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LSBE BRINGS NATIONAL POLICY MAKER TO CAMPUS

IT'S NOT OFTEN a person gets to question our nation's financial policy makers. This fall, LSBE students, faculty, and the community had the opportunity to do just that.

Dr. Narayana Kocherlakota, president of the Federal Reserve Bank of Minneapolis, presented, "Federal Reserve 101: A Town Hall Meeting," as part of LSBE's Distinguished Speaker Series. Underwritten by the National Bank of Commerce, the event featured a question-and-answer session, during which Kocherlakota provided an exclusive overview of the role of the Federal Reserve Bank, commonly referred to as the Fed.

Kocherlakota is among the country's top macroeconomists and the former chair of the University of Minnesota Twin Cities Department of Economics. As president of the Minneapolis Fed, he serves on the Federal Open Market Committee, the nation's monetary policy-making body.

SUCCESS ON ALL FRONTS

Kocherlakota's talk is part of a Fed initiative to have its top executives be more transparent and open to the public. Though Kocherlakota has given many talks throughout the Ninth District, his presentation at LSBE was a pilot for the town hall format.

"We wanted to partner with an organization that was well-respected in its community and, frankly, that we knew would deliver. That was certainly the case with LSBE," said Kocherlakota. He said the successful event at LSBE will lead to other town hall events

Labovitz School
OF BUSINESS AND ECONOMICS
UNIVERSITY OF MINNESOTA DULUTH
Driven to Discover



across the district.

Students, faculty, and community members found the presentation equally beneficial.

Curt Anderson, professor of economics and director of UMD's Center for Economic Education, said the presentation provided invaluable insight into the Fed's inner workings.

"Students got to talk to an actual policy maker and understand what tools he and other members of the Federal Open Market Committee use (data, variables, trends, etc.). That is much more powerful than just reading about policy," said Anderson.

Daniel Zapp, a senior accounting major, was among the students who attended the event.

"He talked in simple, easy-to-understand language that helped decode the Fed's operations," said Zapp of Kocherlakota. "A number of community business leaders also attended, making it a great opportunity to network."

THE MOST IMPORTANT TAKEAWAY

Though he responded to a wide range of questions, Kocherlakota said he hopes the audience left understanding that their central bank works for them.

"The Federal Reserve was created by and is directed by Congress, comprising members elected by the public. Thus, we are accountable to the public to achieve the Main Street objectives Congress mandates—to promote price stability and maximum employment," said Kocherlakota.

In his speech, Kocherlakota stressed the importance of the

Fed's decentralized structure, which he says is complementary to its goals.

"Giving people from different regions of the country—the presidents of the various regional Reserve banks—a chance to provide direct input on monetary policy ensures our Main Street goals are always at center stage," he said.

KOCHERLAKOTA PRAISES LSBE

Kocherlakota said business schools like LSBE play an important role in helping the Fed achieve its objectives. Part of this job, he explained, is challenging students to raise questions about their central bank and monetary policy.

"I can say from experience that LSBE is succeeding, as I had the pleasure to meet with a group of students and take their questions about the Fed, the economy, and the value of education. I am confident that LSBE is doing a good job," said Kocherlakota.

THE FEDERAL RESERVE BANK OF MINNEAPOLIS: QUICK FACTS

- One of 12 regional Reserve banks that, along with the Board of Governors in Washington, D.C., comprise the Federal Reserve System
- Serves the Ninth Federal Reserve District: Minnesota, Montana, North and South Dakota, northwestern Wisconsin, and Michigan's Upper Peninsula

PROFESSOR JON L. PIERCE NOMINATED FOR PRESTIGIOUS MANAGEMENT BOOK AWARD



Jon Pierce, LSBE professor of organization and management in the Department of Management Studies, was one of three finalists for the prestigious 2012 George R. Terry Book Award.

Pierce was nominated for his book, *Psychological Ownership and the Organizational Context: Theory, Research and Application*, which he co-authored with Iiro Jussila, a professor from the Lappeenranta University of Technology in Finland.

Given annually by the Academy of Management, the award honors the book that has made the most exemplary contribution to enhancing management knowledge, with a special contribution to management theory, research, or practice.

"Receiving this nomination has been a tremendous honor, and

I am humbled when I review the names and affiliations of past winners," said Pierce.

His book illustrates the up-and-coming theory of psychological ownership, including the origin of ownership emotions, its impact on managerial operations, and its effect on employee work-related motivation, attitudes, and behavior.

Pierce says evidence-based management is not commonly practiced, at least not as much as in other professions, such as medicine. He hopes his book will provide a rare and valuable link between management professionals and the research evidence that is generated by business school faculty.

Pierce has studied the psychology of work and organizational behavior for 30 years, working with scholars across the globe, from North America and Finland to China and New Zealand.

"My journey and the collaborative process in developing an understanding of psychological ownership has been an extremely rewarding and enriching experience," said Pierce.

FORWARD THINKING

Those who set foot on our campus know it is distinct. And it's not just our state-of-the-art building that sets us apart. As I prepare to retire this coming June, I've been reflecting on what makes our School truly one of a kind, namely our programs, faculty, students, alumni, and friends within the business community.

Building on UMD's strengths as an undergraduate and graduate research-based institution, LSBE offers a number of programs that combine rigorous academics with experiential learning. In addition to these unique programs, we emphasize internships and student involvement with the Center for Economic Development and the business community.

As schools around the country work to incorporate the practical knowledge that will prepare their students for the workforce, LSBE graduates have been a step ahead. This strategy that we have pursued for the past decade has also strengthened our relationship with business, in Duluth and beyond.

Ultimately, our students are more attractive to employers because they not only know, they can do, and that is something we can all be proud of.

Wishing you a happy holiday season,



KJELL R. KNUDSEN, DEAN
LABOVITZ SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY OF MINNESOTA DULUTH

DEAN KNUDSEN TO RETIRE IN JUNE



Interim Associate Dean Dr. Praveen Aggarwal (l) and Dean Kjell R. Knudsen (r)



Marketing students met with area professionals during a networking event at WestmorelandFlint, an advertising and communications agency in Duluth.



LSBE's combined faculty and staff of nearly 110 people is part of what makes our college a groundbreaking school of distinction.



LSBE hosted UMD Teen Enterprise, a weeklong summer camp for high schoolers interested in entrepreneurship. Students visited local businesses and learned about business planning, management, and ethics.

AS KJELL R. KNUDSEN, dean of the Labovitz School of Business and Economics, prepares to retire this coming June, he is confident in the School's strong position and continued momentum under new leadership.

"LSBE is in good shape, and I think it is time for a new generation to take charge and lead the School forward," said Knudsen.

Under Knudsen's leadership, LSBE has seen remarkable achievements, from a beautiful new building to AACSB accreditation to innovative programs.

"We have a full complement of very qualified faculty. We have a good student body. We have an excellent staff. The School's reputation is growing. We have exciting programs. We have all of the elements of a successful school of business and economics," said Knudsen.

These elements will be key in attracting a new dean to the School, and the search for that person is well underway.

A committee, composed of faculty, staff, and a community member appointed by UMD Executive Vice Chancellor Andrea Schokker, is working with professional firm Korn/Ferry to advertise the position nationally. The committee will then help narrow the pool of candidates and share their recommendations with Schokker and Chancellor Lendley C. Black, who will ultimately select the new dean.

As Knudsen explained, the search for a new dean is very thorough and transparent to ensure all qualified candidates have the opportunity to apply. "Because many of the search committee members are from LSBE, it also provides an opportunity for them to weigh in on the process."

Jim Riehl, dean of the Swenson College of Science and Engineering and chair of the search committee, said he is

optimistic about the search process and the efforts made so far. "I think this is a wonderful opportunity for someone. With the new building and supportive faculty and staff, it is going to be easy to find really good candidates."

Measures are in place to assure continuity during the transition between deans. Dr. Praveen Aggarwal, Morse-Alumni Distinguished Teaching Professor of Marketing, is serving as interim associate dean for a two-year period for just this purpose. This academic year, he is learning about the School's administration from Knudsen, and in year two, he will serve as a resource person for the new dean, as she or he becomes familiar with the School's culture and functioning. In this role, he is also responsible for the day-to-day internal management of the School's degree programs, majors, and curriculum.

Knudsen is confident all of the faculty and staff at LSBE will help provide continuity, because they have been an integral part of the mission and vision of the School.

"I am looking forward to another chapter in my life," said Knudsen. "I'm glad I made the choice to come to UMD, and I have really enjoyed my time as dean. I will miss it, but it is time."

Knudsen will most likely be at UMD for two more years in a reduced appointment, working on special projects. He is also considering teaching some courses.

"It has been an honor to work with Dean Knudsen," said Schokker. "The more I talk with students, alumni, faculty, and area business leaders, the clearer it is to me what an amazing impact he has had on UMD. LSBE is now extremely well-positioned to attract an excellent leader for the next phase of our journey, building on the foundation and clear vision that Kjell has put in place."



Economics student Bret Gitar (l), a junior at LSBE, presented a paper, *The Effect of Land Reform on the Economic Growth of Southern African Countries*, with assistant professor of economics Gibson Nene (r) at the Western Economics Association International Annual Conference in San Francisco.



During Northwestern Mutual Day, representatives from the financial services company visited campus to share information about internship and career opportunities. Paige Dornman, a senior business administration minor and Northwestern Mutual marketing/recruiting intern, and Tyler Zenner (B.B.A. '12) greeted students at the event.

LSBE DEAN'S BUSINESS ADVISORY COUNCIL PROFILE

JIM CHERVENY

A SEASONED HEALTH care executive, Jim Cherveney has more than 35 years of experience in senior leadership roles at hospitals, medical centers, integrated health care systems, and consulting organizations. He brings an extensive knowledge of health care management and a passion for the community to his position on the Dean's Business Advisory Council.

Cherveney spent the majority of his career working for organizations that are now part of Essentia Health, retiring in 2006 as hospital division executive vice president for SMDC Health System. Now, he volunteers his expertise to benefit various charitable organizations, or what he calls "the invisible core of our community."

"I had the privilege of working in this community's health care system since 1973, and I loved every minute of it. I've learned a few things along the way that I feel I can share as a board member of nonprofit organizations," said Cherveney.

Cherveney stressed the importance of good business practices to support the viability and growth of charitable organizations. He explained that strategy and operations must be closely aligned, just as they are in thriving for-profit groups.

Cherveney admires and is a strong advocate for LSBE's stance on community involvement, which embraces active learning through community service and outreach. A member of the Council since 2004, he has been instrumental in connecting business students with nonprofits in need of marketing services, including coordinating a group of students who developed a communications plan for the Salvation Army in Duluth.

With his strong background in health care administration, Cherveney is also an advocate for LSBE's Health Care Management Program. He closely follows health care developments, bringing strategic vision to shape the direction of the program and future curriculum.

"LSBE is a point of pride in our community and region," said Cherveney. "I feel fortunate for the opportunity to help this School further its excellent reputation."



LSBE DEAN'S BUSINESS ADVISORY COUNCIL

COUNCIL MEMBERS

Karen S. Andresen
President/Owner, Karen Andresen Human Resources Consulting

Jim Cherveney
Executive Vice President/Senior Officer Hospital Division, SMDC Health System (Retired)

Tom Conrad, B.B.A. '81
Vice President & CFO, BendTec

Al France
Senior Consultant, WestmorelandFlint

George Goldfarb, B.Acc. '81
President, maurices

Bob Heimbach
Account Executive, Otis-Magie Insurance Inc.

Mark Labovitz, B.B.A. '85
President/CEO, Labovitz Enterprises

Rob Link
President, A&L Properties

Tania A. New, B.B.A. '97
Director of Sales, Kraft Foods North America

Mark Phillips, B.B.A. '73
Director of Business Development, Kraus-Anderson

Tom Renier
President, Northland Foundation

Phil Rolle, B.B.A. '71, M.B.A. '99
Owner, PDR Consulting

Brendon J. Schrader, B.B.A. '97
President/CEO, Antenna

Bill Spang
CEO, First National Bank of Buhl

Tiffany G. Lauria, B.B.A. '07
IT Project Manager, Target Corporation

Judy Weber, B.S. '64
CEO, Inter City Oil Co., Inc.

EX OFFICIO MEMBERS

Kjell R. Knudsen
Dean, LSBE

Praveen Aggarwal
Interim Associate Dean, LSBE

Lawrence P. Johnson
Senior Director of Development, LSBE

Joel S. Labovitz, B.A. '49
Chairman, Labovitz Enterprises
Senior Fellow, LSBE

Richard S. Brown
CEO, JNBA Financial Advisors Inc.
Senior Fellow, LSBE

Lendley C. Black
Chancellor, UMD

Andrea J. Schokker
Executive Vice Chancellor for Academic Affairs, UMD

DISTINCT SCHOOL, DISTINCT GRADUATES



Lawrence "LJ" Johnson

LAWRENCE JOHNSON, LSBE senior director of development, says employers around the country tell him they like to hire LSBE grads. That's one sign that the School's strategic efforts to offer a distinct education, including rigorous academics and real-world experience, are paying off.

"Our students have a strong work ethic," said Johnson. "They understand they need to work their way up in an organization. We have a lot of first-generation college

students who are used to earning their way."

LSBE nurtures that work ethic through challenging, industry-relevant curriculum and faculty and staff who support students in their studies and research. But the School also relies on alums

and the community to provide distinct educational experiences.

Through the School's strong business community connections, students gain real-world industry insights from alums and business leaders. Internships and unique programs further engage students in actual business settings, giving students a taste of what life after graduation entails.

"Friends of LSBE play an important role in preparing our students for their careers," said Johnson. "Investing in our students—whether it's through speaking in a classroom, mentoring students, offering internships, or providing scholarships—ultimately means great recruits and a stronger workforce."

If you would like to play a role in preparing students for a distinct career, contact Lawrence "LJ" Johnson at (218)726-6696 or lpjohnso@d.umn.edu.

ALUMNI SPOTLIGHT: Q & A WITH BRUCE THOMPSON



Bruce Thompson (B.B.A. '83) began working for National Bank of Commerce, the area's largest locally owned, full-service community bank, the day he graduated. Starting as a loan officer trainee, he worked his way through different areas of the Bank, from consumer debt collection and consumer loan processing to mortgage lending, and, finally, commercial lending.

Today, he serves as president of Wisconsin banks for National Bank of Commerce, co-sponsor of the 2012–2013 LSBE Distinguished Speaker Series.

What do you do during a typical workday?

I mentor, coach, and make decisions with commercial production staff, as well as interact with customers and further develop customer relationships. I also work with the executive team to evaluate performance and conduct corporate planning and development.

What is the most rewarding part of your career?

Playing a role in supporting entrepreneurial ventures.

What experiences at LSBE had the most impact on your career/life now?

LSBE provided a diverse introduction into the many facets of business. It also helped me recognize the importance of not only understanding the fundamentals of ethical and accountable business, but also of continuing to apply learning at every stage of your career and daily living.

What is your advice to recent graduates?

Be open-minded about getting started in the business world and refine your communication skills. I am often amazed at how many different ways there are to make a successful living in business, and the opportunities just continue to multiply. Be patient and read all you can about opportunities in your industry.

What are some of the fundamental qualities someone in economics or business should have?

Serving the interests of money is a given in the business world. Money has no conscience, but the interests of money should. Ethical conduct and fair dealing are a must. The interests of money have a funny way of creating all kinds of interpretations to justify actions that enhance returns. If you have to go to great lengths to justify your actions, something is probably not right.

What has been the highlight of your career?

Seeing our customers develop into solid, successful businesses that provide considerable employment opportunities and further develop our local economy. Working with so many talented staff on a daily basis is also highly rewarding.

Do you have words that you live by?

Persistence will prevail, and do unto others as you would want done unto you.

What does success mean to you?

Success means you have made a strong effort and played a recognizable role in furthering a cause. Our bank has grown from \$80 million to \$525 million in my 29 years. We are the largest independent community bank in the Duluth/Superior area and have earned our place through hard work, dedicated ownership, devoted staff, and a customer-centric approach to banking.

ONLY ONLINE

- Learn more about UMD Teen Enterprise, a summer program hosted by LSBE for high school students interested in entrepreneurship.
 - Meet faculty and staff who received awards.
- Connect at lsbe.d.umn.edu and click on "newsletter."

LSBE LAUNCHES MINNESOTA'S FIRST FINANCIAL PLANNING ASSOCIATION STUDENT CHAPTER

LSBE has launched Minnesota's first Financial Planning Association (FPA) Student Chapter. Led by Jim Vizanko, director of LSBE's financial planning program, and co-instructor Richard Brown, CEO of JNBA Financial Advisors and LSBE Senior Fellow, the group provides a valuable connection between LSBE students and the FPA, the nation's chief membership organization for personal financial planning experts.

The chapter, officially initiated in April 2012, is open to any student interested in financial planning, which is offered as a minor at LSBE. Vizanko said the chapter will help set LSBE students apart from others entering the industry.

"Our students will be better informed about the industry and able to network with FPA members. In turn, FPA members will know more about our program and what our students are capable of," said Vizanko.

According to Vizanko, the club's objectives are to inform students of news and events related to the FPA, the LSBE financial planning program, and the profession in general, as well as to help students connect with working professionals and become more knowledgeable about potential careers.

The chapter has brought a number of speakers to campus, including professionals who have passed the Certified Financial Planning (CFP) exam, the first graduate of the School's financial planning program, and local financial planners.

Kyle Dickinson and Brent Meyer, both finance majors and financial planning minors, are co-chairs for the chapter. They said the group has helped them tremendously in connecting with professionals and seeing what the profession is like.

"It has given me the opportunity to introduce my name into the planning community and meet recognized individuals within the industry. By doing so, I hope to distinguish myself from my competitors and secure a job after graduation," said Meyer.

THE FPA STUDENT CHAPTER GIVES STUDENTS THE OPPORTUNITY TO:

- Attend workshops
- Improve their interviewing skills
- Network with financial planning professionals
- Learn about internship, scholarship, and job opportunities
- Grow their leadership skills