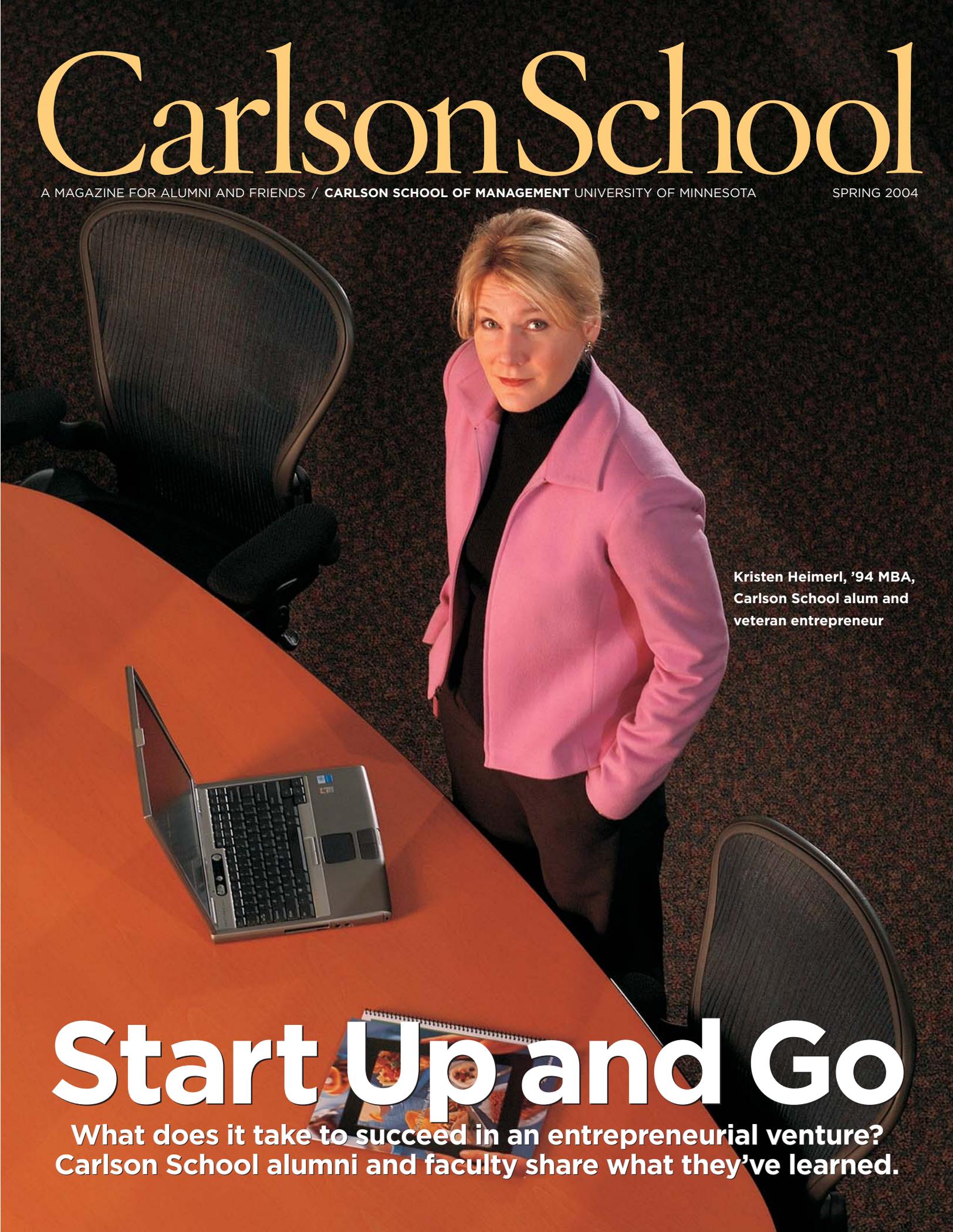


# Carlson School

A MAGAZINE FOR ALUMNI AND FRIENDS / CARLSON SCHOOL OF MANAGEMENT UNIVERSITY OF MINNESOTA

SPRING 2004



Kristen Heimerl, '94 MBA,  
Carlson School alum and  
veteran entrepreneur

## Start Up and Go

What does it take to succeed in an entrepreneurial venture?  
Carlson School alumni and faculty share what they've learned.

## The Dean's Corner

People often think of entrepreneurs as a rare breed of bold visionaries with the bravado to risk everything and come out on top. The reality may not be as flashy, but it's equally as impressive.

This issue of *Carlson School* explores and stretches the definition of entrepreneurship in ways that demonstrate the diversity of entrepreneurialism and its many facets in the business world. We tap five



alumni who represent “classic” forms of entrepreneurship—starting new businesses and inventing new products—to those innovating within large corporations or leading the curve in technology. Through their eyes we glimpse the opportunities and risks of starting something new.

Carlson School research on entrepreneurialism runs the gamut as well. Our faculty members delve into innovation in the pharmaceutical industry, new product forecasting, and the ways entrepreneurial leadership teams operate.

As we better understand entrepreneurialism, we begin to understand its importance as the core

of any thriving business community.

I am also pleased share the progress the Carlson School is making toward expanding our undergraduate program. Alum Herbert Hanson Jr. and his wife, Barbara, recently made a \$10 million lead gift to the Carlson School to build a new facility. Herb is an example of how alumni can support the education of countless students and future leaders. He has given his time and talent to students, the Carlson Funds Enterprise, and our Board of Overseers. This gift is a laudable extension of his generosity and will have an impact on generations of business students to come.

At the Carlson School, we aim to continually improve upon our innovative business education and vigorous research. I hope you find *Carlson School* magazine thought-provoking in its approach and reflective of the business realities you face. Please continue to join us.

Sincerely,

A handwritten signature in black ink that reads "Larry Benveniste". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Lawrence Benveniste  
Dean

# Carlson School

A MAGAZINE FOR ALUMNI AND FRIENDS

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#### MISSION STATEMENT

The mission of the Carlson School of Management is to provide the highest quality education for present and future business and academic leaders, and advance the understanding and practice of management through research and outreach.

# CONTENTS

Spring 2004



Jeff Wirth



Neena Buck

**INSIDE FRONT COVER: The Dean's Corner** Carlson School Dean Larry Benveniste on the entrepreneurial spirit and a gift that will help nurture the Carlson School's future growth.

**2 The Atrium:** Herb Hanson offers the gifts of time and treasure, Neena Buck looks for technological breakthroughs, David House discusses the straight and narrow, Mitch Mosvick steps into the role of junior political pundit, and much more.

## FEATURES

**12 Cover Story—Entrepreneur Profiles:** A look at the varied experiences of five entrepreneurially minded Carlson School alumni.

**22 Practical Magic—**Carlson School professors explore the methods behind the madness of entrepreneurship.

**26 Checks and Balances—**Ross Levin, '82 BSB, has built a financial planning career without compromising his—or his clients'—personal priorities.

**28 The Retention Riddle—**A new Carlson School study identifies the causes of employee turnover—and offers practical ways to boost retention.

**30 8 Questions:** A chat with Doug Johnson, director of the Carlson Ventures Enterprise.

**31 Class Notes**

**INSIDE BACK COVER: Time Capsule—**Laying the cornerstone for Vincent Hall.

FRONT COVER: KRISTIN HEIMERL, '94 MBA, MARKETING MANAGER, CARGILL.  
PHOTOGRAPH BY DAN MARSHALL.

# Atrium

News and updates from around the Carlson School and beyond.

## Total Returns

**For years, Herb Hanson, '49 BA, has been a trusted resource and advisor for Carlson School students. Now, he's taking on a new role—as a key benefactor in the efforts to expand the school's undergraduate programs.**

Herb Hanson has been extraordinarily generous to the Carlson School—and not only because he and his wife, Barbara, recently gave his alma mater \$10 million to help fund a new undergraduate classroom facility. Hanson is in fact more revered for the gift of his time.

"What impresses me the most about Herb is that he genuinely wants to take what he has learned from his experiences and give it to the students here," says Corey Henry, '03 MBA. Henry became friends with Hanson after inviting him to speak at a Carlson School Finance Club meeting. Their relationship soon blossomed into something of a mentorship.

"The time Herb is willing to put forth for students is incredible," Henry adds. "Beyond the money he's able to give, he's been just fantastic with giving his time and experience to the students—and you can't put a figure on that."

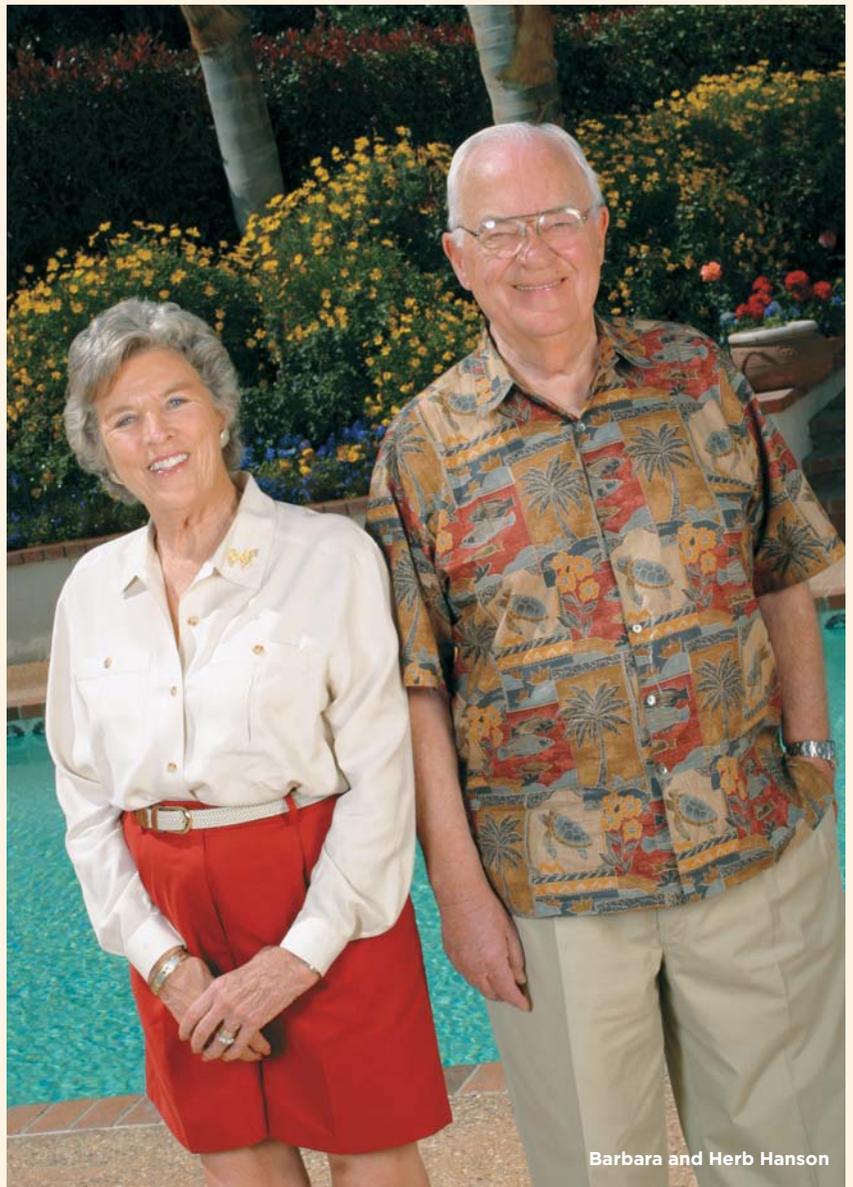
Hanson founded Hanson Investment Management Co., a San Francisco-based money-management firm, and built it into a \$3 billion business. Since retiring, he's returned to the Carlson School numerous times to speak to students and serve as an advisor to the Carlson Funds Enterprise, a student-run investment fund. The donation he and Barbara made will help expand the school's undergraduate studies program, which he remains keenly interested in. He says there's a special place in his heart for undergraduate students. "They are like sponges," he notes.

Several students, both undergrad and graduate, have special places in their hearts for Hanson as well. They particularly appreciate his willingness to share what he learned in his own experiences. "He is so open and so helpful," says Mike Kubas, an MBA student who will graduate in 2004. "We've talked on the phone at least a half-dozen times, and I know I could call him anytime."

Many students do dial his number for career counseling, casual conversation, or a new perspective on the Funds Enterprise. "When I got my first offer from a Wall Street firm I called him immediately," remembers Avnish Vellanki, who will earn his MBA in finance in spring 2004. "He helped me think it through and make the right decision."

Hanson remembers when Arthur Upgren, one of his business professors, took the same interest in his career. "Arthur showed such interest in me—not just as a student but as a person," he says. "I want to help future generations of graduates have similar experiences while they're at the Carlson School."

—Sara Gilbert Frederick



Barbara and Herb Hanson

PHOTOGRAPH BY GILLES MINGASSON

# Future Shock

**Neena Buck, '83 MBA, helps clients prepare for technology breakthroughs.**

Imagine getting ready for work while listening to Beethoven's Ninth. When you step out the door, the music pauses automatically. As you climb into your car, the symphony resumes. And, upon arriving at your office, the scenario repeats itself—all without missing a beat.

While that might seem like a dream, Neena Buck knows better. "Today's devices are relatively dumb," says Buck, the vice president of the Emerging Frontiers program at Strategy Analytics, a Newton, Mass., firm that offers strategic and tactical support for business planners around the world. "Even the smartest appliances require you to understand them. But, in the future, they will understand you."

And it's Buck's job to prepare companies for a future that will include smart devices and similarly radical advances in such realms as nanotechnology, intelligent software, and biotechnology. "I help clients anticipate breakthrough opportunities," she says. "I don't

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**"I help our clients anticipate breakthrough opportunities. I don't predict what will happen; instead, I point out what can happen five to 15 years from now."**

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predict what will happen; instead, I point out what can happen five to 15 years from now."

She peers around corners by conducting in-depth analyses of still-in-the-lab technologies, taking international surveys of gadget-savvy consumers, and poking around world-class research facilities. In addition, she applies knowledge gained from the frontlines.

The entrepreneurial bent of her career path has prepared her well for the role. After obtaining her BS in electrical and computer engineering from the University of Wisconsin–Madison, Buck designed and developed one of GM's first on-board microprocessor-controlled fuel injection computers. That experience led her to seek an MBA from the Carlson School. Post-Carlson, she joined IBM to explore artificial intelligence applications within an advanced technology group. Her initiative landed her in an elite leadership program, garnering her two years



Neena Buck

in the upper echelons of IBM's new market development on the East Coast. Her next stop: studying artificial intelligence as a doctoral student at Yale.

Buck then snared an executive industry analysis post focusing on business applications for intelligent systems at Connecticut-based New Science Associates, now part of the Gartner Group. From there, she relocated to Cambridge, Mass., and became an independent consultant on long-term technology strategies. Early in 2001 she teamed up with a business partner to expand into a retainer-based analyst firm. But the market downturn eventually took its toll on their company.

Undaunted, Buck offered her business concept to Strategy Analytics, launching the company's Emerging Frontiers division last spring. "Essentially, I'm doing exactly what I would have done with my own company," Buck says.

For her own future, Buck continues to mull over entrepreneurial ventures. Ultimately, she foresees leveraging her experiences to live on two continents—in the United States and her native India.

—Anne Rawland Gabriel

Rank of the Twin Cities as the best metro area to start a business in 2004, according to *Entrepreneur* magazine:

1

Rank in 2002

15

Number of Carlson School undergraduate entrepreneur majors in spring 2004:

147

Number in spring 2002:

32

Number of members in the Carlson School's Entrepreneurship Club:

120

The Carlson Index

## Expansion Matters

### How you can help the Carlson School accommodate an expanded undergraduate program.

The Carlson School needs to grow, and we need your help to make it happen. Over the past five years, applications for admission into the school's undergraduate program have doubled. The challenge is that the Carlson School simply does not have enough space to accommodate all of those potential students. The result: The undergraduate program serves less than 15 percent of the more than 2,800 students who apply for admission each year; the top students who are not admitted often leave the state, taking their talents elsewhere.

In response, the school hopes to build a new undergraduate classroom facility by 2007. By doing so, we will be able to expand undergraduate classes by 50 percent. While we've taken a number of steps toward this goal, there is still a ways to go. We are now looking to Minnesota legislators for their support for an initial request for \$1.7 million in planning funds. We also will seek additional funds in the 2006 legislative session for construction.

How can you help? Please consider joining the University's Legislative Network, a coalition of volunteers who share a commitment to higher education and to the University of Minnesota. Alumni, parents, donors, faculty, staff, and anyone concerned about higher education are welcome to participate. To learn more, visit [www.supporttheu.umn.edu](http://www.supporttheu.umn.edu).

The University of Minnesota Board of Regents recently honored Carlson School graduate Luis Gomez-Mejia, '74 MA-HRIR, '81 PhD, with its highest alumni honor, the Outstanding Achievement Award. Gomez-Mejia, a professor of management at Arizona State University's W.P. Carey School of Business, was recognized for his internationally regarded scholarship and leadership in the field.

A prolific author, Gomez-Mejia has published more than 120 journal articles, chapters, and books. A textbook he wrote is used in 50 top business schools worldwide, and one of his papers recently was judged the best out of 640 submitted to the *Academy of Management Journal*, an academic

publication that specializes in forward-looking management-related research. The U of M isn't the only institution that's recognized him, either: In November, the University of Arizona Board of Regents named Gomez-Mejia a Regents Scholar, the highest honor it awards to faculty at its three state universities.

Gomez-Mejia is well known for his research in macro human resource management, including executive compensation, high-technology compensation, and compensation strategies. Despite his heavy load of research and writing, he still makes time to teach students of all levels. "Undergraduates are fun and refreshing and



Luis Gomez-Mejia

naive, and they need to have senior faculty come and teach them," he says. "That's a belief on my part."

In addition to all of Gomez-Mejia's academic and scholarly achievements, he is a leader in the field of management. He was one of the cofounders of the Ibero-American Academy of Management, an affiliate of the Academy of Management, a Briarcliff Manor, N.Y., professional association. The Ibero-American Academy aims to support management students and faculty from North and South America, Spain, and Portugal with its conferences and English and Spanish journals.

Gomez-Mejia, a native of the Dominican Republic, moved to Miami as a teenager. Looking for a change of scenery, he enrolled at the University of Minnesota to study economics. He graduated *summa cum laude*, and then moved on to earn his Carlson School degrees.

The University of Minnesota's Outstanding Achievement Award recognizes graduates who have attained unusual distinction in their chosen fields or public service and who have demonstrated outstanding achievement and leadership on a community, state, national, or international level. Gomez-Mejia admits he had trouble believing he was receiving the honor. "Frankly, it was a shocking surprise to me. I didn't realize it was a Board of Regents award, University-wide. I thought, 'Why me? I'm just a little guy over here.' I still don't know why me," he says with a hearty laugh. "It's hard to get used to it."

—Suzy Frisch

# Emeritus Professor Emeritus

Even retirement can't keep Jack Gray away from the Carlson School.



Marlys and Jack Gray

It was 1963 when Professor Jack Gray joined the accounting department faculty of the Carlson School. The University's West Bank campus was just being built and the business school's offices were making the move from the east bank to their new home across the river.

**“We want to help students and faculty members continue to develop their skills. In a fast-changing world, what was useful 10 years ago gets dated very quickly.”**

Destined to spend the next 30 years teaching in Blegen and Willey Halls, Gray recalls a particular concern that the newly built classrooms stimulate profound learning. Carlson School faculty prevailed upon the architects to design classrooms where the speaker, located in the middle of the room, would be surrounded by students on three sides. “There are four U-shaped classrooms on the fourth floor of Blegen Hall,” recalls Gray. “For a long time those

classrooms were called the ‘Nightingale Rooms’ because Carlson School Professor Ed Nightingale insisted that they be put in the building when the West Bank was built.”

Gray spent nearly three decades teaching the school's

students—many of whom learned from textbooks he coauthored. He also developed a deep-seated fondness for the department and his students. That attachment extended beyond his field of specialization. He recalls the faculty band that would play during business week. No highbrow affair—Gray played the washtub bass—students loved their professors' efforts. “They got a kick out of seeing the faculty in a relaxed setting,” he says.

Gray left the University in 1990 to head Michigan State University's accounting faculty. After 12 years, he and his wife, Marlys, '69 BS–Nursing, returned to Minneapolis when he retired. But their love of students is drawing them back to the University of Minnesota. They recently made a bequest to the Carlson School that will help students and fuel strategic growth of the accounting department. “We want to help students and faculty members continue to develop their skills,” he notes. “In a fast-changing world, what was useful 10 years ago gets dated very quickly.”

The Grays will be helping in other ways as well. Marlys is teaching a quilting class to the wives of international students, and helping them manage the transition to life in the United States. Jack also will be adding to the Carlson School community as a faculty member once again—he's been assigned to teach two sections of managerial accounting next year.

—Michael Weinbeck

# Ethically Speaking

David House believes companies do practice what they preach.



David House

David House, '72 BSB, knows something about business ethics. Among his duties as a group president for American Express, he has played a key role in Amex's recent update of its "Blue Box Values" corporate value statement. A member of the Carlson School Board of Overseers, House's achievements include leading the Amex Diversity Council, which garnered the company a Catalyst Award for building a culture of accountability.

**Carlson School:** The ongoing discoveries of corporate improprieties raises the question: Is "Fifth Amendment Capitalism" so pervasive that it's the norm rather than the exception?

**David House:** Just the opposite. In fact, recent examples illustrate that companies lacking integrity eventually run into trouble. However, they are a handful of companies and not the norm. That said, I believe the increased attention to corporate practices, in general, raises the standards for everyone.

**CS:** What, in layperson's terms, does it mean to "have corporate values," and why are they important?

**DH:** Corporate values define your corporate culture, which is how you conduct yourself with customers, employees, and shareholders. Companies with high standards have sustainable businesses, loyal customers, productive workers, committed shareholders, and respected brands. In other words, our values get us to our result.

**CS:** Is stating your values enough?

**DH:** Putting values on paper is a start, but you can't keep that paper

in your desk drawer. Use your values statement as an interviewing tool and only hire candidates whose values are consistent with yours. In addition, establish metrics and incentives based on your values—reward those who demonstrate competency and weed out those who don't. Then, if anyone even shades the truth, you get them out—quickly.

**CS:** And, from an employee's perspective, is it important that a prospective employer's values match your own?

**DH:** Absolutely. Studies show that people who are superstars at one company can wipe out at another, with the number one reason being lack of embracing the same values.

**CS:** With more than a decade at American Express, as well as senior positions at PepsiCo, Procter & Gamble, and Reebok, what's your historical perspective on corporate ethics?

**DH:** In my experience, people wake up in the morning trying to do the right thing. But if an unethical circumstance occurs, the situation is rectified and those responsible are terminated.

**CS:** Does this mean that adhering to high standards will keep you out of trouble?

**DH:** The reality is that it's an imperfect world. When honest mistakes happen, you make amends to the affected party, remediate those responsible, and set up controls to prevent a recurrence. With swift corrective action, mistakes don't become scandals.

**CS:** How about in the world at large? What can corporate executives do to help ensure that ethical business models predominate going forward?

**DH:** In addition to being community leaders, it's vital for executives to show students the way. For example, corporate executives can support school curricula going into classrooms and teaching about values.

—Anne Rawland Gabriel

## On the Rise

Full-Time MBA  
climbs to new heights  
in national rankings.

The Carlson Full-Time MBA program recently received the highest national ranking in the school's history. The 2005 *U.S. News and World Report's* annual *America's Best Graduate Schools* publication ranked the program 21st among U.S. business schools, up from 26th last year. The rise tied the Carlson School for sixth among public schools. One key factor in the climb: the school's job placement rate. With 92.8 percent of its graduates in a job three months after graduation, the Carlson School trails only Texas A&M and the University of Washington.

"Many Minnesotans consider the Carlson School a local gem, but we are making our mark as one of the best business schools in the world," says Dean Larry Benveniste. "For

decades, Minnesota business leaders have supported and pushed us to improve our rankings. We are now among an elite group of public school peers who match our quality."

In other rankings, the Carlson Part-Time MBA program ranked 11th, and the Carlson Executive MBA ranked 21st. Both programs have consistently been ranked highly by their peers. Additionally, the school's undergraduate program was ranked 14th by *U.S. News and World Report* last year. A number of Carlson School academic programs also placed in the top tier, including information systems (fourth), marketing (22nd), management (21st), and operations (22nd).

# Grand Ambitions

**No stranger to high-profile development, Twin Cities real estate veteran Jeff Wirth is building a bold new project in a thoroughly new arena.**

From the Grand Hotel in Minneapolis to a grand piano competition that's as much high tech as high art, entrepreneur Jeff Wirth, '83 BSB, devotes himself to building "the biggest and the best."

In the mid 1960s—at age 5—Wirth had a paper route. By 18 he'd developed a profitable way to sell black velvet paintings at road intersections. At 19 he bought his first investment property—a duplex—which led to his founding

The Wirth Companies in 1978. Today, the Minneapolis-based real estate development firm employs 320 people, and has worked on a wide range of projects, including the development of the luxurious Grand Hotel, a \$54 million transformation of the former Minneapolis Athletic Club.

But of all Wirth's grand constructions, the International Piano e-Competition that he cofounded is perhaps his most ambitious.

In true entrepreneurial fashion, the competition was born in a European café where he heard the plaint of his son's piano teacher, the renowned Alexander Braginsky (professor of piano at the U of M's School of Music). A frequent judge at national and international competitions, Braginsky was appalled by the ethics of the competition that had brought him to town. Judges were trading votes.

Braginsky also felt that many competitions were no longer accomplishing the task of identifying the next great generation of pianists and building their careers. He wanted to create a small competition with the highest level of judges and competitors—perhaps somewhere in the Black Hills area.

Small doesn't excite Wirth, however. He vowed to sign on if they committed themselves to building the top piano competition in the world over the next 10 years. Braginsky agreed, and in 2002, he and Wirth launched the International Piano e-Competition. This year, the event, which is set for May 23–June 5, will bring 24 of the world's great young pianists from locations such as Germany, Hungary, Azerbaijan, and South Korea to Minneapolis-St. Paul for the second time.

In a world where thousands of competitions compete to showcase the next generation of brilliant pianists, prominent music critic Gustav Alink ranked the 2002 International Piano e-Competition among the top 30 piano competitions in the world.

Alink's ranking puts Wirth and Braginsky's baby in the same league as the renowned Van Cliburn Competition, which as Wirth points out, has been running for 25 years, "with a budget of \$20 million and a full time staff of 35. We've got a budget of \$2 million and two full-time employees."

How have they accomplished that feat? For starters, there's the nature of the competition itself. The event relies heavily on the most refined player piano imaginable, the Yamaha Disklavier, which combines an acoustic grand piano with computerized recording technology. As part of the winnowing process, in January, "virtual auditions" were held in four locations—New York City, Los Angeles, Paris, and Hamamatsu, Japan. Competitors played on the Disklavier, which captured the nuances of their performances—from touch on the keyboard to pedaling. The system transmitted that data over the Internet to another Disklavier in St. Paul, Minn. Judges listened live to the Disklavier performance while watching simultaneous video.

Finalists will also play on a Disklavier and their performances



Jeff Wirth

will be streamed live over the Internet.

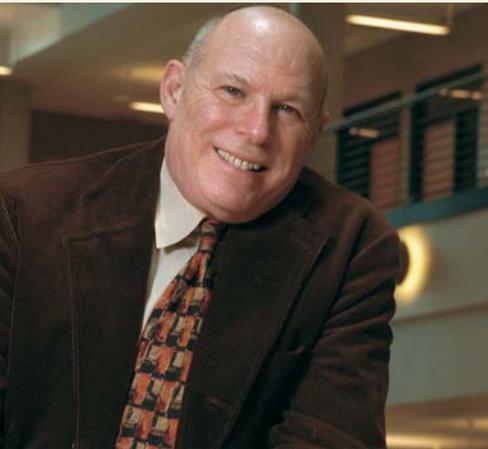
In 2002, the artistic world doubted the technology. But Yefim Bronfman, the most high profile of the first competition's judges, pronounced listening to be "a completely natural experience."

Wirth plans to build the e-competition into the world's grandest piano competition. There's no point in aiming for less than that, he believes. "Everyone wants to be part of something extraordinary," he notes.

For more information on the second International Piano e-Competition, go to [www.piano-e-competition.com](http://www.piano-e-competition.com).

—Joan Oliver Goldsmith, '85 CEMBA

## What Are You Reading?



Richard Arvey

### Richard Arvey

Professor, Carlson Industrial Relations Center

*The Last Place on Earth: The Complete Story of the Dramatic Race for the Pole* by Roland Huntford, and *Flyboys: A True Story of Courage* by James Bradley

"While Huntford's book was originally published some time ago, it still accurately recounts the vast differences in personalities and leadership qualities between [polar explorers] Robert Scott and Roald Amundsen. A very good read. I am finding it illuminating for the Carlson Executive MBA class on leadership that I am currently teaching.

"In *Flyboys*, Bradley recounts the history of a dozen or so pilots shot down in World War II over an island controlled by the Japanese. These men were executed and in some cases eaten. The book also describes the horror and destruction created by the aerial bombing raids by U.S. forces over the bigger cities of Japan. I was interested in the book in part because my father was a Japanese interpreter during similar war crime trials in Japan."

### Kwok-Yu Ng

Part-time MBA student, marketing focus

*Can Asians Think? Understanding the Divide Between East and West* by Kishore Mahbubani

"Having grown up in the East (Hong Kong) and the West (United States and Canada), I have always lived between two cultures with different values and ways of thinking. While each has its strengths, the two cultures can blend synergistically to capture the best of both worlds. Asian countries are experiencing faster economic growth rates, yet a flaw that holds Asian societies back is their lack of meritocracy. This is certainly something that the East can learn from the West. It is also important to recognize that the West can learn and adopt ideas from the East as well; this is a two-way cultural exchange. For example, Asian family and social values can help counteract family breakdown trends in the West.

"Development in Asian countries depends not only on the import of money and goods but also ideas. Having been educated in the West, I can bridge the gap between the two 'mental universes' to help elevate the quality of life for countries in the East through business opportunities and market development."



Kwok-Yu Ng

### Karl Johnson, MBA '02

Product Marketing Manager, Electrosonic Systems Inc., Minneapolis

*The Innovator's Solution: Creating and Sustaining Successful Growth* by Clayton M. Christensen, and *Sailing the Wine-Dark Sea: Why the Greeks Matter* by Thomas Cahill

"*The Innovator's Solution* highlights strategies for firms with leading technology products and strong market positions to create 'disruptive' [innovative] technologies, rather than becoming the victims of them. This book is a follow-up to *The Innovator's Dilemma*, which demonstrates how companies entrenched with high-performance products are blindsided by these disruptive technologies.

"*Sailing the Wine-Dark Sea* demonstrates the elements of Greek culture that are present in the crossing of modern Western culture's warfare, love, partying, politics, and philosophy."



Karl Johnson

## John Spooner's second gift to the Carlson School helps build a promising future.

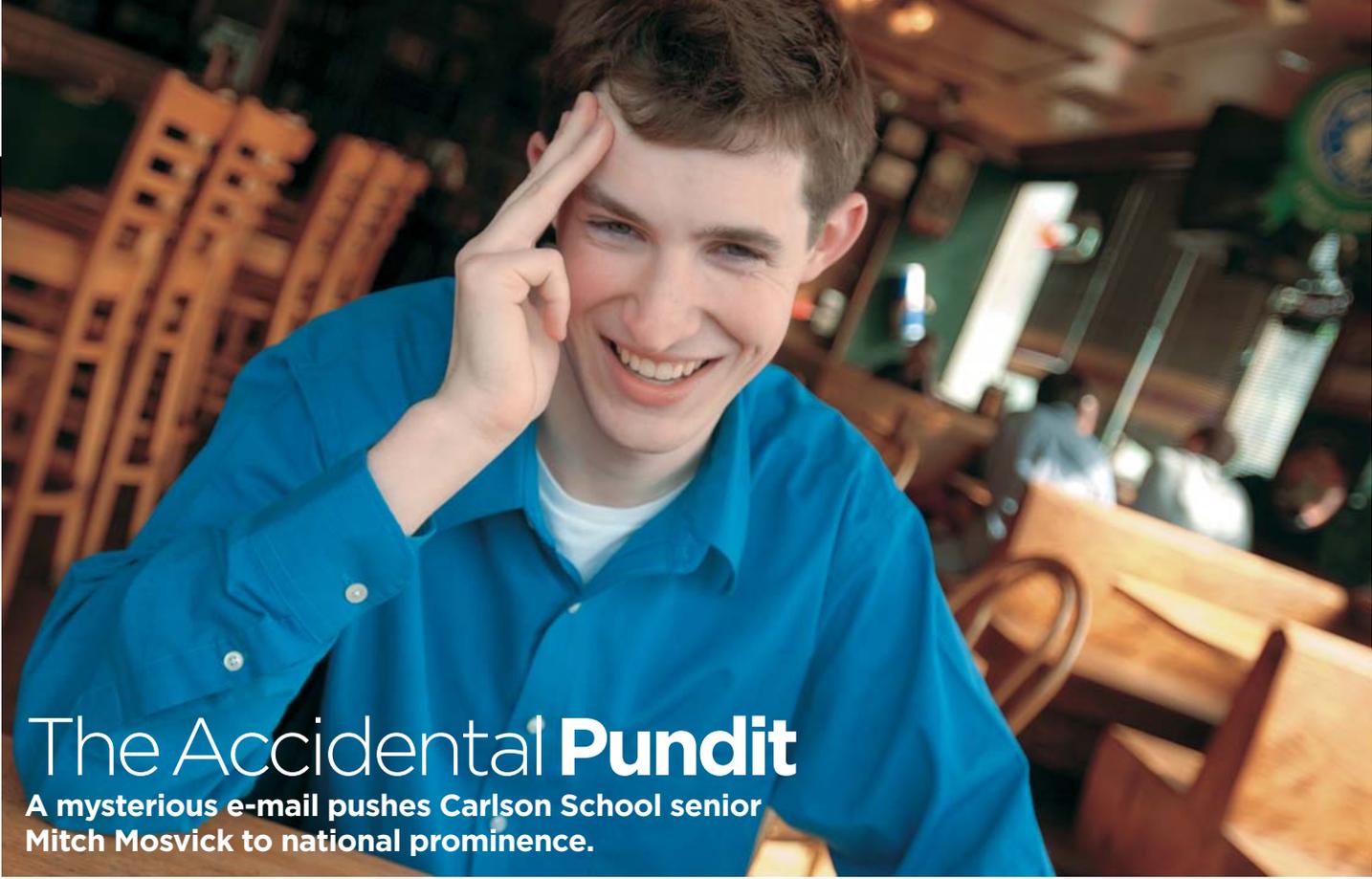
John Spooner, '37 BSB, surprised the Carlson School community three years ago with a \$1.25 million dollar gift endowing the John Spooner Chair in Investment Management. He's turning heads again today with a second such gift aimed at furthering the school's plans to build a new undergraduate teaching facility.

"Dean Benveniste made it known in the past of the need for an expanded facility for undergraduate business students at the University," says Spooner from his home near Denver. "And since I'm a believer in education, I donated this money to help further the dean's worthy objective."

Spooner, who retired in 1969 after 30 years working for the Internal Revenue Service, has spent the past 35 years as the skilled trustee of four estates. Through a keen investment strategy formed by the experience of several bear markets, he has built a sizeable fortune. "To further education and to help the elderly are what my entire estate is devoted to," he says, noting that he hopes his gifts will serve as an inspiration to give. "I hope my contributions make a difference enjoining others of like-minded purpose."

—Michael Weinbeck





# The Accidental Pundit

A mysterious e-mail pushes Carlson School senior Mitch Mosvick to national prominence.

At first, it seemed like an elaborate practical joke. Last December, Carlson School student Mitch Mosvick was studying for finals when an e-mail popped up on his computer screen from an editor at *Newsweek*. The gist of the message: The publication wanted Mosvick to write a regular column on the 2004 presidential campaign for *Newsweek.com*. He'd have more or less free rein to choose the topics he wanted to cover, and he'd get paid \$200 per article.

**"I like doing this, but I'm not much of a journalist. . . unless *Newsweek* offers me a job at an ungodly salary."**

Understandably, he was a little dubious. A 20-year-old senior majoring in information systems, Mosvick had written occasional opinion pieces for the *Minnesota Daily*, but nothing that he thought justified an offer from a national news magazine. But after checking out the source—"I did some research, and it was legitimate," he notes—he jumped at the offer.

He made his debut in early February with a column that

explored U of M student attitudes toward the national elections. Since then, he's spent a few weeks as an embedded reporter with former Democratic hopeful Howard Dean's campaign in Iowa, and has been turning in articles on a monthly basis.

Mosvick's work is part of a larger *Newsweek.com* series called "GeNext," which is attempting to explore the 2004 election via the perspective of young, first-time voters. "They pulled together five people from the around the country," Mosvick says. "The editor at *Newsweek* told me that she'd scanned some college publications and came across some of my articles in the *Daily*. They were looking for a mix of regional and ethnic diversity, and I guess I fit what they wanted. The funny thing was that I didn't have any reporting experience at all."

While he says the experience has been fun, Mosvick says it hasn't pushed him toward a journalism career. "I like doing this, but I'm not much of a journalist," he says with a chuckle, explaining that he plans to go to law school in the fall—"unless *Newsweek* offers me a job at an ungodly salary."

To see Mosvick's columns, along with the rest of *Newsweek.com*'s GeNext section, go to [www.msnbc.msn.com/id/4451832](http://www.msnbc.msn.com/id/4451832).

—Chris Mikko

## In Search of Excellence

### Juran Center Summit to examine quality leadership.

How can companies build and sustain their quality advantage over the long haul? The Carlson School's Juran Center for Leadership in Quality will explore those and other topics at its 2004 Summit conference. Set for June 15-16, 2004, the event will feature academic leaders, researchers, and senior executives—including former U.S. Treasury Secretary Paul O'Neill—all of whom will examine and discuss critical leadership issues related to quality in a range of different formats. In short, it's a must for anyone looking for a rigorous examination on the core elements of leadership in quality.

To find out more about this invitation-only event, contact Todd Martell at 612-626-4555, [tmartell@csom.umn.edu](mailto:tmartell@csom.umn.edu). For more information on the Juran Center, go to [www.csom.umn.edu/page1260.aspx](http://www.csom.umn.edu/page1260.aspx).



PHOTOGRAPH BY TONY NELSON

## All in the Family

**John Brooks has put a new twist on the concept of family business education.**

John Brooks, '83 MBA, wants to help families get along. To that end, he recently launched The Owners Institute, a new company that offers a variety of programs designed to help family business shareholders function as smart, responsible business owners.

He has a little personal experience in the matter. For much of the past decade, Brooks has worked as a family business consultant, helping family-run businesses deal with everything from management strategies to corporate governance to succession planning and more. Perhaps more importantly, however, he's also a third-generation owner of the Malt-O-Meal Co., the Northfield, Minn.-based cereal manufacturer. In short, he's well-qualified to lend expertise.

He says there's a huge need for that expertise these days. Given the nature of today's business climate, family-run operations can't afford to get bogged down by internal disputes. "In my experience, I've seen how family businesses can be quite insular; it's not always easy [for families] to work together," he says. "I've also seen how important it is to have expert outsiders who can

come in and help tackle key issues."

At the same time, however, Brooks notes that the prospect of using an outside consultant can be an intimidating prospect for family-run operations used to keeping their business in-house. Hence the motivation behind The Owners Institute. "We focus on the key concepts that families need to address in a comfortable learning environment," he says. "It's a lot less threatening for a family to send its people to us than to have an outside consultant come in as a catalyst for change."

In addition to Brooks, classes at The Owners Institute are taught by instructors with experience in management, strategic planning, and corporate finance. The organization began offering full-day classes in downtown Minneapolis in mid-April, and Brooks hopes to eventually expand to another location in Florida. "Our job is to shine some light on issues that people need to consider," he notes. "Our attendees can learn from experts and share experiences and learn from each other, which is equally as important."

—Chris Mikko

## Mission Accomplished

**After a six-month delay, members of the Carlson School's inaugural China Executive MBA class finally got to pick up their degrees last November.**



From left, Carlson School Dean Lawrence Benveniste, graduating student Jennifer Lu, Lingnan (University) College President Yuan Shu

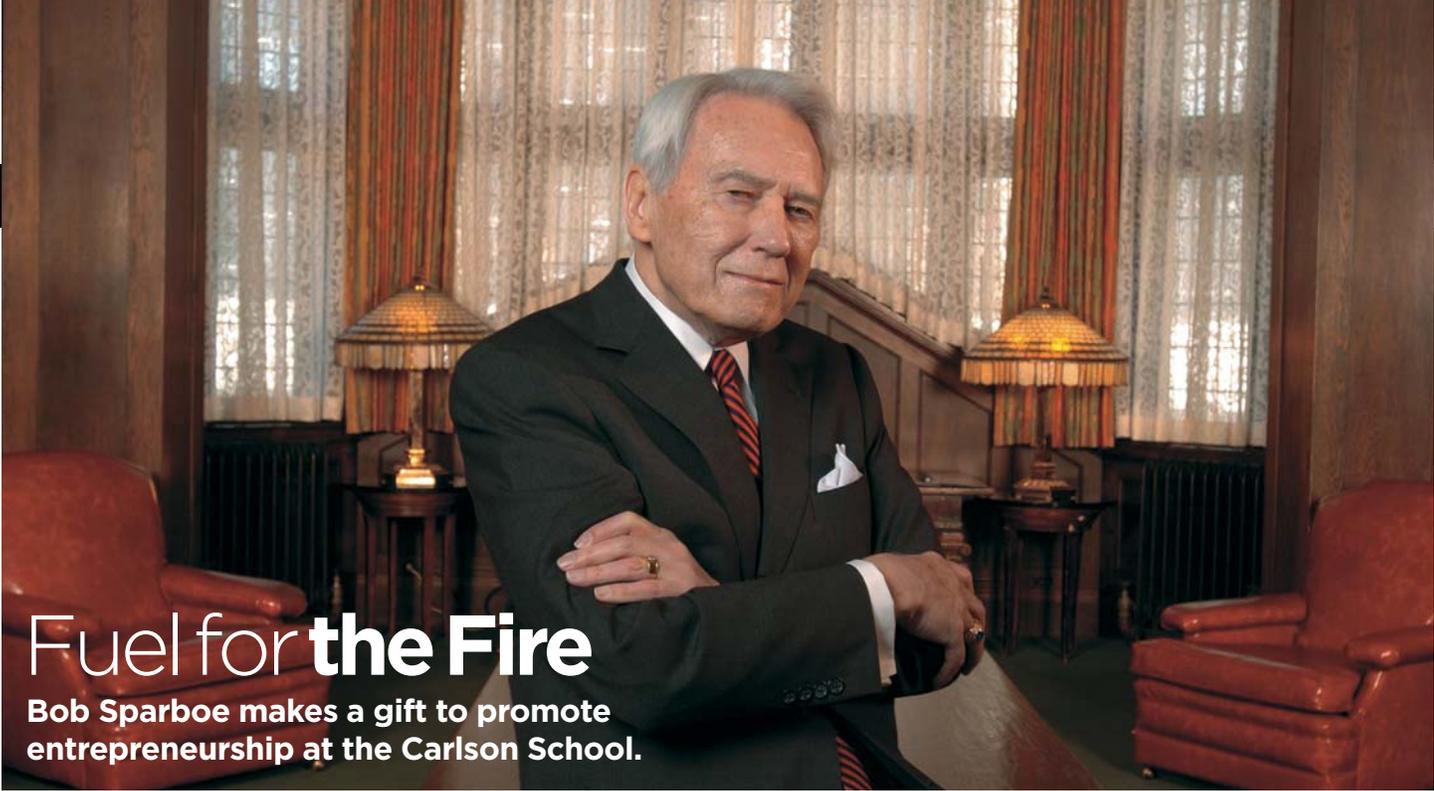
The Carlson School's first-ever China Executive MBA graduating class overcame some serious challenges to earn their degrees. Class members not only became the first to receive a Carlson executive MBA (American executive MBAs are considered a prestigious accomplishment in China), but they did so in the face of a global health crisis.

The China Executive MBA is run as a partnership between the Carlson School and Lingnan (University) College of Sun Yat-Sen University, located in Guangdong, China, the epicenter of the 2003 SARS outbreak. Due to threats posed by the rapid spread of the viral respiratory illness, the class's graduation trip to Minnesota was delayed for six months. In November 2003, however, the 38 Chinese executives enjoyed a 10-day Minneapolis visit that included tours, visits with Twin Cities-area corporate leaders, and a graduation ceremony on November 10.

Modeled after the Carlson School's domestic executive MBA curriculum, the program features 16 courses (taught in English) over 16 months. Courses are scheduled over two weekends, totaling 32 credit hours. The Carlson School is one of only a few U.S. colleges to offer an MBA in China, and the second class will graduate on May 16, 2004.

"This is just the beginning of an international network that will continue to grow," says Carlson School Dean Larry Benveniste. "Many of the executives participating in this program are the future leaders of China and we're honored to have them among our alumni network. Additionally, Minnesota and Chinese executives benefit by building relationships through numerous corporate site visits and receptions."

—Beth Weixel



## Fuel for the Fire

**Bob Sparboe makes a gift to promote entrepreneurship at the Carlson School.**

A conversation with Bob Sparboe, founder of the Litchfield, Minn.-based Sparboe Companies, one of the nation's largest egg producers, is unlikely to be marked by observations about the poultry industry. Instead, it will be a philosophical inquiry into the elements of leadership and innovative management.

To build a meaningful company, says Sparboe, one must deal with the hard decisions and emotional off-fall from commitments and taking necessary risks. He often quotes a friend who frequently admonishes business people: "You will never become 24 carat if you can't go through the fire." Effective management, he adds, is either transactional or transformational, extrinsic or intrinsic. Whatever the style, it must bring about appropriate and timely change.

Sparboe exudes the air of a man who has answered these questions. His firm, which he started in 1954 on \$5,400, has not had a capital infusion since, growing entirely on retained earnings. Sparboe made shrewd decisions in hard times and took chances with admirable confidence. And he adhered to one of his most central precepts: imagination and relationships are foundational.

People who know him well expect an encounter with Sparboe to be thought-provoking, challenging, and inspiring. He frequently hosts dinners attended by CEOs, university presidents, business school deans, and military leaders. And it's reported that the cuisine's quality is exceeded only by the that of the conversation. "Most business connections are essentially circumstantial," says Sparboe in the written invitation to one of the parties. "However, a few connections are preferential, growing into friendships based on integrity and earned trust. When the never-ending power of imagination is infused into special relationships, those connections become transformational—engines of realized possibility. It all starts with carefully selected and nurtured connections."

Sparboe, whose son Garth is a Carlson School graduate, recently made a gift to the school to support the lessons of entrepreneurship. According to Sparboe, although the entrepreneurial spirit may be difficult to teach, it can be encouraged, which he intends to support at the Carlson School.

—Michael Weinbeck

## Lasting Memory

**Anne Mariucci helps ensure that a Carlson alum's legacy will endure.**



Anne Mariucci

When Ann Mariucci, former president of Arizona-based housing developer Del Webb, first hired Emily Rodgers, '88 BSB, she knew she was adding an asset to the company's payroll. What she hadn't expected was the friendship and mentoring relationship that would follow. As Anne began guiding Emily through her career 12 years ago, they developed a bond that transcended the workplace.

"The friendship, over the years, became even more important than the business relationship," says Mariucci. "Emily was one of the most caring, trusting, and loyal friends that one could ask for."

Rodgers became a sounding board for Mariucci—a voice that would honestly question and appraise the values she held. "I always called her the mirror to hold up to myself," recalls Mariucci. "She gave me the courage, confidence, and conviction to take risks and evaluate what was important to me."

When Emily was diagnosed with breast cancer five years ago, the friendship began to take on an increased

relevancy for Mariucci: "As she began to struggle with her cancer, Emily gave me a new perspective on the things that are important in life."

It was partly through Rodgers' inspiration that Mariucci made the decision last year to leave Del Webb and strike out on her own as a private equity investor. After a protracted battle with the disease, Emily succumbed to cancer in September 2003. When she died, Mariucci made quick arrangements to develop a scholarship fund at the Carlson School. Rodgers was a champion of her Carlson School education, and Mariucci wanted to announce the scholarship at Rodgers' funeral.

The scholarship's recipient will be chosen each year by the Rodgers family. "The gift is a way for Emily's memory to live and for her family to have a way to memorialize her," says Mariucci. "Education was an important value to Emily. She was proud of her degree from the U of M, and always felt she got a great education."

—Michael Weinbeck

**E**very year, thousands of new companies get started in the United States. And each year, thousands of companies die. The statistics can be quite grim. According to the U.S. Department of Commerce, out of every 10 small businesses that get started, seven will make it through the first year, three will still be in operation after three years, and only two will remain after five years. What separates the winners from the losers? For starters, innovative ideas, sound business plans, and ready sources of funding are three necessary factors. But even with those in place, a fledgling operation also needs the influence of an individual, someone who will function as a guiding and driving force for the business.

With that in mind, the following profiles offer looks at some entrepreneurially minded Carlson School alumni. While they all come from different backgrounds and have had different experiences, they all have at least two elements in common: a willingness to risk failure and a desire to build something out of nothing.

## Still Standing

Success hasn't always come easy for Kristen Heimerl, '94 MBA, but she's never shied away from challenges. *By Jenny Sherman*

**A**nyone involved in the world of showing horses knows that it's a time-consuming activity that requires patience and persistence. One of Kristen Heimerl's major pursuits, showing American Saddlebred horses, involved her training year-round with her family's horses in Minnetonka, Minn., and traveling around the country to competitions. She worked the show circuit for 15 years, starting at county fairs and progressing to national shows at venues such as Madison Square Garden. From her first pony at the age of nine to the three- and five-gait horses she taught to step in figure-eights before the judges, Heimerl acknowledges the role her horses played in her life. "Without question," she says, "I am what I am because of showing horses."

But by the time Heimerl became immersed in college at the University of St. Thomas in St. Paul, Minn., another interest eclipsed her longtime hobby. "When I graduated from high school, I had no idea what I would do or be when I grew up," she says. "It was when I went to St. Thomas and took my first business class that I [thought], 'Oh my gosh! I landed on it!'"

That enthusiasm led her to obtain her MBA from the Carlson School; to another degree in technology from Carnegie Mellon University; and to start up her own consulting firm. And it's an enthusiasm that has endured, leading to her current position with Cargill, the giant Minnesota-based provider of food, agricultural, and risk-management products and services.

The sometimes harsh entrepreneurial lessons of failure and success, of taking big chances, of making and learning from mistakes, came early to Heimerl. She laughs when she recalls that her first

application to graduate school was rejected. "The Carlson School did not accept me right away," she says. "Not the first time, anyway."

She had spent three years with the Minneapolis office of ReMark Direct Response, a worldwide financial services company, working in direct marketing. She knew, however, that she didn't want to spend her entire career in that field. To find out about the larger realm of marketing would require more schooling. The Carlson School was the only institution she applied to; instead of getting dejected when she was refused admission, Heimerl got determined. "I was a complete irritant to the admissions committee," she says. "I called and called."

Her tenacity paid off, and she was accepted the second time around. "I couldn't even begin to tell you of my experiences there," she says. "I wanted to challenge myself in terms of stepping outside of my box and doing new things to build leadership skills. I definitely achieved what I wanted to."

Another challenge she undertook was obtaining a master's in technology from Carnegie Mellon in 2001. At the time, she was working for Deluxe Corp., the St. Paul-based check printer. "That industry was undergoing immense change," she says. "In the mid-1990s we saw the introduction of the Internet, and it reshaped the industry. I thought, 'Ah-ha—here is an area where my skill set is in need of a boost.'"

### Form and function

By the time she left Carnegie Mellon, Heimerl had an idea for a business plan. In July 2002, she started her own company, Form Inc., a consulting practice for new business ventures that would draw on her national network of contacts. The contacts provided Form with expertise in areas such as market research, public relations, graphic design, and interactive marketing, which would then be passed on to clients. To make it work, she teamed with Michelle Gjerde, an acquaintance with extensive experience in the public relations field.

Despite the complementary nature of their backgrounds, the partnership lasted only three months. "The business didn't end up



## Kristen Heimerl

“In the twilight of my career, I’ll absolutely have to give [owning my own company] another go. I am a strong believer in what it was; there just were not the right resources to make it happen.”

as we had envisioned,” says Heimerl. “We came from different backgrounds; we had different visions for the company.”

For a year after Gjerde departed, Heimerl tried to make the company take off. Unfortunately, she soon realized that it couldn’t get off the ground. “I knew I had a wonderful business concept. My customers loved it, but I also knew it would take time, capital, and more talent to make it happen.” Nonetheless, she describes it as a profound learning experience, and notes that she knew she would be able to bring some of her hard-earned skills with her in her next career move, joining the marketing team at Cargill.

Historically, Cargill has had a conservative approach to marketing itself and its products. But in 1999, the company did an about-face and initiated a new branding and business campaign to reflect a new business direction. Instead of offering mere commodities, Cargill began providing value-added food and agricultural solutions. “To me, that was exciting,” says Heimerl, who joined the company in October 2003. “It was a great opportunity for someone with my skill sets.”

She now works as a marketing manager in the soy protein solutions business unit of food systems design with Cargill. Working for the corporation is a far cry from her past independent work. “One of my biggest fears was: How am I going to be here after being on my own?” she admits. “In fact, it was probably one of the easiest things.” She also notes that the strategic shifts going on within Cargill are similar to the ones that took place while she was

at Deluxe, so she feels well prepared to dive into Cargill’s new marketing strategy.

Heimerl describes Cargill’s former promotional undertakings as “quiet, quiet, quiet. It had been low-key, and stayed close to its local regions. But now we’re about creating and leveraging a global brand.”

She feels the combination of her education and the range of her past business experiences has prepared her for her new role. The most valuable lesson she’s learned so far? “I would have to say the failure,” she says. “Those are the big ‘ah-has’ you bring with you. From an entrepreneurial standpoint, the key is that your risk assumption is so high that you’re completely operating in risk and uncertainty. What comes after that doesn’t really faze you.”

Heimerl says she looks forward to staying with Cargill for some time to come. Still, she admits to a desire to someday own and operate her own business again. “In the twilight of my career, I’ll absolutely have to give it another go,” she says. “I am a strong believer in what it was; there just were not the right resources to make it happen.”

And no matter what happens from this point onward, she feels confident that she can apply her entrepreneurial skills, whatever the situation. “It think it’s persistence,” she adds after a pause. “That is the entrepreneurial spirit for me, persistence and optimism.”

*Jenny Sherman is a New York City-based freelance writer.*

# Ride of a Lifetime

Since peddling lemonade as a preadolescent,  
Eric Strauss, '95 BSB, has been burned  
by frozen drinks and taken the plunge  
into the dating game.  
And he's just getting started.

By Andrew Bacskai

Some 12-year-old boys dream of being astronauts, NFL quarterbacks, doctors, deep-sea divers, or rock-and-roll stars. Others aspire to be airline pilots or archaeologists. Eric Strauss wanted to be a corporate raider.

It's a desire he expressed in a letter he wrote to his childhood hero, Irwin Jacobs, founder of telecommunications giant Qualcomm. Though Jacobs never formally replied to the letter, he clearly was moved by his young admirer's sentiments. Shortly after receiving Strauss' fan mail, Jacobs was profiled in *Fortune* magazine. A passage from the letter was included in the story.

"That was pretty exciting," recalls Strauss, who at the time was a subscriber to both *Fortune* and the *Wall Street Journal*. He also devoured the daily business section of his hometown Minneapolis *Star Tribune* the way other kids his age consumed Spider-Man comics or *Sports Illustrated*.

Two decades later, Strauss, now 32, has a trio of entrepreneurial endeavors to his credit. His first company, Crazy Carrot Juice Bar Inc., was among the first frozen-fruit drink shops to surface in Minnesota. Though Strauss ended up taking a bath in smoothies after just over a year, he quickly resurfaced at the helm of two new startups. He's founder and president of EntrepreneursForHire LLC, an online marketplace for Twin Cities-based buyers and sellers of professional services. He's also cofounder of City Date Connection, a "speed dating" company he started last year with a trio of friends. In addition, Strauss provides marketing, public relations, and business strategy consulting services for a growing roster of clients—typically new and emerging companies with annual revenues under \$5 million.

"I love that first phase of creating a business. That's why my consulting work is with relatively small companies—they're still entrepreneurial," says Strauss. "I love coming up with ideas and concepts. I love the strategy: How are we going to market it? How are we going to promote it? How are we going to raise money for it? I absolutely love that stuff."

### An entrepreneur is born

The love affair started early for Strauss, who, by the time he was 12, was selling stock to family members and friends in the thriving lemonade-stand operation he'd launched a few summers earlier. Meanwhile, he also started writing and publishing a monthly investor newsletter. More than 30 subscribers doled out \$18 a year to get Strauss' stock tips. "The first year of the

newsletter, if readers had followed our recommendations, they would have achieved a roughly 50 percent increase in their portfolios," says Strauss, who struggles to pinpoint the factors that fueled his early entrepreneurial passion and prowess. "I didn't grow up in an environment where there were dinner conversations about anything having to do with business. But as a kid I was always doing these entrepreneurial things that seemed normal at the time. In hindsight, they were pretty far out there.

"All I know is that at a very early age," he adds, "I wanted to own my own business."

### First time's not a charm

In January 1998, Strauss fulfilled that goal when he opened Crazy Carrot on Snelling and Grand avenues in St. Paul, Minn. The shop was inspired by a Jamba Juice store (then known as Juice Club) he happened upon a few years earlier in California while on a business trip for his employer, St. Paul-based U.S. Satellite Broadcasting (USSB). "I remember standing in this really long line, enjoying the great smell, thinking that I could totally envision a juice bar like this in Minnesota," he recalls.

He resigned from USSB and spent the next 17 months researching juice bars from coast to coast (he got scouting reports on more than 120 shops), developing a business plan, and raising startup capital. Eventually, along with two partners, he launched Crazy Carrot for \$210,000, including \$28,000 of his own funds, a \$50,000 SBA loan, a \$35,000 job-creation loan from the St. Paul Small Business Resource Center, and the remainder from about 30 private investors.

From the outset, the store's sales showed consistent and considerable improvement. Within months, Crazy Carrot connected with a deep-pocketed investor, who blended an additional \$1.3 million into the operation over the next several months. Expansion followed: four new stores, including one in Naples, Fla. "But just as quickly as we grew, it was downhill even faster," Strauss admits. The ownership team not only overestimated its ability to manage the Florida store from afar, it also underestimated the extent to which the Minnesota winter would put a deep freeze on frozen-drink sales. Rather than targeting prime exterior store locations, he explains, "we should have chosen class A locations in skyways downtown and other venues that were somewhat insulated from winter weather."

Strauss and his partners sold Crazy Carrot to their chief investor for a considerable loss. "When you're your own business owner, you have to go into it knowing that you're not always going to hit a home run, and you have to be comfortable with that fact," Strauss says. "Even though Crazy Carrot was a financial catastrophe for me and my investors—who were mostly all family and friends—it was totally worthwhile because I learned more than I ever would have learned working for another company.

"The way I see it," he adds, "I got my MBA at Crazy Carrot University."

### The matchmaker

With a degree from the school of hard knocks in hand, Strauss started his own consulting practice in tandem with



## Eric Strauss

“When you’re your own business owner, you have to go into it knowing that you’re not always going to hit a home run, and you have to be comfortable with that fact.”

Date Web site ([www.citydateconnection.com](http://www.citydateconnection.com)); they then select events that best suit their sensibilities. After an event, singles submit their “score cards,” on which they give thumbs up or down to their various dates. They then can check out the online profiles of their matches and communicate with them through City Date’s blind e-mail system.

Strauss conceived of and developed the idea during regular bowling outings with his longtime friends Jen Buchan, Chad Reichwald, and Audrey Benjamin, all University of Minnesota graduates. They invested a modest \$250 apiece to get the company off the ground. “We thought we could create something new and unique, with a price point that would allow us to compete effectively with all the other people doing this,” says Strauss, the only married founding member.

City Date already has landed 1,500 members, all of whom have created their profiles for free and pay between \$39 and \$49 per event. In addition, more than 2,500 people have signed up for the company’s e-mail newsletter, which is published one to three times monthly. In fact, the newsletter has become one of City Date’s most powerful marketing and promotions tools. “There is a lot of competition in this market,” Strauss notes. “Initially, our strategy was to do a lot of print and radio advertising. But we realized that while that strategy is great for building our brand, it wasn’t closing sales, so to speak. So we cut down on the relatively expensive advertising and now focus more on the newsletter and strengthening our relationships with the people who already know something about us—they’re the ones providing us with the referrals.”

If City Date continues to grow, Strauss might soon be seeking a suitable successor. “Our ultimate goal is to carry the company as far as our backgrounds and skills can take it, then find more of an operational-type person who can carry it to that next level,” says Strauss, who’s already developing his next entrepreneurial endeavor—a line of luxury bath products.

“My biggest asset and my biggest drawback is that I don’t have much discipline for businesses beyond a certain point. I have about a three-year window for anything I get involved in,” he says. “Then I start getting restless.”

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*Andrew Bacskaï is a St. Paul, Minn.-based freelance writer.*

EntrepreneursForHire, which connects independent professionals, contract workers, and full-time freelancers with companies in need. Individuals can create profiles on the EntrepreneursForHire website ([www.entrepreneursforhire.com](http://www.entrepreneursforhire.com)); if they land a position or project, Strauss collects a referral fee.

With City Date Connection, his latest enterprise, Strauss has adapted this virtual matchmaking model to meet the needs of singles seeking Mr. or Ms. Right. Founded in June 2003, the operation is a membership-based company that produces a variety of “speed-dating” events, such as “Dinner in the Dark,” a boat cruise and outings for book lovers and Twins fans, during which the men and women in attendance have a series of five-minute “dates.” Singles create profiles and post photos on the City

# All the Right Moves

Barbara Mowry, '75 MBA, keeps finding herself at the right place at the right time. It's happening again — and now she wants to reshape an entire industry. *By Mac Wiley*

**H**aving started out as a flight attendant, Barbara Mowry has never really stopped traveling through her work career. Her professional travels have landed her in the airline, cable-television, and e-commerce industries just as they were undergoing major changes. It's been a long, fascinating trip.

A Chicago native, Mowry earned an undergraduate degree in sociology (with a minor in psychology) at Miami University of Ohio. She took a job as flight attendant for American Airlines, living in New York City and traveling around the world, which she greatly enjoyed. She considered getting a doctorate in sociology but decided that “it wasn't the right thing to do.”

To be sure, Mowry adds, “I never intended [being a flight attendant] to be my lifelong profession.” Having done some other work for American and pursued volunteer opportunities, she decided that business was her proper direction. “I knew I didn't know a lot about it based on the experience I'd had prior to that,” she recalls. “So I thought an MBA would be a terrific way to learn about it.”

Given her Chicago upbringing, Ohio education, and New York job, it may not seem odd that she ended up in Minnesota to pursue her postgrad degree. The Carlson School, Mowry says, “had a fabulous reputation, then and now.” In addition, “the attraction to Minnesota is all the cultural opportunities you can get, as well as the incredible business climate the area provides, in terms of all of the large enterprises there. I thought there would be a lot of opportunities to interact with different kinds of businesses.”

After getting an MBA in 1975, she began another remarkable journey. She returned to the airline industry, this time as a fast-track management trainee at United Airlines in Chicago. After several years at United, she was recruited away by AirCal, a regional airline in California, where she became director of planning. United then recruited her back. On her second go-round there, she directed the creation of the carrier's frequent-flyer program. The program's in-house management operation evolved into a stand-alone database marketing business that worked for many other companies and industries in addition to United, including newspapers, banks, and cable companies. After nine years there, she started her own company, which developed relationship and database marketing programs for the travel industry as well as for numerous other industries.

### Moving on

After selling that operation, Mowry continued to march into the middle of some of the biggest and most fascinating business challenges of the 1990s. She was recruited to join Denver-based

TCI, then the largest cable company in the United States, to become president of its new products division. “That was all about helping the cable industry figure out how to launch digital television, Internet access, cable modem service, cable telephony—all the new products,” she recalls. “It was a time when the cable industry was in the midst of massive change—going from one product to multiple products, monopoly to competition, old technology to new technology, analog to digital, and to a very different regulatory environment. So it was an exciting place to be.”

After a few years, however, it became clear that TCI was going to be sold to AT&T, and Mowry moved on. Her next stop: leading a venture-backed company in Colorado called Requisite Technology, a startup involved in the then red-hot business-to-business e-commerce space. “I had gotten excited about the Internet and its potential,” she recalls. “So it was a great place to go.” She did well there, directing the company's growth in 15 international markets, and earning Requisite a place on Deloitte & Touche's “Technology Fast 50” list.

She left Requisite in 2001, but she didn't stay away from the action long. In January 2003, she was once again recruited to run a venture-backed company. Based in Colorado, Silver Creek Systems was seeking to develop new applications for its software technology. Mowry was brought in to reposition the firm as it shifted its technology toward an enterprise software application.

Perhaps the easiest way to understand Silver Creek's product is to think of it as a kind of translation software. It's designed to enable complex enterprise data to be understood by any system, any user, and any application—anywhere in the world.

“We are solving the ‘last mile’ problem in the world of complex enterprise data,” she says. “Companies today have a lot of complex data; it is contained in many systems and applications, and needs to be used by many people inside and outside of the company. But many times, the systems can't talk to each other, the users don't understand the data because it's abbreviated and very cryptic, and some of the data is ‘munched together.’”

Silver Creek's software is intended to fix that. “We can translate data from any language to any language in real time, including globalization issues like units of measure and things that are different around the world,” she explains. “We can extract key information from the data—attributes, for example, that you can then put in a database.”





PHOTOGRAPH BY KEVIN KOLONEY

She offers an example. Say the product data in a company's computer system includes the abbreviation "BLK." While the firm's data-entry or distribution people undoubtedly are familiar with abbreviation's meaning, a salesperson in Asia or a potential customer probably won't have a clue. Does BLK mean "black" or "block" or "blank?" What Silver Creek's software does—once it has been "trained" on the company's system—is translate "BLK" into the proper, globally understood term. And if it needs to be translated into another (human) language, it does that, too. All in real time, whenever the data is needed.

Here's another application for the company's software. The Fortune 1000 firms that are Silver Creek's clients typically include line-of-business reports to their investors. These reports list how

## Barbara Mowry

"This is absolutely disruptive technology that is breakthrough and extremely hard to do. People have tried for years to figure out how to do it. And we've solved the problem."

well the company's business segments performed individually. "To do that for a large enterprise, you've got to make sure you have all of the information in the right categories, so that you can report those lines of business accurately," Mowry says. "That doesn't sound like a hard problem, but it is for many big companies. For example, in the world of high-tech manufacturing where companies have a rapid velocity of change in their products, they have to constantly update the information to make sure they're putting it in the right category."

Silver Creek's software helps direct that flow of data to wherever it needs to go, and makes it readily available and understandable. "This is absolutely disruptive technology that is breakthrough and extremely hard to do," she says. "People have tried for years to figure out how to do it. And we've solved the problem."

Besides her diversity of business experience, Mowry has developed another skill that has made her particularly desirable in the startup realm—an ability to bring in funding. With her last two companies, she has raised about \$67 million in venture capital.

Though Mowry is still flying high, she's been on her journey long enough to be asked: How can she explain her good timing? "I wish I could say it was brilliance on my part," she says. "I think some of it, as some people would say, is being at the right place at the right time. But I think also that somehow I've been able to sniff out when I see something that looks exciting; I'm able to see it maybe in ways that other people haven't been able to see it."

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*Mac Wiley is a Minneapolis-based freelance writer.*

# Dogged Ambition

After years of searching for the right opportunity, Michael Miller, '90 MBA, found it in a Twin Cities-area garage.

By Mac Wiley

For a lot of people, Sunday evenings can be nerve-racking. Many of us find ourselves thinking about all we have to do during the coming work week. But even as an executive for a high-powered corporation, Michael Miller thought Sunday evenings were magical. After a weekend lovingly tending his backyard, he could sit back and contemplate the fruits of his labors.

“Even when I was in corporate life, I was always interested in my backyard,” Miller recalls. “I’m not really a corporate guy. On Sunday nights I enjoyed looking back at something I’d actually achieved. In corporate, sometimes you don’t know what you achieved that week.”

Those weekends in his yard have evolved into a full-time job. As founder and CEO of Edina, Minn.-based Hound Dog Products, Miller runs an \$8 million business that designs and markets an innovative line of gardening tools, which are sold at garden centers and major retailers nationwide. In 2000, *Inc.* magazine ranked Hound Dog number 108 on its list of the 500 fastest growing companies in the United States.

In other words, Miller is one of those rare and lucky people who has turned a hobby into a profession.

Born and raised in St. Cloud, Minn., Miller went to college at Southern Methodist University in Dallas, understandably attracted to a Sun Belt climate. Still, he found he missed the four seasons, and after graduation in 1985 he took a sales job at Procter & Gamble’s Minneapolis office. He started out “in the boondocks selling soap,” soon taking on the more lucrative Twin Cities metro-area territory. He then moved on to Pillsbury, where he worked in operations purchasing. Then he decided to take time off and get his MBA. “I had gained a couple of years of experience, and my wife and I were about to have our second child,” he says. “I figured it was now or never to get my MBA.”

Miller saw the degree as a way to expand the range of his business knowledge. “Getting experience is a good thing, but rounding it out with a MBA, learning more about best practices, and getting an overview of the world

of business made good sense to me,” he says. “I wanted to learn more about finance, for instance, but I didn’t want to get a finance job.” He also wanted to compare his hard-knocks smarts with broader “agreed-upon standards of business. I think an MBA is the only place where you can get that.”

After getting the degree, Miller joined the marketing department of Minnetonka, Minn.-based Michael Foods. He then went to Omaha, Neb., where he worked in marketing for ConAgra’s Healthy Choice food line. From there, he returned to Pillsbury, where he took a position as national sales manager for convenience store sales.

## Inspiration

Like many corporate folks, Miller always dreamed of being his own boss. But he had a difficult time finding an entrepreneurial opportunity that grabbed him heart and soul. At one point, he got wind of a real estate venture. When he met with the potential partner, he decided the opportunity wasn’t quite right. During the meeting (which took place in the man’s garage), Miller saw a curious sight: a long-handled tool that the man had built which allowed him to pull out weeds in a standing position.

It was an epiphanic moment. “They say when you start a business, it’s important to do something you really enjoy,” he says. The weed puller had it all: It was simple, it was innovative, and it involved yard maintenance. Plus, Miller notes, “it was a consumer product, so it was something that played to my experience in sales and marketing.”

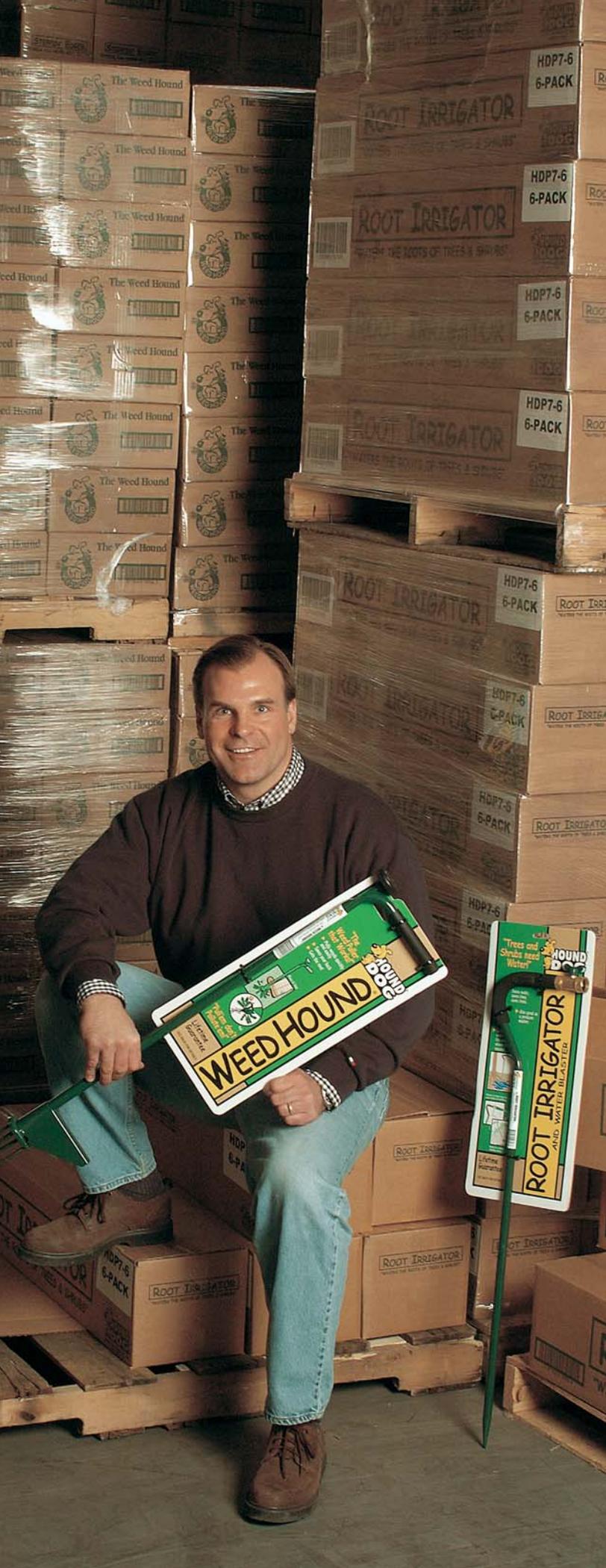
He set up a licensing agreement with the inventor (and later bought him out). He then test-marketed the device at the Lyndale Garden Center in Richfield, Minn. All 36 devices were sold in the first weekend.

Miller named the product the Weed Hound; the company he created to sell it was called Hound Dog. “A hound dog is something friendly that’s American and belongs in the backyard, and I wanted something folksy like that,” he recalls. “With the Weed Hound, I figured the line itself would have ‘legs.’ If you go after something aggressively, you’re a hound.”

The first weekend was a portent of things to come. In terms of sales, the Weed Hound took off like a beagle on a scent. In the company’s first year of business, 1994, Hound Dog took in about \$9,000 in revenues. The next year, business exploded, with revenues at \$238,000. Those numbers tripled for the next couple of years until 2003, when the company generated \$8 million in revenues. Miller expects to take in between \$10 million and \$12 million this year.

Why such a fast takeoff? Being involved in the gardening “space”—reputedly America’s most popular hobby—has undoubtedly been a factor. Miller also





## Michael Miller

“Even when I was in corporate life, I was always interested in my backyard. I’m not really a corporate guy. On Sunday nights I enjoyed looking back at something I’d actually achieved. In corporate, sometimes you don’t know what you achieved that week.”

credits getting strong sales reps (all of the firm’s salespeople are independents). And he has learned enough about operating a business to put things in their proper buckets. “After the first month or so of being in business, I said: ‘OK, now let’s go back to the drawing board and get this right,’” he recalls. “Let’s package it right, let’s do the right kind of sales materials that we need, let’s get the production and the sourcing right, and all that. We lined everything up right for 1995.”

As sales for the Weed Hound grew, so did Miller’s ambitions. “After the first couple of years, I said, ‘We’re not just a one-trick pony,’” he recalls. “I wanted to signal to the market that we’re going to be a lawn and garden tool company.”

These days, Hound Dog sells 14 backyard tools. All have been developed internally. Some were improvements on what was already available on the market. Others were completely distinctive—as Miller puts it, “what should be available.” The typical Hound Dog product allows gardening tasks that usually require a bent back and dirty knees to be done in the standing-up position. The Weed Hound is still the company’s biggest seller, but Miller notes that a few new products items are gaining fast. Most likely to overtake the flagship product as lead dog are the Steppin’ Edger (an edger that uses foot power) and the Bulb Hound (an easy-to-use bulb planter).

Product design at Hound Dog is a cooperative effort among Miller and the top three of his nine employees. Final engineering is outsourced, as is the manufacturing. (Some of the company’s products are contract-manufactured in Minnesota, but most are produced offshore.)

Though he earned his MBA while a “corporate guy,” Miller says he has found the degree useful in his entrepreneurial endeavor. “If people don’t know what they don’t know, then they might get blindsided by something they didn’t anticipate,” he says. “But the beauty of an MBA is that when you come out of the program, at least you know what you don’t know. Then you understand when to be cautious and when you need to call someone to learn from.”

Gardening is rather less relaxing for Miller these days than it used to be on those Sunday evenings years ago. But he can say that he’s found what he’s been digging for.

*Elsewhere in this issue, Mac Wiley profiled Barbara Mowry.*



## A Hire Calling

Tim Doherty, '76 BSB, used some painful early lessons to help build a premier employment services and staffing firm. *By Caitlin Kimball*

**I**f it hadn't been for his father's indignance, Tim Doherty might have fulfilled his youthful goal of opening a clothing store. Before college graduation, that had been his plan. It was replaced by another when he tried life insurance sales. Discontented, he soon landed another position with Procter & Gamble. But when he refused to uproot his wife, Valerie, from her studies at the U of M Law School to join the consumer products giant's St. Louis office, he was promptly shown the door.

Just after Labor Day 1979, Doherty adapted to this reversal of fortune by doing what hundreds of thousands of others have done in times of transition: He became a temp—with less-than-spectacular results. “[The agency] fired me the second week of January,” he recalls. “So it wasn’t any great master planning, starting my own business. It was really by accident.”

Paternal nudging also played a role. “My father encouraged me to start a temporary business; I think he was mad that the [agency] had fired his son,” he says mildly.

In the spring of 1980, Doherty secured some cash, leased a small office in Bloomington, Minn., and hooked up a phone line; by April, he had opened his own temporary help business. At the time, the “flexible labor” industry was still young, especially in the Twin Cities area, and he suspected that his prospects for success were good. But he didn’t appreciate its potential. “In the first year, we brought in \$234,000,” he remembers. “Early on, my father would say, ‘Well, when you reach your first million in sales. . . ,’ and I

## Tim Doherty

“Many people think that temporary work is low-level work. But full-time jobs come out of our services all the time. Every day we improve the work lives of thousands of people.”

thought, “That’s a long way off.” He was wrong; in its fifth year, the firm pulled in \$3.5 million.

Twenty years later, his firm, Doherty Employment Group (DEG) is a preeminent regional staffing services firm. It has been twice recognized by *Inc.* magazine as one of the nation’s fastest-growing private companies. Between its two divisions—Doherty Staffing Solutions and Doherty Employer Services—nearly 10,000 people are on the DEG payroll, with a corporate staff numbering 115, and 52 offices throughout Minnesota and Wisconsin. In 2003, total revenue topped \$350 million.

Not bad for what started as a mom-and-pop enterprise. After graduating from law school, Valerie Doherty spent five years as an attorney before partnering with her husband in 1984. They each own 50 percent of the business. Indeed, Doherty believes the enterprise has thrived under the collaboration. “People ask all the time, ‘Wow, is it hard working with your wife?’” he notes. “It really has worked out well for us, because of the differences in our interests and education. She oversees employment law and human resources, while I oversee the sales, marketing, and operations. We don’t step on each other’s toes.”

Valerie’s mastery of employment law’s gnarly thickets allowed the Dohertys to seize on what seemed a fruitful opportunity. In the late-1980s, Tim took note of a trend growing on the coasts: HR outsourcing, more formally known as professional employer services (PEOs). By 1993, when they launched Doherty Employer Services, “the idea seemed to make a lot of sense for us,” he says. “We were already in the employment business; all we really had to do was add on the HR management component.”

Besides, the temporary help industry had matured; DEG and other staffing firms were facing narrower margins and pressure to expand their sales efforts. Through the 1990s, the PEO side of the business slowly picked up speed, and has grown quickly in the last four years. According to the National Association of Professional Employer Organizations (NAPEO), the industry’s outsourcing trend has exploded, generating more than \$43 billion in annual gross revenues. It’s become commonplace for companies with fewer than 100 employees to farm out much of their HR tasks, from payroll and benefits administration to exit interviews and ongoing job training. The PEO, in essence, partners with each client as a coemployer, garnering anywhere from 4 to 10 percent of the client company’s gross annual wages. NAPEO estimates that more than 2 million Americans are currently “coemployed” by a PEO, though they might not realize it. That is, after all, the goal:

When a PEO assumes responsibility for a client’s HR, it strives to seamlessly maintain the on-site employer/employee relationship. If it’s working right, everyone wins. The arrangement offers Fortune 500-level services to smaller businesses and their workers, allowing management teams to concentrate on expanding the business and to spend less time processing forms, updating payroll software, and wrestling with compliance matters.

### Day to day

No one understands these sorts of HR headaches like the Dohertys. For the first few years, the company’s doors were open seven days a week, from 6 a.m. until 9 p.m. Tim tackled every task—answering phones, interviewing prospective temp candidates, going out on sales calls—with the zeal necessary to fuel a startup operation. This intimacy with the day-to-day business has paid off; Doherty takes pride in the crack team he’s built on the Staffing Solutions end: “We’ve assembled a mature and competent management team, which means I don’t have to spend nearly as much time on that side.”

Instead, Valerie and Tim devote themselves to researching sales opportunities and collaborating with key managers to solve problems. “There are always problems,” Doherty muses. “In the employment business, people can do crazy things.”

One can only imagine: Across the two DEG arms, the “people business”—both internal and external—requires sensitivity and constant adjustments to assumptions. “Early on, [Val and I] weren’t the greatest at hiring,” he recalls. “We were hiring nice people, but for whatever reason, they weren’t the people who could do what our company needed. That’s what’s really critical to an organization. Eventually the owners don’t have all the skills to take the business to the next level.”

With time, however, the two honed their intuition and now try to impart it to their managers who identify and recruit talent. (The Dohertys are developing their third and latest venture to capitalize on this strength; still in the planning stages, Doherty can only reveal that the enterprise will employ technology for recruitment.)

The challenges never really fade, however. For example, as the labor market shifts and swells along with the region’s demographic changes, those in the “people business” are challenged to acculturate an influx of immigrant workers and harness their skills for clients. Over the last few years, Doherty has taken pains to translate safety posters, employee handbooks, and training materials into Somali, Hmong, and Russian.

Doherty is reflective as he considers recent economic fluctuations and the trajectory of his industry. “Over the next 10 years, we’re going to need all the educated, talented kids that we can get to fill all the jobs.”

Following the arc of his own career, those talented kids could do worse than to follow Doherty’s lead. “Many people think that temporary work is low-level work,” he says, “but full-time jobs come out of our services all the time. Every day, we improve the work lives of thousands of people.”

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*Caitlin Kimball is the assistant editor of Carlson School.*

# Practical Magic

Is there a method to the madness of entrepreneurship? Carlson School professors think so.

*By Mary Labr Schier • Photographs by Mark Luinenburg*

**F**rom the outside, the creation of a company or new product often looks like magic. Take an idea, add people and a little money, turn up the pressure, sprinkle in some good luck, wave a wand, and—poof!—entrepreneurial success. Well, maybe. Several Carlson School professors are working to get inside the magician’s box to see exactly what happens when new companies and products form. What makes most fail and a few succeed? And most importantly, what factors can company owners or managers influence?



Andrew Van de Ven

This research may improve the understanding of a significant sector of the economy. According to research by the National Commission on Entrepreneurship, entrepreneurs are responsible for 67 percent of all innovations and 95 percent of all radical innovations since World War II. In short, with more than 170,000 patents issued each year in the United States and more than 600,000 new businesses formed, entrepreneurial companies are vital to economic growth. Yet little is understood about how these companies form and what accounts for their success or failure.

“To the extent that entrepreneurship has not been studied systematically, it is like magic,” says Professor Harry Sapienza, who is one of several Carlson School researchers looking at how entrepreneurial teams form.

Professor Andrew Van de Ven, who has been studying entrepreneurship and new companies for more than 30 years, echoes that sentiment. “It is true that entrepreneurship is not controllable,” he notes, “but neither is it random.”

The Carlson School research may help companies navigate what Van de Ven calls the “wild, uncharted river” of entrepreneurship. “You can teach entrepreneurship,” he says flatly. “Not that you can control it, but you can teach people to maneuver better on their journey, to float in the calm waters, to go through the rapids.”

#### **Real-time research**

Most information about entrepreneurship has been retrospective

and anecdotal. Case studies, while valuable, often involve executives and inventors thinking back to what happened to them and what they did in times of great excitement and hectic activity. Barring the existence of objective records, researchers have had to depend on memory, which may fail, enhance heroic-sounding behaviors, or gloss over the less-glorious moments. Sapienza, along with Professors Dan Forbes, Mary Zellmer-Bruhn, and graduate student Patricia Borchert, has begun a study of entrepreneurship at its inception. The goal is to examine in real time how 25 entrepreneurial teams formed and what characteristics led to a successful team.

To do that, the researchers have made arrangements with nine U.S. universities—including the U of M and other hotbeds of technical research such as the Massachusetts Institute of Technology and Stanford University—to connect with university-based inventors at the point at which they disclose that a new product has been created. The inventor may or may not be considering turning the idea into a business, says Sapienza, chair of the Carlson School's Center for Entrepreneurial Studies. However, it's necessary to connect prior to starting an entrepreneurial team to understand how it originates, how its composition changes, and how its operations change as team members come and go. "Few inventors have an idea of starting a company around their invention, and the number of inventors who get to a launch situation is smaller still," he explains. "Maybe a university would have an average of three to four spinouts a year out of a couple of hundred disclosures."

The researchers bring a variety of perspectives to the project. Sapienza has studied relationships between venture capitalists and entrepreneurs. Forbes has experience researching corporate boards as well as e-commerce start-up companies, and Zellmer-Bruhn's research has focused on teams. The project, which is being funded by a \$350,000 National Science Foundation grant, will involve on-site, ongoing interviews with the inventor(s), any business advisors or venture capitalists involved in the project, and others who may be part of the entrepreneurial team. In addition, the researchers plan to collect artifacts and documents related to the company's formation. Inventors also will be surveyed about their intentions at the point of disclosure. By studying the teams and the companies as they form, the researchers hope to be able to draw conclusions about entrepreneurial teams by 2007.

Sapienza concedes that this kind of research is difficult. "When you get into a research project like this it is akin to a high-risk entrepreneurial venture. It's difficult to say if you are going to come up with results that will pass scientific muster," he notes, adding, however, that the potential for developing a cogent theory of entrepreneurial teams also exists. "In the ideal situation, we'll have something prescriptive as well as descriptive. It's one



Harry Sapienza

thing to say, 'Here are the patterns we see,' and another thing to say, 'If you follow this pattern you may get this result.'"

### The entrepreneurial dimension

Van de Ven's research also examines entrepreneurial formation, but from a systems perspective. The formation of entrepreneurial ventures resembles a nonlinear dynamic system, he says. That is, it has patterns but not ones that can be plotted on a standard two-dimensional graph or chart. "The question we are asking is: How many dimensions does it take to plot the activities of an entrepreneur?" he explains. To determine that, he has observed

the creation of entrepreneurial ventures in both new companies and existing organizations. He also studies how and when events happen. The purpose of the study is "not to find just the right equation," he explains. "The point is to ask: What are the crucial factors to study?"

Van de Ven's research indicates that at least five dimensions affect entrepreneurial formation. They include:

**Money.** How much, where it comes from and when, how hard it is to get.

**Characteristics of the entrepreneur.** Van de Ven has found that personal issues such as competence and confidence have a huge impact on the success of a new product introduction.

**Learning.** Entrepreneurial organizations need to learn from their mistakes. The extent to which an individual or organization learns or fails to learn deeply affects success level.

**Leadership.** New ventures require a variety of roles from individuals, from being the critic to mentoring to providing institutional memory. In particular, company presidents must understand the balance of leadership they need to provide.

**Infrastructure.** This factor includes everything from tax policy to financial constraints. "I'm not a believer in the great man/great woman theory," says Van de Ven. "Truly innovative companies are always collective efforts."

Van de Ven began his studies of entrepreneurship by looking at daycare center formation in the early 1970s. Despite the passage of more than 30 years, and significant changes in tax structure, technology, and the economic climate, he thinks that the basic challenges entrepreneurs face have not changed. "The fundamental variables are behavioral," he says. "That suggests that there is some enduring body of knowledge out there."

### A bridge across the Mississippi

It also suggests that entrepreneurship can be taught, which has been the focus of the research and teaching of Carlson School Professor Debasish N. Mallick, who is codirector of an innovative course called New Product Design and Business Development. The nine-month, graduate-level program brings together groups of students from the U of M's engineering and business programs to design new products and develop new businesses in conjunction with Twin

Cities-area companies. By the end of the course, students are expected to develop a working prototype of a product as well as a detailed business plan that describes production, marketing, and financial issues relating to the product.

In addition to providing the idea for the product, companies supply marketing and engineering liaisons to work with students, share company information freely with the team, and provide financial assistance for prototyping and marketing. Currently, students are working with businesses such as 3M, Arctic Cat, Unisys, and IMI Vision. Past projects have included medical devices, soundproof headphones, new window technology, mattresses, improved Post-It note dispensers, and cooling technology for the St. Paul (Minn.) Winter Carnival Ice Palace.

The program provides a “bridge across the Mississippi River,” says Mallick, by linking the Carlson school with the U of M’s engineering and science departments. In entrepreneurial ventures, leaders must understand technical and business issues with equal facility, he adds, yet few people are trained in both areas. Traditionally, engineering schools have trained students in technology, and business schools have helped students develop management skills, but rarely both. “Entrepreneurship is something where people not only have to learn the technology, but also have to develop skills for managing the technology,” says Mallick, who has studied new product development and e-commerce companies. “The main problem you have in entrepreneurial business is that you have an invention and you need to bring it to market. Bringing that idea to market is a different ball game compared to creating the product. We do not expect that a business person will become a mechanical engineer or that a mechanical engineer will become a business person, but we do expect that they will develop an appreciation of each other.” The 300 graduates of the course over the past nine years have “done very well,” he adds.

Professors agree that the faculty’s enthusiasm for entrepreneurship resonates with students. In one of his undergraduate classes, Van de Ven asked how many students were involved in a business of their own, regardless of the size. About one-third of the students raised their hands. “It’s delightful to see how many students are interested in entrepreneurship,” he says. “It’s probably the most exciting and dynamic activity at the Carlson School.”

*Mary Labr Schier is a Northfield, Minn.-based freelance writer.*

## Builders Associations

In addition to the Carlson School’s cutting-edge entrepreneurial curriculum, the school hosts several cocurricular organizations.

### The Entrepreneurship Club

The largest annually renewing student club at the Carlson School, the Entrepreneurship Club began in 1999 as a forum for local entrepreneurs to address U of M students. Today, dozens of CEOs, business owners, and community leaders speak to the club every year. It also hosts a thriving mentorship program, and its yearly CEO dinner marks the club’s triumphs and brings together the region’s most prominent business leaders. Membership is comprised of both undergraduate and graduate students. For more information, check out the club’s website: [www.CEOmakers.com](http://www.CEOmakers.com).

### Entrepreneurship Alumni Club

Started in 2003, the Entrepreneurship Alumni Club is the brainchild of members of the classes of 2001 and 2002 who wanted to maintain their connection with each other and the Carlson School. The club aims to support Carlson School undergraduate entrepreneur students by serving as mentors and advisors. It also helps coordinate the annual undergraduate business plan competition. For more information, check out the club’s website: [www.entrealumni.com](http://www.entrealumni.com).

### Ventures Plus

Started in 2003, Ventures Plus is a forum for MBA students, alumni, and the business community to explore major issues in entrepreneurship. Ventures Plus brings experts in acquisitions, real estate, new product development, and consulting for roundtables and lectures. In addition to building entrepreneurial expertise, Ventures Plus is a chance for students to network and make important career connections. For more information, go to [www.carlsonschool.umn.edu/page2686.aspx](http://www.carlsonschool.umn.edu/page2686.aspx).

—Michael Weinbeck

## In-house Innovation

Where do “radical innovations” come from?

According to Rajesh Chandy, it’s not from where you might expect.

Where are the next great things coming from? Business lore tells us that the truly new product ideas emerge from an innovative thinker’s garage or the laboratory of a somewhat eccentric scientist. Rajesh Chandy’s research, however, challenges that assumption.

Chandy, a Carlson School assistant professor of marketing and logistics management, has conducted several studies of so-called “radical innovation” in industries such as pharmaceuticals, electronics, and household products. He found that the most progressive innovators are hanging out in the labs and office towers of large companies. “We tend to associate radical innovation with certain types of firms—small companies and outsiders,” he says, “but that’s just mythology.”

Instead, he defines radical innovations as new products based on substantially different technology than any current products in use. For instance, several decades ago, microwave ovens were a radical innovation compared to conventional ovens. In a similar vein, digital cameras are now a radical innovation compared to cameras that use film.

In a study of radical innovations in the pharmaceutical industry, Chandy and his coauthors, Alina Sorescu of Texas A&M University and Jaideep Prahbu of Cambridge University, discovered that large companies introduce two-thirds of the truly radical new drugs. While some of those firms did purchase the innovation, more than 70 percent of the radical innovations were developed in-house. In addition, large companies profit the most from their innovations, Chandy found. In the pharmaceutical company study, bigger companies gained 20 times more than smaller firms with similar innovations. Not that innovative small companies suffered too much. On average, small firms in the sample gained \$50 million in value as a result of the innovation. Large firms gained more than \$450 million on average. For example, Viagra added more than \$6 billion to Pfizer’s stock value in the first three days after its approval.

Why the big gains for big companies? Chandy points to two factors. First, large firms tend to be savvy about protecting and leveraging innovations. They’ve got the lawyers to file air-tight patents and the resources to move a product to market



Rajesh Chandy

quickly. They also can expand the scope of a new product, and because of their size, they can introduce it to related markets. Given these advantages, Chandy suggests that small-companies and inventors should consider licensing innovations to larger firms to ensure the product is developed and marketed well.

In a separate study coauthored with Prabhu and Carlson School doctoral student Raghunath Rao, Chandy found that the small firms which gained the most from their innovations tended to act like large firms. They tended to get around what Chandy calls “the liability of newness” in three ways. Many of them had historical legitimacy—they had introduced a new product in the past. They had market legitimacy, behaving with the knowledge and confidence of a larger firm. Finally, many companies established scientific legitimacy. Having several respected academics on a board of directors, for instance, signals the market that the product is scientifically sound.

Curiously enough, however, Chandy also found that locating a company in a hotbed of similar innovation—starting a biotech firm in, say, Boston—did not have much of an effect on success.

—M.L.S.

## Back in the Fold

### Entrepreneur Roy Wetterstrom returns to his roots at the Carlson School.

In December 1989, Roy Wetterstrom, '86 BSB, founded Plural, a New York City-based full-service software application developer and consulting firm. By 1998, the company had more than \$50 million in revenues and was experiencing a 70 percent compounded annual growth rate.

By early 2001, like most tech companies of the period, Plural began losing business. Layoffs ensued and the company closed several of its regional offices. “We did a lot of soul searching on how to bring the company forward,” says Wetterstrom. “Only strong companies survived during those few years. We wanted a strong company to remain.”

Wetterstrom is the consummate entrepreneur, someone who was willing to take the risks that built Plural into a powerhouse. And it was for the good of the business that he eventually came to a tough decision: He would sell the company to industry giant Dell Computer. “We could have tried to make it through on our own, or we could partner with a company that has global resources,” he recalls. “We decided that selling to Dell would be a good way to go.”

The sale allowed Wetterstrom to part ways with the company. He returned full-time to the Twin Cities, where he started out on his next adventure at the helm of Timberwolf Properties, a residential real estate development enterprise. It was also his opportunity to become more involved in the Carlson School.

The story of his entrepreneurial talents led to his being recently named the school's director of undergraduate entrepreneurial studies, playing an advisory role to students looking to become entrepreneurs. He also has committed \$250,000 to set up an endowed scholarship that will assist entrepreneurially minded undergraduate students.

While Wetterstrom isn't sure that the knack for being an entrepreneur can be taught, he's certain the skill can be molded. “You can help develop natural abilities and tendencies that someone has,” he says. “We help our students discover what level of skills they have, and help them develop those skills.”

—Michael Weinbeck



Roy Wetterstrom

Ross Levin, '82 BSB, has built a financial planning career without compromising his—or his clients'—personal priorities. By Scott A. Briggs

# Checks Balances

At the age of 24, Ross Levin sat down and compiled a list of 100 things he'd like to accomplish during the course of his adult life.

Among the recorded ambitions: Write a book, appear on television, contribute opinions to high-profile national magazines. Now 44, Levin has checked off those tasks and about 80 more. It's no wonder he's devoted a career to helping others achieve their goals.

Levin is president of Accredited Investors, an Edina, Minn. financial planning firm. He is also one of the nation's most sought-after financial advisors. He has shared his insights with Oprah Winfrey, the *NBC Nightly News*, and readers of the *Wall Street Journal*, *Money* magazine, and the *New York Times*. His 1996 book, *The Wealth Management Index*, is considered a must-read by many of his peers. It lays out Levin's trademark method for gauging financial success using a person's values as a measuring stick.

The Wealth Management Index is a system that analyzes key areas of financial planning—including cash flow, debt management, and estate planning—and employs a concrete scoring system to weigh financial decisions against personal priorities. For example, “if someone says to us that it's really important for them to go on one major trip a year,” Levin explains, “and they choose to not go on a trip this year because they want to save the money instead, that actually penalizes them from a scoring standpoint.” That's because Levin defines wealth as the ability to live a life consistent with one's values. At Accredited Investors, he and his staff take into account all resources, including not only financial assets, but those that are mental, spiritual, and physical in nature. Says Levin: “We view our objective to be improving the quality of the lives of our clients.”

## Professional pathfinding

Levin's U of M years kindled his fascination with the people behind portfolios. “My favorite class was Wheelock Whitney's [Top Management Perspectives, taught during Whitney's 13-year

tenure as an adjunct professor at the Carlson School],” he recalls. “He brought in presidents of different companies to talk about how they ran their businesses, what kind of things they read, and what they did with their free time. I was able to see what made them think and what made them tick.”

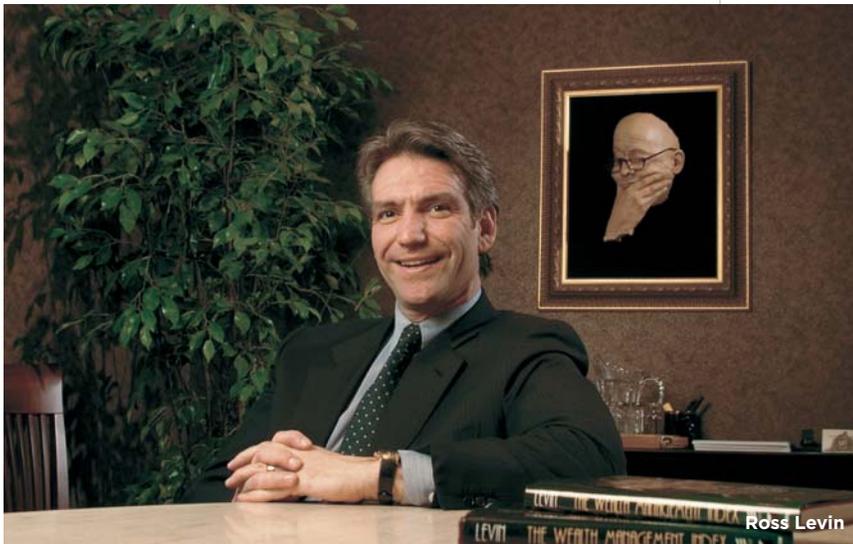
Levin put himself through college working both on and off campus in several jobs. His positions included stints with the University of Minnesota Hospitals and the Carmichael Lynch advertising agency in Minneapolis, where he toiled in that traditional bastion of entry-level labor: the mail room. Levin enjoyed his time there and left school with eyes on an advertising career. But his wife, Bridget (Maye) Levin, '82 BA—Journalism, suggested he look elsewhere. She could see her husband's heart was clearly in finance. “He's creative, smart, and glib and a great writer, so he could have done well in advertising,” she says. “But I don't think it would have satisfied his soul the way this field has.”

So Ross Levin selected a profession that was, at the time, just in its infancy. Demand for financial planning was burgeoning, sparked by the surging 1980s stock market and a widening embrace of savings vehicles such as 401 (K)s and mutual funds.

“People were realizing that they wanted to participate in the growing economy,” Levin says. He worked for a couple of firms but soon realized a prevailing approach to financial planning that relied heavily on insurance sales didn't jibe with his investment ideas. Egged on again by his wife, Levin started his own practice in 1986. Fellow Carlson alum Willis Heupel, '87 MBA, joined him two years later, and their company became Accredited Investors.

### Family planning

Before hanging out his shingle, Levin practiced what he would later preach to his clients. He considered personal goals and values and built a business that would suit them. He knew, for example, that he wanted to write and pursue other avenues of communication in addition to hands-on planning work. He and Bridget also planned to have children and travel as a family. To accommodate those objectives, he would need a flexible schedule and a staff large enough to cover his occasional absence. “We created our personal plan before we created our business plan,” he says. “It’s the best strategy decision I’ve ever made.”



Ross Levin

Today, Accredited Investors has 20 employees and serves 200 clients. The company works exclusively with high-asset holders, charging fees of \$10,000 on up. Levin spends three days a week with clients, but reserves Mondays and Fridays for reading up on his industry and writing. He contributes a monthly column, “Gains and Losses,” to the Minneapolis *Star Tribune*, and a quarterly column to the *Journal of Financial Planning*.

The Levins now have twin 11-year-old girls. Several years ago, the family spent six weeks in Ireland. A few years later, they took another six weeks off, this time in Italy. “We adapted the business to fit the family,” says Bridget, herself a cofounder of Nametag International, an Edina-based brand strategy firm. “Ross chose a business partner with the same kind of values. He has selected clients who don’t demand he be available at 9 p.m. or on weekends. Some people are afraid to do that. Many people would say that Ross couldn’t come home at 5:30 p.m. But he can, and he does.”

### Finance evangelist

That doesn’t mean Levin limits his activity level. The former Sigma Alpha Epsilon fraternity president, freshman orientation leader, and student advocate has continued his extracurricular pursuits. At 34, he was elected president and chairman of the International Association for Financial Planning (now called the Financial Planning Association), the world’s largest professional financial planning organization. He has also appeared as a recurring guest on the *Sound Money* public radio program and *Right on the Money*, a national TV series produced by Twin Cities Public Television. He is

a frequent guest speaker, serves as a source for articles in magazines such as *Fortune* and *Kiplinger’s*, and appears on programs such as *CBS This Morning* and *The Oprah Winfrey Show*. Given all this exposure, it’s not surprising that *Financial Planning* magazine named Levin one of the industry’s five most influential people.

Spreading his messages through multiple outlets satisfies Levin’s drive to exploit a broad skillset, and drums up business in the process. “Because he is so active, Ross is our lead marketing person,” says Heupel. “People tend to come to us because they have read his articles, have read about him, or know of him.”

### Diversified approach

Inspiration for Levin’s abundant advice comes from perhaps his most consuming passion: He relishes reading. As likely to pick up *Psychology Today* or the *Atlantic Monthly* as he is the latest issue of *Forbes*, he recently split time between a book of essays on home economics by simple-living devotee Wendell Berry and Mark Obmascik’s *The Big Year*, a report on fanatic bird-watchers. Levin also begins each morning with a spiritual passage, selecting sources grounded in belief systems that range from Christianity to Judaism to Buddhism. Levin believes cultivating a broader understanding of the world not only enriches his mind, but gives Accredited Investors a competitive advantage. “If we’re reading the same publications that everyone else in our field is reading, then we’re going to do the same things everyone else is doing,” he says. “I incorporate everything that I’ve read. It doesn’t matter if it’s the Bhagavad Gita or a business finance book.”

These influences show up in his writing too. In recent *Star Tribune* columns, Levin compares snap New Year’s resolutions to a principal of physics (“every action has an equal and opposite reaction”), and declares Henry David Thoreau’s *Walden*, the landmark 150-year-old critique of American materialism, his favorite financial planning book of all time.

Levin’s dogged pursuit of personal goals and devotion to a balanced life is likely rooted—at least in part—in tragedy. In a less than a dozen years, he and his wife lost sisters—both in their early thirties—to car accidents. “That has been an enormous driver for us to realize how short life is,” Bridget says. “It’s a strong rudder for your own values. It makes making decisions easier.”

It may also help explain why Ross Levin has wasted little time crossing items off that list he drew up two decades ago. He still checks it from time to time and keeps it up to date, although several entries that remain undone—skydiving, getting a hole-in-one—aren’t so important anymore. “The list I’d create today would probably be different than the list I created at 24,” he admits. These days, his focus is less on personal feats than on personal principles. “I try to make sure that the things I’m doing are consistent with what’s important to me and my family,” he says. “I spend a lot of time thinking about that stuff.”

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Scott Briggs is a Minneapolis-based freelance writer.

# The Retention Riddle



A new Carlson School study identifies five predictors of employee turnover and suggests measures to boost retention. *By Kate Peterson*

**E**mployers looking for wisdom into why newly hired employees often don't outlast the standard service warranty on a new copy machine might consider the case of Luke Shafer. In June 2000, Shafer, a longtime account manager with a Chicago public relations firm, left to take a position with a marketing agency across town. It seemed like a smart move. The new job offered a significant boost in pay, fewer hours, and

less pressure. Less than 15 months later, however, he had resigned to work for another firm.

A team of Carlson School researchers probably could have predicted Shafer's early departure. They might also have offered Shafer's erstwhile employer advice on how to hang on to him and avoid the high cost of employee turnover. Released in the fall of 2003, the University of Minnesota Retention Study is one of the most comprehensive repeated measures of turnover in academic literature to date. Three Carlson School faculty members and two doctoral students conducted the study. Of the faculty researchers involved in the project, Professor Connie Wanberg and Associate Professor Theresa Glomb have degrees in industrial/organizational psychology. The other researcher, Professor Dennis Ahlburg, is an Industrial Relations Center faculty member and the Carlson School's senior associate dean of faculty. "The research team's composition made it a much stronger study, as we could draw from our different disciplinary backgrounds," says Glomb.

## Turnover signals

The team identified five indicators of likely turnover. The first was the financial cost of leaving a job. "Individuals who are in dual-income families or not the primary wage earner might report lower costs of job change," says Glomb, noting that the factor makes it easier for them to leave.

Second and third, employees who had lower organizational commitment and lower satisfaction with the work itself were more likely to leave their jobs. "They were less likely to truly care about the organization and did not enjoy their work tasks as much as those who stayed," Glomb notes.

Fourth, individuals who left also reported that they had been spending time looking for new work. "They may have taken [their current] job with the intention of leaving relatively quickly—as soon as something better came along," says Glomb.

Finally, employees who left were more likely to report having a negative event happen to them that made them more likely to depart. "Looking at the role of events such as these is rather new in the turnover literature and our results suggest it is an important factor," Glomb says.

Of these five factors, Shafer's situation matched three. He had a fairly low organizational commitment to his new employer. In particular, he was not impressed with its corporate culture. "And the people weren't nearly as interesting," he says, explaining that he found it difficult to penetrate some of the firm's established cliques. More importantly, he was dissatisfied with the firm's excessively bureaucratic structure, which made it difficult to efficiently complete even basic assignments. The work also wasn't as appealing. Shafer's new firm had a handful of longtime clients that accounted for the bulk of its income. He found himself taking clients to lunch and listening to tales of their personal lives. "I felt like a caretaker," he says.

While Shafer wasn't actively looking for another position, he stayed in touch with a former colleague who had started her own public relations agency. When a spot opened up at that firm, he bolted. Shafer's current job, which he has held for nearly three years, is a stark contrast from his last. He enjoys his work and his colleagues and he is committed to the organization.



Theresa Glomb

#### An ounce of prevention

Given the results of the retention study, there are some steps employers can take to prevent turnover, but not necessarily in the areas identified as the top five predictors of why employees leave.

Clearly, employers have little control over some of the factors that indicate employees are likely to leave. And while attempts to increase the financial cost of leaving with “golden handcuff” arrangements may work, Glomb says competing employers can match them with “golden hellos.”

One area where employers can make a difference is in the socialization of new employees. The U of M Retention Study suggests that an employee’s initial period in a job is considered one of the most critical phases in organizational life. The research team identified four important socialization outcomes for employees who have been in a new job for one year: task mastery, role clarity, work-group integration, and political knowledge.

The top two predictors of these socialization outcomes were

the extent to which the newcomer had adequate information about the job before starting it, and the extent to which the newcomer had a proactive personality. Of these two, employers have the best opportunity to improve socialization outcomes by providing employees with good information about the job. Other variables that were important to the socialization process included whether the organization had a formal orientation program, if the company’s leaders helped the newcomer learn the ropes, and if coworkers helped the newcomer adapt to the new environment.

“Make sure the new entrant has adequate information about the job before starting; have a formal orientation plan to help the newcomer learn the ropes,” says

Ahlburg, adding that it’s also important for employers to pay attention to an employee’s early behavior. “Early signs of dissatisfaction and lack of commitment will get worse over time. So intervene early.”

Glomb points out that the results of the study are important regardless of the state of the labor market. “When we began this study, the labor market was very tight and employers were very interested in how to retain employees—it was a hot topic and appeared regularly in the popular press,” she notes.

With a current labor market that is, well, less tight these days, some might think the study is less relevant. Glomb disagrees. “Organizations will always have the challenge of retaining their talent—in some environments it may be more difficult than in others, but the issue is ever present,” she notes.

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*Kate Peterson is a Granger, Ind.-based freelance writer.*

Add it Up  
How much  
will it cost  
to replace  
an employee?  
More than you  
might think.

Seasoned managers know that losing good employees creates immediate headaches concerning productivity and service to clients—costs that might not be so easy to measure, but which are always distinctly felt.

Dennis Ahlburg is an Industrial Relations Center faculty member, senior associate dean of faculty in the Carlson School, and one of three faculty members who worked on the University of Minnesota Retention Study. He points out that the cost of replacing employees is even more significant than you might think. The tab for replacing a lost employee can include everything from recruitment and selection costs to training and separation. “These costs vary between 30 percent of total compensation for lower-level positions and 100 percent or more for higher-level

positions. For example, search firms traditionally charge a fee of 30 percent of total annual salary,” Ahlburg says, noting that in 1999 the average cost of replacing an IT professional was \$33,000.

While replacement costs are lower during slower economic times, it still pays to take steps to retain good employees. As the Retention Study points out, the most critical time for an employee is early in his or her tenure with a new company. Giving new hires a clear and accurate idea of their job responsibilities and providing a formal orientation program are two of the best ways to avoid the high cost of turnover, Ahlburg says.

For more information on the study, go to [www.csom.umn.edu/page427.aspx](http://www.csom.umn.edu/page427.aspx).

—K.P.



# 8

## Questions:

### Doug Johnson

Doug Johnson is director of the Carlson School's Carlson Ventures Enterprise program. As a former senior partner and general manager at Norwest Venture Capital, he often found that recent MBA graduates didn't have strong training in analyzing new business opportunities. With a \$2.5 million grant from 3M, Johnson started the Carlson Ventures Enterprise with a dual mission: to teach MBA students how to evaluate startup businesses and to help researchers at the University of Minnesota get their technology into the marketplace.

**Carlson School: How does Carlson Ventures Enterprise work?**

**Doug Johnson:** We have a select group of 20 full-time MBA students. The class lasts for two-and-a-half semesters, and it's six credits, but the students tell me it's about 20 credits worth of work. Students evaluate business opportunities that are real. Last year, they looked at 150 such opportunities—30 or so from within the University and the rest from the outside. Of the companies we work with per year, we probably only seriously work with about 20 or 30.

**How do students help the entrepreneurs?**

They call potential customers and talk about the need for the product. If customers exist already, they call and ask how they like the product. They write business plans, and they put together the financial statements and cost estimates to turn [the venture] into a real business. They do background and reference checks on

people at the company. They look for competitors. They look for patent violations. We provide a report to the company that delineates our findings and the reasons why we are or aren't willing to work with them.

**What skills were MBA grads lacking that you are trying to teach current students?**

They didn't have a holistic approach to business analysis. They didn't know how to select from 1,000 things that can go wrong with a new business and determine which is the most likely problem. We try to expose them to as many new opportunities as possible so that they can see and analyze a variety of real situations.

**You started out in engineering and sales at IBM. How did you land in venture capital?**

I didn't want to work for a big company anymore. I got into investment banking and did IPOs and private placements. I like the venture capital business a lot—I was in it for more than a decade with Norwest Venture Capital. Most of the venture capital deals migrated to the coasts, so I flew a million miles in three years and I didn't want to keep doing that. So I quit. And then I made my own investments and served on boards. I started a couple firms. I did a couple turnarounds of troubled companies. About six years ago I tried to retire and it didn't work. [Former Carlson School Dean] David Kidwell asked me to take a look at the entrepreneurship activities at the Carlson School, so I got involved here.

**What's attractive to you about working with new businesses?**

The idea that entrepreneurs have great freedom to do what they want without constraints of large institutions. If you look historically, you'll find that entrepreneurs drive change into society. IBM didn't create or make the PC industry—a 22-year-old kid named Michael Dell did. IBM didn't make the PC software industry—Bill Gates, a college dropout, did. The fun of working

with early-stage industries is that they have a tremendous impact on society. There is an air of excitement in small businesses.

**Why did you want to work with the University of Minnesota?**

It's a very complicated institution, and I thought maybe I could help make it easier to get technology out of the University. I've been on the board of the University Enterprise Lab, a biotech incubator laboratory, and I've been on the governor's Bioscience Council, which is intended to produce public policy for encouraging the bioscience industry in Minnesota. I work in the intersection between the University and industry. Carlson Ventures provides real cases to train MBA students, but it's also an important source of new technology to start industries in the state. [If] the University is difficult to penetrate or work with, it hinders that effort.

**What is the state of the local venture capital market these days?**

It went through this period during the late 1990s and year 2000 where the amount of capital under management went up hundreds of times. It is now going back to a more normal period. Discipline has returned to the public markets and private venture capital markets, and expectations for returns are back to about twice what the public markets are. The amount of money under management is very high, but there is a lack of early-stage venture capital because early-stage investments are time and labor intensive. That's where we actually help many of these venture firms, because we have labor.

**Are venture capital firms making investments these days?**

They always have been, but the amount of investments made is going up slightly. When you listen to people talk about businesses, only 3 percent of all venture capital applications are actually funded. So 97 percent of the people say there is no money. For people who have good business plans and good people, they'll get funded.

— *Suzy Frisch*

**1960s**

**Harold Carter, '69 BSB**, is president and CEO of TopLine in Maple Grove, Minn.

**1970s**

**Donald Hamilton, '70 MHA**, has been appointed regional director of Navigant Consulting in Chicago.

**Michael Vekich, '70 BSB**, has been appointed acting director of the Minnesota State Lottery.

**Yale Wolk, '71 MHA**, is vice president of Eirson Home Inspection Services in Buffalo Grove, Ill.

**James Jensen, '72 MHA**, was named administrator of Telecare Corp. in Oakland, Calif.

**Ken Sargent, '72 MHA**, was named COO of Hancock, Rotherth and Bunshoft, LLP, in San Francisco.

**Stephen Williams, '72 MHA**, has been named principal at SBW Consulting LLC, in San Ramon, Calif.

**David Clarke, '73 MHA**, is president of Palliative Care Center and Hospice, Newton, N.C.

**Ken Garelick, '73 BSB**, is president and senior vice president of Garelick Mfg., St. Paul Park, Minn.

**Thomas Vorpahl, '73 MHA**, is vice president of the central region of Tri-West Healthcare Alliance in Colo. Springs, Colo.

**Peter Brochhausen, '75 MHA**, is a career counselor for RCI in Vienna, Va.

**Ronald Dobyans, '75 MBA**, is senior vice president and CFO of Riverview Bancorp, Minneapolis.

**Justin Doheny, '75 MHA**, is interim CEO of the Osteopathic Medical Center of Texas in Fort Worth, Texas.

**Bruce Engelsma, '75 BSB**, was named secretary-treasurer of Associated General Contractors of Minnesota.

**Quinton Friesen, '75 MHA**, was named EVP and COO of Yale New Haven Health System in Greenwich, Conn.

**Ron Stratton, '76 MBA**, was named to the board of directors for CommonBond Communities in St. Paul, Minn.

**Jerry Campbell, '76 MHA**, is the research trials administrator at Washington University School of Medicine in St. Louis.

**Mark Enger, '76 MHA**, is senior vice president of business development for Fairview Health Services in Minneapolis.

**Gerald Nye, '77 MHA**, was named vice president and CAO of Clark Consulting Healthcare Group in Minneapolis.

**Jeff Swanson, '77 BSB**, is vice president of sales for Intertech in Eagan, Minn.

**Brian Younger, '77 MHA**, is vice president of Cerner Corp. in Kansas City, Mo.

**Stephen O'Malley, '78 BSB**, was named sales manager at Yocum Oil in St. Paul, Minn.

**Jerry Scott, '78 MHA**, is an associate professor in the health administration program at Montana State University in Billings.

**Michael D. Fisher, '79 BSB, '83 DDS**, has written a book titled *Direct Reimbursement: Dollar-based Dental Benefits that Work for Employers, Employees and Dentists*, and is the principal of Dental Ingenuity, an Aurora, Colo., employee benefits consulting firm specializing in dental benefits.

**David Gustafson, '79 MHA**, has been named CEO of Alta Hollywood Hospitals in Hollywood, Calif.

**Arek Tatevossian, '79 MHA**, is director of Alexandria Hospital in Alexandria, Va.

**1980s**

**Gregory Kelm, '80 MAHRIR**, was elected treasurer of Minerals Technologies, New York City.

**Keith Petersen, '80 MHA**, was named CEO of Phoebe Worth Medical in Sylvester, Ga.

**Thomas Lubotsky, '81 MHA**, is vice president of supply chain solutions for Premier Inc. in Oakbrook, Ill.

**Perry Witkin, '81 MHA**, is president and CEO of STAT Technologies in Golden Valley, Minn.

**Russell Swansen, '82 MBA**, was named chief investment officer for Thrivent Financial for Lutherans in Minneapolis.

**Joel Ackerman, '83 MBA**, named a director of CaringBridge, Minneapolis.

**James Elmslie, '83 MHA**, is president of Community Hospices in Washington, D.C.

**Tom Garton, '83 BSB**, was named treasurer of the Minnesota High Tech Association. Garton is currently a partner at KPMG in Minneapolis.

**John C. Brooks, '84 MBA**, has launched The Owners Institute, a Minneapolis-based organization that educates family shareholders on effectively owning and governing a business. Brooks is a co-owner of Malt-O-Meal Co. and the founder of a consulting company, JLB Group LLC.

**Mark Dixon, '84 MHA**, was named COO of Community Hospitals Indianapolis.

**Brad Stokes, '84 BSB**, won the University of Minnesota Alumni Association's musical cheer contest. Stokes is co-owner of Minneapolis-based Aaron/Stokes Music and Sound.

**Richard Waller, '84 MHA**, is a pastor at Millinocket Church of the Nazarene in Millinocket, Maine.

**James Ferrell, '85 MHA**, was named regional account director at GlaxoSmithKline in Research Triangle Park, N.C.

**Jerome Lovrien, '84 MHA**, is assistant commissioner of Minnesota State and Community Services in St. Paul, Minn.

**Peter J. Rostad, '85 MBA**, has been promoted to CFO and secretary-treasurer of Naturally Fresh Inc., Atlanta.

**Richard Varnum, '85 MHA**, is associate administrator of McKenzie-Willamette Medical Center in Springfield, Ore.

**Elizabeth Danielson, '86 MHA**, is employed in cancer resource services for United Resources Networks in Golden Valley, Minn.

**Ronald Dorris, '86 MHA**, retired in March 2004.

**Lisa Pope, '86 MBA**, director of property marketing for the Merrill Corp.'s Realty Services Group, was named a director of Caring Bridge, Minneapolis.

**Judith Rainforth, '86 MHA**, is a pastor at First Lutheran Church in Omaha, Neb.

**Colleen Reitan, '86 MHA**, is executive vice president of Blue Cross Blue Shield of Minn. in St. Paul, Minn.

**Earl Sheehy, '86 MHA**, is CEO at Saunders County Health Services in Wahoo, Neb.

**Maureen Ward, '86 MHA**, is practice director at Midwave Corp. in Chanhassen, Minn.

**Peggy Appel, '87 MHA**, was named administrative director of the Northwest Marrow Transplant Program in Portland, Ore.

**Neil Jensen, '87 MHA**, was named director of cardiovascular services at United Health Networks in Edina, Minn.

**Mary Schattenberg, '87 MHA**, is national practice leader for the Permanente Co. in Oakland, Calif.

**Stephen Swenson, '87 MHA**, has been named principal of Lighthouse Media LLC, in Eden Prairie, Minn.

**Vicki Tobroxen, '87 BSB**, is director of senior housing development and operations of Harford Group, Bel Air, Md.

**Thomas Kmetz, '87 MHA**, is president and administrator of Norton Audubon Hospital in Louisville, Ky.

**William Bell, '89 MHA**, is director of residential services at AADAC in Edmonton, Alberta.

**Charles Hopkins, '89 MHA**, has been named a senior account manager at Blue Cross Blue Shield Minn., in St. Paul.

**Gregory Reed, '89 MHA**, was named superintendent/CEO of United General Hospital in Secord Woolley, Wash.

1990s

**Charles Campbell, '90 MHA**, is chief of the medical information systems division of USAF/SGRI headquarters in Falls Church, Va.

**Joel Fagerstrom, '90 MHA**, was named COO of Morristown Memorial Hospital, N.J.

**Franz Hofmeister, '90 MBA**, is CEO of Wisconsin Cheese Group, Monroe, Wis.

**Brian Ingulsrud, '90 MBA**, has been promoted to vice president of administration at American Crystal Sugar Co., Moorhead, Minn.

**Thomas Stewart, '90 MHA**, is practice administrator for Cardiovascular Consultants in Tacoma Park, Maryland.

**Milosava "Millie" Acamovic, '91 MBA**, was appointed a director

of The Directors of Advisory European Equity Market Neutral Fund Inc. She is currently a vice president at American Express Financial Corp.

**Nicole Carter, '99 MHA**, is administrative manager for Massachusetts General Hospital in Boston.

**James Emelife, '91 BSB**, has been promoted to country manager of Hewlett-Packard West Africa, headquartered in Lagos, Nigeria.

**Marie Davis, '92 MHA**, is director of practice management and services for Forsyth Medical Group, Winston-Salem, N.C.

**Marie Mize Dotseth, '92 MHA**, was named senior policy advisor for patient safety at the Minnesota Department of Health in St. Paul.

**Craig Hostetler, '92 MHA**, is executive director of the Oregon Primary Care Association in Portland.

**Christine Seitz, '92 MBA**, has been named chief nursing officer and executive vice president for Allina Hospitals & Clinics.

**Kelly Isfan, '93 MHA**, is CEO of Campbellford Memorial Hospital in Campbellford, Ontario.

**Phil Manz, '93 MHA**, has been named executive director of the Sexual Violence Center in Minneapolis.

**Trent Sterling, '93 MHA**, is president and CEO of Health Ink and Vitality Communications in Salt Lake City.

**Mario K.M. Yim, '93 MBA**, is an investment consultant with Raymond James Financial Services. Prior to that, he worked as a consultant at Wachovia Securities.

**Alan Saatkamp, '94 MHA**, was named administrator for the Minneapolis Veterans Home in Minneapolis.

**Ryan Manthey, '95 BSB**, named associate of Koepke & Daniels, Minneapolis.

**Michael O'Gorman, '95 MHA**, is operations manager for ACS State Healthcare in Tallahassee, Fla.

**Jamal Ghani, '96 MHA**, was named administrative director of North Shore University Hospital in Manhasset, N.Y.

**Mark Fratzke, '97 MHA**, is administrator of Cypress Hospitals in Visalia, Calif.

**Ann Helwig, '97 MHA**, was named CEO of Knoxville Area Community Hospital in Knoxville, Iowa.

**Randall Olson, '95 MBA**, was named director of marketing of Messerli & Kramer, Minneapolis. He had been executive director of Minnesota Project Innovation Inc. for 10 years.

**Tammy Bamlett Sherman, '95 MHA**, has been named administrator of the OB/GYN department at Northwestern Medical Faculty Foundation in Chicago.

**Kathryn Holley-Carlson, '97 MHA**, was named clinic manager of Fairview Eagan Clinic in Eagan, Minn.

**Taewook Yoo, '97 MHA**, is manager of development for Samsung Medical Foundation in Seoul, South Korea.

**Mathew Koschmann, '98 MHA**, was named vice president of business development for St. Rose Dominican Hospital in Henderson, Nev.

**Marcie Driscoll Mostad, '98 BSB, '03 MBA**, is director of marketing and communications of the Cooperative Response Center, Austin, Minn.

**Patty (Gaffron) Toenies, '98 MBA**, is director of sourcing services at Xcel Energy.

**Dan Trube, '98 MHA**, is sales manager for Jansen Pharmaceuticals in Central Point, Ore.

**Russell Williams, '98 MHA**, was named vice president of patient experience for Fairview University Medical Center in Minneapolis.

**Mark Ellison, '99 MBA**, Ergotron Inc., is a director of The St. Paul Area Chamber of Commerce, St. Paul, Minn.

2000s

**Susan Lohrman, '00 MHA**, is practice manager for Rustad Dermatology in Lincoln, Neb.

**Beth Plahn, '00 MHA**, is director of transplant services for Avera McKennan in Sioux Falls, S.D.

**Brad Schipper, '00 MHA**, is director of regional services for St. Luke's Regional Medical Center in Boise, Idaho.

**Alexandra Stillman, '00 MHA**, is a Ph.D. candidate at Utah State University in Logan, Utah.

**Christine Bakke, '01 MHA**, was named director, residential and community-based services, at Mille Lacs Health System in Onamia, Minn.

**Darrel Box, '01 MHA**, was named director of ancillary

services at Lafayette Regional Health Center in Lexington, Mo.

**Janiece Gray, '01 MHA**, is director of operations in the center for outpatient care at Abbott Northwestern Hospital in Minneapolis.

**Gregory Hamann, '01 MHA**, is administrator of the division of urologic surgery for Brigham and Women's Hospital, Boston.

**John Jendro, '01 MHA**, has been named clinic manager at HealthEast Vadnais Heights Clinic in Vadnais Heights, Minn.

**Melissa Johnson, '01 MHA**, is administrative systems manager for Kaiser Permanente in South San Francisco, Calif.

**Sanjay Kuba, '01 MBA**, GCI Systems Inc., is a director of The St. Paul Area Chamber of Commerce, St. Paul, Minn.

**Josh Spaulding, '01 MHA**, is project manager for Kaiser Permanente in Sacramento, Calif.

**Julia Unze, '01 MHA**, is manager at Mercy Health System in Janesville, Wis.

**Adam Berry, '02 MHA**, is resource manager at Allina Hospitals and Clinics in Minneapolis.

**Britta Borene, '02 MHA**, is manager of corporate development for Premier, Inc. in San Diego.

**Winfield Brown, '02 MHA**, is vice president of marketing and development at Northern Berkshire Health System in North Adams, Mass.

**Carly Hartter, '02 MHA**, is clinical quality consultant for Fairview Southdale Hospital in Edina, Minn.

**Kevin Knoblock, '02 MHA**, is clinical research specialist at Millennium Pharmaceuticals in Cambridge, Mass.

**Nicki Nguyen, '02 MHA**, is a senior consultant for ECG Management Consultants in Seattle.

**Amy Ross, '02 MHA**, is administrator for the department of surgery at the University of Chicago.

**Wanda Webb, '02 MHA**, is a health systems specialist for the Wyoming Department of Health in Cody, Wyo.

**Michael Schafer, '03 MHA**, was named administrator and CEO of Brim Healthcare in Spooner, Wis.

Want to be included in Class Notes?

Use the enclosed form and fax it to 612-624-6374, or mail your news items and photos in the envelope provided. You also can contact Kristine Kosek, director of Alumni Services and Outreach, at [kkosek@carlsonschool.umn.edu](mailto:kkosek@carlsonschool.umn.edu).

# Time Capsule

By 1936, the University of Minnesota's School of Business Administration had reached an enrollment peak of 625 students, and had outgrown its location in Eddy Hall. The following year, workers laid the cornerstone on Vincent Hall, the school's new home overlooking Northrop Mall. "Indeed, you have had a long wait for a suitable building," pronounced Board of Regents President Fred P. Snyder at the building's dedication on October 14, 1938. "And if you are to make good on all the promises you have made to get this new home, the Regents will expect you and your associates to get up early, work late, and throw your soul into your great adventure."



PHOTOGRAPH COURTESY OF UNIVERSITY ARCHIVES



## Event Calendar

### MAY 2004

- 4 First Tuesday\***—Dan McElroy, chief of staff, Office of the Governor of Minnesota, McNamara Alumni Center, 200 Oak St. S.E., Minneapolis, 11:30 a.m.-1 p.m. \*Please note location change.
- 6 University of Minnesota Alumni Association Annual Celebration and 100th Anniversary Finale**—“Changing the World, One Graduate at a Time,” featuring Yanni, internationally acclaimed composer and 1976 University of Minnesota graduate. Northrop Mall, 5:30-9:30 p.m. Call 612-625-9187 or e-mail hyatt008@umn.edu.
- 7 First Friday**—MBA alumni and student networking event—Solera, 900 Hennepin Ave., Minneapolis, 5:30-7:30 p.m.
- 16 Commencement Exercises**—Northrop Auditorium, 84 Church St. S.E., Minneapolis, 10 a.m.-noon. Featuring John Hammergren, '81 BSB, chairman and CEO, McKesson Corp.
- 16 Commencement Reception**—Carlson School of Management Atrium, 321 19th Ave. S., Minneapolis, noon-2 p.m.
- 26 Detroit-area Alumni Event**—Orchard Lake Country Club, 5000 Westshore Dr., Orchard Lake, Mich., 6-8 p.m. Call 612-626-9633 for information.

### JUNE 2004

- 1 First Tuesday**—Janice Aune, president and CEO of Onvoy, Radisson Hotel Metrodome, 615 Washington Ave. S.E., Minneapolis, 11:30 a.m.-1 p.m.
- 24 Los Angeles-area Alumni Event**—California Club, 538 S. Flower St., Los Angeles, 6-8 p.m. Call 612-626-9633 for information.

### AUGUST 2004

- 3 First Tuesday**—Phil “Flip” Saunders, '83 BSB, head coach of the Minnesota Timberwolves, Radisson Hotel Metrodome, 615 Washington Ave. S.E., Minneapolis, 11:30 a.m.-1 p.m.
- 6 First Friday**—MBA alumni and student networking event—Boat Cruise, Jonathan Paddleford on the Mississippi River, Harriet Island Landing, St. Paul, Minn., 6-9 p.m.
- 20 Carlson School Day at the Races**—Canterbury Park, 1100 Canterbury Rd., Shakopee, Minn., 6-9 p.m.

### SEPTEMBER 2004

- 7 First Tuesday**—John Fleming, CEO of Wal-Mart.com, Radisson Hotel Metrodome, 615 Washington Ave. S.E., Minneapolis, 11:30 a.m.-1 p.m.
- 10 First Friday\***—MBA alumni and student networking event—Kitty Cat Klub, 315 14th Ave. S.E., Minneapolis, 5:30-7:30 p.m. \*Second Friday due to holiday.

### OCTOBER 2004

- 1 First Friday**—MBA alumni and student networking event—Gasthof zur Gemütlichkeit, 2300 University Ave. N.E., Minneapolis, 5:30-7:30 p.m.
- 5 First Tuesday**—Jim Cracchiolo, president, Global Financial Services Group, American Express, Radisson Hotel Metrodome, 615 Washington Ave. S.E., Minneapolis, 11:30 a.m.-1 p.m.

**For more information on alumni events,  
go to [www.carlsonschool.umn.edu/events](http://www.carlsonschool.umn.edu/events).**