



MMR

Minnesota Management Review

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Summer 1993

Hector, Minn.,
is the unlikely
headquarters of
the multinational
Communications
Systems, Inc.,
founded by
Curt Sampson,
'55 BSB.



JEFF GROSSCLIP

CARLSON SCHOOL OF MANAGEMENT
UNIVERSITY OF MINNESOTA

A
BC
DE
FG
H

Dictionary for Giving

B

BEN•E•FI•CIA•RY (beneficiary) *n.* **1:** pertaining to charity. **2:** a person or organization receiving a benefit.

C

CHAR•I•TA•BLE GIFT AN•NU•ITY (charitable gift annuity) *n.* **1:** an investment that produces lifetime income for the donor and any beneficiaries, often at a rate far beyond what many commercial investments can provide in today's market. **2:** an investment in the future of the charitable organization of the donor's choice.

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I

IN•VEST (invest) *v.t.* **1:** to make use of for future benefits or advantages. **2:** to commit (money) in order to earn a financial return.

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Age	Rate*	Younger age	Older age	Rate*
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60	7.0%	55	60	6.5%
70	7.8%	68	70	7.0%
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90	12.0%	85	90	10.0%

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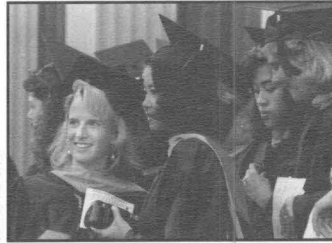
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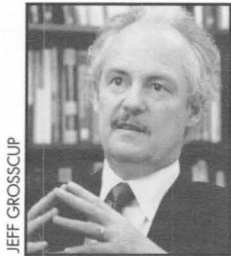
Profiles of Vern Heath, '50 BSB; Harriet Peterson, '87 CEMBA (above); and Jim Wiest, '92 MS-MOT.

The *Minnesota Management Review* (MMR) is published by External Affairs for alumni and friends of the Carlson School of Management. Direct correspondence to: Office of the Dean, 271 19th Avenue South, Minneapolis, MN 55455, or call (612) 625-0843.

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JEFF GROSSCUP

FROM THE DEAN

Pierson Grieve is new chair of Carlson School Board of Overseers

The leadership of the school's board has changed with the resignation of Win Wallin, '48, who has accepted a one-year assignment as Special Advisor to University President Nils Hasselmo

The Carlson School's Board of Overseers, with 40 of the region's most influential business leaders as members, had a change in its leadership this summer. Pierson M. "Sandy" Grieve, chairman and CEO of Ecolab Inc., accepted the position upon the resignation of Winston Wallin, chairman of Medtronic, Inc., who has taken on new advisory responsibilities at the University.

Win has been appointed Special Advisor to University President Nils Hasselmo to assist in formulating a plan to strategically resolve issues with the University's Health Sciences program. Given the tremendous time commitment required in this position, Win felt that he needed to resign as chair of the school's board. Fortunately for us, he will continue on as a board member.

A 1948 graduate of the Carlson School, Win had been chair of the Board of Overseers since the spring of 1992. His leadership was extremely valuable to me during the 18 months he served as chair, as the school developed a new five-year strategic plan, redesigned the MBA program, and strengthened its linkages with the business community. Win consistently provided invaluable advice on these activities and I have appreciated his perceptions, wisdom and dedication to the school.



JIM HANSEN

Pierson Grieve, chairman and CEO of Ecolab, is the new chair of the Carlson School Board of Overseers. He spoke about international business as the keynote speaker of Business Day this spring, concluding his remarks in Spanish.

It is not surprising that Win was tapped by President Hasselmo for the University post. It's a good illustration of the caliber of individuals on the school's board, and our new chair is no exception.

Sandy Grieve, who has held the top post at Ecolab for a decade, has been on the Carlson School's board for seven years. He is very interested in and involved with the school, and has worked with me on board issues and on strategic direction ever since I became dean.

Sandy, who is a very active participant in the business, educational and social service commu-

nities, was recently awarded the Archbishop's Outstanding Service Award from Catholic Charities for helping to raise \$3.3 million to build the new Dorothy Day Center in St. Paul. He has been a board member of the Kellogg Graduate School of Management at Northwestern University, where he graduated with a BA in 1950.

He also serves on the boards of Norwest Corp., The Saint Paul Companies, U S West and Meredith Corp., and is a board member and former chair of both the Guthrie and the Minnesota Business Partnership.

St. Paul-based Ecolab ranks 357th among Fortune 500 industrial corporations, with about \$1.8 billion in revenues and over 12,000 employees (including its European joint venture). Sandy, a native of Flint, Michigan, began his leadership post with Ecolab after 14 years as chairman and CEO of Questor Corp. of Toledo, Ohio.

You can find a complete list of the members of the school's Board of Overseers on the next page. It's an impressive list—in fact, the school's board has been recognized as one of the most powerful boards in the state. I enjoy working with this group and am confident that, under Sandy's leadership, it will continue to serve the school well. **MMR**

BY DEAN DAVID KIDWELL

Board of Overseers

Pierson M. Grieve **
Chairman & CEO, Ecolab Inc.;
Chairman, Carlson School
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Secretary, Dayton Hudson
Corporation

Roger E. Handberg *
Exec. V.P., Ceridian
Corporation

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Hudig Hall of Minnesota

Vernon H. Heath **
Chairman, Rosemount Inc.

Bruce Hendry **
Chairman & CEO, Minnesota
Brewing Co.

William A. Hodder
Chairman, President & CEO,
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States Power Co.

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Norwest Corporation

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CEO, Hormel Foods
Corporation

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Retired CEO, Arthur Andersen
& Co.

Connie Levi
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Chamber of Commerce

H. William Lurton
Chairman & CEO, Jostens, Inc.

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Retired President-Markets, U S
West Communications

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Inc.

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Computer Systems, Inc.

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S. Walter Richey *
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Center Company

Terry Saario
President, Northwest Area
Foundation

Curtis R. Sampson **
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Communications Systems, Inc.

L. J. Schoenwetter **
V.P., Logistics, 3M

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President, Federal Reserve
Bank of Minneapolis

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Company

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Companies Inc.

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President, Minnesota High
Technology Council

James D. Watkins **
President & COO, Diversified
Products Companies

Winston R. Wallin **
Chairman, Medtronic, Inc.

Michael W. Wright *
Chairman, President & CEO,
Supervalu Inc.

* University of Minnesota alumni (degree or significant coursework)

** Carlson School alumni (degree or significant coursework)

CURT SAMPSON

Connecting the world from Hector, Minnesota

by David Pink

“You can’t go home again,” wrote Thomas Wolfe, but Curtis Sampson, CEO of Communications Systems, Inc. and Hector Communications Corp., has disproved Wolfe’s maxim. He went back home to Hector, Minnesota, and made a fortune in the process.

Some might claim that Curt never really left home, except to attend business school at the University of Minnesota. And at first, it seemed that he wouldn’t be able to afford to leave and go to college. At that time, in 1951, Curt’s parents, Selmer and Sophie, were three years into a greenhouse business they had started. “That was a pretty meager business in a town like Hector [pop. 1,200; 90 miles west of the Twin Cities],” says Sampson, third-youngest of ten children. “We just got by.”

It took some hometown help to get Curt to college. “Two days before school began my brother, Wayne, who was managing the Chateau Eating Club in Minneapolis, called to offer me a dishwashing job at \$18 a week,” Sampson relates. My best friend, Clay Torbert, who lived two blocks from Wayne’s club, offered to let me room with him, and things just fell into place.”

Things have seemed to fall into place for Sampson ever since. His career path “fell into place” when he veered away from an afternoon chemistry class, ending his dental school plans, and signed on for accounting in the morning. “Quite honestly,” he says, “I wanted to learn to play golf with some friends in the afternoons, and since I had to work evenings, mornings were best for classes. Besides, I’d

Curt Sampson, '55 BSB, has been a high-stakes player in the mergers & acquisitions game since 1966, and has built an international telecommunications corporation with \$60 million in annual sales, based in his hometown of Hector. Smart business moves, an industry undergoing change and good luck have made it happen, he says.

waited until the last day to register, so there weren’t many classes available that weren’t already filled.”

Sampson’s serendipity led to remarkable things not only for himself but also for Hector. He muses on the fate of his hometown if he hadn’t gone into business: “Instead of having 300 jobs in the area around a town of 1,200, would it have died like many other small towns?”

If you stand in the middle of Hector’s two-block-long Main Street, you’ll see the usual assortment of small-town shops along with a nondescript building which houses the company Sampson founded—Hector’s single biggest employer and connection to the wider world—Communications Systems, Inc. (CSI).

From its headquarters in Hector, CSI operates manufacturing and assembly plants in four Minnesota communities, as well as Puerto Rico, Costa Rica and Wales (U.K.). CSI is now positioned as a high-quality, low-cost provider of telephone and data connection devices. Having capitalized on every change in the industry, it shares market leadership with AT&T.

But Sampson almost didn’t come back home to take a job with Hector Telephone, which would eventually lead, in 1970, to his forming CSI with a group of investors. “In those days, graduates had their choice of jobs. You’d get calls from GM, Honeywell, public accounting firms—you name it,” he explains.

Sampson chose Peat Marwick. With Marian, his wife and Hector high school sweetheart, he had settled in for an accounting career in the big city when he got a message to phone home to Hector. Hector’s longtime public accountant had passed away, opening up the possibility of building an accounting practice. Also, Hector Telephone offered him a job.

Sampson never found the time to build a public accounting business on the side. Mergers and acquisitions in the telephone business came so quickly that he never got around to it. Soon, Sampson’s career history began to read like a game of “follow the bouncing acronym” (see chronology beginning on p. 6).

Sampson displays some of the many telephone connecting devices made by Suttle Apparatus and its parent company, Communications Systems, Inc. This plant, in Hector, is one of several CSI manufacturing and assembly plants located around the world.



“Instead of having 300 jobs in the area around a town of 1,200, would it have died like many other small towns?”

Soon after Sampson joined HTC (Hector Telephone Company) it became MCT (Minnesota Central Telephone). MCT, which had acquired six telephone companies, was bought by Apache in 1966. Sampson, as administrative vice president and treasurer of MCT, specialized in general administration and acquisition studies (and subsequently in financial integration). Harold Ericson, as president, was the person who could convince owners of telephone companies to sell to the Hector group.

North American Communications (NAC) was quickly formed and together Sampson and Ericson acquired acronyms too numerous to mention—25 phone exchanges in nine states. In 1970, NAC was merged into CTC (Continental Telephone Corporation), certainly against the will and desires of Curt and Harold.

The CTC merger launched Sampson into a career as an entrepreneur. It's ironic that Sampson, who built his career on mergers and acquisitions, became an entrepreneur as a result of his objections to the CTC merger. Primarily, his objections stemmed from CTC's plans to move operations out of Hector, which would have ended an era of great success and friendships among the team members, and would have had serious consequences for the town. "Besides," Sampson says, "I felt that there was still a great opportunity for North American in the area of telephone company acquisitions."

When the North American-Continental merger went through, Sampson invited Hector's town doctor, banker and pharmacist, an attorney and other local investors to reacquire Suttle Apparatus, North American's manufacturing arm. At the time of the merger, Continental already owned Communications Apparatus Corporation, which duplicated Suttle's functions. Both apparatus companies served much the same purpose as Western Electric did for AT&T—supplying telephone equipment to their parent telephone companies and the "independent" (non-Bell) telephone industry. Continental, wary of regulations against monopolies, agreed to sell Suttle back to Sampson and his group of investors.

Many of the original investors were Sampson's friends; the doctor had helped Sampson's sister attend college, and the

Curt Sampson's mergers and acquisitions — a chronology

1955	1963	1966	1970	1972
<p>Sampson graduates with distinction in Accounting and joins Peat Marwick & Mitchell. Later returns to Hector to join Hector Telephone Company, which changed its name to Minnesota Central Telephone and began acquiring telephone companies in other communities.</p> <ul style="list-style-type: none"> • Sampson joins HTC • HTC changed its name to MCT 	<p>Minnesota Central Telephone teams with Apache Corp. to acquire telephone companies in other states.</p> <ul style="list-style-type: none"> • MCT teams with Apache 	<p>Apache buys out Minnesota Central, and with Harold Ericson as president and Sampson as administrative vice president & treasurer, forms North American Communications (I), a publicly held company, which acquires 25 telephone companies serving 115 communities in nine states. North American is featured alongside such giants as McDonald's, Xerox and 3M in "America's Fastest Growing Companies." North American acquires Suttle Apparatus.</p> <ul style="list-style-type: none"> • Apache buys MCT • NAC formed by Apache with Ericson and Sampson as principal officers. • Suttle Apparatus acquired by NAC. 	<p>North American is merged into Continental Telephone Corporation. Sampson, who objects to the merger because it will take jobs out of Hector, is supported by local investors in forming Communications Systems Inc. (CSI). CSI reacquires Suttle Apparatus, which had been North American's manufacturing arm, and in addition to making and selling telephone equipment and supplies, begins acquiring telephone companies.</p> <ul style="list-style-type: none"> • NAC merged with CTC • CSI formed by Sampson. • Reacquires Suttle Apparatus 	<p>Communications Systems Inc. begins acquiring and building cable TV systems.</p>

“For an entrepreneur it probably makes a better story if he or she invents some wonderful gadget and makes a million from it, but the facts are more in line with working hard, being ready for opportunities and remaining absolutely ethical.”

druggist had given him a part-time job during breaks when he was home from the University. Many of those initial investors eventually realized a return of \$5 million on their initial investment of \$25,000. “Most of them, anyway,” Sampson remarks. “One sold out too early and, of course, some of those I invited to invest didn’t, unfortunately, and to their regret.”

Sampson’s newly formed company, Communications Systems, Inc. (CSI), began doing business with Suttle as its mainstay. Then, in the mid-’70s, telephone companies were deregulated and in 1984 the AT&T monopoly was broken up. Deregulation meant that consumers could buy and install their own telephone equipment. The breakup of AT&T gave CSI the opportunity to compete with Western Electric for the Bell System

business, which was 80 percent of the market. Prior to the breakup, Western had that business locked up.

Sampson says, “It’s interesting that deregulation grew from an incident right here in Minnesota. The landmark case, which said that as long as a phone didn’t harm the network it could be installed by anyone, stemmed from a resort owner in

Alexandria, Minnesota, who wanted to install a non-AT&T piece of telephone equipment known as a Carter phone. Suddenly, you had telephone outlets everywhere—in the bedroom, the bathroom—and we could supply connection devices that were better and less expensive than anyone else’s.”

But CSI was just the beginning of Sampson’s ambitions. As soon as Continental made the name North American available, Sampson claimed it to designate a cable TV company under the CSI umbrella. North American built cable systems in such where-are-they-located? towns as Fulda, Slayton and Dawson. When the number of towns in which North American operated reached 75, Star Cablevision acquired it for \$97 million. Meanwhile, Sampson had been steadily acquiring small-town telephone

1986	1988	1989	1990	1992	1993
<p>Communications Systems Inc.’s cable TV division is spun off to CSI shareholders as a separate company, North American Communications).</p> <p>• CSI creates NAC as a spin-off</p>	<p>Star Cablevision acquires North American for \$97 million. North American shareholders realize between \$70 and \$75 million.</p> <p>• Star Cablevision buys NAC</p>	<p>Hector Communications Corp. is formed with Sampson as CEO when CSI spins off its investment in independent telephone companies, cellular communications and cable TV to its shareholders.</p> <p>• CSI creates HCC as a spin-off</p>	<p>Communications Systems Inc. acquires Zercom Corp. of Merrifield, Minn.</p> <p>• CSI acquires Zercom</p>	<p>Communications Systems Inc. acquires its former competitor, Communications Apparatus Corp., and Austin Taylor Communications, of Wales (U.K.)</p> <p>• CSI acquires Communications Apparatus Corp. • CSI acquires Austin Taylor Communications</p>	<p>Curt Sampson’s current titles are: Chairman, President and CEO of Communications Systems, Inc.; and Chairman and CEO of Hector Communications Corporation. Operations of CSI are: Suttle Apparatus Corp. (Minn., Puerto Rico, Costa Rica); Austin Taylor Communications, of Wales (U.K.); and Zercom Corporation (Merrifield, Aitkin and Staples, Minn.). Operations of HCC are: North American Communications (Ill).</p>



JEFF GROSSCUP

One of Sampson's hobbies is raising racehorses, something he started "because it would be fun for the family." His horses have raced and won purses and trophies at Canterbury Downs, in Kentucky, Illinois, Nebraska, Iowa and Canada. Curt and his wife, Marian, still live in Hector; most of his four children and six grandchildren live nearby.

companies, which, in 1989, CSI spun off to shareholders as the Hector Communications Corp. (HCC). Today, to no one's surprise, North American is beginning its third life as a reprise of its second, a cable television company, this time under the umbrella of HCC.

A firm believer in small-town business development, Sampson has done his best to bring other businesses besides his own to Hector. For over 30 years he's been the secretary and the director of Hector Industries, which tries to encourage businesses to come to Hector. So why doesn't he move the whole operation to Hector? Sampson explains, "We wouldn't want to employ much more than 20 to 25 percent of the town's population, because then the town's economy would be too dependent upon us and it would be disastrous for the town if anything happened to this business."

CSI and Suttle Apparatus employ 900 people around the world, and Hector Communications another 40. Annual sales in 1993 will be approximately \$60 million for CSI and \$5 million for HCC.

What should entrepreneurs do if they want things to fall in place for them ala Sampson? "For an entrepreneur it probably makes a better story if he or she invents some wonderful gadget and makes a million from it, but the facts are more in line with working hard, being ready for opportunities and remaining absolutely ethical," Sampson advises. "We've also been very conservative, never exposing ourselves to risks that would break us if things didn't go as we planned or hoped.

"Also, I firmly hold to the small-town belief that 'what goes around comes around.' You don't cross anybody and

you don't burn any bridges. For example, AT&T is our main competitor; it's also an important customer and one of our main suppliers. As our competitor they could bury us if they wanted to, but because we strive hard to be ethical, they treat us with respect and often refer customers to us when they quit making a product. They want to do business with us because they know we'll be absolutely fair."

Sampson emphasizes that luck also plays a part. "In anybody's life I'm sure some terribly insignificant things probably changed their life's direction for either good or bad. In my case most of it has been for the good. Whenever we came to a fork in the road, we happened to go down the right one." MMR

Data super-highway means big business opportunity

Entrepreneurs take note: A wave of change dwarfing the Industrial Revolution is quietly building. It is bringing revolution in telecommunications, unlimited opportunity for creative entrepreneurs and unprecedented social change.

Underpinning the transformation is a decades-long upgrading of telephone transmission, replacing the old lines with fiber optic cable and switching to digital transmission of data. That rebuilt infrastructure, now largely in place, gives the hear-a-pin-drop quality we have already come to take for granted in our domestic phone conversations.

But the network has vastly more capacity than we're using at present. The wave of change will crest when Congress decides on who gets to fill the vast concourse with information and entertainment—phone companies, cable companies or both.

That's where entrepreneurs come in. The big operators are going to need vendors to provide them with something to distribute. "It opens up tremendous possibilities for selling information," says Carlson School Associate Professor David Naumann, a specialist in telecommunications and

information systems. "There's tremendous opportunity in determining what people need to see, and processing it for them. And we can do this globally just as easily as locally."

The so-called data superhighway would flash torrents of information across the country and around the world in the blink of an eye. It has the potential to provide each business, school and home with its own channel, a capability called "switched video."

The coaxial cable in use now can carry information at the rate of 500 million bits per second, enough for 150 TV channels. The new infrastructure of digital data riding optical fiber can do 50 billion bits per second, or 100 times as much.

Telecommunications developers are ogling that vacant capacity and thinking big: What does the customer want? Entertainment on demand. Individual cable subscribers want to watch a movie when they want to watch it, not when the cable company wants to transmit it. Naumann says the entrepreneurial potential for data-sorting to meet individualized demand is enormous—in enter-

tainment as well as in business-related information such as commodity prices.

So be ready for change. Existing information providers—video retailers and VCR makers, for example—won't necessarily be forced to close. But they're going to have to adapt as it becomes cheaper to order a movie over the TV set and be billed on a per-view basis.

"If we're going to deliver switched video, which I think is what consumers really want, you don't need a video store and you don't need a VCR—so there are some big potential changes," says Naumann. "At the same time, I know my grandchildren really like to watch *Beauty and the Beast*. I'm going to go to Target and buy it for \$15, because my granddaughter is going to watch it 300 times in the next two months."

Every business will feel the impact of swift global data interchange, and telecommunications specialists are scrambling to keep up with changes. Systems must be updated, sometimes completely redesigned. Whatever your line of work, Naumann cautions, get ready for some chaos-surfing.

(by Marc Hequet)

Fiber optic technology expands the boundaries of the classroom

Fiber optic technology is opening doors for telecommunications entrepreneurs, and it is also breaking down the walls of the classroom.

Professor Gordon Davis has never set foot in the National University of Singapore's (NUS) new Department of Information Systems and Computer Science (DISCS) building—but last winter he gave a lecture there.

Thanks to fiber optic technology, Davis's lecture was transmitted through a two-way audio/video link between downtown Minneapolis and a classroom in the DISCS building, built specifically to accommodate remote lectures from around the world.

NUS officials recruited Davis, an internationally known scholar in information systems, to give the first remote lecture and Davis agreed to take part for several reasons. He already has strong ties to NUS—he held an endowed professorship there in 1986-87. But more importantly, he recognized the lecture as "a landmark event" in education and an opportunity for the Carlson School to become part of a world community of scholars.

Fiber optic technology will "change our expectations, change how we teach classes and change how we see the world as our classroom," said Davis. "This technology has tremendous

potential for scholarly interaction around the world. The implications are fantastic."

Fiber optic technology offers efficiency, convenience and low cost. "NUS ran the course—the technical end—for about \$800," Davis said. That's just a fraction of what it would have cost to bring Davis onto campus for even a short stay.

The lecture was made possible with the assistance of AT&T, which donated a conference room in downtown Minneapolis and provided the technical setup through its Singapore offices.

(by Karen Potter)

Leading-Edge

New MBA curriculum to be implemented this fall

The faculty voted in March in favor of a new MBA curriculum that dramatically redesigns the program. The new program takes advantage of one of the country's most vibrant business communities to provide exciting new experiential learning opportunities.

B Y J O S H K O H N S T A M M

Leadership and change are no longer mere subjects taught at the Carlson School. The faculty put these theories to the test this year by dramatically redesigning the MBA curriculum. The new program, which begins this fall, creates closer links with the business community and integrates the school's curriculum across functions to reflect the structure and problem-solving requirements of real-world business.

The changes cap an intensive 15-month review process and have gained the attention of business educators nationwide. "The Minnesota initiative is a creative response to the needs expressed by the business community around the nation," states Charles Hickman, a director with the American Assembly of Collegiate Schools of Business.

The core of the program addresses the dominant plea of executives and managers that students need to be prepared to use their specialized knowledge—for example, marketing, finance or operations—in ways which span broad boundaries within

the organization. Graduates must have more than just an academic understanding of "the big picture." They must also develop a realistic feel for leadership, quality, teamwork, and ethical and international business challenges.

"The new Carlson School program provides an integrated, logical, conceptual framework in which MBA students will learn," says Dean David Kidwell. "It will better prepare students to solve problems to manage and lead successfully within organizations, challenging them with lots of contact with the business community."

Students, too, have long desired a more coordinated business curriculum, one which strategically leverages the resources of the University while creating inroads into the business community—and a program that is more flexible.

The new program innovatively creates bridges between the worlds of theory and practice by providing greater outside contact for students. After all, the University is located in a metro area which is the fifth-largest (per capita) home of Fortune 500 companies. The new program also offers more flexibility. All the core

courses, except for the field project, will be offered during the first year so the second year may be devoted to electives.

The Carlson School, which for years was one of the few schools in the nation to require a field project, is broadening its commitment to student experiential learning by adding four new components to the MBA program:

- an extensive mentoring program
- a "top management perspectives" course
- a technology transfer and entrepreneurship field project option
- a ProSeminar series on contemporary issues and practice

Breaking down the "silos"

Few U.S. business schools could bring about the kind of dramatic cultural changes now being seen at the Carlson School. A process of consensus building has been used to bring the school's constituents together, overcome traditional barriers between departments, and bridge theory and practice.

The result of this team effort is a curriculum that no longer relies on the traditional departmental "silos" to deliver business education. Rather, a logically linked and integrated curriculum will ideally complement experiential learning and faculty research.

The first year begins with an intensive one-week orientation, starting the program with a common context of reference while introducing students to the case study method. During orientation, a formal assessment will be made of each student's skills in oral and written communication, teamwork, and computer and information technology skills. Students will be required to achieve competencies,

as indicated by the assessment, through a skills development program of outcome-based learning.

Fall quarter covers the foundations of business, followed in the winter by an integrated quarter of coursework called the "functional core," which will present material in much the same way that it is applied in practice. The "leadership core" in the spring will emphasize the development of the strategic and leadership skills necessary to manage in a global environment.

The second year includes a minimum of nine courses, including an international elective, the field project, and a "top management perspectives" course, in which high-level executives will speak on topics crucial to their firms.

The new Carlson MBA program did not come effortlessly. Since January 1992 a task force, led by Associate Dean Mary Nichols, gathered feedback through town hall meetings with students, a faculty forum on the foundations of the program's core disciplines, and meetings with employers and other external constituents. Fourteen leading MBA programs of other schools were analyzed, as well.

Over 60 faculty members spent hundreds of hours working in interdisciplinary teams to design the curriculum along with 17 new or redesigned courses—and faculty will continue to meet throughout the program. "Faculty care about teaching and are concerned that our students receive the best educational experience possible," said Dean Nichols. "The time that these faculty members have spent designing the program is testimony to that fact."

Finance Professor Tim Nantell is part of the faculty team that will implement the "functional core" this winter and has

New First-Year Curriculum	
FOUNDATIONAL CORE—FALL QUARTER	Skill Development: <i>Speaking, writing, teamwork, computer technology, career planning</i> Executive Mentor Program NEXUS Research Seminars
Data Analysis for Managers	
Managerial Economics	
Behavioral Science for Business	
Financial Accounting	
FUNCTIONAL CORE—WINTER QUARTER	
Managerial Accounting	
Financial Management	
Human Resource Management	
Information Management	
Marketing Management	
Operations Management	
LEADERSHIP CORE—SPRING QUARTER	
Strategic Management	
Leadership Core	
Module I: Ethical Environment	
Module II: International Environment	
Module III: Managing for Quality	
Module IV: Organizations and the Management of Change	
Elective	
New Second-Year Curriculum	
FALL QUARTER	ProSeminars: Contemporary Issues NEXUS Research Seminars
International Elective (take any quarter)	
Elective	
Elective	
WINTER QUARTER	
Corporate Consulting Project <i>or</i>	
Entrepreneurship/Technology Transfer Project	
Elective	
Elective	
SPRING QUARTER	
Project Wrap-up	
Top Management Perspectives	
Elective	
Elective	
Elective	

Six unique qualities of the new Carlson MBA curriculum

1 Students will learn by solving problems that cut across functional disciplines. This approach allows students to learn functional areas—marketing, operations, finance—as they apply to business practices. This cross-disciplinary approach is highly beneficial to the business student, but is nearly impossible to achieve in schools with entrenched departments.

2 Students will gain a broad understanding of the firm and its challenges through a “leadership core.” This will include learning leadership skills by studying strategic management, managing change, managing quality, and ethical and international issues.

3 The field project—for years one of the program’s strengths—will be broken into two tracks: a traditional and an entrepreneurial track. Students interested in entrepreneurship will be given the opportunity to work with the University Research and Technology Transfer Program’s scientists, researchers and entrepreneurs who work on new product development.

4 Face-to-face learning from top executives through the required “Top Management Perspectives” course.

5 A professional skill development program will ensure that all graduates possess key business competencies. Students are assessed at the beginning of the program for skills in computing, teamwork, and oral and written communications, and then given outcome-based learning opportunities outside of class to bring themselves up to speed.

6 Students will be given more choice to build on their expertise and interests through nine electives and field work.

met for four hours a week, every week, since January to design this new integrated module. “What made this project so monumental is that there really are no models for how to get professors—all experts in their fields—to productively integrate their knowledge,” he said. “We’ve talked with other schools about their efforts at integration,” said Nantell, “with some saying that they knew from the beginning that they couldn’t pull it off. This is hard work.”

A professional learning community emerges

The desired result of the school’s labor is the implementation of a new vision—what is now termed a “professional learning community.”

Blending academic strengths with practitioner concerns, the professional learning community more actively integrates participation of the business community and research efforts in the teaching of new business leaders.

“I firmly believe that the future’s most successful business schools will be those located in vibrant ‘living laboratories of business’ like the Twin Cities,” said Dean Kidwell. “This is where theory, research and application join.”

In seeking to become the nation’s premier public business institution, the Carlson School has created a dramatically reconfigured MBA program—one that is both substantive and relevant to the demands of today’s business environment.

Evening MBA curriculum update

The curriculum for the evening MBA program will go through a similar revamping effort during this academic year, and the updated program will begin in the fall of 1994. Many elements of the new day program, such as greater integration of material, increased experiential opportunities, and an expanded orientation and skill assessment, will be included in a format adapted to an evening program. MMR



A team of faculty and staff has been meeting every week since January to design the new MBA program’s “functional core.” Team members include: (standing) Accounting Professor Ed Joyce; Mike Dietz; ’94 MBA; Logistics Management Professor Fred Beier; Operations Management Professor Art Hill; Associate Dean of Academic Programs Mary Nichols; (sitting) Assistant Dean of MBA Programs Don Bell; Information and Decision Sciences Professor Norm Chervany; and Finance Professor Tim Nantell.



I D E A S

Research on brand extension; lectures by Crosby and Juran on quality management; world-class manufacturing; problems with implementing comparable worth; and a new teaching tool in accounting—these are the sources for "Ideas" in this issue

What's in a name?

When Kodak becomes an official sponsor of an event, and the event is a bust, is the Kodak name tarnished? If McDonald's introduces pizza, which turns out not to have the quality people associate with the McDonald's name, will it hurt their hamburger business? How does a company estimate the value of "marrying" two brands—Diet Coke and Nutrasweet, IBM and Intel—before it occurs? If a brand name is put on new products, does that imply a certain level of quality?

The marketing faculty at the Carlson School is accruing a national reputation for studying, dissecting and guiding corporate decision-making regarding multi-million-dollar "brand equity" issues that have to do with the actual worth of a name.

Brand extensions—spin-offs of original products—have become an increasingly popular option for firms launching new products. Professors Barbara Loken and Deborah Roedder John recently completed a study which showed just how risky brand extensions are to a company's business image. The duo won a national Marketing Science Institute competition for a white paper demonstrating the negative impact on core brands when a company's new product fails. They presented their findings at a recent conference at Harvard and have had their study published in the *Journal of Marketing*.

The Loken-Roedder John study provided the first indication that brand extensions can dilute



JIM BARBOUR

Marketing Professors Deborah Roedder John and Barbara Loken have been researching the risks of brand extensions—when companies launch spin-offs of popular products, such as those shown above.

brand names by diminishing the favorable beliefs consumers have about the family brand. It showed that brand extensions—particularly those that are fairly similar to the original product—bring high expectations on the part of the consumer to deliver the qualities associated with the family brand. For companies trying to launch a new product largely on the strength of a name—a new Cheerios or Ritz Bits—the new version had better stack up, or you risk nicking the goose that lays the golden egg.

Down the hall, the team of Professors Robert Ruekert and Akshay Rao are on the leading edge of studying "strategic brand alliances," the "marriage" of brands—such as Nutrasweet and Diet Coke—designed to create a sum larger than its parts. Ruekert

and Rao are among only a few in the nation to closely examine brand alliances, a phenomenon that has become a marketing mainstay in the 1990s.

The current example, according to Rao, is the successful co-branding of Intel and IBM: Intel benefits from IBM's blue-chip image, and IBM gains a sense of innovation that comes from a leading-edge growth company. The end result is a credible product people believe is worth a premium price.

The Ruekert-Rao team has studied the effects on consumer behavior of successful alliances, the financial repercussions of alliances, and the reasons why some joint efforts are more successful than others. Their studies establish criteria that corporate



decision makers should consider when forming brand alliances with other companies. They include questions of quality, reputation, competitive factors, the sector's growth rate, and the cost of *not* marrying another company if it becomes the industry standard to do so. For example, the Coke-Nutrasweet alliance was so successful that competitors felt they had to form similar relationships to remain competitive. Rao recently presented some of this thinking at the University of Chicago.

Professor Allan Shocker has emerged as one of a handful of marketing experts nationally who are interested in corporate branding policies. Shocker argues that by attaching a brand name to a new product, certain implicit qualities represented by the brand must exist, such as the product's safety, its long-lasting quality, or the extent to which the company backs up the warranty.

According to Shocker, companies run into trouble when they put their brand name on incompatible products, leading to expectations that the product cannot deliver. This can contribute to product failure. In addition, if a company puts its brand name on everything, it dilutes the meaning of the name.

Last spring, Shocker was one of several speakers making presentations at an executive seminar on brand equity at Wharton, and spoke to company presidents and division heads. His message was an important but tough sell for most marketing professionals: sometimes managers must defend their decision *not* to put a company's name on a product.

(by Josh Kohnstamm)

Beyond the attributes of quality in world-class manufacturing

When the term "world class" is applied to manufacturing, it carries the same cachet that athletes, automobiles and hotels do when they are among the very best in the world. "World class" describes Michael Jordan, Mercedes-Benz, The Palace Hotel, and the manufacturing plants of 3M and Hewlett Packard.

The question that Operations and Management Science Professor Roger Schroeder and his team



TIM RUMWELHOFF

Roger Schroeder

of researchers are out to answer is, "When it comes to manufacturing, how do you become world class? Quality, of course, is key, but the *attributes* that define a world-class manufacturing plant go beyond quality of product.

Schroeder and his research team have defined five performance measures of a world-class manufacturer. Besides 1) making quality products, a manufacturer has to 2) produce them at low cost, 3) deliver them in a timely fashion, 4) be flexible to customer requests, and 5) have an innovative product line.

If that description calls to mind a host of Japanese companies, Schroeder has some surprises for you. "While some Japanese companies have attained an almost mythical sense of their ability to succeed, our preliminary findings indicate that you don't have to be Japanese to compete in the world

market," he says. "What matters most in world-class manufacturing is the culture inside the plant, not inside the country."

To study this hypothesis, Schroeder's team is surveying a multicultural and multinational mix of over 100 manufacturing plants in the U.S., Japan and Europe. The surveys gather hard-core financial data about each manufacturer's performance as well as the perceptions of employees about plant performance.

"World-class manufacturers," Schroeder comments, "make quality more than a slogan, and they do that by managing responsively; the line worker and the customer have active input into the manufacturing process, which is why we're also surveying workers to see if management actually implements suggestions."

In many ways, a profile of world-class manufacturing contrasts with what Schroeder calls "the atmosphere of the old industrial way of controlling to standards, and employees *complying* with managerial decisions. A world-class manufacturer needs to embrace constant change as part of the process, rather than only meeting established standards."

Schroeder and his team certainly aren't keeping still. Supplied with a \$300,000 grant from the National Science Foundation, they will continue to survey companies and will be issuing a number of reports on their findings. "There are too many stop-and-go studies when it comes to manufacturing—somebody needs to study manufacturing processes over time," says Schroeder.

(by David Pink)

Two views of the quality revolution

Thanks to a grant from Cargill, which created the Cargill Quality Management Lecture Series, the Carlson School community and friends have been treated this year to two views of the quality revolution by two of its founders. Philip Crosby spoke at the school in February, and Dr. Joseph Juran visited in June as part of his "Last Word" speaking tour.

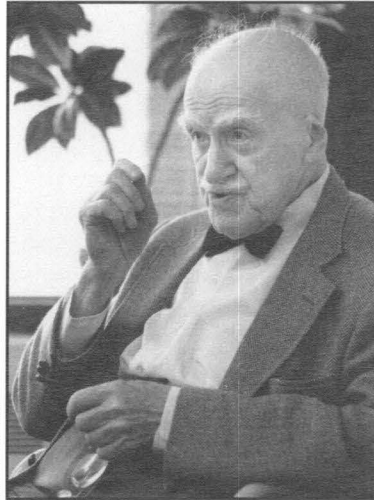
Discontented with quality

Philip Crosby burst onto the scene in 1979 with his readable *Quality Is Free*. In it he introduced a generation of managers to the idea that *doing it right the first time*—making a sprocket a sprocket, selling an insurance policy, or serving a hot cup of coffee—was the single best way a company could cut costs and increase profits.

Quality, conventionally thought of as a luxury and a cost, was in fact a necessity and a savings. *Zero defects* was his rallying cry. Crosby's message spread like wildfire. He has written eight books since *Quality Is Free*, and built a small empire of associated management services. But he is not satisfied with the quality revolution that followed.

"Too often quality has meant an emotional charge-up," he said. "Or it has meant a lot of statistics that measure the wrong things. There is a lot of foolishness in quality programs. The worst offense is making it too difficult."

Even the Baldrige Award comes under his fire. "I hoped it would be a bigger deal, like the Nobel Prize. Instead it's got everyone busy doing a bunch of



JIM BARBOUR

1960s-era quality assurance things. They're the wrong things."

Crosby's new book, *Completeness: Quality for the 21st Century*, sidesteps the quality controversies that have dogged him over the years, and focuses on four simple nostrums of business quality: enabling employees, suppliers, customers and society as a whole to be successful.

"If all you want to do is make money, you'd sell your company, put the money in bonds, and get as good a return with a particle of the effort. Money is only a measure of success; it is not success itself. For that, we need to have lives."

Crosby acknowledges that he has evolved, but denies that his vision has changed much. "It's still about identifying customer requirements, and then taking whatever steps are necessary to conform to them."

To companies wondering how to do better, he suggests a day of "green field thinking: Imagine the offices and factories and computers are all gone, and you're sitting on the grass in a green field. Ask yourself, if we were starting all

over again, what would we need to give customers what they want? Chances are, you'd need only a fraction of what you have."

(by Michael Finley)

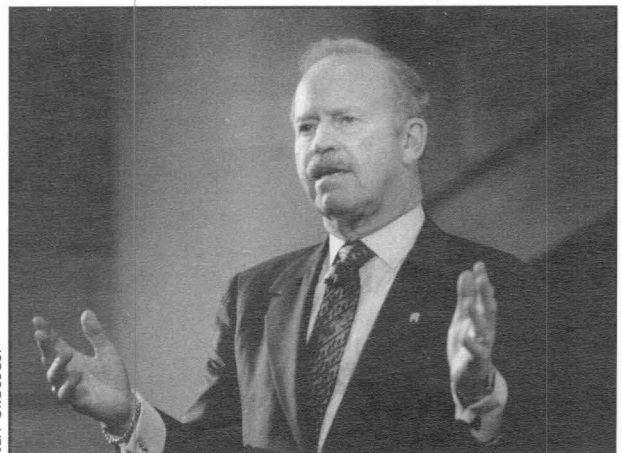
Foresees a century of quality

When eight-year-old Joseph Juran came to the United States as an immigrant in 1912, there was no quality crisis. Juran jokes that there were no power failures, and no appliance failures in the tarpaper shack in which he lived in Minneapolis.

The 70-year veteran of quality management, who graduated from the University of Minnesota in 1924 with a BS in electrical engineering, maintains that the quality crisis is partly a result of advances in technology. We now live behind "quality dikes" that help maintain the benefits of industrialization, he says.

Recognized as the leading world authority on how to manage for quality, Juran pinpointed three strategies which have been used to improve quality. The first is improving product quality through *quality planning*.

Quality experts Phil Crosby (below) and Joseph Juran (above) were the first two speakers in the Cargill Quality Management Lecture Series at the Carlson School.



JEFF GROSSCUP



The second is *quality improvement*, which is oriented to reducing costs and waste. "About a third of what we do in this country consists of redoing what we did before," says Juran. In the past, this waste was passed on to the consumer in the form of higher prices, but Juran insists that increased competition should be considered an opportunity for quality improvement.

The third quality management strategy is *quality control process*, in which Juran asserts that the U.S. gets a passing grade, unlike its planning or improvement processes.

Amid the failed quality initiatives of the 1980s, Juran claims that there have been stunning successes from which we can identify success factors. "For one thing, in successful initiatives, the upper managers took charge of quality."

Another success factor in quality management is a revolutionary rate of improvement. Contrary to some opinions, the quality of American goods has increased at a slow, or "pedestrian" rate. Juran emphasizes, "There is no way for anybody to have quality leadership unless their rate of improvement matches that of their most aggressive competitor."

Participation of the workforce in the planning stage of quality management is another important factor. Juran reasons that the skills, creativity, and experience of the workplace should be utilized as an asset.

Juran sees the future trend as one of "scaling up." Suppliers and academia will feel the pressure from firms in their push toward quality. Results from successful quality programs will change attitudes. "They are willing to listen

to their peers. The Baldrige Award has been a wonderful stimulus in raising the visibility of the results."

This century might well be remembered as one of productivity, and Juran foresees the next as "the century of quality." He predicts that changes in quality management and sharing success factors will pay off. "In the next century, we will see the words 'Made in the USA' again become a symbol of world-class quality."

(by Tamra Schmalenberger)

Comparable worth law has unexpected side effects

"When you create a new technology, things may get out of control," says Ross Azevedo, industrial relations professor. In this case, he is talking about the "technology" of implementing comparable worth—the requirement under the Minnesota Local Government Pay Equity Act of 1984 that governmental bodies eliminate gender-related pay inequities among their employees.

The original intent of comparable worth was to have jurisdictions establish the monetary value of jobs on the basis of their content—skill, effort, responsibility and working conditions—rather than relying on labor market rates which have been demonstrated to be biased against women. The idea was to have these communities organize their wage rates and salaries according to a single pay or regression line, which would reflect the increasing relative worth of jobs at ever higher levels in the organization.

However, comparable worth is inappropriately "driving a lot of personnel practice," he says. "Everyone thought this law would come in and do what it was supposed to do and that would be it. No one expected that so much of human resources would get shaped by this program."

Compliance with comparable worth is influencing promotion and hiring decisions and is being used as a bargaining tool by unions and management alike. Individual employees are also buying the Department of Employee Relations' (DOER) computer software that assesses compliance, running the data themselves, coming up with their own assessments, and complaining that their pay rates are below comparable worth standards.

These things aren't necessarily bad, but they can be. They can backfire, as in the case of the Fridley Police Department, where a woman was not selected for promotion because her current status at that time helped the city maintain compliance with the comparable worth statute. Promoting her would have jeopardized the entire city's compliance.

In Azevedo's view, a lot of the problems stem from a change in the process for evaluating compliance. Originally, DOER required that every job be plotted on a single-line chart when comparing male-dominated and female-dominated jobs in an organization. Now, using what is called the "windows approach," DOER requires that jobs be grouped into smaller categories before comparing them. There were hopes that this would spread out the cost of bringing organizations into com-

pliance by allowing pockets of inequity to be cleaned up in smaller pieces.

"That was the idea," says Azevedo. "In fact, what has happened is that the windows sometimes create distortions in the picture that make eliminating pay inequities, as well as the entire personnel process, more complicated. Changes in one job class can have unforeseen repercussions across the whole system."

Among other criteria, the windows are to be centered on individual job classes, and must include at least 20 percent of the range of job evaluation ratings in a jurisdiction. Compliance is determined by whether the percentage of female-dominated job classes paid below predicted pay is more than 80 percent of the percentage of male-dominated classes paid below predicted pay. Thus, for instance, if a woman is promoted from accountant to finance officer, it may change the gender balance within the accountant class, the financial officer class, and the entire jurisdiction, and throw it out of compliance.

The complicated process can be used to "play games" in the bargaining process, says Azevedo. Again, taking an example from one jurisdiction, if you look at a job class such as operating engineers under the original approach, they are underpaid relative to other, comparable jobs in the organization. If you look at these same operating engineers under the windows approach, they are overpaid. Theoretically, the windows approach should take precedence under the change in the regulations, but "people will use whatever they can in bargaining."

"No one anticipated these problems, and we still don't know how to deal with them," says Azevedo. "Because of a reluctance to change the system one more time, many people are still saying 'We'll study it.'"

(by Yvonne Pearson)

New teaching tool brings excitement to accounting

In the 1980s the undergraduate curriculum included two courses that were disliked by students and faculty alike. In 1990, a new course replaced the two and offered hope that financial reporting could be an exciting topic to study and to teach.

That hope was realized in Professor John Dickhaut's class fall quarter when he unveiled an innovative teaching tool: a fully computerized return assets market. By giving students a chance to participate in market trading, he did more than teach them how a market functions and how accounting information relates to markets. He also proved that topics like stock dividends and cash dividends don't have to be dull.

"By relating accounting back to the real world of stock market data, you give students tangible examples that make the course more interesting," he said.

The market project also allowed Dickhaut to discuss more advanced topics with his classes. Students first learned how a market functions and then were given data on the New York Stock Exchange. Class discussions on market rationality, price bubbles and arbitrage soon followed.

"Using the market as an illustration, I felt comfortable asking questions about the relationship between market rationality and accounting numbers. This topic is rarely discussed until at least the second year of an MBA," said Dickhaut.

Dickhaut's computer-run market allowed students to buy and sell stock from 20 on-campus terminals or from remote locations. During trading season, the market was available 24 hours a day.

After traders logged into the program, they had access to information about their personal portfolios and about outstanding offers to buy or sell shares. A help function containing all of the market commands and instructions on their use was available on-line.

The students entered their transactions directly into the computer and the trades registered immediately. If a trader tried to sell more shares than he or she owned, or tried to buy more than he or she could afford, the computer would reject the trade.

Dickhaut was able to introduce his students to preliminary notions of statistics—mean, standard deviation and moving average, for example—when he analyzed market trends. Each week he handed out graphs that showed the previous week's market activity.

Because the market's asset prices were tied to the stock exchange, Dickhaut also brought UPI news wire reports about the businesses to class. This encouraged students to search on their own for more information. Many students who had never studied accounting before learned to look for dividends and earnings reports and to read the WSJ index.

(by Karen Potter)



CAMPUS NEWS

News from throughout the Carlson School to keep you up to date on student activities and program developments

Carlson School alumnae stress importance of preparing students for a diverse workplace

The Carlson School needs to emphasize diversity in its curriculum to better prepare graduates to work in a diverse workplace, according to alumnae who participated in a discussion that also included faculty, staff and students. They met in January to talk about their experiences at the Carlson School and as business professionals. Dean David Kidwell and Associate Dean Randi Yoder led the discussion.

The women spoke highly of the Carlson School overall. They praised the school for teaching them to think strategically, for developing their technical and quantitative skills and for helping them improve as leaders.

However, everyone agreed that all Carlson School students—both men and women—need to understand diversity issues more fully. For example, several women said sexual harassment is a topic everyone should learn about because “it’s not just a female issue.”

Others went on to say that because the workplace will become more diverse throughout the next decade, Carlson School students should learn to manage, supervise and work with people

who are different from themselves. “Understanding diversity is imperative,” stressed an alumna. “It’s necessary for finance and operations management; it’s not just for human resources.”

But the school should do more than just teach diversity, the group agreed; it should practice diversity itself by making women more visible throughout the school.

“Are you proud of your female graduates? How do you show it?” asked Elizabeth Abraham, ’81 MBA. “I would like to see more of my peers involved in decision-making groups. Use

females as examples when publishing success stories,” she said.

Seeing successful women will benefit men as well as women. “Men need to see women role models, too,” said Assistant Professor Jane Saly. “They will need to deal with women as equals on the job and must learn that women can be successful and capable.”

“We are very interested in knowing more about the career paths of all our alumni, and I have been particularly interested in what our alumnae are doing,” responded Yoder. “I want to find ways to involve all alumni in the classroom, as student mentors and on advisory boards and commit-



PHOTOS BY JEFF GROSSCUP

Some of the women who participated in a discussion last January on how the Carlson School can better prepare women for the workplace were (top to bottom) Diane Emerson, '83 MBA, director of Marketing at H.B. Fuller Co.; Terry Barreiro, '82 MBA, senior finance director at United Way of Minneapolis; and Maureen Steinwall, '75 BBA, '81 MBA, president of Steinwall Inc.

tees. We want to be certain that we offer students female as well as male models of success.”

Nationally, there has been a drop in the number of women enrolling in business programs, and Kidwell and Yoder hope discussions like this one will help them combat this trend.

Seventy-five alumnae who graduated prior to 1986 and now hold senior-level positions or own their own companies were invited to participate in this discussion. They were among the 1,700 alumnae who responded to the alumni survey that was conducted last year.

(by Karen Potter)

Undergraduate mentoring program matches 80 students with mentors

Learning about management took on a new dimension last year for 80 undergraduate students who were paired with alumni and other business executives through the new Undergraduate Mentorship Program. These students were matched with CEOs of member companies of the Council of Growing Companies, with executives who are members of the Undergraduate Advisory Board, and with volunteers from the Carlson School Alumni Career Network.

Students met at least twice each quarter with their mentors, and were encouraged to participate in other school activities together. For example, special receptions were held for all student and mentor pairs during Business Day and before the Cargill Quality Management Lectures held this year (see page 15).

Tara LaGrander, a freshman in the school's Preferred Admission Program, was matched with Susan Landa, senior financial analyst for General Mills Inc. They both feel that the program has been very valuable.

"I am learning a lot from this experience," said LaGrander. "Susan is able to explain the pros and cons of taking different courses, or of working in different jobs because she's been through them herself."

Landa, '87 BSB, is a volunteer on the Alumni Council Career Advisory Committee and helped plan the mentorship program. "The main reason I got involved was that I saw an excellent opportunity for the Carlson School to interact with the business community," she said.

In their meetings last year, LaGrander and Landa discussed LaGrander's class schedule and worked on her resume together. They have also met for dinner, toured General Mills, and attended Business Day together.

The Alumni Council has long been interested in mentoring students and was looking for a way to help them prepare early for their careers by exposing them to various areas of business and giving them the chance to become more polished professionally. Gerald Rinehart, director of Undergraduate Studies, helped bring the Alumni Council together with the Council of Growing Companies, which had already been mentoring Alpha Kappa Psi scholarship recipients, to create a broad program that would be available to many more undergraduate students.

"For undergraduates to find out about careers and how to prepare for them puts them ahead of the game," said Landa. "It's difficult to go into your senior year and have to make decisions about what company to interview with when you don't know what to look for or what kind of career opportunities are open to you."

Participating in the program offers benefits to the mentors as well as the students. In addition to



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satisfying their altruistic instincts, mentoring helps executives keep a finger on the pulse of education at the Carlson School.

"These students are my future competition," Landa explained. "It's important for me to keep up with the kinds of skills they are learning so that I can make sure I am staying competitive in the job market. It's not wise to watch only the people who are above you."

(by Karen Potter)

Susan Landa, '87 BSB, senior financial analyst for General Mills Inc., is freshman Tara LaGrander's mentor under the Undergraduate Mentoring Program which started last winter. Landa and LaGrander are shown at General Mills working on LaGrander's resume.

Alumni who are interested in becoming a mentor to undergraduate students are encouraged to contact Jerry Rinehart, director of Undergraduate Studies, at 612-624-2542. Rinehart would like to be able to offer mentorships to as many students as want them, and many volunteers are still needed.



Mellon Foundation awards Carlson School \$344,000 to develop MBA program in Poland

Twelve or more Polish faculty members begin arriving this fall to work with Carlson School faculty in developing a comprehensive Western-style MBA program at the Warsaw School of Economics (WSE) in Poland. WSE faculty will attend Carlson School courses and work with faculty peers to develop first-year MBA courses and observe business practices this fall before teaching their first semester of a completely new program in spring 1994. Twelve Carlson School and Humphrey Institute faculty will go to WSE to help implement the new MBA program. An executive education component is also included.

The program is made possible by a \$344,000, two-year grant from the Andrew W. Mellon Foundation. The program was prepared by the Carlson School's Office of International Program Development, led by Industrial Relations Professor Mahmood Zaidi.

The grant supplements a broader \$1.4 million USAID-funded Management Training and Economics Education Project in Poland to revitalize the Warsaw School as an institution. Since 1991, the Carlson School has been intricately involved in this massive effort, which was led by the Humphrey Institute of Public Affairs at the University of Minnesota. Numerous faculty members have been sent to Poland to

work on this project. Polish faculty and administrators have also been visiting the Carlson School.

Poland's rapid transition to a market economy has created a society-wide need for qualified managers knowledgeable in open economies, and for a university that can produce such managers. The goal of this project is to "train the trainers" by providing an introduction to management and market economics and help implement a new curriculum.

Formerly the Central School of Planning and Statistics, WSE is an 80-year-old institution and, with 850 faculty and 11,100 students, the largest economics and business school in Poland. It has supplied a large number of ministers in the post-communist government, including the Minister of Finance and the Deputy Prime Minister.

Part of the work under the USAID grant was geared towards revising the organizational structure of WSE, converting it into a sensibly organized, modern institution with a fully developed College of Managerial Sciences. Key faculty have been appointed as deans of five new colleges, who in turn have met with their American counterparts here at the University of Minnesota. Also, with the help of Carlson School faculty visiting Poland, the U.S. Consortium delivered 23 academic training courses for over 1,700 faculty and students, and 32 applied management seminars for nearly 900 managers, entrepreneurs, farmers and government officials.

With the help of the Mellon Foundation, the Carlson School will now be able to complete the

task of establishing a formal MBA program at WSE. Many of the courses being prepared will be geared toward the Polish economy and will use Polish case studies. They include marketing strategy, financial accounting, operations management, quality management, decision sciences and MIS, human resources management and international management.

(by Josh Kohnstamm)

Carlson School students team with social service agencies to make a difference in their communities

Carlson School undergraduate and master's students volunteered for several new community service activities this year and have laid the groundwork for ongoing relationships that will provide broad-based benefits to local residents of all ages.



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Amy Tebbe, '93 BSB, organized a volunteer partnership between the University Good Samaritan Nursing Home and Carlson School undergraduate students. She is shown here with Mary Stokes, a resident of the nursing home.

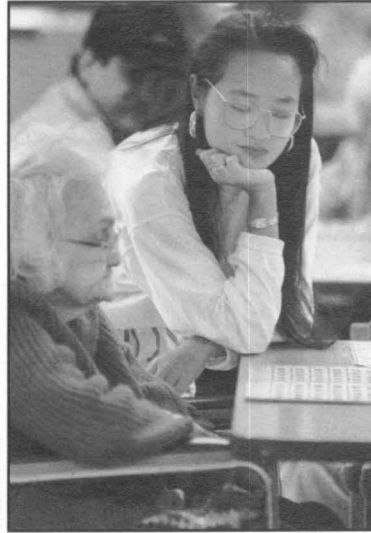
Expanding services to the elderly

Amy Tebbe, '93 BSB, is proof that one person can make a difference in the world. Tebbe was the driving force behind a new community service program between the University Good Samaritan Nursing Home and undergraduate students that began this year.

Many Carlson School student organizations participate in community service projects, but this is the first time that an effort has been made to establish a long-term relationship between the school and a community service agency. Tebbe worked with Good Samaritan Volunteer Services Coordinator, Linda Gilles, to develop a volunteer program that will provide a significant number of student volunteers to the home on an ongoing basis.

Almost 50 students volunteered in the program last year, either working one-on-one with a resident or serving as a recreational activities assistant. Activities assistants help out with planned activities such as Bingo Night, or help when residents, some of whom are wheelchair-bound, need to go out. Each volunteer receives a calendar of events and chooses which activities they will help with.

The large number of volunteers has made it possible to expand the services offered to Good Samaritan residents. "The nursing home has never had this many volunteers all in one shot," said Tebbe. "We're not limited in what we can offer, as volunteers have been in the past."



JIM BARBOUR

Hau Phan, '93 BSB, volunteered at Good Samaritan Nursing Home during activity nights. Here she is helping resident Emma Borgen play Bingo.

Tebbe got the idea for the Good Samaritan Program during winter break when she volunteered at the home on Christmas Day. "A good volunteer experience can really change a person's life," Tebbe said. "Many people don't always see volunteering as a positive experience and I wanted to change that."

The program is expected to be continued this coming year and will be supported by the Undergraduate Business Board.

Teaching business basics to elementary schoolchildren

Another new partnership that began this year is between Carlson School MBA students and Junior Achievement, organized through the efforts of Mike Prisby, '93 MBA. Ten students served this year as Junior Achievement "con-

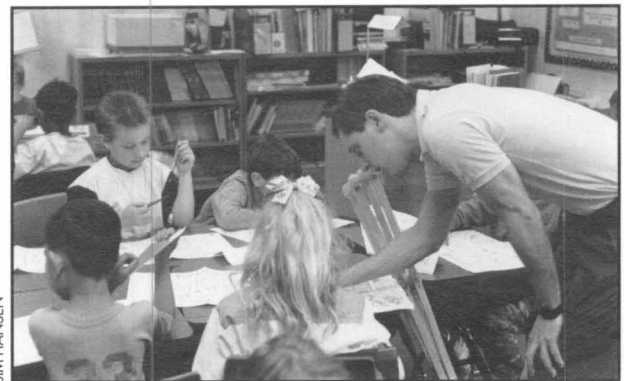
sultants" in area elementary schools. Junior Achievement is a not-for-profit organization funded by over 100,000 businesses, foundations and individuals. The mission of the classroom initiative is to show elementary schoolchildren the relevance of education to the workplace, and to introduce them to business basics.

The school's relationship with Junior Achievement will continue as a project of the MBA Association's Community Affairs Committee. Committee chairs for 1993-94 are second-year MBA students John Livingston and Sarah Lund.

Helping senior citizens get ready for winter

Another project organized through the MBA Association's Community Affairs Committee was the school's participation in the Fall Clean-Up, a citywide community service activity sponsored by the Minnesota Society of Certified Public Accountants. Fifty MBA students worked on nine teams one Saturday morning in October helping senior citizens with raking, washing windows, cleaning gutters and other fall clean-up chores.

Mike Prisby, '93 MBA, organized a volunteer partnership between the Junior Achievement Program and Carlson School MBA students. Mike, shown here at St. Paul Highwood Hills elementary school, was one of ten students who taught in the program last year.



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Graduating students from around the world prepare to meet the world

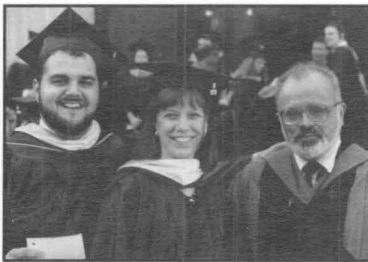
The globe on Northrop Mall built this spring by Minnesota elementary school students provided a fitting backdrop for commencement ceremonies in June, as 750 Carlson School students from around the world celebrated their passage into the professional world, new degrees in hand.

About ten percent of the school's daytime master's students are from outside the U.S. In addition, an increasing number of exchange and study-abroad relationships, at all degree levels, means that Carlson School students are exposed to a world of ideas in and out of the classroom.

Commencement speaker Robert Buuck, '70 BSB, '72 MBA, spoke about the universal

Graduating MAIR students James Argeros and Kathleen Adelman celebrate the day with Industrial Relations Professor James Scoville.

The families of MBA students Egil Sundheim, from Norway, and Mika Sato and Hirofumi Hiyama, from Japan, traveled to Minnesota for this year's commencement ceremonies.



JIM BARBOUR



JIM BARBOUR

theme of leadership and the importance of leadership skills in today's rapidly changing world. Buuck, who joined the Carlson School Board of Overseers this year, is co-founder of American Medical Systems and partner, Medical Innovation Partners.

Student awards: The following awards were presented during commencement ceremonies:

Undergraduate Awards

Pillsbury Scholastic Achievement Award
Matthew Meyer, Jr.

3M Marketing Leadership Award
Julie Ann Brown Gardner

Wall Street Journal Award
James Majkozak

Alpha Kappa Psi Scholarship Medal

Mariano Espada, Thomas Pitra

Alpha Kappa Psi Tablet
Michael Gondek, Alan Hayes,
Kieu Hong, Perri Miller

Business Association of Minorities Outstanding Achievement Award
Kieu Hong

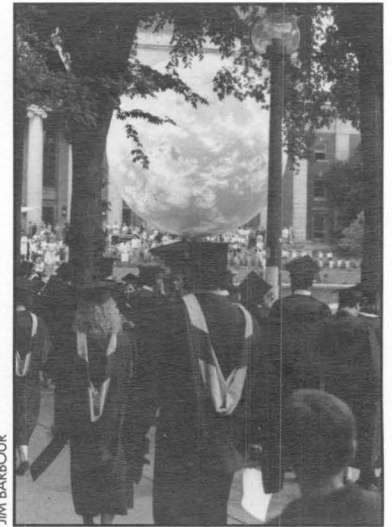
Delta Sigma Pi Scholarship Key
Mariano Espada

Tomato Can Loving Cup Award
Dan Smith

MBA Awards

Wall Street Journal Award
Dennis Weaver

MBA Field Project Team-of-the-Year Award
Michael Latz, Hai Nguyen,
Melanie Schneider, Monet Wong;
for a project for Cascade Medical, Inc.; the advisor was Professor William Rudelius



JIM BARBOUR

Graduating students on Northrop Mall, with the globe built as part of IT's "Build a World" project in the background.

Carlson Executive MBA students travel to Budapest

The Carlson Executive MBA (CEMBA) Program second-year students traveled to Budapest, Hungary, in April for the program's first international residency, as part of the "International Business" course in the final quarter of the program.

CEMBA is an MBA program for professionals with at least eight years of experience. It meets Fridays and Saturdays, on alternating weekends, for two years.

The international residency was designed to provide a first-hand look at how business is conducted in international contexts. Students explored opportunities for American business in Eastern

Europe, and they experienced a new culture in a charming European city.

"We arranged visits with a variety of organizations and had discussions with business and government leaders," said Kathryn Carlson, associate director of CEMBA. "We wanted to give students exposure to a wide variety of organizations and to the inner workings of a country in transition to a market economy." The group visited the Hungarian National Bank, the Hungarian Stock Exchange, the Budapest University of Economic Sciences, the Danube Steel Mill, WESTEL (the joint venture with U S WEST and the Hungarian Telephone Company), the Budapest Children's Hospital, the Suzuki plant in Estergom, the Kesztohc Agricultural Cooperative and the Goetz Doll Factory.

Before leaving, the students prepared and sent questions and topics for discussion to organizational and government leaders. Topics covered included the structure of the banking system, fiscal convertibility, credit policies, the education system and its philosophy, labor policies, privatization, joint ventures between cultures, marketing strategies, technology transfer, financing, the reorganization of the health care system, the government's role in food production, distribution, total quality management and competition.

For Dan Whitlock, '93 CEMBA, a physician and the medical director at Minneapolis Children's Hospital, the trip "was a superbly integrative learning experience. It was intriguing to witness the efforts needed to

tackle some of the problems brought about by communism. I certainly developed an empathy with the Hungarian people through this exposure to their rich history and deep faith."

Jack Scheetz, senior consultant at IBM Corporation, echoed those thoughts and added, "The diversity of businesses we visited provided a perfect balance for understanding the cultural, political and economic forces affecting companies in the rapidly changing Central European marketplace."

The 1994 CEMBA international residency will again be held in Budapest.

MBA refresher program to be offered

The Carlson School Executive Development Center is launching a new "MBA refresher" program this fall designed exclusively for people who hold an MBA degree and have several years of business experience. Called The Advantage Program, the two-part course will provide participants with an intense, substantive update, covering critical business topics that have emerged in the past few years and that are having an impact on the future success of businesses.

The course will also strengthen students' strategic management skills with the aid of a computer simulation of a multidivisional, global company. Participants will use the model to confront issues of leadership, coordination, team conflict, communication and

strategic decision-making as they would occur in a real-world situation.

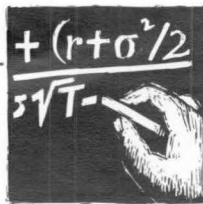
The functional areas of strategy, finance, marketing and operations will be covered in the program, as will topics such as international business, leadership, ethics and change management. The Advantage Program features top faculty from the Carlson School.

Module One of the program runs November 11-13, 1993; Module Two is December 9-11. A \$2,200 registration fee covers tuition, course materials and meals.

For more information, call the Executive Development Center at 612-624-2545.

Career Services Center is new name of placement office

The Career Planning and Placement Office has changed its name to the **Career Services Center** to reflect its broader mission of assisting students in preparing for their careers, and its mission of service to employers. "With today's tight job market, we have increased our assistance to students in helping them plan and prepare for their careers and for the job search," commented Career Services Director Jan Windmeier. "At the same time, employers are trying to cut the cost of traveling to campuses to recruit, and we are developing new ways to help them. Changing the name of our office reflects the new realities of the job market."



FACULTY NEWS

Highlights of faculty awards, promotions, and other activities are presented here for your information

New faculty

Fred Davis will join the Department of Information and Decision Sciences as an associate professor with tenure. He is currently on the faculty at the University of Michigan.

Also coming from the University of Michigan is **Erhard Bruderer**, who has accepted a position as assistant professor in Strategic Management and Organization. He is currently working on doctoral studies in corporate strategy.

Abbas Kurawarwala is joining the Department of Operations and Management Science as an assistant professor, coming from the University of Texas at Austin, where he is a post-doctoral fellow in the Manufacturing Systems Center.

Also joining Operations and Management Science as a visiting professor is **Valery Fedorov**, who has been visiting professor in the Department of Applied Statistics at the University of Minnesota and was previously at the Academy of Sciences in Moscow.

Promotion and tenure

The following faculty promotion and tenure decisions were approved this spring:

Cheri Ostroff, Industrial Relations, to associate professor with tenure.

Michael Keane, Industrial Relations, to associate professor with tenure.

Kevin McCabe, Accounting, granted tenure in rank.

Michael Taaffe, Operations and Management Science, granted tenure in rank.

Mary Nichols, Strategic Management and Organization, to full professor.

Philip Bromiley, Strategic Management and Organization, to full professor.

Deborah Roedder John, Marketing, to full professor.

Terry Childers, Marketing, to full professor.

Gerardine DeSanctis, Information and Decision Sciences, to full professor.

Dennis Ahlburg, Industrial Relations, to full professor.

Avner Ben-Ner, Industrial Relations, to full professor.

Ravi Jagannathan, Finance, to full professor.

Teaching awards

This year's recipients of teaching awards are:

For excellence in undergraduate teaching

Rajiv Banker
Donald Bartlett
Akshay Rao
William Rudelius
Ray Willis

For excellence in MBA teaching

Norman Bowie
Laurent Jacque
Inder Khosla
Salvatore March
Robert Schmidt

The Herbie Award for teaching excellence in Industrial Relations

Brian McCall

The Green Eyeshade Award for teaching excellence in Accounting

Jack Hughes

The Curtis Cup Award for outstanding teaching and service in the Carlson Executive MBA program

Norman Bowie
Arijit Mukherji

New appointments

Professor **Christopher Nachtsheim** was named chair of the Department of Operations and Management Science.

Professor **Roger Schroeder** was named director of the Quality Management Leadership Center.

Andrew Van de Ven named to endowed chair in organizational innovation and change

Professor Andrew Van de Ven, national expert on innovation, has been appointed to the recently created Vernon H. Heath Endowed Chair of Organizational Innovation and Change. This chair,



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Professor Andrew Van de Ven

Inc., a subsidiary of Emerson Electric Company (see page 31 for a profile of Vern Heath.)

Van de Ven, professor of Strategic Management and Organization, has been director of the Minnesota Innovation Research Program, a 13-year study of 14 different technological, product, process and administrative innovations in both the public and private sectors. The focus of the study, carried out by 15 professors

which is the only one of its kind at U.S. business schools, was named to honor the co-founder, chairman and former CEO of Rosemount,

and 19 doctoral students, was the role of entrepreneurs inside major organizations.

Research on the Management of Innovation: The Minnesota Studies (Harper & Row), published in 1989, which Van de Ven co-authored, is widely read among innovation professionals and received an Honorable Mention by the American Association of Publishers and the Academy of Management.

The mission of the Vernon Heath Chair is to enhance the development of new knowledge regarding organizational innovation and change, and to provide leadership to the Carlson School in sustaining a program of research, teaching and service activities in the management of innovation and change. It brings the number of endowed faculty positions at the Carlson School to 24. The Carlson School ranks third in the number of endowed faculty positions among U.S. public business schools.

International Insurance Expert C. Arthur Williams, Jr., honored

Carlson School Professor C. Arthur Williams, Jr., who retired this year, was honored at a reception as one of the country's foremost leaders in the insurance field and a pioneer in developing many of the basic concepts that have shaped today's insurance industry.

Through his scholarship, Professor Williams established a reputation as one of the country's leading experts on insurance rate

making and regulation, worker's compensation and social insurance. His major contributions to insurance theory and practice include texts on employee benefits, insurance and risk management. He is the author of seven textbooks, all but one of which have been revised at least twice. His most notable textbook is *Risk Management and Insurance*, first published in 1964. The sixth edition was published in 1989.

Professor Williams is also well known among insurance practitioners for his consulting work at the state, national and international levels.

Professor Williams joined the University of Minnesota in 1952 as assistant professor of economics and insurance. He became a full professor in 1958. He served as acting dean in 1970-71, associate dean in 1971-72 and dean, 1972-78.

Speaking at the reception honoring Professor Williams were Edwin Overman, president emeritus of the American Institute of CPCUs; Mario Bognanno, professor and director of the Industrial Relations Center; and Michael Houston, professor and Carlson School associate dean of Faculty. Other academic and insurance industry representatives also paid tribute to Professor Williams.

Also at the reception, it was announced that the Minnesota Insurance Industry Chair would be renamed in honor of Professor Williams, to the C. Arthur Williams, Jr., Insurance Industry Chair. Professor Williams was named to the Minnesota Insurance Industry Chair in 1980. The chair is endowed through the contribu-



JIM HANSEN

At his retirement ceremony, Arthur Williams (center) talked to Carmen Ellingson, executive director of the Minnesota Chapter of CPCUs; and to Edwin Overman, president emeritus of the American Institute of CPCUs.

tions of The Saint Paul Companies, Lutheran Brotherhood, Minnesota Mutual Life, Northwestern National Life, J.W. Crowther and MSI Insurance.

George Benson leaves to take deanship

Professor P. George Benson left the Carlson School in July to accept the position of Dean of the



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Professor P. George Benson

Faculty of Management at the Newark Campus of Rutgers, The State University of New Jersey. He is responsible for the Graduate School of Management and the School of Management-Newark, a new upper-level undergraduate business unit. Professor Benson had been on the faculty at the Carlson School since 1977. We wish him the best of luck in his new position.

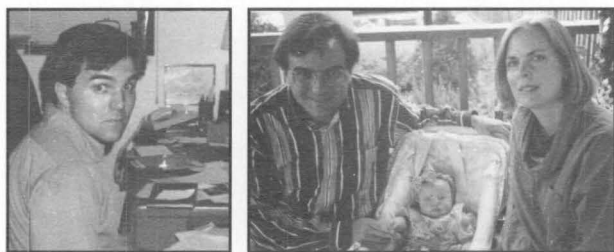


ALUMNI NEWS

From the Alumni Council chair

by Dan Marcotte

As many of us return from summer vacations and the new 1993-94 class anticipates entering the Carlson School for the fall quar-



"Then and Now"—Dan Marcotte, '86 MBA

Dan Marcotte, pictured "then" as a harried graduate student, and "now" in a relaxed moment with wife Julie and daughter Marielle, earned his MBA in the day program, concentrating in finance. Before entering the U, Dan had worked selling personal computers (none of the hardware manufacturers or software has survived!), and part time with the CPA Coaching Series at the University of Minnesota.

After graduating, Dan joined the consulting staff at Peat Marwick and worked on a variety of financial management projects. He then joined Financial Planning and Analysis at Dayton Hudson Department Stores, where he worked on business planning and forecasting, major capital projects (including the acquisition of Marshall Fields) and other projects. After a brief stint in the recorded entertainment business, Dan joined Dain Bosworth as manager of Treasury Operations. Most recently, he has accepted a position with the Dain Bosworth Fixed Income Group as vice president/Research and Marketing manager.

Dan joined the Carlson School Alumni Council in 1988 as a volunteer for the Student Recruitment Committee. In 1991, while serving as co-chair with Jim Westerman, '89 MBA, the committee received the "Program Extraordinaire" award from the U of M Alumni Association. Dan is now entering the second of a two-year term as chair of the Carlson School Alumni Council.

ter, it seems appropriate for the Alumni Council to take stock and tell you about some of our recent developments and changes.

Foremost, we've noticed how quickly years go by and how our University years stand out for so many of us as a momentary stay against the frenetic activity of everyday working and living. While the rest of our lives have their watershed years, none perhaps seem as formative and deeply rooted as those we spent at the Carlson School.

Meeting new people and earning a degree at a top-ranked university is one of our great sources of pride and accomplishment. The Carlson degree signalled that we were on our way in the world, had achieved a worthy goal, and had made associations with many memorable people.

University years for most of us stand out as special—and rightfully so. And as the Carlson School's fortunes rise along with our own, we often find ourselves looking into the past as well as the future. The guy in the back row in the 1980s who was adamant about leveraged buyouts and pushed the professor into a spirited exchange—whatever happened to him? The woman executive who first brought up the term "glass ceiling," a term you may have never heard before, where is she now?

Where are you now?

As you can see from our "then and now" pictures, we've come a long way since our University days, but, of course, it is impossible to forget them—and they

become especially meaningful when you keep in touch with the school. You're invited to do exactly that by sending us your class notes. Tell us about yourself, your career and your family. Also, include a photo of yourself from your Carlson School days and one as you are now, and all of us will enjoy seeing each other again. Use the business reply envelope provided, or use one of your own and enclose a return envelope so that we may return your photos to you.

One of the Council's primary goals is to keep our ties strong, not only in the service of nostalgia, but also as a way of developing new opportunities for meeting people and exchanging ideas.

That's just like the good old days—but with a twist. Today we're determined to do even more than ever to promote the school by reestablishing our common ground and working toward the future.

And the future looks more promising than ever. The Carlson School has completed its strategic plan and we'll do one of our own to match it so that we work in concert to help the nation realize how deserving our school is of moving up—way up—in the national rankings. Dave Jones, '61 BSB, '70 MBA and Alumni Council vice-chair, will be leading this effort.

We've already begun this process through our efforts at providing mentorship and placement opportunities for new graduates, successfully promoting the "First Tuesday" series of luncheons fea-

turing prominent local business people, and planning a nationally prominent speaker series.

You're invited to be part of our efforts. The Council is just getting under way on our strategic plan, and we're looking for input from past members and also from any alumni who would like to contribute their ideas about how the Council can better serve them.

Better yet, join the Alumni Council! If you are interested in volunteering to serve on Council committees such as Career Advisory, Alumni Programs, Annual Fund, Annual Event, Student Recruitment, or the International Forum, please contact Cheryl at 612-625-1556.

Last but certainly not least, a big thanks to all 1992-93 Council members listed on this page for their contributions!

1992-93 Alumni Council members and volunteers

Thank you to the following members of the Alumni Council who served during the last year.

- Dan Marcotte, '86 MBA, chair
 C. David Jones, '61 BSB, '70 MBA, vice chair
 Bill Poppert, '86 MBA, Fiscal Officer
 Elizabeth Abraham, '81 MBA, member
 John Bergstrom, '85 MBA, University of Minnesota Alumni Association National Board Representative
 Greg Erickson, '82 BSB, co-chair, Alumni Programs Committee
 Barbara Langmack, '91 MBA, co-chair, Alumni Programs Committee
 Melissa Lindholm, '90 MBA, co-chair, Career Advisory Committee
 Karen McLaughlin, '90 MBA, co-chair, Student Recruitment Committee
 Alex Piper, '91 MBA, co-chair, Student Recruitment Committee
 Bob Osgood, '86 MBA, co-chair, Alumni Annual Event Committee
 Carol Rossman, '90 MBA, co-chair, Alumni Annual Event Committee
 Larry Schoenfeld, '90 MBA, co-chair, Annual Fund Committee
 Bill Seefert, '89 MBA, chair, Communications/Marketing Committee
 Mike Sorensen, '81 BSB, co-chair, Career Advisory Committee
 Kim Swanson, '90 CEMBA, CEMBA representative



"Then and Now" —C. David Jones, CPC, '61 BSB, '70 MBA

Dave Jones, vice chair of the Carlson School Alumni Council, above, in 1970 and, below, in 1990, earned his MBA in the evening program. When he entered the program he was working for the Kroger Co. as a supermarket manager in St. Paul. While in the MBA program, he also worked as a store supervisor and as advertising manager for both the Minnesota and Wisconsin divisions of Kroger.

After receiving his MBA, Jones became president and general manager of Roth Young Personnel Services, a Twin Cities search firm. In 1986 he joined the Minnesota North Stars hockey team as vice president of Sales and Marketing.

In 1988 Jones joined Personnel Decisions, Inc. (PDI) as a senior consultant in career counseling, career development, organizational development and training. In addition, he is studying for his PhD in Training and Development at the University of Minnesota.

Jones became involved in the Alumni Council in 1985, serving on the Alumni in Small Business Committee. He was appointed to the Alumni Council Executive Committee in 1989 and was elected to Vice Chair in 1992.

Dale Weeks, '72 MBA, chair, International Forum Committee

James Westerman, '89 MBA, member

Colleen Wheeler, '86, co-chair, Annual Fund Committee

Thanks also to the many other alumni committee members and volunteers who contributed their time and talent during the year!



On the town

A lot of networking has been going on among Carlson School alumni, at corporate alumni breakfasts and at the increasingly popular "First Tuesday" alumni luncheons. These **must attend** events are bringing Carlson School alumni together as never before.



JIM BARBOUR



JIM BARBOUR

U S West reception:

1. Prof. Carl Adams; Kathleen Howson, '92 MMI, Staffing mgr.; Jeff Tews, '74 BSB, '90 MBA, mgr., Business & Government Services
2. David Moy, '90 MBA, mgr., Network Technology Services; Arthur Green, '89 MBA, mgr., Network Technical Services; Terri Enrico, '93 MMI, mgr., University Relations



JIM HANSEN



JIM HANSEN



JEFF GROSSCUP



JEFF GROSSCUP



JIM BARBOUR



JIM BARBOUR

Supervalu reception:

3. Sandra Larson, '80 U of MN, mgr., Food Management Infor. System; Dean David Kidwell

Arthur Andersen reception:

4. Pat O'Halloran, '83 MBA, Assoc. Partner, Andersen Consulting

3M reception:

5. Prof. Ken Roering, Drew Davis, Staff V.P., Corp. Marketing and Development Coor.; Chris Boros, '90 MBA, Distributor Development Coor.

6. Robert Manke, '72 BSB, Group Controller; Grant Company, '92 MBA, Advanced Product Accountant; Professors Jane Saly and Glen Berryman

IDS reception:

7. Melissa Cusick, '93 BSB, Accountant
8. Dave Otto, '68 BSB, dir., Life Financial Systems

Meeting you where you work

Alumni breakfast meetings at local corporations are bringing Carlson School alumni out of the woodwork! People who pass each other every day in the hall but never knew they were fellow Carlson School graduates are making the connection through receptions at Arthur Andersen, Super Valu, U S West, 3M and IDS.

Attending these get-togethers from the Carlson School are staff and faculty favorites—Dean David Kidwell, Career Services Director Jan Windmeier, Professors Carl Adams, Glen Berryman, Ken Roering and others. The program typically consists of a welcome by the host company's

CEO, an update on the school by Dean Kidwell and plenty of time for socializing.

More corporate alumni receptions are being planned, so we hope to see you soon where you work. If you'd like to sponsor a breakfast at your organization, please call Cheryl Jones at 612-625-1556.

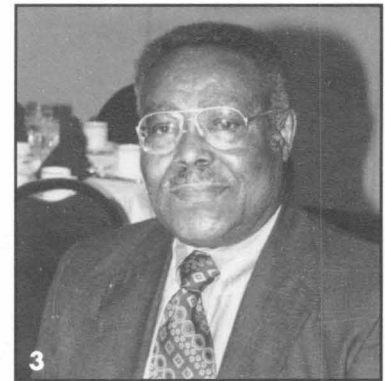
First Tuesday luncheons are *the* place to show your face

More alumni are coming every month to hear featured speakers and have lunch with prominent business leaders and friends at the Carlson School First Tuesday Luncheon Series, sponsored by the Alumni Council.

Hot topics such as Northwest Airlines' possible bankruptcy, the former Minnesota North Stars hockey team, and franchising have been featured. Speakers have included executives Mike Sullivan, CEO of International Dairy Queen; Dorothy Dolphin, chair of the Dolphin Group; Dave Mona, CEO of Mona Meyer McGrath & Gavin; and Paul Combs, senior vice president and director of Research at Dain Bosworth. The February program featured two faculty members whose prophetic insights foretold the progression of events at Northwest Airlines that unfolded this spring and summer.

"First Tuesdays" are held the first Tuesday of every month at the Radisson Hotel Metrodome (in Stadium Village), at 11:30 a.m. The cost is \$15 per person, which includes lunch and parking. Reservations are requested by calling (612) 626-9510.

Hope to see you there!



1. Tom Supel, '69 PhD (CLA), Federal Reserve Bank of Minneapolis; Ken Hallberg, '67 MBA, manager at 3M; Jim Rustad, '72 MBA, manager at Dain Bosworth
2. Suzanne Heimbuch, '81 BSB, manager at Metropolitan Financial Corp; Tom Speltz, '50 BSB
3. Jim Cook, '70 BSB, '80 MBA
4. Kevin Sullivan, '76 BSB, accounting manager, Ernst & Young; Sally Kettle
5. John Flottmeier, '88 BSB, investment analyst, Carlson Investment Group; Brenda Sallstrom, '91 MBA, Carlson Companies



PHOTOS BY LINDA MCDONALD



C L A S S N O T E S

To have your news included in Class Notes, use the form and envelope enclosed in this issue of the *Minnesota Management Review*

'42

Albert Brounstein, BSB, was featured in *Bacchus Newsletter* for having established a vineyard and the Diamond Creek Winery, in the Mayacamas Range above the Napa Valley, in Calif. Brounstein began his career as a pharmaceutical salesman in southern Calif. Later, he formed his own very successful distributorship, flying his own airplane for sales calls, and accumulating 30 employees. He became interested in wines after a course in wine appreciation at UCLA. In 1967 Brounstein purchased 80 acres in Diamond Mountain Canyon, of which he developed 20 acres into three vineyards. He sold the pharmaceutical distributorship in 1970. The reputation of Diamond Creek wines is such that the 1990 Lake Vineyard vintage retailed at \$200 per bottle, and the wines have commanded the top price in two of five recent Napa Auctions.

'47

Lawrence Johnson, BSB, chairs the Corporate, Real Estate and Banking Division of Barna, Guzy, and Steffen, Ltd., at Coon Rapids, Minn. He practices in the areas of real estate and commercial financing transactions.

'48

Professor Roland Salmonson, BSB, '49 MBA, received his PhD in 1956 from the University of Michigan, and later joined the faculty at Michigan State University, reports his brother, **Elwood Salmonson, '58 BSB**. Professor Salmonson had an outstanding career at MSU during which he authored or co-authored 20 textbooks and numerous articles. He was a

1962 recipient of the Elijah Watt Sells Award from the American Institute of CPAs for writing the top examination in the nation. Elwood Salmonson, who lives in Carmel, Calif., says he "never hesitates to tout the U of M in the Golden State."

'53

Clifford Alexander, BSB, retired in January after 20 years as president of Management Compensation Services, a division of Hewitt Associates. He continues to live in Scottsdale, Ariz., after moving the business there in 1974. He enjoys spending time at their vacation home on Sanibel Island, Fla.

'55

Clinton Schroeder, BSB, has stepped down as chairman of Fairview Hospital and Healthcare Services after five years. He is a partner in the law firm of Gray, Plant, Mooty, Mooty, & Bennett, Minneapolis, and is a member of the University's Presidents Club.

'64

Bob Kierlin, MBA, is the founder and president of Fastental Company, Winona, Minn., which owns a chain of bolt-and-screw stores. Kierlin's company was highlighted as one of "the 200 Best Small Companies" in *Forbes* last winter.

'66

Charles Lawrence, BSB, has resigned as assistant vice president for Housing and Food Services at the University to become assistant director of Finance and Administration at the Minnesota Historical Society, St. Paul.

Richard Vogen, BSB, co-founder and president of Vocam Systems, Minneapolis, took part in a panel discussion for a CEMBA/MOT program on "Entrepreneurism in the '90s."

'70

Leonard Bluhm, BSB, '87 MBA, is chief financial officer at Cypress Energy Partners in Okeechobee, Fla.

James Buckingham, BSB, is vice president of Western Sales for Lawson Products, Inc., Des Plaines, Ill.

Bob Buuck, BSB, '72 MBA, was profiled in the business section of the *Star Tribune* in May. He recently retired as chair of American Medical Systems, a company he co-founded; and is now partner, Medical Innovation Partners, in Minneapolis. He took part in a panel discussion for a CEMBA/MOT program on "Entrepreneurism in the '90s." He joined the Carlson School Board of Overseers this year and was the commencement speaker in June.

Michael Tillemans, BSB, became vice president of Tri-State Insurance Company of Minnesota, in Luverne, Minn., in 1991. Previously he worked for 16 years with CIGNA Insurance Co., in Minneapolis. Michael is a Chartered Property and Casualty Underwriter.

'72

Mark Hughes, BSB, is working at National Interrent, in Minneapolis.

Curtis Miller, BSB, is president and CEO of Micromedics, Inc., Eagan, Minn. Founded in 1982, the company manufactures and markets a line of surgical products.

Vernon Heath, '50 BSB

Taking Rosemount to the moon

When Vern Heath contracted polio in 1937, at age eight, his life took a turn for the worse—and, for the better—though it would take years of perseverance before that became evident. Because his physical activities were limited, he focused and excelled in other areas. “If I hadn’t had polio, I’m sure I wouldn’t be where I am today,” Heath says.

Heath is the founder, chairman and retired CEO of Rosemount Inc., one of the world’s largest manufacturers of precision control and measurement instruments, with 10,000 employees worldwide.

Rosemount had its beginnings as an offshoot of the University’s Aeronautical Research Laboratory, in December 1951, where Heath was business manager. Frank Werner, a PhD scientist at the lab, had developed a device for accurately measuring the outside hull temperature, which Heath says was “a very important measurement for improving jet aircraft performance.” The device was so effective that the Air Force encouraged Werner to manufacture it. Werner invited Heath into the business that became Rosemount Inc., “because,” Heath says modestly, “I was the only business person around a lab filled with scientists.”

Heath jumped at the chance to start a business. “It was a dream,” he says, even though it meant working many long hours since both men kept their day jobs at the lab. Heath joined Werner in the moonlighting venture and they set up in a chicken coop that had been converted into apartments. Little did they know that the business they’d hatched would one day be “flying the coop,” its products headed for the moon.

“For five years Rosemount flirted with disaster—and then we got a big boost when the Soviets launched Sputnik and NASA gave us a tremendous amount of business,” Heath recalls. Rosemount’s expertise in developing and manufacturing specialized equipment for the space race culminated in 1969, when Neil Armstrong stepped onto the lunar surface with Rosemount sensors in his spacesuit controlling his crucial life-support systems. “That mission’s success,” Heath says, “was one of Rosemount’s proudest moments.”

To keep Rosemount’s earnings in orbit, the company, under Heath’s guidance, began to veer away from depending so heavily on government contracts. Today, it has 85 percent commercial and industrial sales, ranging from single products to measurement and control systems so sophisticated and complete that a power plant or a refinery, for example, “can be run nearly without human intervention.” Heath also saw Rosemount through its 1976 merger with St. Louis-based Emerson Electric.

Now, after 23 years as chairman and CEO of Rosemount, Heath plans to leave while he’s still at the top of his game. He retired as CEO in 1991, and will soon retire as chairman. But before he does, “the grand old man of China-Rosemount relationships” plans to finish negotiations between Rosemount and China for a joint venture in Shanghai.

Considering his involvements on many profit and non-profit boards, such as the Sister Kenny Institute, the Courage Center, KTCA, United Way and the Carlson School Board of Overseers, he says that “retirement is not any problem.” He has, if anything, “too many interests.”

(by David Pink)

'73

Jeanne Voight, BSB, '81 MBA, was featured in the November-December 1992 issue of *Minnesota*. Voight manages a retail catalog operation specializing in products that stimulate the creative process—software, books, puzzles, games, and tapes—for adults and children. She also develops and conducts creativity workshops for corporations. Voight was previously president of Brokerage Services, a subsidiary of First Bank Systems.

'74

Joseph Lawver, BSB, '82 MAIR, has joined the law firm of Messerli & Kramer, Minneapolis, as a partner in



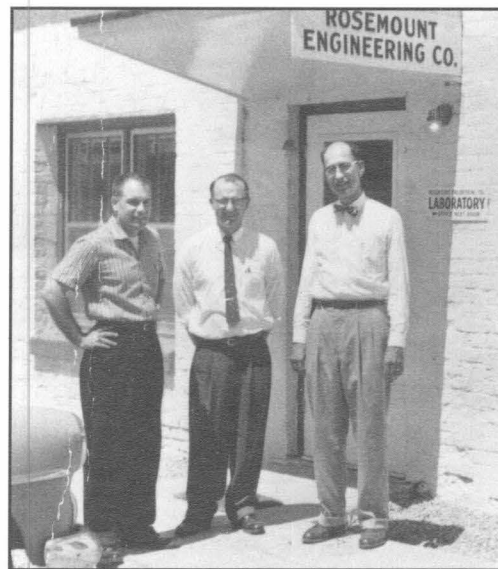
the Business Law Department. Prior to this, Lawver managed the law firm of Lawver & Associates, P.A.

Lawver represents financial institutions and corporations in all aspects of equipment leasing, in secured and unsecured transactions. He was formerly an attorney with the law firm of Robert W. Junghans & Associates, P.A., and a personnel manager for the Barry Blower Division, Marley-Wylain Corporation, and Union Carbide.

'75

Maureen Steinwall, BSB, '81 MBA, president of Steinwall Inc., Minneapolis, took part in a CEMBA/MOT panel discussion of “Entrepreneurism in the '90s.”

Donald Warner, BSB, gave a presentation to the MBA Brown Bag Lunch group in April on his experi-



Rosemount’s founders (left to right) Robert Koppel, vice president; Vernon Heath, secretary/treasurer; and Frank Werner, president; outside the company’s original headquarters—a converted chicken coop (1956 photo).



ence as the founder of the first China Mutual Fund. Warner is chairman of New Era Financial Group, Inc., Wayzata, Minn.

'76

Catherine Hapka, BSB, is vice president of Advanced Communications Services at U S West, Minneapolis. She was named among *Business-Week's* "50 Top Women in Business" last year.

'77

Patricia Cummings, BSB, is a contracts administrator for IBM in Omaha, Neb.

Thomas Peterson, BSB, is a business unit executive at IBM, Minneapolis.



Sally Swanson, BSB, has joined ITT Consumer Financial Corporation, Minneapolis, in the new position of vice president, Portfolio

Acquisitions. Previously, Swanson served as vice president, Group Product Manager at First Bank System.

'78

Edward Lauing, MBA, is president, CEO, and founder of Power Up! Software, based in San Mateo, Calif. He was at the Carlson School last winter when his company was featured in a case that Professor Richard Cardozo developed for his Entrepreneurial Studies class.

Bill Pearson, MBA, is a marketing lecturer at the University of Wisconsin. He was previously senior vice-president of Marketing for TeleWest,

a \$900 million British cable TV and telecoms joint venture between U S West and TCI, based in London.

Steve Wetzell, BSB, has been named executive director of the Business Health Care Action Group, Minneapolis. Wetzell was featured in the *Star Tribune* in March for his role in forming the 14-member coalition of varying industries and corporations dedicated to health care benefits reform. Previous to this, he was vice president for Benefits and Payroll for First Bank System, Minneapolis.

'80

Douglas Dolinsky, BSB, is an administrator at Anoka Good Samaritan Center.

'81

Sandra Sheehan, BSB, was recently promoted to finance manager of Research and Development at Alcon Laboratories in Fort Worth, Texas. She received her MBA from the University of Dallas in 1992.

'82

Jackie Currier, MBA, has been named vice president of corporate strategy at Northern States Power Co., Minneapolis.

Pat McCarthy, BSB, '89 MBA, is a financial analyst with Ecolab, Inc., in St. Paul.

Kevin Cooper, BSB, is marketing manager in the Datamyte Division of Allen-Bradley, in Minnetonka, Minn.

Ann Rest, MBT, was named chair of the Minnesota House Tax Committee. Rest is a DFL representative from New Hope, District 46A.

'83

Sally Schmidt, MBA, was the featured speaker at the New Zealand Law Society's Triennial Conference in Wellington, New Zealand, in March, on "How to Adopt and Implement a Client-Centered Approach to the Delivery of Legal Services." She is the first president of the National Law Firm Marketing Association, and president of Sally Schmidt Consulting, Inc., in Burnsville, Minn.

'84

Greg Anderson, BSB, is a regional manager at the Illinois Credit Union System in Normal, Ill.

Spiros Andronikakis, MBA, writes, "In July 1990, I left Ionian Bank, where I worked as a senior account officer for five years, and joined American Express Bank as a manager in the Corporate Banking Department." Spiros is living in Athens, Greece.

Carol Diesen Hipwell, BSB, is a tax manager with Ernst & Young in London. She became a scuba diving instructor in 1992, and "married Nick Hipwell, a UK national."

Paul Gam, BSB, is senior vice president of U.S. Directives Corporation, Minneapolis. Gam was named chairman of the Executive Committee of the Minnesota World Trade Center's Board of Directors. The youngest member on the World Trade Center Board, Gam is also the first Asian-American to be the head of the important Executive Committee.

Kevin McCarthy, MBA, is a traffic manager at Grist Mill in Lakeville, Minn. He and his wife, Cindee, had a daughter, Caitlyn Joan, in January.

Margaret Porcher, MBA, is director of Information Systems Development for Burlington Northern Railroad, St. Paul.

Harriet Peterson, '87 CEMBA

Bringing popcorn to the former Soviet Union

Harriet Peterson is becoming an American success story in the former Soviet Union (FSU) with Great American Popcorn. "I plan to be the MacDonald's of popcorn there," she says.

One can hardly doubt it. Peterson, who never had a business course until attending the Carlson School, has followed an unusual career path that has taken her from teaching high school, to making airline reservations and running an airline marketing department, and ultimately to joining Radisson as a vice president of Marketing.

She now has her own marketing company, and, among other things, sells popcorn machines and hybrid American popcorn to entrepreneurs in Russia, Ukraine, Georgia and Uzbekistan. She is in negotiations for distributors in the Baltics, in Belarus, Kazakhstan and Mongolia. "Ten years from now Great American Popcorn will be the big name in snack food in the former Soviet Union," she predicts.

Both Peterson and popcorn have been received with enthusiasm in the FSU. "Popcorn was virtually unknown in Russia," says Peterson. "We had to teach them to eat it by the handful, not one kernel at a time." Press coverage has been extensive. "The product was so unique, they even videotaped the kernels popping out of the kettle for the evening news," she says.

As popcorn gains in popularity, Peterson has coped with the inevitable competition by vertically integrating her operation. She planted her first popcorn crop in southern Russia, in May, with assistance from a retired associate dean of Agriculture from the University of Minnesota, Deane Turner. She is now researching harvesting equipment and storage facilities and raising venture capital for a popcorn processing plant.

"In order to stay competitive, we had to find a way to get our popcorn to market at a lower cost than exporting it from the U.S.," she said. "This is a long-term commitment to growth and quality products that will see us planting thousands of acres and processing up to 20 million pounds of corn annually within a few years."

Whether working with entrepreneurs and distributors or state agencies and joint venture partners, doing business in the FSU is seldom easy. It is extraordinarily difficult for any American businessperson—particularly those new to the market—to stay focused there, Peterson says. "They need everything—canned food, clothing, cars, computers. It is tempting to try to undertake all opportunities." Nevertheless, she asserts, staying focused is key to being successful in the FSU.

Russian business habits are very different from those of Americans. "There are continual communication difficulties," she explains. "Under the communist system, there was no reward—and possibly punishment—for taking a position on anything. Therefore, to get the Russians to commit to a price quote or agree to contract terms can take forever."

Peterson carries a strong measure of humanitarian concern to the FSU. She plans to return some of her profits to the people, both to address women's health issues and to assist people in getting started in business. Peterson is often asked why she is working there. Her answer is simple: "If through my business commitment I can contribute to helping stabilize the economy of the FSU, we will be that much closer to a stable, productive and peaceful world."

(by Yvonne Pearson)



JIM BARBOUR

Harriet Peterson, '87 CEMBA, began operating a franchise popcorn company in the former Soviet Union, and has now found herself involved in growing and processing popcorn there to stay competitive.

'85

Michael Bromelkamp, MBA, last fall joined the firm of Olsen, Thielen & Co., Ltd., Certified Public Accountants and Consultants, with offices in St. Paul and Eden Prairie.

Philip Hildebrandt, BSB, recently left the Prudential Capital Corporation to become vice president of Marketing and Client Service for CSI Asset Management, a money management firm in Chicago. He and his wife, Carole, have an 18-month-old daughter named Dana.

'86

Todd Anderson, BSB, '87 MBA, received his JD degree from William Mitchell College of Law. Anderson works in the State of Minnesota Department of Human Services. He became a Certified Management Accountant (CMA) last fall, and plans to work in tax law.

Richard Murphy, Jr., has been named chief operating officer of Murphy Warehouse Co., Minneapolis, a privately held firm specializing in warehousing, distribution, packaging and U.S. Customs trade zone services. A February *Star Tribune* feature stated that before joining the family business in 1983, Murphy taught landscape architecture at the State University of New York in Syracuse. Murphy designed the sound barriers along the Interstate Highway 94 corridor in Brooklyn Center and Brooklyn Park.

Nancy Ann Richardson, MBA, earned the designation of Certified Management Accountant, CMA, last fall.

'87

John Michael Eames, BSB, co-founded Ecological Technologies of San Jose, Calif., in 1992. "EcoTech"



purchases used high-tech plastics for reprocessing and resale to semiconductor manufacturers worldwide.

Daniel Gilbert, PhD, has been promoted to associate professor of Management with tenure at Bucknell University, Lewisburg, Penn.

Jeffery Johnson, BSB, is a certified Real Property Law Specialist with Barna, Guzy & Steffen, Coon Rapids, and has served as chair of the Real Property Law Section of the Minnesota State Bar Association.

Christina Kowalski, BSB, is a client service representative at Prudential Insurance Co., in Plymouth, Minn.

Spence Morley, MBA, was recently featured in the *New Venture Review*. He is managing principal of Saint Paul Growth Ventures, a private venture partnership which participates as a start-up equity partner and is committed to building promising companies in the greater St. Paul area. Spence was 1993 chair of the Carlson First Tuesday Luncheon Series.

'88

Pablo Correa, MBA, is vice president of Agricola Simmons, a new agribusiness firm in Valdivia, Chile. Correa previously worked for two forest products companies, one an American firm, and the other Japanese. He was married in June 1990 to Teresa, a registered nurse. They have a two-year-old child, Pablito, and another baby was due in June. Correa reports that southern Chile is very similar to the Pacific Northwest, and that the salmon and oysters are wonderful.

Shari Brandhoy, BSB, has been promoted to programming analyst in Prudential's North Central Group Operations in Minneapolis.

Susan DuSchane, MBA, is vice president at Applied Intelligence Group, Alexandria, Va.

Mark Nathe, BSB, is a senior underwriter for The Saint Paul Companies.

Daniel Patton, MBA, writes "after you hit 31, it's time for a change. After several years as an investment banker at a private firm and for the last three years at Norwest Corp., I've moved to the Corporate Trust area. More exciting, however, is the book I published this year—*Roller-Guide: The Complete Twin Cities & Greater Metro In-Line Skating Guide*. It's a highly successful book of 'Rollerblade' trails in this area."



James Vos, MBA, was promoted to senior associate at Tobin Real Estate Company, Minneapolis, last year.

Jeffery Weirens, BSB, has left Price Waterhouse after four years to pursue his MBA at Cornell University's Johnson School of Management.

'89

Scott Becker, BSB, co-founded an auto/home audio-video sales and installation business in Lafayette, Ind., in 1992.

Brian Hoelscher, BSB, received his JD degree from William Mitchell College of Law. Hoelscher will practice in litigation, real estate and bankruptcy at Morris, Fuller and Seaver, P.A., Edina, Minn.

Judith Lange, CEMBA, is product manager at Medtronic Bio Medicus, Eden Prairie, Minn. Lange was honored at the CEMBA winter alumni



event for her continued service and dedication to the CEMBA alumni group. She was one of the original CEMBA gradu-

ates who started the alumni group, which sponsors three educational events each year.

Mark Noller, MBA, is a senior manager at Ernst & Young, Minneapolis.

Tom Schaff, BSB, is vice president of Marketing and New Business for Walker & Associates Advertising in Memphis, Tenn. The company is a 27-year-old advertising, public relations, and political consulting agency. Previously, Tom was a Regional Marketing Manager at Hardee's.

Kurt Stende, BSB, is a sales representative of Kraft General Foods, Inc., and has transferred to its Eden Prairie, Minn., office after working three years in the south suburban area of Chicago. His work covers an area from Cambridge to Chanhassen, Minn., to Hudson, Wis. Kurt writes that he "got married June 12th [1992] to my college sweetheart, Lynette (Ohmacht) Stende, who graduated in March 1990, with an interior design degree from the College of Home Economics." Kurt enjoys playing summer hockey at Augsburg, in the Hockey North American League, and plans to play in the winter also.

Jim Westerman, MBA, of Andersen Consulting, Minneapolis, spoke to an evening MBA operations management class on MRP II software and trends in the manufacturing of software.

'90

Revin Linder, BSB, is regional analyst at NCR Corporation, Minneapolis. He was honored at the Carlson School's annual Business Day in April with the Recruiter of the Year Award.



Asif Rizvi, MBA, is senior manager of Production and Engineering at Indus Motor Company Ltd., in Karachi, Pakistan. He is responsible for setting up and starting production at the first Toyota plant in Pakistan.

Brenda Lund, MBA, is a product supervisor at General Mills in Minneapolis.

Jeff Wieland, BSB, is a property manager specializing in residential properties at Towncrest Management, Minneapolis.

'91

Steven Hallblade, BSB, is a technical sales representative for MGS Machine Corporation, an engineering and manufacturing firm of packaging machinery in Minneapolis. Steven was married in October 1991.

'92

Catherine Morgan Wicks, MBA, has married Paul Kibbe. Her name is now Catherine Morgan Kibbe, and she is living in Minneapolis.

Jim Wiest, '92 MS-MOT

Steering an engineering career into management

With more than two decades of experience as an engineer, Jim Wiest has found his career taking a new direction since graduating from the University's new Management of Technology (MOT) master's program, a program designed to help engineers and scientists broaden their technological base by developing diverse, more global management skills.

With a bachelor's degree in engineering, Wiest had worked as an engineer at Honeywell for 24 years. Now, as the manager of supplier quality and packaging, he works within the company's total supply chain, working with Honeywell's suppliers to help them improve the way they provide materials to the company.

Wiest says the MOT program had a lot to do with the change in his career path by expanding his skills in communications, organization, accounting, finance and economics. "It gives you a broader picture of what the company is trying to accomplish," he explains. As a result, when the position in supplier quality opened up, he realized that it was a good fit for him. "I could see that this job had to do with a lot more than buying product. I understood that an engineering background *and* management skills were required."

The total supply chain concept was being implemented when Wiest took the management position. The new approach helps Honeywell and its suppliers work in concert to ensure that consistently high quality supplies are provided in the most cost-effective manner. Wiest's department builds relationships with the suppliers, reviewing their quality manuals and process flow charts, visiting their facilities, helping them understand Honeywell's materials requirements. They create a dialogue that results in improvements for Honeywell and the suppliers.

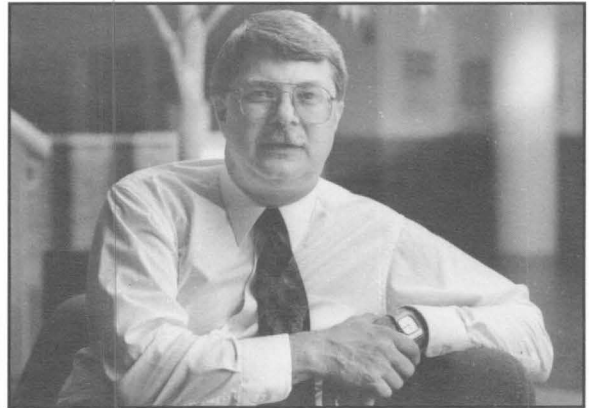
Wiest found the two-year, intensive MOT program appealing because, when he decided to continue his education at 43 years of age, he wanted something he could move through quickly. "It's nice to get a broader picture of the company without going through a traditional day program," he comments.

The MOT program was established in 1990 through the Center for the Development of Technological Leadership. The Carlson School participates in the center, along with the Institute of Technology, the College of Liberal Arts and the Hubert H. Humphrey Institute of Public Affairs. Many Carlson School faculty teach in the MOT program, and Mary Nichols, associate dean for Academic Programs at the Carlson School, is co-director. The Center's director is Jack Shulman.

The program design fits the needs of experienced professionals like Wiest very well. The classes, held for one full day each week on alternate Fridays and Saturdays, allow students to continue in their jobs.

The program is designed to be very convenient, but it is not easy. Wiest reports that he put in a minimum of 20 to 30 hours per week in addition to his job. "I definitely had to have the support of my family," he says, "because of the demands put on their time. Enrolling in the program provided a good, positive example for my two teenaged daughters. They saw that education isn't something you do one time and then walk away from."

(by Yvonne Pearson)



JIM BARBOUR

Jim Wiest, manager of supplier quality and packaging at Honeywell, was a member of the first graduating class of the Master's of Management of Technology program, offered by the Center for the Development of Technological Leadership, in which the Carlson School is a major participant. He said the degree was instrumental in broadening his skills, enabling him to move from engineering into management.



Welcome to new Presidents Club members

The Carlson School is proud to announce the following new members of the Carlson School chapter of the University of Minnesota Presidents Club.

Mr. and Mrs. Gerald E. Anderson. Gerald Anderson, '52, is retired president and CEO of Commonwealth Energy Systems Inc., Cambridge, Mass. Their gift is designated to the Accounting Department.

Randel S. Carlock, '83 MBA, is chairman of Audio King and assistant professor and director of the Institute for Family Business at the University of St. Thomas. Carlock, who also holds a PhD in Education from the University of Minnesota, has designated his gift to improving teaching.

Mr. and Mrs. Richard Ellis DuPuy, Sr. have established the (Richard) Ellis DuPuy, Jr. Fellowship in Strategic Management in memory of their son. Ellis began in the PhD in Business Administration program in the fall of 1991 and was one of the school's most promising PhD students. He passed away in November 1992 of hemachromatosis, a rare genetic blood disease. By establishing the fellowship, his parents wish to benefit other young scholars who share in the intellectual and social bonds characteristic of a community of scholars.

Dennis Nelson and Barbara Franta. Dennis Nelson, '77 BSB-Accounting, '81 MBT, is a partner at KPMG Peat Marwick and

taught in the Carlson School's MBT program as an adjunct faculty member for 9 years. His gift is designated to support the Lexis database of revenue rulings and regulations, which is used by Carlson School MBT students.

Larry J. Hinman, '58, has pledged a charitable remainder trust to the Carlson School. He is a retired vice president from UPS.

Mr. and Mrs. Marvin Johnson have joined with a charitable remainder unitrust. Marvin, '57 BSB, is retired manager of Employee Relations at Abbott Laboratories, in Illinois. They now live in Missouri.

Kenneth Simon, '47 BBA, BME, is chair emeritus of Air Conditioning Company Inc., based in Glendale, Calif., and was chairman, president and CEO of the company from 1966-1985. His gift is split between the Carlson School and the Institute of Technology.

Presidents Club members contribute at least \$1,000 a year for ten years, or give a minimum deferred gift of \$25,000. Members receive a plaque in recognition of their gifts and their names are inscribed on a plaque in the lobby of Northrop Auditorium. They are recognized throughout the year at special University of Minnesota and Carlson School Presidents Club events.

Thank you and congratulations to our new members.

Alumni Entrepreneurs Group

The Carlson School Alumni Relations Office is interested in identifying alumni who are interested in taking part in an entrepreneurs networking group. Please call (612) 626-9510 with your name, address and telephone number.

We regret the passing of the following alumni

Valard Lufi, '30 BSB, died in February 1993. Val was an active member of Alpha Kappa Psi since 1928. His strong support of the Alpha Kappa Psi scholarship program was well known, and almost \$3000 was given to that fund in memory of Val. He was also a member of the University of Minnesota Presidents Club.

William Cook, '48 BSB, has passed away. He was the former chairman, president and CEO of Union Pacific, and was a member of the University of Minnesota Presidents Club.

Jack Cipra, '53 BSB, died December 22, 1992. He was a partner with Arthur Andersen & Co., in Calif., and was a member of the University of Minnesota Presidents Club.

Cris Nystrom, '76 BSB, passed away June 26th. He was a past recipient of the Watts Award for CPAs.



CALENDAR

O C T O B E R

- 1 Breakfast with the Experts**, sponsored by the Employer Education Service of the Industrial Relations Center. Daniel Hoffman will present "Peer Group Resolution." 8:00-9:15 a.m. Humphrey Dining Room. \$12. Reservations, 624-5525.
-
- 5 Carlson First Tuesday Luncheon**, sponsored by the Alumni Council, featuring McKinley Boston, director of Men's Athletics, U of M. 11:30 a.m.-1:00 p.m. Radisson Hotel Metrodome. \$15 (includes parking). Reservations, 626-9510.
-
- 20 Managing Mergers and Acquisitions Discussion Group**, sponsored by the Strategic Management Research Center. Ron Schiferl, KPMG Peat Marwick, is the speaker. 7:30-10:00 a.m. This group is open to practitioners who are interested in attending regularly. For reservations, call 624-0226 or 624-7537.
-
- 24-29** The fall session of the **Minnesota Management Academy** focuses on general management and is targeted to newer managers. Applications are available from the Executive Development Center. Information, 624-2545.

N O V E M B E R

- 2** The **15th Annual Industrial Relations Institute** will address "HR's Role in Redesigning the Organization for Competitiveness in the '90s." Holiday Inn-Metrodome, Minneapolis. 8:00 a.m.-4:30 p.m. Registration, 624-2500.
-
- 2 Carlson First Tuesday Luncheon**. Speaker to be announced. 11:30 a.m. \$15 (includes parking). Call 625-1556 for more information.
-
- 5 Breakfast with the Experts**, sponsored by the Employer Education Service of the Industrial Relations Center. Jane Wilger will speak on "Business Etiquette in Today's Workplace." 8:00-9:15 a.m. Humphrey Dining Room, \$12. Reservations, 624-5525.
-
- 11-13 The Advantage Program**, Part I, sponsored by the Executive Development Center. Part II will be held Dec. 9-11. This "MBA refresher" program is designed exclusively for people who hold an MBA degree and have several years of business experience. (See page 23.) Information, 624-2545.

D E C E M B E R

- 1 Managing Mergers and Acquisitions Discussion Group**, sponsored by the Strategic Management Research Center. 7:30-10:00 a.m. Call 624-0226 for more information.
-
- 2 Carlson First Tuesday Luncheon**. Speaker to be announced. 11:30 a.m. \$15 (includes parking). Call 625-1556 for more information.
-
- 3 Breakfast with the Experts**, sponsored by the Employer Education Service of the Industrial Relations Center. Louellen Essex will speak on "Applied Strategies for Team Building." 8:00-9:15 a.m. Humphrey Dining Room, \$12. Reservations, 624-5525.

Executive Labor Relations Residence Program

A new, weeklong program on negotiating and administering the labor contract, for senior-level labor relations professionals nationally.

November 7-12, 1993 and March 20-25, 1994

Radisson Hotel and Conference Center, an executive meeting and recreational facility, Plymouth, Minnesota.

For further information call:

James Beaton at 612-624-5525 or 1-800-333-3378

Carlson School chosen to host national minority summer business institute

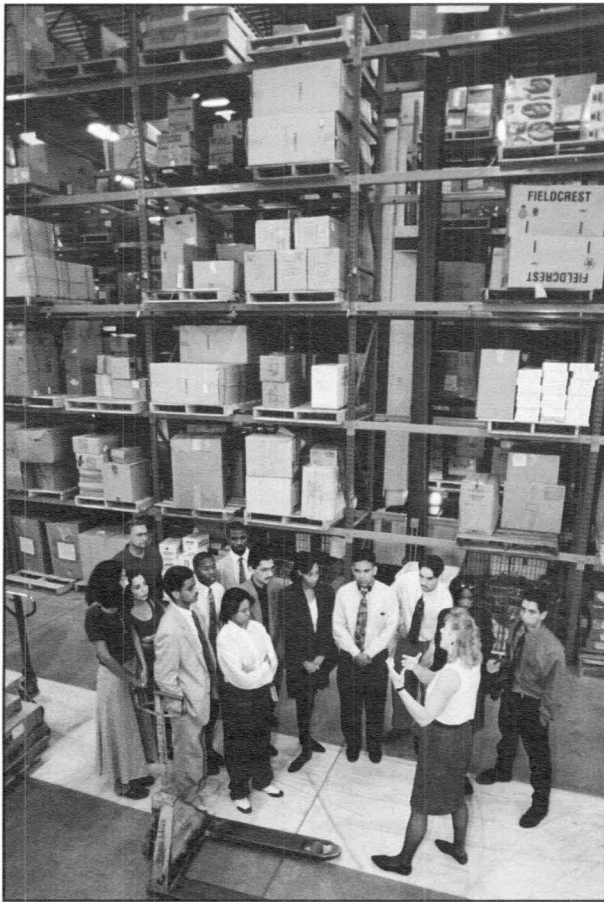
The Carlson School was chosen this year as one of 11 national sites by the Minority Youth Business Institute to participate in the Leadership, Education and Development (LEAD) Program in Business, in partnership with General Mills, Dayton Hudson and Cargill. In July, the school hosted 31 high school seniors of color from across the U.S., including four from Minnesota, and from Puerto Rico, to introduce them to the world of business.

The curriculum consisted of classroom instruction by Carlson School and other university faculty and by executives from our corporate sponsors. Students also participated in many off-site visits and experiential learning activities in the community. For example, students toured Dayton Hudson's distribution center (*top photo*), spent an afternoon at General Mills (*below, left*) and were invited to dinner and a tour of the "executive mansion" at Cargill (*below, right*). Community service projects and a number of social activities, such as a Twins Baseball game and a cruise on Lake Minnetonka, were also part of the program.

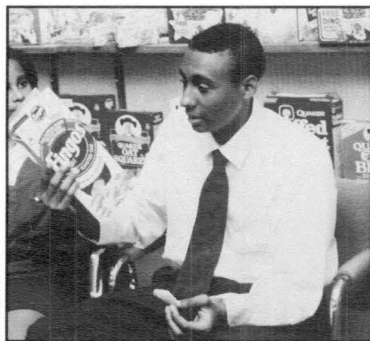
The goals of LEAD are to encourage minority students to pursue business careers and to offer corporations an expanded pool of qualified minority candidates.

The co-directors of the program at the Carlson School are Associate Dean of Academic Programs Mary Nichols and Undergraduate Studies Director Gerald Rinehart.

JIM BARBOUR



JIM HANSEN



JIM BARBOUR



MMR

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