

# Carlson School

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

SPRING 2007

A close-up portrait of Susan Rani, a woman with dark hair, looking slightly to the right with a gentle smile. She is wearing a dark jacket. The background is a blurred architectural structure with a large 'U' shape.

## *Follow* the Leader

**What defines a true business leader? An in-depth look—with some surprising insights.**

Susan Rani, '94 MBA, president, Rani Engineering

# The Dean's Corner

Welcome to this issue of *Carlson School* magazine. One theme we address in the following pages is the topic of leadership and how effective leaders can shape, guide, and often transform both individuals and organizations. It's an always-fascinating topic, and one that I'm sure you'll enjoy reading about.

Earlier this year, I was honored to be asked by editors of the *Inside the Minds* book series if I would author a chapter for a new book that would give readers access into the thinking of today's leading business school deans.



Alison Davis-Blake

I was pleased to share my thoughts on business school management, as they relate to the ultimate purpose of a business school—to create human, social, and intellectual capital that transforms lives.

The purpose of a business education at a great university is to go beyond providing a business degree. We are not just a machine that helps people get diplomas. We play a much larger role in society. We create human capital by helping people expand their skills and knowledge; create social capital by reaching out to alumni and members of the business community and connecting them with each other; and create intellectual capital by developing new knowledge and innovations. At the Carlson School, we are able to carry out this

purpose thanks to our dedicated students, outstanding faculty and staff, loyal alumni and friends, and supportive business community members.

A dean faces many challenges, including balancing priorities and multiple stakeholder interests. During the past 10 months, I have been asking myself, "How do I stay focused on creating human, social, and intellectual capital, and what are the appropriate measures for success?"

As I seek answers to these questions, I am reminded that I cannot answer them alone. I have met many of you during the past year, and I am grateful for your support, inquisitiveness, and ideas for change. I have learned much from you, and I have worked hard to achieve our true purpose.

It is my pleasure to serve as the dean of the Carlson School, and with your help, I'm looking forward to continuing to write this chapter in the school's history. To read more of my chapter in *Inside the Minds*, visit [carlsonschool.umn.edu/insidetheminds](http://carlsonschool.umn.edu/insidetheminds). I welcome your comments.

*With warm regards,  
Alison Davis-Blake, Dean  
Investors in Leadership Chair in Organizational Behavior*

## Carlson School

A MAGAZINE FOR ALUMNI AND FRIENDS

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Visit our website at [carlsonschool.umn.edu](http://carlsonschool.umn.edu). For information about Carlson School alumni programs, contact Alumni Relations at [alumni@csom.umn.edu](mailto:alumni@csom.umn.edu).

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### MISSION STATEMENT

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

# CONTENTS

Spring 2007



John Morrison, page 13



Irene Fernando, page 7

**INSIDE FRONT COVER: The Dean's Corner** Carlson School Dean Alison Davis-Blake on business school management and helping write the next chapter in the Carlson School's history.

**4 The Atrium** John Morrison learns from his mistakes, Miquel Purvis McMoore stays true to her values, the Glaser-Mooty family continues a proud educational tradition, and more.

## FEATURES

**14 In Search of Excellence** For the last 100 years, business people and researchers have been searching for the keys to continual improvement and quality results. Are we getting closer?

**20 Follow the Leader** Even in the best of times, leadership is never easy. But as these Carlson School alumni have discovered, serious challenges are what build true leaders.

**26 No More Heroes?** New Carlson School research is looking beyond traditional ideas and models of leadership.

**30 5 Questions** A chat with Jim Buckman, codirector of the Joseph M. Juran Center for Leadership Quality.

**31 Class Notes**

# Atrium

News and updates from around the Carlson School and beyond.

## Did You Know?

**Tony Dungy, record-setting, history-making football player and coach—and Carlson School graduate.**

A lot of people know Tony Dungy as the head coach of the 2007 Super Bowl XLII-winning Indianapolis Colts. What not so many people know, however, is that he's also a Carlson School graduate. After a record-setting career as a U of M quarterback, Dungy earned a bachelor's degree in business administration in 1978. But instead of heading into the business world, he opted for the NFL, playing for three years with the Pittsburgh Steelers and San Francisco 49ers. In 1980 he returned to the University as an assistant football coach, and a year later joined the Pittsburgh Steelers staff, becoming, at age 25, the NFL's youngest assistant coach. Today, Dungy is one of the NFL's most respected and popular coaches—and he made history in January as the first African-American coach to win a Super Bowl. He also received an Outstanding Achievement Award in May 2007.



TONY DUNGY BY JED JACOBSON/GETTY IMAGES SPORT; HANSON HALL BY JOANNA ELWELL



## Hanson Hall Update

The Carlson School broke ground on Herbert M. Hanson, Jr. Hall on Sept. 28, 2006. When complete, Hanson Hall will provide a state-of-the-art home to the expanded Undergraduate program. A grand opening celebration is planned for Sept. 25, 2008. Visit [carlsonschool.umn.edu/expansion](http://carlsonschool.umn.edu/expansion) for more information about Herb and Bar Hanson, the details of the expansion, and a virtual tour of the new building.



# All in the Family

**The Glaser-Mooty family has strong ties to the University of Minnesota and the Carlson School. It's a tradition with no end in sight.**

**T**he Glaser-Mooty family's ties to the University of Minnesota run deep—in fact, four generations and 23 degrees deep. Starting with patriarch Harry Nelson and continuing on to his great-grandchildren, the family has a tradition of earning an education from the University.

The Glasers also might be the first family to have three generations of graduates from the Carlson School. Both Kenneth “Chip” Glaser and his father received bachelor's degrees from the school, while Chip's son, K.C. Glaser, earned a degree from the Carlson School in entrepreneurial studies last spring. “The University is part of our family, and we think it's a great institution,” says Chip Glaser, a real estate developer and president of K. Charles Development Corp. in Minneapolis. “The University of Minnesota is the single-most important institution in the state. It's tremendously important to the quality of life in Minnesota.”

That's one reason why Chip Glaser and

many other family members have been generous to the University with both their time and financial resources. Both Chip and his father, Ken Glaser, are past presidents of the University of Minnesota Alumni Association, as is Chip's stepfather, John Mooty. Chip also has served on the Carlson School's Undergraduate Advisory Board, its Board of Overseers, and on the Intercollegiate Athletic Advisory Board. “The University has been a big part of our family, so we've been willing to give back in a lot of ways,” he explains, adding that in addition to the excellent educations they received, family members have met spouses, friends, and professional contacts through the school.

And it's a tradition that has no end in sight. One Glaser-Mooty family member is about to finish graduate school at the University, while another will soon complete a medical degree. It's hard to get the maroon and gold out of this family's blood.

—Suzy Frisch

**Seated, left to right:**  
 Stacy Glaser,  
 Keri Glaser,  
 Jeanne Mooty,  
 Nancy Glaser,  
 Lindsay Glaser Payne,  
 Gina Mooty Rutter,  
 Kimara Glaser-Kirschenbaum

**Standing, left to right:**  
 Liz Mooty,  
 Chuck Mooty,  
 Dave Mooty,  
 Jonathan Glaser,  
 Jane Mooty,  
 Chip Glaser,  
 John Mooty,  
 Bruce Mooty,  
 Barbara Glaser,  
 K.C. Glaser

# The Matchmaker

**Miquel Purvis McMoore, '06 MBA, has found success by taking risks and building a company that matches her core values.**



Miquel Purvis McMoore

**F**ailure is not an option and never has been.”

So says Miquel Purvis McMoore, who started KP Companies Inc., a Minneapolis-based recruitment firm, in 2001 with \$10,000 of her own money. Within a year, the company had more than \$150,000 in revenues. Six years later, despite a few challenges, it's still in business and doing quite well. “We've expanded, and we've contracted,” she says. “Today we're at more than \$2 million; at one point we were over \$3 million.”

McMoore had tried the traditional nine-to-five world, working in sales for US West Communications and then putting her love of music to work when she started Plug Inc., a small company to promote concerts and manage artists. Two years later, while she was teaching business classes at Patrick Henry High School, she ran into a friend who was working for a large multinational recruitment company with a branch in the Twin Cities. “She said, ‘I think this would be a great job for you,’” McMoore recalls. “So I checked into it—it was summer, so I could try it and still go back and teach—and got hired.”

McMoore discovered she had a knack for successfully matching employees and companies, but found there were some aspects of her new job that she didn't like. “I was working for a large company, and there was a lot of internal change,”

she says. “At times, I was being asked to compromise my integrity. I always resisted it; it didn't feel good to me. I needed to start my own firm and implement my own values.”

After quitting and waiting out her nine-month noncompete clause, McMoore started KP. Today the company has three divisions: KP Recruiting, for finance and accounting professionals; KP Staffing, for temporary, or contract, employees; and KP Inclusions, which helps companies diversify their workforces.

Although McMoore was confident in her ability to start and run her own firm, she began to question her ability to control its growth. “As I started running into problems with growing my business, I thought I needed some additional training, additional direction,” she says. “I was hiring people too fast. I scaled it down before it got out of hand—and I enrolled at the Carlson School. I graduated from the Carlson Executive MBA program in 2006.”

Today KP has four employees and a client roster that includes United Healthcare, Andersen Windows, and Medtronic. The future looks bright and McMoore is proud of her success and the steps she took to see that her company is well managed. “We're lean and we're mean,” she says with a laugh.

—Vicki Stavig

## You've Come a Long Way—Maybe

**What does it take to keep highly capable women in the workforce?**



**T**here's no question that women have made great strides in the workforce over the past few decades. Still, nearly 40 percent of highly qualified women take a detour from their job for a year or two for parenting, elder care, or other reasons. Many of them find it tough to return to the career path they started.

Savvy employers are learning to accommodate women making these transitions—and they're reaping significant benefits, says Sylvia Hewlett,

president of the Center for Work-Life Policy, a New York City research organization that works with employers to design and implement workplace policies that increase productivity and enhance personal/family well-being. “It costs one and a half times the salary level of an executive to replace them, [so] if you bring your attrition rates down. . . you're way ahead of the game,” she said to a packed auditorium at the Carlson School this spring as part of the 2007 Women's

# Building the Future

**Gary Holmes is helping the Carlson School foster new generations of entrepreneurs.**

**“It is imperative** that we invest in developing the next generation of entrepreneurs,” says Gary S. Holmes, a frequent guest at MBA classes and advisor to the entrepreneurship program at the Carlson School.

Holmes knows all about being a young entrepreneur: He kicked off his career at age 12, when he enlisted fellow Boy Scouts in a lightbulb-selling business. He began his real estate career at 14, when he bought his first duplex.

Thanks to Holmes’ generosity, the next generation will have a head start. In February 2007, he gave \$6 million to establish an endowment for entrepreneurship teaching, research, and outreach at the Carlson School. In honor of his commitment, the Carlson School renamed its Center for Entrepreneurial Studies as the Gary S. Holmes Center for Entrepreneurship.

A recipient of an Outstanding Achievement Award and the University of Minnesota’s first annual Entrepreneur of the Year, Holmes is president and owner of CSM Corp., a Minneapolis-based development, leasing, and property management company that is among the largest owner-operators of real estate in the United States. Recognized as a leader in the entrepreneurial business community, he also serves on the boards of numerous nonprofit and civic organizations.

Entrepreneurship in Minnesota is already impressive—Carlson School alumni have founded more than 1,800 Minnesota-based businesses that employ more than 110,000 people and generate annual revenues of \$21.2 billion. Thanks to Holmes’ generosity, however, these figures are sure to grow exponentially. The Holmes Center leads the development and implementation of innovative entrepreneurship curriculum at the Carlson School, including Entrepreneurship in Action, a course in which undergraduates conceive, launch, and operate real businesses; last year’s class was able to fund a \$25,000 scholarship with their profits. The center also drives outreach activities such as the Minnesota Cup, Entrepreneurial Forum, 3M Seminars on Technology Commercialization, and undergraduate intern programs with early-stage businesses.

“The future vitality of our state and our country is dependent upon innovative entrepreneurs who will grow the economy,” says Carlson School Dean Alison Davis-Blake. “Gary is a leader in our community, a gifted businessman, and a driver of change. We couldn’t be more pleased that our center for entrepreneurship will bear his name.”

—Katy Holmgren



Gary Holmes

Leadership Conference, “Own it! Creating Your Own Path to Success.” The annual conference is hosted by the Carlson School chapter of the National Association of Women MBAs.

Many major corporations, including Cisco, Time Warner, and Citigroup, have made concerted efforts to reverse the trend that Hewlett describes as a “female brain drain.” By creating reduced-hour and flexible jobs, providing flexibility over the arc of a career, encouraging nonstandard work arrangements, and nurturing ambition, the companies find that women are far more likely to remain loyal to an employer. While such programs can be expensive initially, Hewlett notes that losing a woman with nine or more years of experience may cost even more—about \$200,000.

Employers are also discovering that money isn’t the only—or even the best—motivator to keep women on the career track. According to research done by Hewlett and others, women are just as likely to value challenging careers, high-quality colleagues, flexibility, and the opportunity to give back to their communities.

For a country that will be losing a significant portion of its workforce to baby boomer retirement, retaining top-notch employees will become increasingly important. “There is a huge talent shortage at our doorstep,” says Hewlett. “Every CEO realizes that he or she has no choice but to figure out how to keep women in the pipeline.”

—Erin Peterson

## What Are You Reading?



Kathryn Johnson

### Kathryn Johnson

Director, Carlson School Diversity Initiatives

*True North* by Bill George

This book talks about authentic leadership through first-person interviews with 125 top business leaders. The intent is to explore what authentic leadership is and how to use your internal compass to help guide you as a leader. I picked up the book because Bill George was one of the keynote speakers at the Carlson School's Women's Leadership Conference in March. What intrigued me about it were the first-person interviews—people talking about leadership from their own points of view. It's nice to get that vantage point.

### Philip Thompson

Undergraduate Class of 2007

*Profiles in Courage* by John F. Kennedy

This book conveys hope and optimism in the hearts of all Americans, regardless of where one stands across the political spectrum. It chronicles the stories of true American heroes and all that was—and still can be—great about our country. These stories demonstrate the power of love and commitment—not only to our country but to our fellow brothers and sisters as well. I've always believed that within each of us lies the courage and resolve to make a positive difference in the communities around us. I read this book as a personal calling to follow my own political ambitions and commitment to civic responsibility.



Philip Thompson

### John Remington

Director, Carlson School Industrial Relations Center

*Summer of '49* by David Halberstam

This is a baseball history about the 1949 American League pennant race, primarily involving the New York Yankees and the Boston Red Sox, as well as the Cleveland Indians and the Detroit Tigers. The book describes the competition and day-to-day incidents involving some of the individual players, together with short biographical sketches. The central theme is the focus of many U.S. citizens on the national pastime in the post-war and pre-network television era, when most followed the games through daily papers. To many, it was baseball at its most heroic and best. It also was the end of an era. I'm a baseball fan, and the '49 race was the first one I followed. I saw my first major league game that year—Yankees and Chicago White Sox—so the book brought back a variety of memories.



John Remington



# Keep the Change

**By nearly any measure, Carlson School senior Irene Fernando has a busy schedule. That hasn't stopped her from establishing a new service-based initiative, however.**

“I always knew it would be impossible to help others discover themselves if I wasn't sure who I was and who I wanted to be,” says Irene Fernando, a senior marketing major at the Carlson School.

It's this understanding that has led her to always broaden her horizons. Fernando doesn't just tolerate change, however, she pursues it. On top of the typical responsibilities of a college senior, she is the president of the Alpha Gamma Delta sorority, works as an undergraduate research assistant, and is the host of *Irene on TV*, a cable public-access comedy show. She believes that every activity allows her to experience the next in a new and ever-changing light. “It sounds like a lot,” she says, “but there's no way I could manage one without the others.”

If all that weren't enough, she's also a founder of Students Today Leaders Forever (STLF), which she and her friends created in the fall of their freshman year. The nonprofit organization now boasts chapters at 10 campuses around the United States.

STLF recently completed its 2007 Pay it Forward Tour, an atypical spring break excursion for college students in which they perform voluntary acts of community service. This year, 550 students traveled to 77 cities and logged more than 9,000 hours. “The trip seems tangible, but that is not what people are taking from it,” says Fernando.

Fernando used her connections from *Irene on TV* to help produce an 80-minute documentary, *Everything Intangible: Pay It Forward 2006*. Parts of the documentary have been shown to the Minnesota Department of Education to help demonstrate the STLF goal of promoting leadership development through passion and initiative.

Fernando, a California native of Filipino heritage, was prompted to attend the Carlson School after her participation in a 2002 program for talented, underrepresented high school students. “[It] changed every aspect of my life, so I know firsthand how much these programs can affect other students' lives,” she says.

As a student, she gave back through work as a



Irene Fernando

resident advisor and coordinator for the program. After graduation Fernando will work at the STLF national office in Minneapolis. One task on her agenda: STLF's involvement in the Carlson School's Leadership Access Program, a new initiative to introduce underrepresented students from local high schools to business education and the Carlson School. Fernando will show the students in the pilot program that new experiences and opportunities are always on the horizon and are always worthwhile.

—Jessica Walstrom



FERNANDO PHOTOGRAPH BY SHER STONEMAN

## Steve Forbes Speaks at Commencement

Steve Forbes, president and CEO of Forbes Inc. and editor-in-chief of *Forbes* magazine, was the guest speaker during commencement, which was held on Monday, May 14 at Northrop Auditorium. Forbes' talk was titled “Global Economic Integration: The Role and Evolution of Government,” and covered a range of economic trends that promise to affect the future of global business and government.

# Small Towns, Big Hearts

**A world-class business education and small-town values combine for a stellar career in financial services for three Carlson School alumni.**

**“W**e had values like treating people with respect and dignity, developing a strong work ethic, and doing the best you could possibly do,” says David Hubers, ’65 BSB, ’70 MBA. “There was also an emphasis on giving back and making the community as successful as you possibly could because you are a part of it.”

These values are shared by many alumni who hail from across the state of Minnesota. And these alumni put their values into action by their ongoing support of the Carlson School’s expanding Undergraduate program. Herbert M. Hanson Jr. Hall will provide a new home for the program, as well as for the College of Liberal Arts’ Department of Economics and the Carlson School’s Business Career Center.

Dave Hubers, Jim Campbell, and Mac McDonald all show that a world-class business education and small-town values can lead to high achievement and impressive philanthropy.

But that’s not all. “We all started out in the same place, and ended in the same place,” Hubers says. “We all grew up in small

towns. We married high-school sweethearts. We all went to the Carlson School. We went our separate ways and developed our own career paths. Then we came back together as members of the Carlson School’s board of overseers, and ironically, we all ended up retiring in Naples, Fla., where we are members of the same country club. And we’re all good friends.”

## **DAVID HUBERS**

Pease, Minn., had a population of only 200 or so when David Hubers was growing up. In this agricultural community, Hubers’ father owned a poultry and egg business, processing the eggs and selling them to retail stores and restaurants.

At age 16, a car accident took Hubers’ right arm. “When it happened, it was a significant adjustment,” he says. “It propelled me to be even more competitive and to demonstrate to others that I could succeed, even with that disability.”

He knew that he wanted to major in business and accounting, and he planned to go the University of Minnesota. (“It was the best



Dave Hubers

PHOTOGRAPH BY DAVID ELLIS

school around and still is,” he says.) He took a junior-year internship with IDS, which led to a senior-year part-time job with the company. After graduation, he made the commitment permanent. He made another commitment permanent as well, marrying his high-school sweetheart, Shirley, who hails from Milaca, Minn. It was the start of a marriage that has lasted more than 42 years.

Spurred by a desire to work in investments, Hubers returned to the Carlson School’s Part-Time MBA program. “I appreciated that most everyone in the program had some business experience,” he says, “which made the coursework more interesting and relevant.”

MBA in hand, he became a securities analyst following the financial services industry, then head of corporate strategy and development at IDS. He was appointed CFO only months before American Express’ 1984 acquisition of IDS. “After the acquisition, the company really took off,” he says.

That’s an understatement: earnings were \$50 million the year it was acquired and grew to over \$300 million in 1993, when he became CEO. When he retired in 2000, earnings were over \$1 billion. “That’s a compound growth rate of over 20 percent,” he notes.

Hubers is a strong supporter of the Undergraduate program expansion, and he and Shirley support several scholarships that allow undergraduates full support for their educations. “I have a strong need to give back to the Carlson School,” he says. “It contributed to my success.”

One reason for expanding the Undergraduate program is to allow a larger number of qualified students to attend. While Hubers welcomes healthy competition, he recognizes drawbacks to a Carlson School that’s too selective. “Competition is good if it’s managed correctly,” he says. “The downside is that people who are very capable don’t make the cut. Those people suffer, and so does the state because they end up going to school somewhere else. And, quite frankly, that’s why we’re expanding the program. It’s to accommodate more high-potential students from Minnesota.”

#### **MALCOLM MCDONALD**

Malcolm McDonald, ’60 BSB, grew up in Wadena, Minn. Early on, he knew he wanted to attend the University of Minnesota. “From the time I was old enough to know what college was, I was a fan of the football team,” he recalls. “I never would have thought about going anywhere else.”

Coming from a prominent family in a small town, he welcomed

the anonymity that the University afforded. But when he fell in love, it was with a girl from the small town of Deer Creek, only 10 miles from Wadena. “It wasn’t an arranged marriage,” Sonia McDonald jokes. “We didn’t date until we got to the U of M.”

McDonald credits the then-director of the Business Career Center with getting him started on his career path. Although he already had been offered a job in the Twin Cities, she urged him to interview with Irving Trust Co., a Wall Street bank that was recruiting at the school for the first time. The company offered McDonald a position in its credit department. Right

after his graduation, he and Sonia married, then loaded a U-Haul for the move to New York. A decade later, McDonald was offered a position at the Bank of Virginia, which later became Signet Bank. In 1994, during his tenure as president, Signet spun off its credit card division to form Capital One.

At Signet, he moved up through the ranks until he became the bank’s chairman and CEO in 1996. In 1997, First Union acquired the bank, and in 1998 McDonald retired. “If you’re ethical, talented, and prepared, it’s amazing how much luck you will have,” McDonald says. “Luck doesn’t just fall on people—it falls on people who are prepared.”

He attributes great parts of his success on the East Coast to the sophistication gained in his college days. He says, “I was competing against students from the big schools—Wharton, Harvard, Yale, Princeton. My U of M education stood me in good stead.”

It’s one of the reasons that the McDonalds have committed to supporting the new building. In particular, he’s designated a gift toward the career center, which set him on his path. “I’m very interested in the success of the undergraduate program,” he says. “The University is losing out on extremely bright kids because the Carlson School must be so selective.”

#### **JIM CAMPBELL**

In 2002, when Jim Campbell retired as CEO of Wells Fargo, Minneapolis declared it “Jim Campbell Day” to salute his efforts in community banking. And Campbell’s hometown of Byron, Minn., made it Jim Campbell week. It’s hard to think of a more fitting honor for the man nicknamed “Mr. Minnesota.”

The year Campbell graduated from high school, the population of Byron hit 350. Of the 24 kids in his high-school class, he ranked number two. Carmen, the girl at



Sonia and Malcolm McDonald at the September 2006 groundbreaking at Hanson Hall.



Jim Campbell

number three, eventually became his wife. “We’re one-twelfth of our class, so we can have a reunion,” Jim jokes.

After beginning his college career with the goal of becoming an engineer, Campbell switched to business. Then-Assistant Dean Keith Heller challenged Campbell to graduate in four years, despite the switch of majors. Campbell met the challenge, but his time at the Carlson School wasn’t all work. He dated Carmen, who attended the University’s College of Education. And a highlight of his college days was playing in the University of Minnesota marching band at the 1962 Rose Bowl.

In 1964, he began his career with Northwestern National Bank. After starting as a very junior loan officer, he soon suggested the bank form an equipment leasing company. The new division was an immediate success—and continues to be, as Wells Fargo Equipment Finance.

By 1979 Campbell was president of a division in Omaha. In 1985, he returned to Minnesota, where he consolidated 28 branches that had been following different policies and competing for business. Following a 1980s management shakeup at the bank, he worked with a team that pursued growth and acquisition. In 1998, a merger with Wells Fargo began another chapter in Campbell’s career: as chairman and CEO of Wells Fargo. “I was there for 38 years to the day,” he says, “but I was really with four very different organizations.”

The Campbells’ philanthropy toward the University has included generosity toward the Minnesota Landscape Arboretum, the College of Education, and the marching band, as well as the Undergraduate program expansion, an undergraduate scholarship, and the Investors in Leadership Distinguished Chair in Organizational Behavior, held by Dean Alison Davis-Blake. In addition, Campbell supports

## A Key Board

**The Carlson Part-Time MBA leadership advisory board helps enhance the experience of students enrolled in the program.**

The Carlson Part-Time MBA leadership advisory board, formed in January 2006, serves as a student government for the 1,700 to 1,800 students enrolled in the program. The 20 board members, selected through a nomination process, each serve a two-year term.

The board takes the pulse of the program’s diverse students and interacts with the Carlson School’s administration on issues relating to the Part-Time MBA experience. It also holds a Salute to Students week each April, and works to build connections between all Carlson School students. In February, the organization hosted a lecture by Timberwolves owner and Taylor Corp. founder Glenn Taylor to kick off Leading for Tomorrow, the first lecture series that Part-Time MBA candidates—most of whom have day jobs—can attend, thanks to its evening schedule.

“These events are a positive way to build community among Part-Time MBA students,” says Rebecca Monro, a Part-Time MBA candidate and advisory board member. “With work, family, service, and friends all competing for our time

## Opening New Doors

**Herbert Hanson believes in giving back. The results are showing.**

Herbert M. Hanson, who hails from Brown’s Valley, Minn., carries his small-town values into the world of investment. In 2006, Hanson was honored with an Outstanding Achievement Award by the University of Minnesota. The award is given for unusual distinction in a profession, for outstanding achievement, and for leadership.

“Herbert Hanson based his service to country and community on his belief in opportunity, young people, and giving back,” says Carlson School Dean Alison Davis-Blake. “He founded a highly successful investment firm that allowed him to dedicate himself to others’ education and ensure that thousands of students have the same chance at economic and personal success.”

In 1999 Hanson established the Arthur R. Upgren Chair in Investment Management in honor of the professor who helped him get his start. In 2004, Hanson and his wife, Bar, kicked off a fundraising campaign for the school’s much-needed expansion with a \$10 million commitment. His cornerstone gift helped garner legislative support for the project. Hanson has also served on the Carlson School’s Board of Overseers, on the Carlson Funds Enterprise Board, and as president of the University of Minnesota Alumni Association’s San Francisco chapter.

—K. H.

Hanson Hall. Even so, there’s no doubt that Campbell’s most important gift to the school is time: He served as interim co-dean before Alison Davis-Blake took the helm in July 2006.

“There’s a theme here,” Hubers says. “We grew up with a set of values that helped us succeed in the business world. But we also had instilled in our values the need to give back.” Thanks to these alumni and so many others, the Carlson School can continue to serve small-town students with big dreams.

—Katy Holmgren

and attention, making connections with each other can be a challenge. The board and the administration are committed to strengthening interactions between students—and also with alumni and the greater community as well. We want our work to enhance the experience of future Part-Time MBA students.”



PHOTOGRAPH BY TIM RUMMELHOFF



# Close to Home

## A Carlson School undergraduate class learns to think globally, act locally.

As he was planning out his undergraduate course on international business, Carlson School Senior Lecturer Ashraf Seifeldin decided on a unique twist. Instead of just lecturing about the topic, he assigned the students a big project: how to make Minnesota globally competitive by 2025.

During the first part of the course, students analyzed a country and a global *Fortune* 500 corporation. Then they researched global economic trends and how they affect the United States and Minnesota. “I felt it was important that the students have hands-on experiences in how to use international business as a base to look at the future of their work, their future careers, and the future of the country and the world,” says Seifeldin, who is at the Carlson School while on leave from Cairo University. “I taught them all the basic concepts of international business, but focused on the state of Minnesota and where it fits on a global scale.”

Seifeldin also involved the Minnesota Trade Office, bringing in international trade representatives Jodi Boerner and Tim Odegard to speak about Minnesota’s economy and its foreign trade sector. The pair later returned to listen to the students’ presentations on Minnesota’s global competitiveness and give feedback.

During the fall semester of the MGMT 3040 class, students’ research determined that the service sector in Minnesota needs to take a more global approach. Building on those findings, Seifeldin

assigned his spring students to closely examine education, health care, and insurance, identifying how businesses in these sectors can achieve that aim. “It’s important for students to see the link between their state, country, and the global economy,” says Seifeldin, who has served as an emissary between the Egyptian government, business, and international organizations. “We need new thinking and new tools, and we need visionary leaders and responsible global citizens. By working on the global competitiveness of their state, the students feel the responsibility for Minnesota and think about it in a broader perspective.”

That was the case for Anjali Murray, who took Seifeldin’s course in the fall. “It was definitely eye-opening and one of the most influential classes that I took,” says Murray, who earned a degree in marketing this spring. The class prompted her to change course in her job search, seeking a position with an international pharmaceutical corporation that has a presence in the United States.

“It was a very new topic for me. I had a couple of marketing courses where we touched on the challenges of marketing in a global economy but nothing on how globalization will affect us as individuals,” says Murray. “It was interesting to learn the global aspects of competitiveness. It was also one of the more challenging courses I took at the University.”

—Suzy Frisch

## Transforming the U

### What’s going on around campus these days? Plenty.

With a goal of becoming one of the top three research universities in the world, the University of Minnesota is committed to excellent students, world-class faculty, and responsible stewardship. Here’s a quick update on some of the latest developments:

- The current U of M Scholarship drive is the largest in Minnesota history. Approximately 6,700 of the 43,000 undergraduate and professional students at the U receive scholarships created through gifts to the U of M—up from 4,865 when the scholarship drive began.

- The University is attracting new faculty with a campaign voiced by Twin Cities native Garrison Keillor.

- The Wall of Discovery, a 253-foot-long artistic tribute to the process that leads to great moments of discovery, has been installed on the north side of the Electrical Engineering and Computer Science Building. The display includes Seymour Cray’s calculations for his supercomputer and notes from Dr. C. Walton Lillehei’s breakthrough open-heart surgery.

- New interdisciplinary centers—such as the Center for Integrative Leadership and the Institute for the Environment—are leveraging the breadth of U research and expertise for the public good.

- The University is sharing information about how its researchers change lives with Driven to Discover—a campaign that lets people ask University experts, including Carlson School professors, big questions to get real answers. Visit [discover.umn.edu](http://discover.umn.edu) to ask your own.

## Seeding the Prairie

Can common prairie grass function as a competitive biofuel source? A group of Carlson MBA candidates aims to find out.



Ray Ventura, Kevin Triemstra, Leonard Mathu and Miguel Castillo

“Creating a new market is a balance of science and art,” says Carlson School MBA candidate Ray Ventura. “Economic models and market studies are only half of the solution. Politics, diplomacy, and lobbying make up the rest.”

As part of their experience in the Carlson Ventures Enterprise, Ventura and a group of other MBA candidates (Miguel Castillo, Leonard Mathu, Charles Peterson, and Kevin Triemstra) are uncovering the challenges of bringing a new source of biofuel—prairie grass—to market. “There is currently a lot of momentum behind biofuel and alternative energy,” Peterson explains. “However, there are many potential conversion technologies and biofuel sources.”

The students are assessing whether the grasses can be incorporated into the United States’ current energy and policy incentive infrastructure. As part of their work, they are developing a detailed analysis of the biofuel market, including estimates of the income level needed for farmers

to find the grasses an attractive crop.

The project is the pilot of Innovation by Design, a multidisciplinary initiative designed to foster collaborative innovation among students, faculty, and industry in a way that will help uncover high-potential business opportunities. The Carlson School is a strategic partner in this University-wide initiative. The students have also collaborated with a diverse group of partners, including the Nature Conservancy and the Hubert H. Humphrey Institute of Public Affairs.

G. David Tilman of the University of Minnesota’s Department of Ecology, Evolution, and Behavior conducted research that indicates low-input, high-diversity grasslands are carbon negative and have superior energy potential. Tilman’s groundbreaking discovery received international attention, including a cover spot in the prestigious scholarly journal *Science*. “This project has been an incredible ride,” Ventura says, “By the time our team had started work with Dr. Tilman, his research had already generated considerable media attention. From day one, we could sense the excitement around us, as well as the importance of our work.”

—Katy Holmgren

PHOTOGRAPH BY GARY SMABY

## What’s the Big Idea?

Attention entrepreneurs and inventors (and investors): Somewhere in Minnesota, the next big thing is waiting to be found.

Will the Minnesota Cup unveil the next big thing? The annual, statewide competition, which launched on March 30<sup>th</sup> and took submissions through May 25<sup>th</sup>, will announce its winner later this year. The competition is open to all industries—from high tech to high touch, bioscience to retail, agriculture to social ventures—and is designed for entrepreneurs, inventors, and anybody with an innovative business idea.

Previous winners include John Berger, ’93 MBA, and David Emmons—both U of M engineering grads and friends since seventh grade—who created an optical switch that might transform the fiber optics industry. Last year’s new student category was won by ’06 BSB graduates Travis Boisvert, Ryan Broshar, and Joe Collins.

For more information, see [breakthroughideas.org](http://breakthroughideas.org).

## Back to School

Carlson School alumni reunite at the 2006 Homecoming Weekend.

Last fall, the Carlson School welcomed alumni back to campus for an all-school reunion, which coincided with the 2006 Homecoming Weekend. Alumni from as far away as Malaysia returned to campus to mingle and reminisce with each other and with current students.



An alumni dinner provided an opportunity for alumni to catch up with old friends. At the dinner, the first-ever Friend of the School Award was presented to Harald Mallwitz, ’84 BSB, who works with alumni in the north Texas area to support a University of Minnesota scholarship. On Saturday, the Carlson alumni attended the Homecoming game to cheer the Gophers to victory over the University of Indiana.

All alumni are invited to the Carlson School for the next all-school

reunion on Friday, Nov. 2, 2007, and the University of Minnesota Homecoming game on Saturday, Nov. 3, 2007. This reunion will be even bigger, and everyone is invited. Graduates celebrating five, 10, 25, and 50 years after graduation will be particularly honored. For more about Reunion 2007, please visit [carlsonschool.umn.edu.reunion](http://carlsonschool.umn.edu.reunion).

PHOTOGRAPH BY TIM RUMMELHOFF

## 5 Things I've Learned

# John Morrison

'58 BA, on leadership, challenges, and the value of mistakes.

John Morrison is a recent winner of the University of Minnesota's Outstanding Achievement Award, the University's highest honor. The award recognizes what has been a distinguished career. In 1988 he established the Central Bank Group in Minneapolis and has bought more than 50 struggling banks around the country in the years since. His financial and management expertise has also been critical to the successful merger of the University of Minnesota Hospital and Fairview Health Care systems, as well as the restructuring of Allina Health System at the request of the Minnesota attorney general's office. In 1988, an endowment to the University of St. Thomas College of Business established the John M. Morrison Center for Entrepreneurship, one of the first such centers in the nation. Morrison and his wife, Susan, give 25 percent of their annual income to a foundation for education and health care causes.

Here's what Morrison says he's learned about business and life along the way.

### [1] Mistakes are valuable

I've made so many mistakes that I couldn't even put them on a football field! I used to fly, but after crashing three times, now I only ride in the back seat! I flipped a motor boat and broke about 800 bones in my body. I also tried to invent a sleep machine that would give you eight hours of sleep in one hour, using a car battery, electrodes, and headphones. I was lucky I didn't electrocute my friend.

I'd rather hire a person who has made mistakes than one who hasn't. Someone who has gone broke and filed for bankruptcy rather than someone who's had a straight-up move has learned a lot more and is hungrier and willing to take advantage of what he or she has learned from those mistakes.

### [2] Lead by getting out of the way

My style is to pick people to do a project and step back and let them go forward and let them make mistakes. I try as much as possible not to take the lead role.

### [3] Do what "they" say can't be done

I like challenges. If someone says it can't be done, it's like throwing gasoline on a fire—my fire. Right out of school, I started a construction company. Then an insurance company—and I would be remiss if I said I knew anything about insurance at the time. And then someone asked if I would like to be on the board of a small bank that got into trouble, and somehow we figured out how to get it out of trouble. Most of the banks we purchased over the years were



John Morrison

in trouble, had been taken over by the government, or were being foreclosed on, and we made them successful, which was important for a lot of people and communities.

### [4] Focus on one project at a time

I never really had business goals. I just tried to do one project at a time and make that successful and move onto the next one. I never tried to make a certain amount of money or grow [a company] into a certain size.

### [5] Don't take yourself too seriously

Young people don't need old guys telling them what it was like in 1912 when you really needed to polish that buggy whip. You need to let them take their new ideas and do their own thing.

—Sara Aase



Xueyang "Larry" He

PHOTOGRAPH BY GARY BISTRAM



# In Search of Excellence

For the last 100 years, engineers, mathematicians, managers, and industrial psychologists—and more recently, academics—have been searching for the keys to continuous improvement and quality results. Are we getting closer today?

**Xueyang “Larry” He, ’04 MBA,** understands how difficult it can be to put quality principles into action. A member of the process excellence team at G&K Services, a Minneapolis-based uniform rental company with 7,000 employees across the United States, He travels the country helping G&K workers implement process-improvement projects. Recently, he helped employees determine how to reduce errors in uniform deliveries. In another project, he worked with employees assigned the tedious but vital task of counting soiled uniforms returned to the company.

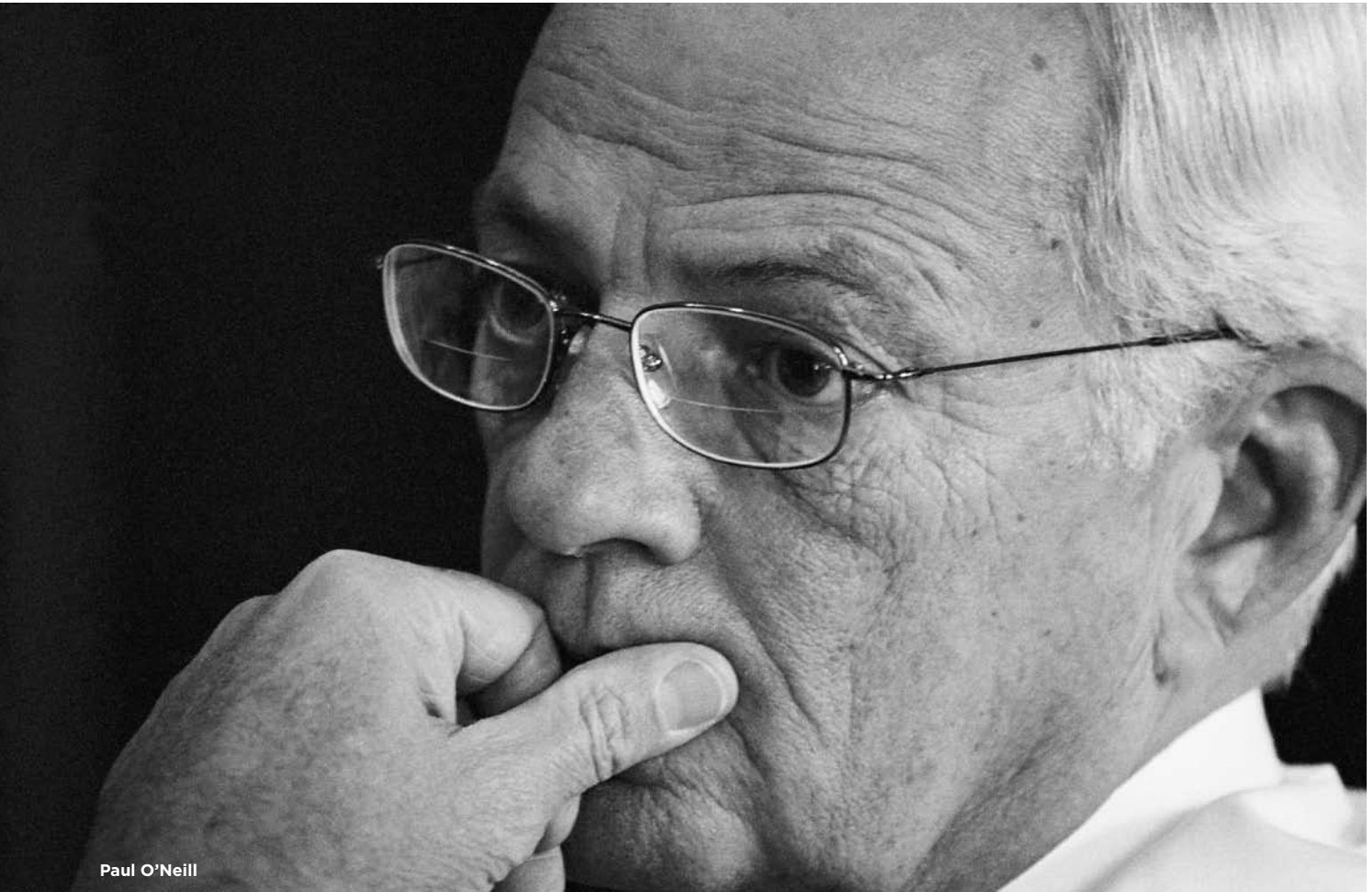
These efforts will make G&K a more efficient organization and solidify its standing with customers, but some days, it’s tough. G&K’s customer base varies enormously from location to location, as do the facilities and past work practices. “We want to get to excellence,” says He. “But with some locations, just getting to the company average would be a good first step.”

As He knows, quality improvement projects will make his company stronger, more profitable, and more nimble in a changing marketplace. But sustaining those quality efforts—really pursuing perfection—in the face of day-to-day challenges can tax even the most ardent proponent of quality systems.

Asked to name companies that have mastered quality, Paul O’Neill, a former secretary of the U.S. Treasury and the CEO credited with making Alcoa a leader in workplace safety, pauses a moment. “A lot of companies are getting pretty good, but in terms of perfecting quality, Toyota is the only one that has a full system going,” he says. “After that, it’s hard to find anyone that has achieved perfection.”

But folks like Larry He will keep trying. “It doesn’t matter what you call it or how you package it,” he notes. “Every company needs to have some system for improving.”

by Mary Lahr Schier



Paul O'Neill

PHOTOGRAPH BY DAVID HUME KENNERLY/GETTY IMAGES

### QUALITY CHARACTERISTICS

What characteristics define a quality organization? Paul O'Neill, Jim Buckman, and Kevin Linderman offer some to consider:

- Common set of definitions within the organization. People tell the truth.
- Common training for employees.
- Respect for human beings and the creativity and skills they bring to their jobs.
- Leadership that is committed to perfection and to the improvement process.
- An unwillingness to compromise ideas for expediency or convenience.
- No excuses.
- Rapid transfer of learning within the organization, even across great distances and varying languages and cultures.

—M.L.S.

For about 100 years, engineers, mathematicians, managers, industrial psychologists—and more recently, business school professors—have tried to figure out how to achieve continuous improvement, to get as close to perfect as possible. Quality efforts have surfaced under so many names, some consider it faddish: scientific management, quality control, the Toyota production system, quality circles, total quality management, lean manufacturing, ISO 9000, and Six Sigma, among others. Since 1997, the Joseph M. Juran Center for Leadership in Quality, which is housed at the Carlson School, has been providing executive and leader education, research in quality issues, and a forum to discuss how quality can shape organizations in the future.

“Joseph Juran once joked that he had seen quality die six times—fortunately, it came back to life seven times,” says Jim Buckman, codirector of the Joseph M. Juran Center. “These are important methodologies. They all work in some way or another, because they all have the same fundamental DNA.”

### A BRIEF HISTORY OF QUALITY

The quality movement started a century ago with two engineers and a bricklayer. Frederick W. Taylor, considered the father of

scientific management, was the son of a wealthy lawyer. As a child and young man, he compulsively measured, counted, and invented things, even designing the tennis racket he used to win the doubles title at the first U.S. Open Tennis Championship in 1881. Though he could have spent his life managing his family's money, Taylor apprenticed himself to a pump factory and later spent more than a dozen years working for Midvale Steel in Pennsylvania. It was there he began conducting time and motion studies to figure out the "one best way" to do a job.

Along the way, he met Henry L. Gantt, creator of Gantt charts for managing workflow, and Frank B. Gilbreth, the bricklayer whose fascination with the varied ways that bricklayers worked led him to a scientific study of their methods and—along with his industrial psychologist wife, Lillian Gilbreth—to a career helping companies improve efficiency. These pioneers introduced the idea of a scientific method for understanding work. It was an important development: Until then, many managers were clueless about how the tradesmen who worked in their factories operated—in large part because the tradesmen did not want them to know. Taylor, Gantt, and Gilbreth shared a sometimes rigid sense that there was a single correct way for operations to be performed.

During the 1920s, Walter Shewhart, an engineer and mathematician who worked for Western Electric and Bell Laboratories, introduced the idea that statistics could be applied to improve processes and increase quality control. He also believed in the necessity of a continuous cycle of learning and improvement. He tested some of his theories at Western Electric's Hawthorne Works in Chicago, where a young engineer named Joseph Juran worked in the inspections department. A recent graduate of the University of Minnesota, Juran had worked all over the Hawthorne plant and had a deep knowledge about how the plant operated—and how it could work better. During the same period, Shewhart met his other star pupil, W. Edwards Deming. Between them, Deming and Juran would shape thinking about quality for the rest of the 20th century.

Many quality tools still in use today were created and refined by Juran, Shewhart, and Deming during World War II. Their efforts introduced U.S. factories to control charts, lot sampling, improvement cycles, and even value analysis during the industrial buildup around the war. "Their methods of quality control and sampling were considered to be such powerful tools that they were classified as military secrets," says Kevin Linderman, associate professor of operations and management science at the Carlson School.

After the war, Juran and Deming went to Japan to help rebuild the economy there. "The story is that [Gen. Douglas] MacArthur couldn't get the phones to work in Japan," says Linderman. "So he asked them to come over and help."

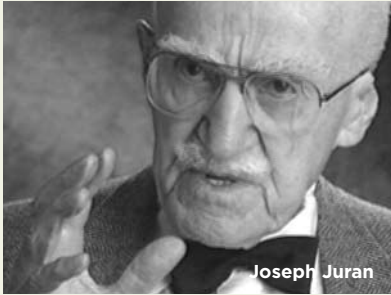
Deming and Juran separately toured Japan, giving lectures to industry leaders about their quality-improvement methods. Unlike many U.S. executives, who at the time enjoyed an enormous advantage over other manufacturers in the world and felt no need to improve, the Japanese listened, says Linderman.

**O'Neill has been working with hospitals recently. He believes that half of the \$2 trillion spent annually on health care in the United States is waste, and that thousands of Americans die too early because of inefficiencies in the health care system.**

The rest of the story is well-known business history. Using quality methods taught by Juran and Deming, the Japanese developed better, cheaper products and began to take an increasing share of the U.S. market in a range of industries. While U.S. companies working with NASA on space programs began using quality methods in the 1960s, it wasn't until the late 1970s and 1980s that they started to get serious about quality. Methods like Total Quality Management were popularized by Phil Crosby and other authors, which led to further developments in quality systems, such as lean manufacturing, the Baldrige National Quality Program, and Six Sigma.

"From the outside, these may look like fads—and companies that choose fads don't do very well," says Linderman. "But companies are building their capabilities one at a time, so there is a journey that they take."

Consider the example of General Electric. In the 1980s, when Jack Welch became CEO, he laid off workers and instituted a program called Work-Out, which was designed to streamline processes and reduce barriers between levels of the organization. Later, the company pursued a program called No. 1, No. 2, which involved setting the goal of being first or second in any product line in which GE competed. Currently, Six Sigma methods are used at GE. "These may look like fads,"



## JURAN'S LEGACY

**Joseph Juran's remarkably long and productive career spans nearly all aspects of the quality movement, and his ideas permeate modern management.**

Ever heard of the 80-20 rule? That's another way of describing Joseph Juran's Pareto Principle, an idea he put forth in the 1930s to help managers separate the "useful many" from the "vital few." Named for Italian economist Vilfredo Pareto, the rule states that 80 percent of the consequences come from 20 percent of the causes. Juran's 1951 *Quality Control Handbook* is still in print, and his 1964 book, *Managerial Breakthrough*, was the first to describe step-by-step methods for making significant quality improvements. His idea of the quality trilogy—quality planning, quality control, and quality improvement—forms the basis of many of today's quality programs.

Born in 1904 in Romania, Juran immigrated to Minneapolis with his family at age eight. He graduated from the University of Minnesota with a degree in engineering at 20 and went to work for Western Electric in Chicago. There, he began working on issues of statistics and measurement. After World War II, which he spent redesigning processes to speed the shipment of goods to U.S. allies, he went out on his own as a consultant, beginning a long, happy, and fruitful period of writing, lecturing, and advising organizations in Japan, the United States, and elsewhere on how to work better.

In 1997, Juran transferred the Juran Foundation to the University of Minnesota's Quality Leadership Center. The move created the Joseph M. Juran Center for Leadership in Quality at the Carlson School to provide research and education on quality issues.

Juran himself officially retired in 1994 at age 90; he continues at 102 to live quietly with his family.

—M.L.S.

notes Linderman. "Many people don't understand that Welch spent a decade improving these programs," says Linderman.

The many approaches to quality stem in part from its two leading thinkers. "Deming and Juran both locked onto the importance of quality, but they had very different views of it," says Buckman. "Deming was more of a philosopher. He considered joy in work to be essential for human beings and argued that organizations were sinful if they did not recognize this. He was more anti-management.

"Juran took a more practical approach," Buckman adds. "He viewed quality as common sense, and if companies were resisting something that was just plain common sense, he wanted to understand why."

These social aspects of quality fascinated Juran, who corresponded with famed anthropologist Margaret Mead to try to understand resistance to quality. It was not until the 1980s that he grasped the powerful potential of work teams.

## WHY QUALITY WORKS— AND WHY IT DOESN'T

While quality has been credited with improving operations in many organizations, few achieve a real embedding of quality in the organization, says Buckman. He characterizes organizations as being at one of three levels. Most get to only the first level, in which the organization embraces lean principles or Six Sigma and institutes some aspects of the program, but the quality operations are isolated or fragmented. "Most organizations run out of something after a year or two," says Buckman, noting that the executive motivating the program often leaves or is distracted—often by short-term financial goals that get in the way of the investments needed to achieve quality.

A few organizations get to the next level. They have what Buckman calls "infrastructure alignment" around quality. The company's marketing, finance, human resources, information systems, and supply chain revolve around quality concerns. Divisions of the organization begin to exchange information about best practices. Ford, Motorola, Corning, and Xerox are all companies that have achieved this second level. "No one would imagine that a company would go through all the challenges of doing this and then give it away," says Buckman. "But it happened."

A select few companies reach the level where quality is "enshrined in ways that cannot be ignored," says Buckman.

When quality becomes a primary factor at the governance level, when it's integrated in the management systems, when the board of directors and top executives use quality to determine strategy, when quality is a factor in leadership succession decisions, then organizations begin to see enormous synergy and resilience. "Quality organizations don't rely on a CEO," says Buckman. "Most people can't name the CEO of Toyota, because it doesn't matter who the CEO is. The quality systems will be there now no matter what."

"People who have a grasp of quality have a really visionary approach to the future," he adds. "People like Paul O'Neill look at the world as terribly, horribly underachieving its potential."

## CHANGING THE QUESTIONS

O'Neill, a member of the Joseph M. Juran Center's board of advisors, is optimistic about the potential of quality thinking to reshape service organizations. Hospitals, prisons, and government agencies are beginning to use quality tools. Additionally, more organizations—business and nonprofits alike—have begun to ask the ultimate question quality methods raise: What is the best we can do? O'Neill calls this the "theory of limitations." Buckman labels it the "pursuit of perfection." What is the best outcome possible? For manufacturing companies, no waste may be perfect products with on-time delivery, and no losses due to workplace injuries.

O'Neill has been working with hospitals recently. He believes that half of the \$2 trillion spent annually on health care in the United States is waste, and that thousands of Americans die too early because of inefficiencies in the health care system. These inefficiencies include everything from prescriptions that have to be refilled because the pharmacist could not read the doctor's handwriting to surgeries performed on the wrong organ to hospital-acquired infections that kill people. Using the theory of limitations, health care providers must ask what is the best outcome possible, and often the answer is zero. That is, no hospital-acquired infections. "Five to 10 years ago, people were not even willing to have this conversation," says O'Neill. "Now there are enough people who have decided that the benefit of telling the truth is so great it's worth the risk."

"Telling the truth" means rethinking how medical errors are treated. When an incident occurs, employees must "immediately identify everything that went wrong and have the people doing the work identify what permitted this excursion to be possible and to share it with others," says O'Neill. "Without the immediacy, the transparency, and the willingness to share, much of the learning from mistakes is lost."

More hospitals are setting up error review committees, he notes, but they often cannot react fast enough. "By the time they get around to discussing the issue, all the circumstances that permitted the excursion have vaporized. Who forgot to wash their hands? Who put on an infected gown and how did that occur?"

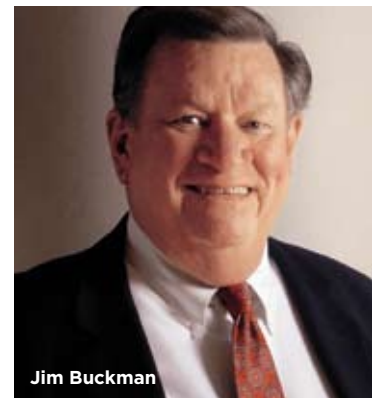
Adds Buckman: "Once you see things in this way, the whole organization has to change, and that is very uncomfortable."

But more organizations are willing to move toward the ultimate question. The Joseph M. Juran Center, for example, is working with the Minnesota Department of Corrections on how quality methods can be used to get at the lowest possible rate of recidivism among prisoners. Technology also has enabled companies to share best practices. "If you have an issue and you work for 3M, no matter where you are in the world, you can probably find 50 to 70 similar issues and you can learn from those experiences," says Buckman.

"Quality won't save a company from poor strategy or picking bad leaders or bad governance, but the results can be pretty good," he adds. "Quality is a lot like having a great defense and special teams in football. Having a great defense won't win every game for you, but it will keep you in the game."

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

**“Quality won’t save a company from poor strategy or picking bad leaders or bad governance, but the results can be pretty good. Quality is a lot like having a great defense and special teams in football. Having a great defense won’t win every game for you, but it will keep you in the game.”**



Jim Buckman

# *Follow* the Leader

Even in the best of times, leadership is never easy. Add stress and challenging situations to the mix, and the job becomes infinitely more difficult. As these Carlson School graduates have learned, however, challenges are what prove someone's true mettle—and what helps create genuine leaders.

## **When the subject is business leadership under duress,**

there is a story Kevin Cashman likes to tell. Cashman is a columnist for *Forbes.com* and the founder of LeaderSource, a Korn-Ferry leadership-development consultancy that facilitates an annual Carlson School program on authentic leadership.

In Cashman's tale, a fast-growing public company has found itself in trouble with the media over a serious operations error. An emergency board meeting is convened. The company's chief operating officer—the person at the spear point of the controversy—takes the floor and reveals a brilliant game-saving public relations strategy.

“He told a story about how this could be pitched to the media and the customers,” recalls Cashman, who worked with the company in question, though he won't name names. “Everyone fell silent, because they all knew he had the ‘solution.’”

There was one problem, however: The story wasn't true. “But it was plausible,” Cashman says, “and the board knew they had a way out if they wanted to take it.”

But as Cashman adds, the chairman wasn't having any of it.

by Kevin Featherly



Susan Rani

“Do you want to look good,” he said to the chief operating officer, “or do you want to make a difference?” In the end, Cashman says, the company decided to take the hit. It told the truth, took responsibility. Things soon got tough, but that brave choice ultimately saved the company.

Crisis does not build character, the ancient Greeks said. It reveals character. “The common thought is that we go through tough times and get stronger,” says Cashman. “Not necessarily. Some people go through a crisis and start spinning more.”

But inauthentic leadership is not good leadership.

Few would argue that the three business people in the stories that follow lack for either authenticity or strong leadership. Each is a Carlson School graduate, and each has endured the roils, eddies, and knocks of business challenges to emerge as genuine — and authentic — leaders.

#### THE EPIPHANY

It had been an all-nighter. Susan Rani, president of St. Paul, Minn.-based Rani Engineering, had given a client a promise and she aimed to deliver. But 2 a.m. came, the crew was still at work and deadline was only hours away. The project was done — everything,

that is, but one key little task. Time had simply run out.

Five hours later, Rani was on a plane to the client’s office, accompanied by 100 lbs. of paper plans and project specifications. But she couldn’t stop thinking how she had failed to complete that one little task. “I don’t deserve to run a business,” she remembers thinking. “My staff had to work nearly all night to get this work done. Maybe I really need to rethink my future.”

Rani arrived at the client’s office and asked a security guard to tell her client she’d arrived. “My client came down right away,” she recalls. “He sounded surprised that I was there at 9 a.m. Later on, as I was talking to him, he said, ‘Susan, you would be amazed how many consultants don’t show up.’ He was thrilled to see me, because I had met a milestone for him.”

That incident four years ago taught Rani a valuable lesson in business leadership. She learned she had been worrying about all the wrong things. “I had judged what we needed to do based on my standards,” she says. “I failed to ask what was important for my client. I was very late in learning that, but I got it.”

A native of Korea with a bachelor’s degree in civil engineering, Rani earned her MBA from the Carlson School in 1994. She earned her professional stripes working for the U.S. Army Corps



of Engineers, the Minnesota Department of Transportation, and the Bechtel Corp. global engineering and construction firm. Still, as a woman, she was a rarity in the engineering world. When she launched her own business, she met resistance; some potential clients assumed that as a woman-led business, Rani Engineering was a product of government grants, and thus lacked credibility. The financial community was no more receptive. “We got our first financing from 19.8 percent interest credit cards,” she laughs.

But she got Rani Engineering off the ground as a one-woman shop in 1993, building it over the years into a robust 15-employee consultancy. Today her company has plenty of impressive projects to its name, including the parking lots, utilities, and drainage systems for the Hiawatha Light Rail Transit Line rail stations in the Twin Cities.

The growth has been slow and steady, she says, though the demands have noticeably shifted. “Now it’s an organization that I need to provide leadership for,” she says.

Part of the reason the Chicago lesson came so late, she suggests, is that she had so few role models. Wisely, she looked for guidance wherever she could find it, even pumping her insurance underwriter to find out how business owners that he knew were approaching various difficulties. She learned still more by observing clients, rereading all her Carlson School textbooks, and by taking inspiration from the likes of Nelson Mandela and Gandhi. She became, she says, an information sponge.

The Chicago experience provided

PHOTOGRAPH BY GARY BISTRAM

**... the key to making the tough decisions is laying the cards on the table.... “To me, that is the absolute foundation of what you need to be as a leader. You have to be honest with people and tell them what the game plan is.”**



# **“If [one thing] doesn’t work, you could change your mind and try something else. You can’t commit yourself so much to something that you can’t back out.”**

an additional key realization, one she now passes onto her employees: The important thing for a business is what the client wants, needs, and expects. That means her employees must become experts at listening and asking questions. In turn, she says she has learned to listen better to her employees.

In the final analysis, she says, nothing is more important for business leaders than to be fully aware of what is going on around them, and to be straight up with people about that. “I have a business to run,” she says. “There are expectations that the payroll will be met, and decisions have to be made that are will not be considered popular, or even nice. Knowing that helps me stay authentic.”

## **SELLING OUT**

Lee Jones, who earned a Disability Policy & Services certificate in 1995 from the Carlson School’s Executive Education, considers herself a “nobody” right now. What that really means is that she has accomplished the job she spent the last decade trying to fulfill and is now taking a break. In December 2005, Jones sold her company, Eden Prairie, Minn.-based Inlet Medical Inc., to CooperSurgical of Trumbull, Conn., under favorable terms. She had grown the medical device company from \$120,000 to more than \$10 million in revenue by the time the sale was consummated. She stepped down from her post as CEO in December 2006. “I had basically been hired to ramp up the company and sell it,” she says. “That was the whole goal.”

Unfortunately, complications intervened. Inlet was built to serve a potentially enormous women’s health market—its lathoscopic surgical kits were marketed primarily to gynecologists. But that market cooled just about the time Jones arrived. Unruly economic conditions followed. First came the late 1990s Asian junk bond crisis, which made investors skittish. Those investors then threw caution to the winds for the dot-com boom, only to fall into a prolonged silence when the boom went bust.

Jones says there were offers to buy Inlet in 2000 and 2001, but none were good enough. “My job was then to take it and sell it for what we really needed—to take the next step,” she says.

The company had grown rapidly—with 50 percent annual revenue increases for six years running. Jones had also managed to raise more than \$6 million in equity capital. All that growth required many changes—including the systematic replacement of a number of employees and other painful moves that were necessary to make the business salable. The good thing, she says, was that the company was private, which gave her the leadership flexibility to experiment with various business approaches. “If [one thing] doesn’t work, you could change your mind and try something else,” she says. “You can’t commit yourself so much to something that you can’t back out.”

But backing out of a decision can be traumatic. Jones had spent a number of years as a Medtronic engineer before going out on her own, so her expertise was technical, she says. That led her to see sales as a blind spot. Thus, it seemed logical to hire a series of sales specialists to run the sales department. None of them worked out. “What I really should have done,” she says, “was pick somebody who understood management.”

She finally hired a sales executive with expertise in departmental management, and things began to flow more smoothly. Eventually, Jones built the company up to a point where it became attractive to the right bidder.

It’s never fun to let people go, but sometimes there is no choice. For Jones, the key to making the tough decisions is laying the cards on the table. “To me, that is the absolute foundation of what you need to be as a leader,” she says. “You have to be honest with people and tell them what the game plan is.”

Jones adds that she ultimately realized that the issues Inlet faced were not so different from other companies’ problems. She learned to trust her own judgment. She didn’t figure out things alone. She hired a consultant to sit in on meetings, watch her at work, and give her feedback. She talked confidentially to peers. She began attending executive roundtable groups. “One thing that I’ve been lucky about is to have the opportunity to learn in the Twin Cities through places like the Carlson School and others,” she says. “Because you don’t have all the answers. There are other ways that you can learn besides trial and error.”

## **THE SHINE ON THE SHOES**

Floyd Adelman, ’67 BSB, is one of those Minnesota resources that Jones refers to. His Inner Circle Twin Cities group brings small groups of entrepreneurs together to talk through business issues, give each other feedback, and lend advice. Adelman serves as facilitator. He is also a well-tested business leader in his own right.

Adelman is the scion of an entrepreneurial family—his grandfather launched an auto parts store in 1919, and the family eventually bought the Crown Auto chain. Adelman himself was CEO of Crown when the business was sold to Checker Auto in 1988. He then did a left turn, buying a Twin Cities-area Jenny Craig weight management franchise and expanding it to several stores. He sold those back to the company’s namesake in 1997 and took a full-time position as an executive and leadership facilitator with Inner Circle that same year.

Adelman considers himself a nice guy, but says the interests of the business always come first. That means leadership in Adelman’s world is a sometimes-draconian affair. He has been known, for example, to counsel his Inner Circle clients to be “slow to hire, quick to fire.” “We hire too fast,” he says. “And then we get feeling sorry for people, saying, ‘Oh, they’re going to change

and they're going to be better if we move them to this position.”

As Adelman adds, that's not real leadership. Rather, it creates a situation in which the employee is in a bad professional position. “And we are not doing the right thing for ourselves,” he adds, “by making a change.”

Another of his maxims is that “loyalty is overrated.” There have been times during his own days as a CEO when he has had to release employees who had helped him build his business. It's always a hard decision. But sometimes it happens that the enterprise needs a new set of strengths. As he sees, there is only one choice. “I can't afford to keep the person who has the wrong talents just because he has been there,” Adelman says. Generally, he says he has found that the decision to fire such a person is eased by the discovery that the employee has been struggling to stay afloat. “You are usually doing them as big a service as you are doing yourself because they

probably are feeling they can't handle [the job] anymore.”

None of this is to say that employees are chattel. In fact, Adelman says that any good business leader needs to treat his or her employees well and with integrity. His own reputation as the proprietor of his Jenny Craig franchises, he says, was that he was a fun boss. The true business leader, he asserts, has a responsibility to develop a career path for any employee. When a boss fires an employee and that employee doesn't see it coming, then the boss has made a mistake, he says. In that sense, leadership is a process of communication. “The biggest thing I probably learned as a business leader was how to hold people accountable—to step on their toes without ruining the shine on their shoes,” he says. “If people don't understand what you're asking them to do and they're not being held accountable, how is it fair to measure them?”

*Kevin Featherly is a Minneapolis-based freelance writer.*

**“The biggest thing I probably learned as a business leader was how to hold people accountable—to step on their toes without ruining the shine on their shoes. If people don't understand what you're asking them to do and they're not being held accountable, how is it fair to measure them?”**



Floyd Adelman

PHOTOGRAPH BY GARY BISTRAM



# Across the Divide

Carlson School graduate Soon Ang pioneers work in “cultural intelligence.”

## Soon Ang knows leadership from both sides.

An academic researcher who earned a doctorate in management and information systems from the Carlson School in 1993, she pioneered “cultural intelligence” as a field of study; academic departments at universities around the world are now adopting it. A 2006 recipient of the University of Minnesota’s Distinguished Leadership Award for Internationals, Ang is also the coauthor of *Cultural Intelligence*, a groundbreaking book that explores how individuals can generate new and appropriate interpretations and behaviors in response to unfamiliar cultural settings. A follow-up work, *Cultural Intelligence in Practice*, is due out this year.

“[Much of my work] is about trying to assess whether a person is ready to take on an overseas assignment and to predict if they can perform well,” says Ang, who is executive director for Singapore’s Center for Leadership and Cultural Intelligence at the Nanyang Technological University business school.

These days she’s also involved in a large-scale, multiyear research project that is designing and implementing a technology-based training system to help Singapore’s military develop culturally intelligent leaders. She also has had discussions about performing similar work with the Defense

Advanced Research Projects Agency, the arm of the U.S. government that developed the Internet. Those conversations likely will continue this summer.

Ang says the concept of cultural intelligence came to her decades ago when she first began studying why American corporations were running into implementation tangles when outsourcing IT operations offshore. It wasn’t a lack of technical expertise, she discovered. It was the inability of parties on both sides to cope with each other’s cultural idiosyncrasies. For instance, programmers in India would often agree to complete certain tasks, but never get them done. The problem was cultural, Ang says. In certain parts of Indian culture, many people are afraid to reveal incompetence. The culture also values harmonious relations, she says, meaning that the word “no” is virtually taboo. So the programmers would agree to do the work, but neglect to do it.

She says the idea is not to force people to adjust their cultural mores. “We are not trying to change the value system. It’s about trying to raise consciousness and awareness,” she says, adding that once people are armed with the ability to pick up cultural cues, they can devise solutions that allow them to get work done without alienating or offending cultural sensibilities.

—K.F.

# No More Heroes?

New Carlson School research into leadership is looking beyond some traditional ideas and models of leadership.

**The traditional image of leadership**, of a heroic figure conquering challenges and inspiring followers to do their duty, has long captivated the public imagination, not to mention the corporate boardroom.

But with organizations facing a host of new and complex issues these days, business researchers have begun to look beyond the heroic leadership model. Among some, growing skepticism of the heroic archetype has given rise to a sharper focus on leadership as a collective phenomenon and led them to explore processes that can complement individual leadership. Others are looking for ways to connect leaders from different sectors—private, nonprofit, academic, governmental—into coalitions that can address vexing social problems, from local to regional, national, or even global in scope, that defy organizational boundaries.

Some researchers trace the new focus in part to an influential article written in 1989 by Carlson School Dean Alison Davis-Blake. Davis-Blake, then an assistant professor of industrial administration in the Graduate School of Industrial Administration at Carnegie Mellon University, wrote the article with Jeffrey Pfeffer, professor of organizational behavior in the Graduate School of Business at Stanford University. The article, titled “Just a Mirage: The Search for Dispositional Effects in Organizational Research,” challenged the notion that individual dispositions—how a person is inclined to act—are key determinants of his or her attitudes and behavior within an organization. Instead, the article asserted that those traits are unlikely to be as important as the situation—the context or the organizational setting—in which the person acts. Setting the right context—including the leadership context—encourages people with a wide variety of dispositions to act the way an organization needs.

by Todd Nelson



Dan Forbes

At the Carlson School, the research's continuing influence can be seen in the work of Daniel Forbes, assistant professor of strategic management and organization. Forbes looked at the behavior of people in leadership positions as he conducted research in such areas as strategic-decision making, new venture strategy, and corporate governance. "Although I'm open to the idea that particular individuals may behave in ways that are more or less effective in a leadership sense, I think my own research tends to emphasize the way in which groups of people who are charged with doing leadership tasks can operate more or less effectively," Forbes says. "Many scholars are taking a second look at leadership with an eye towards the collective processes that surround it—as opposed to focusing exclusively on what particular individuals do to lead."

Developing a new vision for cross-sector leadership is a goal of the University's Center for Integrative Leadership, says codirector Alfred Marcus, professor of strategic management and organization. The Carlson School oversees the center with the Humphrey Institute of Public Affairs. Working with organizational leaders and key practitioners, the center hopes to identify ways to cultivate new leaders who can unite with counterparts from different sectors to confront such issues as

poverty and climate change. "Frankly, I think a lot of leadership development that goes on in the centers throughout the world focuses too much on the individual and individual traits," Marcus says. "They assume some heroic proportion that an individual can achieve by acquiring certain skills. I think leadership is more about having vision, bringing issues to the attention of people, working with people to solve problems."

Andrew Van de Ven, Vernon H. Heath professor of Organizational Innovation and Change and a member of the Center for Integrative Leadership's steering committee, says single leaders will continue to be in charge of organizations and institutions. However, he adds, the individual view of leadership is an outmoded view for dealing with many of today's complex problems. "In pluralistic organizational situations, the savvy CEO will not 'go it alone.'" Van de Ven says, "These situations require accommodating several different, legitimate bases of power. Thus, taking an individual approach to leadership will not adequately address issues that are more complex than any one CEO or organization can handle. Any effort to do so will fail and leave the leader or organization blind-sided. That's what happens to many leaders today who try to go it alone—they bet the ranch on the wrong idea."

**DANIEL FORBES****COLLECTIVE PROCESSES, EFFECTIVE LEADERSHIP**

According to Forbes, one way to discuss leadership is to refocus the unit of analysis away from individuals and toward group settings or larger social units such as management teams or networks of people that may be able to exercise leadership abilities effectively. “It’s not to belittle the role of individuals, but there are some complementary elements to leadership, things that happen throughout the organization,” he says. “People can’t lead within a boardroom exclusively. They have to leave that room eventually and carry with them ideas and skills that they take throughout the organization. My perspective is about emphasizing some of the collective processes that can undergird and reinforce effective leadership and also complement individual leadership.”

For groups in the upper echelons of organizations to lead effectively, Forbes suggests they need processes that enable them to exchange information freely with people within and beyond those groups. At the same time, those processes must reinforce key beliefs and values. For example, he’s careful to distinguish between relationship conflict, which is generally unhelpful to groups and organizations, and task conflict, which can be constructive if handled properly. Says Forbes: “Groups can make decisions in ways that cultivate diverse perspectives on a problem and also reflect some sense of procedural justice if the decision-making procedure adheres to rules and norms understood and accepted by everyone involved. [If done in that matter,] the processes can lead to better decisions.”

The growing emphasis on group roles in leadership in part is

a reaction to a historical tendency for people to focus excessively on individual traits and behaviors, Forbes adds. Davis-Blake’s work was reacting to that extreme. “The context of the behavior is very important,” he explains. “When we want to understand something that is happening in the world, we have to look not just at what one individual is doing. What might be more useful is to think about the context that the person operates in. What are the various contextual influences that might lead this person to behave in the ways he or she does—and which might lead people in similar settings to behave in similar ways?”

The Enron scandal is an apt analogy. While Kenneth Lay and Jeffrey Skilling became household names, they hardly acted alone. “It’s human nature,” Forbes says. “People are easier to pinpoint than processes. It’s easier to hold up a person for praise or scrutiny than to think about the environment they came from. [With Enron,] it’s probably a system thing that we have to understand.”

**ALFRED MARCUS****CROSSING BOUNDARIES, FINDING SOLUTIONS**

The inspiration for the Center for Integrative Leadership, Marcus says, came from comments Marilyn Carlson Nelson, chairman and CEO of the Carlson Companies, made after a speech by former Pres. Bill Clinton at the Humphrey Institute in 2005. “She gave a very short speech where she called for integrative leadership as being important for our society going forward,” Marcus says.

Integrative leadership means bringing together leaders from different sectors to tackle challenges that are beyond the scope of their individual areas. “The first 50 years of the 20th century were about the creation of the welfare state, where government became critically important to people in a way that it hadn’t been before,” he notes. “The next 50 years were about the fall of communism and were the period when markets—and all the dynamism that comes with markets—became much more paramount and dominant in the world. The 21st century, the next 50 years, will be about coalitions, people working across the boundaries, where leadership has to emerge to tackle issues that cross the boundaries.”

That approach may draw together leaders who typically don’t work together or who may be antagonists. At the same time, those leaders will be working outside their usual processes and hierarchies, which may be constructive. “When you have coalitions, alliances—joint ventures, if you will—from different entities working together, the rules, the relationships are more open and up in the air as to how they will be defined and redefined,” Marcus says.

The center has organized a number of seminars, some emphasizing problem solving at a local level and dealing with such subjects as poverty, county government, and the arts in Minnesota. Other gatherings have tackled what Marcus terms as “21st century leadership problems”—issues presented by rapidly growing, younger populations in the Middle East and Africa; state failure in different parts of the world; U.S. foreign debt; global climate change; and the “peripheral vision” challenge that companies can face in which an issue that they may be only partially aware of suddenly takes center stage. “It’s been a way of my learning a lot and hopefully others learning a lot,” Marcus says.



Andrew Van de Ven

**“The 21st century, the next 50 years, will be about coalitions, people working across the boundaries, where leadership has to emerge to tackle issues that cross the boundaries.”**



Alfred Marcus

**ANDREW VAN DE VEN  
ACTING JOINTLY, EXPLORING ALTERNATIVES**

Andrew Van de Ven says he couldn't point to a specific date when the individual model of leadership became obsolete. But a past experience from the computer industry is telling. Management teams at only seven of 50 older firms survived the transition from microcomputers to minicomputers, machines that bridged the gap from giant mainframes to today's smaller personal computers. "We found that single-leader organizations failed," Van de Ven says. "CEOs had to be discharged, top management teams had to be fired, and new management teams had to be brought in to

adapt the organization to these changes."

In short, challenging problems often extend beyond the capabilities of individual leaders. "For many complex issues today, you don't know where you're going unless you experiment and try different alternatives as you go along," Van de Ven says. "There are different bases of leadership and different bases of power that have to be accounted for. Therefore, you don't have the right to pursue your own personal course of action. Instead, you need to work jointly with others."

The Center for Integrative Leadership will seek to promote such an approach. "Almost by definition, integrative leadership requires collective leadership," he notes. "It involves building a coalition and federation of leaders that have to cooperate and mutually assent to courses of action for dealing with a problem."

Such a method can work on problems of different scales, from global-sized issues such as AIDS to regional issues such as transportation. "You also see that in larger, more complex organizational settings, especially in fields that involve the public and private [sectors], partnerships and associations of leaders are needed to band together and run as a pack to address these kinds of problems."

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*Todd Nelson is a Woodbury, Minn.-based freelance writer.*



Anna Lloyd

**PULLING IT ALL TOGETHER**

**The Center for Integrative Leadership has an ambitious agenda.**

The new Center for Integrative Leadership is aiming to solve the biggest problems of today—tackling issues such as global terrorism that leave most of us scratching our heads.

The center is unique—the only one in the world jointly managed by a business school and a school of public affairs: the Carlson School and the Hubert H. Humphrey Institute of Public Affairs. The center's approach is unique, too. Integrative leadership brings together scholars, practitioners, experts, public servants, and others. It bridges cultures, genders, sectors, and borders, building on similarities and leveraging differences. The goal? Address global challenges such as world hunger, global warming, health care, free trade, disease prevention, equitable distribution of wealth, and international terrorism.

"Unique global, national, regional, and local challenges face us in the 21st century, a time of increased interconnection and rapid change," says Executive Director Anna Lloyd. "At the Center for Integrative Leadership, we work to meet these challenges and leave the world a better place."



## *Questions:* Jim Buckman

Jim Buckman has been involved in the quality movement since the 1980s. A former quality consultant, he has served as codirector of the Joseph M. Juran Center for Leadership in Quality for the last 10 years. The center's purpose is to connect academic research on quality with its practice in business and industry.

**Q. The Joseph M. Juran Center marked its first decade in existence this spring. How would you rate the center's standing as it moves into its second decade?**

**A.** It's fair to say that the Carlson School and the University of Minnesota have greater depth and breadth in this area than any other university. But that's like saying Moe is the smartest of the Three Stooges. We've come a long way—and we are doing better than anyone else—but most business schools do not teach quality enough. The real mission for the center over the next decade is to develop communities of scholars within universities around the country that are working in this area. There are only about 40 universities that matter in terms of research and scholarship—and only about 20 of them teach quality in any meaningful way. Currently, there are a handful of really good ones—Minnesota, Wisconsin, and Penn State, for example.

**Q. Why is that?**

**A.** Quality is outside of the traditional subject areas that business schools teach. Unlike many other disciplines, such as engineering, most new ideas in quality come from the field and then we academics come in later to explain things. We're trying to change that and develop a body of knowledge on quality that is accessible to academics and practitioners. We also want to spread that knowledge and build links to other universities so this knowledge is not lost.



**Q. How will the center build this body of knowledge?**

**A.** One method is through the Juran Fellowship and Juran Doctoral Awards. These awards (the fellowship carries a \$10,000 grant and the doctoral awards \$2,500) support doctoral students who are conducting research based on quality principles. Not only do the students get interested in quality, but their professors—who are guiding the research and want to see their doctoral students succeed—get interested as well. We've been giving these awards since 1998, and the students have produced some important research. In addition, the center will provide training and support for transformational projects, such as the Galvin Electricity Initiative.

**Q. Could you describe that initiative and why it is so important?**

**A.** An important concept in quality initiatives now is the idea of the pursuit of perfection. That is, we ask: What would be the perfect outcome in a situation? Once you ask that question, last year's performance figures in a variety of areas become less relevant. Bob Galvin, the former chair of Motorola and a member of the Joseph M. Juran Center board, has been asking these questions about electric power. It started with the blackouts of 2003, which he thinks were not necessary. Right now, the power system in the United States is unreliable, outdated, and polluting. So the question the Galvin Electricity Initiative asks is: What would perfect power look like? Every customer would get the power they need, when they need it. Not only would power delivery be perfect, but so would billing, installation, and everything else about power creation and delivery. The Galvin Electricity Initiative brings together entrepreneurs, innovators, and others who can be part of a new power system in the United States. The Joseph M. Juran Center provided training in Six Sigma and lean principles to give those interested in power the tools to devise new systems based on quality principles.

**Q. Does the Joseph M. Juran Center promote a particular quality system?**

**A.** We're trying to develop new leaders in quality. For the past seven or eight years, we have been examining and teaching Six Sigma and Lean Six Sigma and related advanced concepts, mostly to senior executives. We have found a way of teaching these upper-level quality transformation skills and mindsets without being doctrinaire about the system. We give them a smorgasbord. In addition to executive education, we have a summit every two years. These are forums where we look for advanced leadership ideas and these have a huge effect on our thinking. We learn a lot there that leads to research and new courses. Finally, we host roundtables with local and national companies, usually chief quality officers. These tend to revolve around two questions: How do we use quality to guide business strategy, and how do you educate senior executives about their responsibilities with respect to quality?

—*Mary Labr Schier*

**Carl L. Nelson, 1910-2007**

**Carl L. Nelson**, a financial accounting professor who taught accounting, business economics, and finance at the Carlson School, died on March 30 of complications of pneumonia at Cottage Hospital in Santa Barbara, Calif.

Professor Nelson was born in 1910 in Minneapolis, and received a BBA in 1931 and a PhD in accounting in 1944 from the Carlson School. After teaching at the University of Kansas and University of Nebraska, he became professor of accounting at the Carlson School in 1947, where he played an active role in the doctoral program. He later became head of the department before moving on to become the first occupant of the George O. May chair in financial accounting at the Columbia University Graduate School of Business.



During his career, he also consulted for banks, public accounting firms, investment banking firms, and the Financial Accounting Standards Board. In addition to teaching and consulting in the United States, Professor Nelson taught in Finland, Turkey, India, Norway, Ireland, and Brazil. In 1975, the American Accounting Association gave him its Outstanding Educator Award, and in 1978 he received an outstanding alumni achievement award from the Carlson School. In 2002, Karin L. and Robert S. Moe (both '56 BBA graduates of the Carlson School) established the Carl L. Nelson Professorship in Accounting at the Carlson School.

He is survived by his wife, Coraline Nelson of Santa Barbara; two sons, Dowlan R. Nelson of Durham, N.C., and David B. Nelson of Silver Spring, Md.; four grandchildren; and four great-grandchildren.

**1940-1979**

**Helen Virginia Hart, '42 BA**, passed away on Aug. 6, 2006. An astute businesswoman who highly valued education throughout her accomplished life, she is survived by her daughter, Elizabeth; son-in-law; and two grandchildren.

**Marjory Etta Hovemeyer, '46 BA**, passed away on April 1, 2006. During her career, she worked as an executive secretary in the occupational therapy department of Longview State Hospital in Ohio. Her other employers included General Mills and the inventors of Play-Doh. A Red Cross volunteer during World War II, she was also a member of the National Society of the Daughters of the American Revolution. She is survived by her daughter, Gretchen; her sons, Eric and Stephen; and eight grandchildren.

**George Petroff, '57 BBA**, has retired from his career in advertising and marketing.

**Marvin Juliar, '58 MBA**, is a senior vice president at ABN-AMRO Bank.

**Andy Wangstad, '69 BSB**, has retired and sold his business, Sir Speedy Printing.

**1980-1989**

**Fereshteh Azad, '81 MBA, '80 BSB**, is president of Best Communications, a wireless provider. She lives with her husband and children in Lisle, Ill.

**Maureen Steinwall, '81 MBA**, received her PhD in business from Capella University.

**Daniel Zucker, '81 BSB**, is a partner and tax attorney at McDermott, Will, & Emery in Chicago.

**Ricky Fong, '82 MBA**, is the chief human resources officer at Lord & Triggs Environmental Technology.

**Ron Reimann, '82 BSB**, is the president of ZapTel, which recently made *Inc.* magazine's 500 Fastest Growing Private Companies list for 2006.

**Tim Allen, '83 MBA**, was promoted to vice president of management consulting at Pragmatek Consulting Group after eight years as a management consultant.

**Win Ling Martell, '83 MBA**, is the senior vice president and CFO for Wal-Mart International.

**Andrew J. Thelen, '83 BSB, '87 MBA**, is owner and president of Mark-It Graphics, with plants in Oseola, Wis., and Bloomington, Minn.

**Mark Golezner, '84 MBA**, is the CFO of Houston-based WhiteFence, an online comparison-shopping marketplace for home services and utilities.

**Philip Hildebrandt, '85 BSB**, is CEO of Segall, Bryant, & Hamill Investment Counsel in Chicago.

**Steve Larsen, '88 MBA**, is vice president and chief operating officer of Information Technology for Zenith National Insurance in Woodland Hills, Calif.

**Steven T. Schmidgall, '89 MBA**, is a construction administrator at BWBR Architects of St. Paul, Minn. He is also a member of the Construction Specifications Institute and is a certified construction contract administrator. In addition, he recently became a LEED® (Leadership in Energy & Environmental Design)-accredited professional.

#### 1990-1999

**Lisa Baskfield, '90 BSB**, recently merged her company, Baskfield & Associates, with BPK&Z and is now vice president and shareholder.

**Dean VonBank, '91 BSB**, is the vice president of GM Vehicle Applications at Navigation Technologies Corp.

**Philip Skeie, '92 BSB**, is a fraud operations manager at Digital River.

**Gregory E. Allen, '93 BSB**, recently joined the Minneapolis Foundation as controller. He previously worked for seven years at the Minnesota Children's Museum as director of finance.

**Melanie Rose, '93 MBA**, has been on an 18-month assignment in northern Asia as managing director for Oracle Retail in Japan, China, and Korea. In this role, she is responsible for establishing and growing Oracle Retail's software license sales teams and generating new license opportunities. Oracle Retail is an independent business unit within Oracle, established as the result of the acquisitions of Retek, Profit Logic, and 360 Commerce.

**Jennifer Dauska, '94 BSB**, recently resigned from Wells Fargo to stay at home with her son.

**Dan Mallin, '95 MBA**, is a cofounder of GetGo, a website for Minnesota entrepreneurs, angel investors, and those who support them. GetGo is a program of the James J. Hill Reference Library and was launched in February. He is also one of the founders of the Minnesota Cup competition.

**Michael Brousseau, '97 MBA**, recently accepted a position as director, market research and analysis for AIG VALIC in Houston.

**Tony Jurek, '97 MBA**, is vice president of Technology Services for Pragmatek Consulting Group.

**Jon Sander, '97 MBA**, is the president of Bohm CRE. He was awarded the Certified Commercial Investment Member designation by the CCIM Institute in October 2006. This is awarded to commercial real estate professionals upon successful completion of a graduate-level education curriculum and presentation of a portfolio of qualifying industry experience.

**Ed Baldzicki, '98 MBA**, is the vice president of sales and marketing at Clarcor in the Baldwin Filtration division.

**Douglas Dickel, '98 MBA**, is the managing director for Expense Reduction Analysts USA.

**Yvonne Houle-Gillard, '98 MBA**, is the Six Sigma master black belt for information technology at 3M.

**Nathan Lucht, '98 BSB**, recently graduated from the Kellogg School of Management with an MBA. He works at the Boston Consulting Group in the Chicago office.

**Aurora Toth, '98 MBA**, is vice president of marketing at Christopher & Banks.

**John Hauge, '99 MA-IR**, is a shareholder and member of the labor and employment law section at Briggs and Morgan. He focuses his practice in traditional labor, employment litigation, and employment advice and counsel.

**Elizabeth Kempen, '99 MBA**, is the chief operating officer at Alquest.

#### 2000-present

**Matt Christensen, '00 MBA**, was promoted to vice president of enterprise performance systems at Pragmatek Consulting group after serving as director of enterprise performance systems.

**Dean Phillips, '00 MBA**, president and CEO of Phillips Distilling Co., was recognized by Minneapolis's Torah Academy with the Paragon of Leadership Award in March 2007. The award honors him for business acumen, corporate responsibility, and personal commitment to philanthropy.

**Uri Felemovicius, '01 MBA**, is the executive vice president of marketing in Latin America for Evolution Marketing Group, a relationship marketing company.

**Peter Gastreich, '01 MBA**, was promoted to executive director at UBS in Hong Kong. He is an equity market analyst covering stocks in the Asia oil and petrochemical sector.

**Chad Johnson, '01 MBA**, is the vice president of M&A, a mergers and acquisitions advisory firm in Minneapolis.

**Craig Kleis, '01 MBA**, and his wife, Beth, are the proud parents of a new baby boy, John William, born on Aug. 3, 2006.

**Bill Robers, '01 MBA**, has started his own sports/entertainment representation practice. He concentrates on NFL and MLB players and college basketball coaches.

**Matt Valle, '01 MBA**, recently moved to Cincinnati as senior vice president for MarketTools.

**Robert Dudacek, '02 MBA**, is vice president of the direct response insurance group at Wells Fargo Insurance.

**Christine Scheier, '02 BSB**, and Thomas Scheier were married on Oct. 8, 2006 in Rochester, Minn. They currently reside in Boeblingen, Germany.

**Cyndee Pelt, '03 BSB**, is a graduate student at American University in Washington, D.C., where she is earning an MPA in International Development. She currently works at the U.S. Embassy in Dar es Salaam, Tanzania, and will study and conduct research through the American University in Cairo.

**Nels Anderson, '97 BSB, '04 MBA**, works at Ecolab.

**Emily Berken, '04 BSB**, recently got married and started a new position at General Mills.

**Christopher Brathwaite, '04 MBA**, is a wealth management consultant at UBS.

**Hong Du, '04 MBA**, is a senior investment manager at Blue Ridge China, a newly formed China-specific private equity fund that just raised \$300 million for its first fund. He and his wife moved from Minneapolis to Beijing in June 2006 and welcomed a baby boy in November 2006.

**Andrew Joyce, '04 MBA**, has received the Certified Information Systems Auditor designation.

**Alex Lee, '04 BSB**, is a consultant at Accenture's Los Angeles office.

**Catherine Lee, '04 BSB**, works in international management for Best Buy in Taiwan. Previously, she was an assistant product manager in retail buying for Best Buy in Shenzhen, China.

**Sam Adegoke, '05 BSB**, is an assistant human resources manager at General Mills in Carson, Calif.

**Theresa (Teri) G. Gavin, '05 MBT**, was selected as the Business and Professional Women/Minnesota Virginia Allan Young Careerist. A licensed CPA in the State of Minnesota, she is active in the Minnesota Society of Certified Public Accountants and the American Society of Certified Public Accountants, and works as a senior tax accountant at Land O'Lakes.

**Jess Langerud, '05 MBA**, has announced his candidacy for the Minnesota House of Representatives, District 48B.

**Nina Panda, '05 BSB**, is a financial analyst at MTV in New York City.

**Elda Macias, '06 MBA**, is a senior marketing manager in the marketing strategy and retail department at Ameriprise Financial.

**Navneet Singh, '06 MBA**, is an operations and management consultant for Cutter Associates Inc.

**Andrew Thibodeau, '06 BSB**, is a financial advisor at Ameriprise.

Want to be included in Class Notes? Contact [alumni@csom.umn.edu](mailto:alumni@csom.umn.edu)

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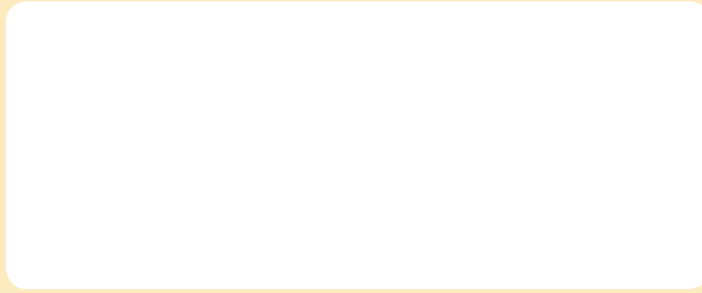
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## Event Calendar

### MAY 2007

- 31 Disney Keys to Excellence**—Join your local business community as we welcome the world-renowned Disney Institute for an incredible day of learning, insight and inspiration. Carlson School of Management, 321 19th Ave. S., Minneapolis, 8 a.m.-4:30 p.m.

### JUNE 2007

- 5 First Tuesday**—Lynn Casey, chair and CEO, Padilla Speer Beardsley, McNamara Alumni Center, 200 Oak St. S.E., Minneapolis, 11:30 a.m.-1 p.m.

### JULY 2007

- 10 First Tuesday**—Arne Carlson, Chairman, RiverSource Funds, McNamara Alumni Center, 200 Oak St. S.E., Minneapolis, 11:30 a.m.-1 p.m.

### AUGUST 2007

- 3 First Friday**—MBA alumni and student networking event on the Queen of Excelsior, Lake Minnetonka, Excelsior, 6:15-9:30 p.m.
- 7 First Tuesday**—Chris Policinski, CEO, Land O' Lakes, McNamara Alumni Center, 200 Oak St. S.E., Minneapolis, 11:30 a.m.-1 p.m.
- 17 Canterbury Day at the Races**—Event to build the Carlson School community, strengthen existing relationships in the Twin Cities area, and build new ones, Canterbury Park, 1100 Canterbury Park Rd., Shakopee, 6:30-9:30 p.m.

### SEPTEMBER 2007

- 4 First Tuesday**—Jim McReynolds, president, Caterpillar Global Paving, McNamara Alumni Center, 200 Oak St. S.E., Minneapolis, 11:30 a.m.-1 p.m.
- 7 First Friday**—MBA alumni and student networking event, location and time to be determined

### OCTOBER 2007

- 5 First Friday**—MBA alumni and student networking event at Gastof zur Gemuetlichkeit, 2300 University Ave. N.E., Minneapolis, 5:30-7:30 p.m.
- 9 First Tuesday**—speaker to be determined, McNamara Alumni Center, 200 Oak St. S.E., Minneapolis, 11:30 a.m.-1 p.m.

### NOVEMBER 2007

- 2-3 All School Reunion**—Save the date! Join former classmates and other alumni for the All School Reunion on November 2. Then cheer on the Golden Gophers as they take on the University of Illinois the next day in the Homecoming Game.

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