

# Carlson School

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

FALL 2003

Kathleen Elder, '99 MBA,  
one of several Carlson  
School graduates doing  
business on the front lines  
of the new global economy

## Brave New World

A look at the realities of modern-day international business, and how the Carlson School is working to prepare students for work around the globe.

## The Dean's Corner

In a world of heightened tensions, the need for proactive international relations and committed global cooperation is becoming increasingly urgent. The Carlson School is dedicated to international understanding and to pushing our students to expand their business and personal experience beyond our borders.

Maintaining international relationships is central to business and to



business education. In September, I traveled to Guangzhou, China, to kick off the third year of our China Executive MBA Program, a partnership between the Carlson School and Lingnan (University) College at Sun Yat-sen University. The experience affirmed for me the necessity of these vital connections.

In that spirit, this issue of *Carlson School* focuses on the long-standing and still-pressing issue of globalization. Many people feel ambivalent about the topic of globalization, and contentious debate often erupts over the issues involved in an increasingly interwoven world economy. Our cover story goes back to the root of the issue: What exactly is globalization? What are its implications, both good and

bad? Is globalization the future of business?

Also, Carlson School alumni report on their experiences on the frontlines of the global economy, both before and after the sea change brought on by the events of Sept. 11, 2001. These professionals deal with the realities of globalization, providing ground-level perspectives and concrete answers to hard questions.

Michael Illbruck, this issue's featured business person, knows a thing or two about globalization and multinational business. His company, Illbruck GmbH, successfully operates across national borders in 24 offices worldwide, providing new technology and complete solutions for the building industry. His experience is both revealing and inspiring.

The *Carlson School* magazine aims to spur the exchange of knowledge and tackle the cogent questions of business. Please join us in these continuing dialogues on business and its future.

Sincerely,

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

Lawrence Benveniste  
Dean

# Carlson School

A MAGAZINE FOR ALUMNI AND FRIENDS

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For information about Carlson School alumni programs,  
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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.

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FRONT COVER: KATHLEEN ELDER, '99 MBA, MARKETING MANAGER, THE DONALDSON CO., BLOOMINGTON, MINN. (PHOTOGRAPHED IN LEUVEN, BELGIUM, BY JOOST DEBOCK)

# Atrium

News and updates from around the Carlson School and beyond.

## Environmental Assistance

### Jim Larson creates a legacy as the steward of two environments.

When Jim Larson, '51 BSB, visited the University of Minnesota's campus a few years ago, he was disappointed. "It was full of construction projects," he notes. "It looked crude and crass."

That was Larson's first visit to campus since he left Minneapolis after graduating from the University's law school in 1954. His return visit coincided with a burst of campus improvements and construction projects that were the hallmark of Mark Yudof's presidency at the U of M.

When Larson remarked to former classmates Beth and Russ Bennett that he was unimpressed with the campus's condition, they challenged Larson's view. "They told me there was a lot of great work going on," Larson says. "They said I needed to take a better look at it."

"I had been a passive alumnus, not very involved with what was going on," he adds. "When I took a closer look I saw that the University was doing a lot of dynamic work that appealed to me."

The dynamism that Larson observed at the U of M, and at the Carlson School in particular, reflected the values of his own career in the energy business. As the former president of the Colorado-based Energy Fuels Corp., he helped shape the modern energy industry. He was one of the nation's most vocal proponents of uranium mining and environmentally responsible coal mining. He also helped instigate influential land reclamation and good neighbor policies. "When we took over [one Colorado] mine, it was producing a half million tons of coal yearly. We increased that to 4 million tons a year," he says. "And we ran it on a cutting-edge environmental platform. We decided we had to be stewards of the environment."

Larson retired in 1984. Since then he has enjoyed the benefits of Colorado's natural environment, often leaving his Denver home to spend time at his ranch in Steamboat Springs. Recognizing the qualities at the Carlson School that helped



Nancy and Jim Larson with Zack, Jim's duck hunting companion.

shape his career, Larson and his wife Nancy, who received an associates degree in liberal arts from the University, have created the James A. and Nancy Chatfield Larson Endowed Chair for Excellence in Business Education at the Carlson School.

"The Carlson School has moved light years from when I was there," says Larson.

"I'm excited to see the school making connections with the Twin Cities business community. Minneapolis is one of the one of the most attractive business communities in the country; it's full of people who are unassuming but have the creativity to move mountains."

—Michael Weinbeck

PHOTOGRAPH BY KEVIN MOLONEY

**First-year student Jed Gorlin, M.D., heads to Tanzania this December to help boost that country's blood-screening efforts.**

## Blood Work

Dr. Jed Gorlin's first term in the Carlson School's Executive MBA program is turning out to be an especially busy one. Besides holding down a full-time job as medical director of Minneapolis-based Memorial Blood Centers (he's a Yale-trained M.D.), Gorlin will travel to Tanzania in December to help that country improve its blood-screening capabilities.

"About 40 percent of the blood donations in Africa aren't screened at all, or at least not screened for many things," Gorlin notes. And with Africa's appalling rate of HIV transmission, blood screening is very much a life-and-death issue.

Gorlin, who'd been looking for overseas volunteer opportunities, decided upon Tanzania based on a confluence of two events. Earlier this year, Dr. Dennis Lofstrom, a Minnesotan who works as a missionary doctor in rural Tanzania, visited Memorial Blood Centers to learn more about blood-screening methods. Not long afterwards, Gorlin ran across news that the Centers for Disease Control was offering a grant for screening blood in (you guessed it) Tanzania. The bombing of the U.S. Embassy in Dar Es Salaam, the country's capital, by Al Qaeda in 1997 made "clean" blood something of a security issue for the United States. Gorlin got the grant, which is paying for his trip and some supplies.

In Tanzania, Gorlin will spend a week in Dar Es Salaam working with Dr. Jesse Kitundu, a Mayo Clinic-trained pediatric epidemiologist, to improve blood-screening methods and teach U.S. Embassy officials emergency screening techniques. Then he'll head out for a week at Lofstrom's rural hospital, where he'll instruct staff on the "dipstick" method of blood testing.

This method, similar to a pregnancy test, uses a simple stick-and-dropper system that searches for various blood-borne pathogens. It's a far cry from the expensive machines used in the United States that can screen out even the tiniest quantity of HIV. "The [dipstick] tests aren't as sensitive, but they're pretty good," Gorlin says. "And if the choice is between nothing or pretty good, pretty good

PHOTOGRAPH BY MARK LUMENBURG



Jed Gorlin, M.D.

sounds, well, pretty good." In countries such as Tanzania, "you can spend a hundredth of [the cost of blood testing in the United States] and save a hundred times more lives."

Gorlin's employer, Memorial Blood Centers, is a nonprofit company that organizes blood drives and other donor programs, then sells the blood (at cost) to hospitals in Minnesota and Wisconsin. Finding himself taking on more and more managerial tasks—"I have lots of doctor training but not a whole lot of administrative training"—he entered the Executive MBA program this past August.

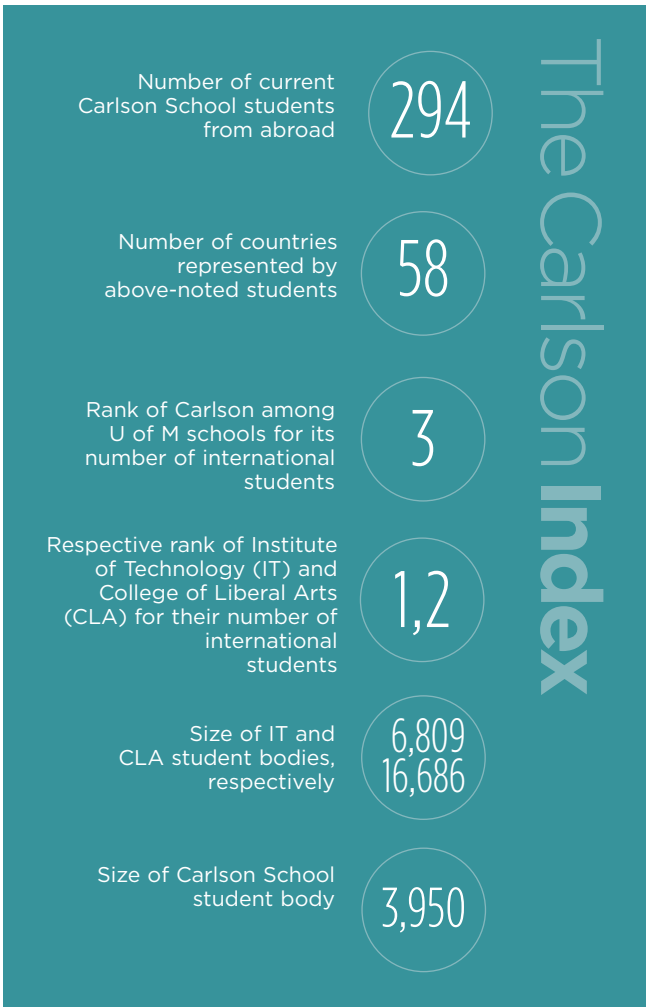
Given the new demands on his time these days, it looks as though his top administrative task now might be managing his calendar.

—Mac Wylie

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**In countries such as Tanzania, "you can spend a hundredth of [the cost of blood testing in the United States] and save a hundred times more lives."**

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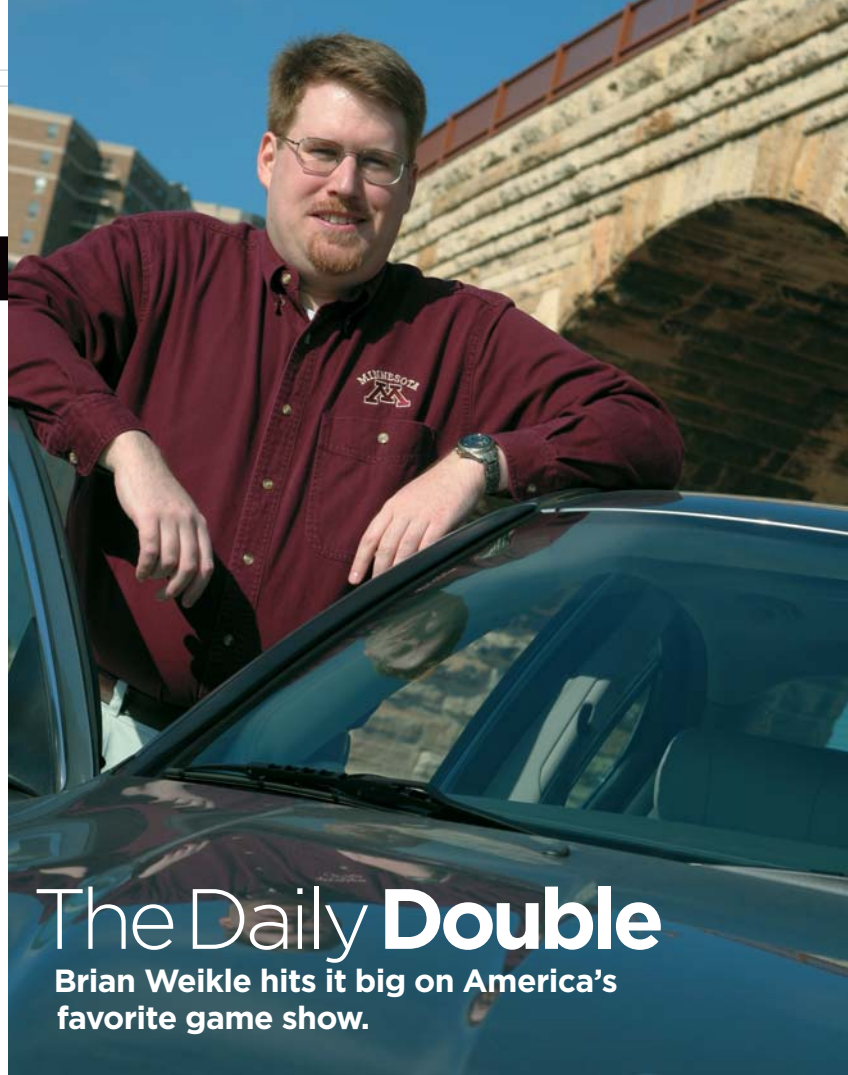


### Update Contact Information at Alumni Online

Log in to the Carlson School's online alumni directory at [www.carlsonschool.umn.edu/alumnionline](http://www.carlsonschool.umn.edu/alumnionline) to update your personal and employer contact information. We encourage you to update your alumni profile—and to display your contact information so your classmates and fellow alumni can find you. You can also search the directory for career networking contacts, classmates, and friends. To get your ID and password to access Alumni Online, call 612-624-4509 or e-mail: [alumni@csom.umn.edu](mailto:alumni@csom.umn.edu).

As you update your profile in Alumni Online, consider becoming a part of the Carlson School's Alumni Career Network. Members of this network make themselves available to current students in undergraduate and graduate programs for career networking and placement search strategies.

Joining is a snap—simply check “yes” to joining the Alumni Career Network on your alumni profile.



## The Daily Double

Brian Weikle hits it big on America's favorite game show.

Brian Weikle, '01 MBA, doesn't claim to be a psychic or a genius, but he certainly knows his trivia. And by most people's standards, he is more than the Webster's Dictionary's definition of “smart.”

Weikle, a project manager at Target Corp. in Minneapolis, recently experienced first-hand what it's like to test that knowledge in front of millions of television viewers on *Jeopardy!*, the long-running quiz show. Even better, he walked away a champion—a five-time undefeated champion, no less.

It started on a visit to southern California in August 2002. Weikle whimsically walked into the *Jeopardy!* studios and took a preliminary 50-question test. He needed to correctly answer 35 questions to

**“I figured out that you don't have to know every answer. You just have to be focused and answer first most of the time. I was good at being first at the buzzer.”**

proceed to the next preliminary stage. “I'm sure I barely passed,” he says. “I probably got 36 or 37 questions right.” Next up: a mock game to see how he and other candidates could perform under pressure. This stage is where the players get separated from the pretenders; only 50 percent of the people who make it to the mock game round get called back. Weikle made the cut. “They called me in November [2002],” he says. “It was a happy surprise.”

Once he actually got onto the show, Weikle cleaned up, winning more than \$200,000 and a custom-made Jaguar. His approach: a clear and focused mental state. He didn't bury himself in books to prepare for the game. Rather, he got his sleep, ate healthy, and stayed “mentally prepared.” His Carlson School qualifications didn't hurt, either: “Strategy is what I learned at the Carlson School,” he notes.

“Most of the stuff I knew,” he adds. “And before the show, I figured out that you don't have to know every answer. You just have to be focused and answer first most of the time. I was good at being first at the buzzer.”

—Stephanie Davila

PHOTOGRAPH BY DIANA WATTERS

# Enterprise Development

The Carlson School hires a pair of savvy vets to head up a pair of key programs.



Laura TerWisscha, '96 MBA, new managing director of the Carlson Consulting Enterprise, and David Hopkins, new managing director of the Carlson Brand Enterprise.

The Carlson School Enterprises are among the nation's largest collection of MBA student-run businesses. Not only do the programs put students at the head of their own businesses, they also give them access to professional staff who come to the Carlson School with industry-leading experience.

Two examples of the latter are David Hopkins, the new managing director of the Carlson Brand Enterprise, and Laura TerWisscha, '96 MBA, the new managing director of the Carlson Consulting Enterprise. Both come to the Carlson School from industry-shaping positions.

"The Enterprises offered me an interesting blend of teaching and working for business," says Hopkins. Prior to coming to the school, he served as the regional managing director for U.S. operations at MRM Partners, a New York City-based relationship marketing firm. The Brand Enterprise, the newest addition to the Enterprise Program, needed a managing director with the experience required to build and expand the program. It also offered Hopkins the chance not only to work in marketing but also to be an instructor. "The

Enterprises are driving alignment in the school," says Hopkins. "They align with the school's strategy for business connections and hands-on learning opportunities. It's good to be part of creating that alignment."

TerWisscha's work for the Carlson Consulting Enterprise also meshes well with her experience. During her seven years with Deloitte, she helped drive significant projects with some of the firm's largest clients. She also maintained close ties as Deloitte's coordinator for its relationship with the Carlson School. In that position, she was intimately familiar with what Deloitte was looking for in the school's MBA graduates. "The Carlson Consulting Enterprise places some of the same demands on students that they'd expect to encounter in the workplace," she says. "After every project, we provide students with performance feedback. We also teach our students how to break down complex business challenges and communicate solutions to leadership. We help prepare our students to be more 'job-ready' when they leave here."

—Michael Weinbeck

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**"We teach our students how to break down complex business challenges and communicate solutions to leadership. We help prepare them to be more 'job-ready' when they leave here."**

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## Beating the Odds

**Bob Buuck built a successful business—and now he's helping others do the same.**

There's hardly a student who passes through the Carlson School's doors who isn't taught about the challenges of entrepreneurship. And there's hardly anyone who can claim to have made a greater impact on the school's lessons in entrepreneurship than Bob Buuck, '70 BSB, '72 MBA.

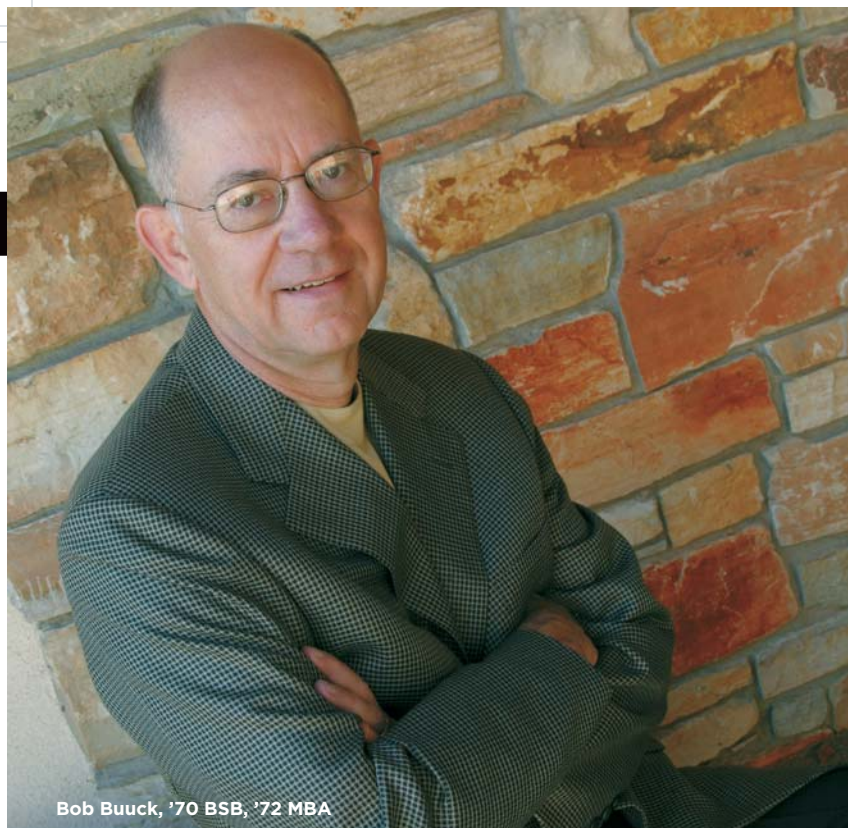
In fact, the school's entrepreneurial curriculum bears the influence of Buuck, who is vice-chair of the Carlson School Board and a recent recipient of the University of Minnesota's Outstanding Achievement Award. Before his efforts, entrepreneurship training had foundered, often relegated to short classroom lessons. Today, the school is widely acknowledged as an emerging leader in training entrepreneurs.

Buuck led the charge in the reemergence of the school's Center for Entrepreneurial Studies, which serves as the foundation for the Carlson Ventures Enterprise, one of the strongest programs in attracting MBA students. Carlson Ventures helps build new businesses, mostly by capitalizing on research discoveries made at the U of M. Through the program, MBA students research new business opportunities and court investors. It's a program unparalleled among American business schools—both for its unconventional, real-world emphasis and its success in bringing new products to market.

In assisting with the design of Carlson Ventures, Buuck was guided by his experiences as an MBA student. He started his own company, American Medical Systems, by collaborating with U of M researchers to bring a new urologic medical device to market, a startup process virtually identical to what Carlson Ventures students go through today—minus the element of financial risk. “When I cofounded American Medical Systems, I signed for a loan that was five times my net worth,” Buuck says with a chuckle. “But the bank knew it had my attention.”

By any measure, the risk involved was daunting. As with any startup enterprise, the company's success was far from certain. “Most venture funds may review 100 business plans,” he notes. “After doing their research, 10 companies will be invested in. Three will be successful.”

American Medical Systems beat the odds. Buuck sold the company in the mid-1980s for \$105 million—a huge success by the standards of the time. On one hand, he firmly believes that the company's accomplishments were a product of its founders' commitment to their cause. “We believed in the products we created at American Medical Systems, and we knew that we were filling a huge medical need,” he says. He adds, however, that you can't ignore the role luck can play in developing a new company.



Bob Buuck, '70 BSB, '72 MBA

“We were in the right place at the right time.”

Luck aside, Buuck is also quick to point out that a company with a good product can only succeed if its business plan is fundamentally sound. “We talk about that at the Carlson School,” he says. “Students run into researchers who feel that their invention is 98 percent of a company's success and its management plan is only 2 percent. In reality, it's the reverse of that.”

One of the biggest challenges, he notes, is finding the right ideas around which a company can be built. “Many times, you begin screening a new company idea on Monday morning and you've rejected it by Monday afternoon. But you can spend three to four months researching other ones before you decide an idea won't fly.”

When the U of M awarded Buuck the Outstanding Achievement Award, it was not only acknowledging how he applied his entrepreneurial skills in developing the Carlson School. It also honored his history of service to the Twin Cities community. Buuck helped develop innovative programs for Habitat for Humanity and Courage Center, a Minneapolis-based nonprofit organization that provides services to the disabled community. In addition to his hands-on work for these groups, he's been a strong financial supporter.

In addition, the Buuck Family Foundation has long been a philanthropic vehicle for the whole family. Built into the foundation are giving funds directed by his three children, a method Buuck employs to teach them the virtues—and challenges—of being a benefactor.

Buuck is unassuming about his success. Just as he's quick to attribute his company's growth to good luck, he attributes the Outstanding Achievement Award to the overstated praise of others. “I haven't necessarily done that much more than any other graduate of the U,” he says. “I just happen to have a great love of the University and of the Carlson School.”

—Michael Weinbeck



# Changing Fortunes

## A chat with the Minneapolis Federal Reserve Bank's Art Rolnick about the China Executive MBA, the Carlson School's newest international executive MBA program.

Despite a last-minute delay in the graduation ceremony for the first group of Carlson School China Executive MBA (CHEMBA) students, enthusiasm is strong for the two-year-old program. The 38 members of CHEMBA's inaugural class were initially scheduled to come to Minneapolis last May for a final 10-day instruction period and to participate in commencement activities. That element of the program was shifted to November because of the SARS outbreak. In the meantime, the class of 2004 started its second year of coursework, and the class of 2005 is hitting the business books as well.

Modeled after the Carlson School's executive MBA programs in Warsaw and Vienna, CHEMBA draws Chinese executives and upper-level managers, all of whom have at least five years of management experience. They attend classes for two consecutive weekends each month at Lingnan (University) College in Guanzhou, a region in southern China about 90 miles from Hong Kong.

Courses are typical of an executive MBA program, albeit with a heavy emphasis on Asian markets. Carlson School faculty teach the weekend-long sessions along with Chinese professors. We caught up recently with Art Rolnick, senior vice president and director of research for the Federal Reserve Bank of Minneapolis, who also taught a macroeconomics course for the CHEMBA program in February 2003.

### **Carlson School:** What was your impression of the students in the CHEMBA program?

**Art Rolnick:** In a way they were typical MBA students. They came from fairly successful companies, or from their own companies. In that sense it was typical, and of course, in a way, not typical at all because they're Chinese and for many years that economy was a planned economy—and a very depressed one. But it has clearly emerged as one of the strongest-growing economies in the world.

### **CS:** What were they like in class?

**AR:** They were very engaged, they spoke very good English, and they kind of surprised me with how economically sophisticated they were. They clearly had a global point of view. They seemed to have a much better understanding than I would have guessed about how economies work and about the importance of entrepreneurship.

**CS:** Do you think they knew about how market economies work because of their experience, or because of what they had read?



Art Rolnick

**AR:** Experience from their companies. They're learning by doing.

### **CS:** Do you expect these students will stay in China?

**AR:** Yes. These were Chinese business people, and most, if not all of them were in pretty high-level jobs. It was my impression that they were people who were doing well and seeing lots of opportunities. They are the future-builders. And it's interesting because it was such a contrast from what I thought I was going to see. There clearly is an economic revolution going on there.

### **CS:** Will you go back and teach again?

**AR:** My schedule is so crazy that I probably won't do it next year, but maybe in the future. It's an incredible experience.

### **CS:** How did you get involved in the CHEMBA program?

**AR:** I've been involved with the Carlson School for a long time—giving lectures in various classes. I first got involved in its international programs a number of years ago when I went to give some lectures at the University of Warsaw. Last fall, they called and asked if I would be interested in teaching a macroeconomics class with an emphasis on the Fed and central banking. I had always wanted to go to China—in fact we were planning a trip in May. And then this came up, so we just had to change our plans a little. As it turned out, we were lucky we did it because SARS would have prevented us from going in May. The experience was part teaching and part banking because I did get a chance to spend some time at the People's Bank of China in Beijing. We also were able to travel a lot.

—Kate Peterson

## What are you Reading?



Francesco Redivo

### Francesco Redivo Fulbright Scholar, second-year MBA student

*The Economist* magazine

"[There is] 'a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress.' More than 150 years ago, those words marked the birth of one of my favorite weekly readings: *The Economist*. Whenever possible, during my daily bus trips to school or prior to [ending each] day, I like diving into its disparate articles, which range from international politics to social sciences, and which cover aspects that inevitably influence today's boundary-less, multidisciplinary, and globally integrated business world. The magazine's unbiased and provocative perspective often sheds light on thorny issues rarely discussed in class. I strongly recommend it as an indispensable supplement to a graduate education."

### John Fossum professor, Industrial Relations

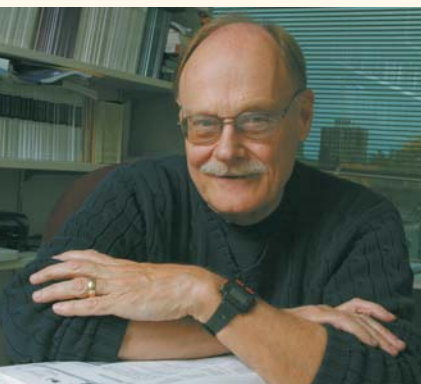
*April 1865: The Month That Saved America* by Jay Winik, *Undaunted Courage* by Stephen Ambrose, and *The Curious Incident of the Dog in the Night-Time* by Mark Haddon

"Winik's book provides insights about how the progression of leaders, political differences, and institutions led up to the Civil War, and how tenuous the restitching of the republic was during the critical month of April 1865. Ambrose's book is the story of the Lewis and Clark Expedition. And Haddon's book is a story of an autistic 15-year-old, how he perceives his environment, and how he deals with changes that are difficult for him to interpret and over which he has no control."

### Susan Wannamaker director of operations, Vancouver Hospital, Vancouver. Holds a credential of Advanced Studies in Health Services Administration from the Carlson School and an MHA from the University of Minnesota.

*The Art of Possibility: Transforming Professional and Personal Life*, by Rosamund Stone Zander and Benjamin Zander

"I first saw Ben speak at the December 2002 Institute of Health Improvement National Forum in Orlando, Fla. He was amazingly uplifting and had 3,800 delegates captivated. So I bought his book. *The Art of Possibility* is a collaboration between him and his wife that provides strategies in a positive sense. It is told in an experience and storytelling fashion, so it is easy to fit it into your own situations. The book is about out-of-the-box thinking and turning things around with positive thinking. For people in a leadership role, this is a must-read."



John Fossum



## Most Wanted

### Crime lab directors come to the Carlson School for lessons in "the business of science."

A biology degree isn't the only credential needed to become a top-notch FBI crime lab director. In today's world, you also need some serious ethics and stellar business skills.

With that in mind, the Carlson School's Executive Development Center (EDC) was selected to partner with the FBI for a three-day conference with 275 crime lab directors from around the United States and Canada—25 percent whom are sworn FBI officers. Over the course of the conference, which was held September 23 to 25, Carlson faculty instructed local, state, and federal crime lab directors on the "business of science."

The Carlson School worked extensively with FBI officials to custom-design the curriculum, which focused on one of FBI director Robert S. Mueller's prime directives: sharing forensic science resources between labs. Other hot topics included seminars on ethics and integrity, conflict management, leadership, and quality control. All stressed fundamental skills applicable to law enforcement and the business world: decision making, change management, budgeting and financing, and negotiating.

"Crime lab directors can be the backbone of the criminal justice system," says EDC Director Bill Scheurer. "If they want to succeed, they have to have mastered certain skills like integrity."

The Carlson School was selected from among a number of other top-tier universities, including Northwestern and the University of Illinois at Chicago. This is only the second time in the program's 31-year history that the FBI has used a university setting to conduct the event. The school submitted a proposal to the FBI, and according to Scheurer, was selected based on the strength of its technological capabilities, overall reputation, and resources.

—Stephanie Davila

# Life of a Salesman

**After six decades on the job, Lyle Baker is still hard at work.**

More than half a century into his sales career, Lyle Baker believes he's at the top of his game.

"People ask me why I'm still selling at my age," says the 81-year-old Baker, '52 BSB. "I guess part of the reason I'm still selling is that I've worked long and hard to be a good salesman. Now that I am a good one, I don't want to quit."

Baker, an independent dealer of janitorial products, recently wrapped up another productive season. He sells from April 1 to September 30 each year—a schedule he adopted when he hit retirement age nearly 17 years ago. Outfitted in his trademark bow tie and cummerbund ("It sells product," he says.), Baker calls on small businesses—everything from doctor's offices to auto-parts stores—in and around the Twin Cities. He's something of a one-man traveling hardware store; he offers janitorial products from a variety of manufacturers, including from The Fuller Brush Co., a 97-year-old, Great Bend, Kansas-based operation with which he's long been associated. Baker makes between 40 and 50 sales calls daily; he closes between 15 and 22 sales per day.

"You know what is the biggest sale you make every day? Selling yourself on going out the front door in the morning," says Baker, who keeps an office in the St. Paul home he's owned with his wife, Eunice, for the past 40 years.

He recalls being a timid, fresh-off-the-farm teen when he started his career in 1942 working door-to-door for Fuller Brush, which offers home- and business-care products and cleaners through a network of independent dealers. After six months with Fuller Brush, he was drafted and served three years in the Army during World War II. When he was discharged from the service, he returned to the company for about 18 months, then enrolled at the University of Minnesota under the G.I. Bill. "I give credit to the U of M for helping me develop the self-



Lyle Baker, '52 BSB

discipline I still use today," he says.

Six decades after making his first sale, Baker admits to being infinitely more confident in himself—and more satisfied by his work. "Learn to love your work and you'll never work another day in your life," he says, borrowing a quote from Confucius. "I'm fortunate—I bet 50 to 60 percent of people don't like their work and can't wait to retire. I'm not there yet. I'm looking forward to enjoying the satisfaction of being a better salesman than I am right now."

—Andrew Bacskai

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**"Part of the reason I'm still selling is that I've worked long and hard to be a good salesman. Now that I am a good one, I don't want to quit."**

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# Sense and Sensibility

**Ann Rockler Jackson is working to keep academia grounded in the real world.**

Ann Rockler Jackson, CEO of Rockler Companies Inc., a Medina, Minn.-based chain of woodworking supply stores, is passionate about what comprises a good education. Business succeeds, she asserts, when its leaders are graced with experience and common sense. And a college succeeds when it equips its students with real-world skills.

Jackson is no stranger to academia. She has a degree in art history and the coursework for a minor in classics at the University of Minnesota, and is currently completing two master's degrees—one in Design, Housing, and Apparel at the U of M and another in business communications at the University of St. Thomas. That said, she feels a person's academic training is perhaps secondary to the sum of his or her life experience. "When I hire someone, I look at their experience in the real world," she says. "As [the manager of a] small business, I can't afford to train someone for five years."

She adds that her own leadership style reflects an emphasis on common sense business. "But that doesn't mean I can't run a



Ann Rockler Jackson

business intelligently," she notes. "And it doesn't mean that I can't attract intelligent people; there are astounding people working here at Rockler Companies."

This attitude has driven Jackson to get involved with the Carlson School. She is a strong supporter and advocate of the school's Entrepreneurship Club, and sits on the school's Undergraduate Advisory Board. Recently, she issued a challenge to the other board members, asking each to contribute \$500 to create a scholarship fund. "Students need to know what the advisory board is and need to be aware of our commitment to them," she says.

For Jackson, this work in support of the Carlson School is a way of keeping the school on track with its hands-on curriculum. "Many schools aren't reflecting the needs of their constituents," she says. "The Carlson School is grounded in the real world, and it doesn't teach just theory. Its curriculum is very balanced."

—Michael Weinbeck

## Close to Home

**Nearly five decades after graduation, Peter Robinson is back in the U of M's fold.**

For nearly 50 years after he graduated from the Carlson School, Peter Robinson, '54 B.S.-Econ, was lost to the University of Minnesota. Through an unexplained administrative foul-up, his name was never entered into the U of M's alumni records.

One of his final communications with the school was a letter sent to Robinson's father, a minister, from then-dean Richard Kozelka. "Strange are the ways of youth," Kozelka wrote. "Your son turns to business. Mine turns to ministry."

That letter, sent shortly after Robinson graduated Phi Beta Kappa, was almost the last he heard from his alma mater.

After graduation, Robinson built a successful career at Honeywell. Starting out in college as an accounting clerk, he worked his way up the company's accounting structure and was eventually appointed vice president and director of tax. All the while, the Carlson School remained unaware of his achievements.

In 2002, Robinson read media coverage of the University's Campaign Minnesota fundraising effort. News of the program inspired him to get in touch with the school. "I wanted to do something for the

University," he says. "My education there had a lot to do with my success."

A few phone calls later, Robinson found himself back on campus touring the Carlson School. Recalling his good fortune at being able to afford the tuition (\$99 per quarter at the time), he and his wife Sharon, a 1960 graduate of the U of M's College of Education and Human Development, established a scholarship fund benefiting underprivileged undergraduates.

Robinson's reconnection with the U of M comes as a welcome conclusion to nearly 50 years of separation. "I spent my freshman year at Grinnell College in Iowa and they still send me publications as if I were an alumnus," Robinson says. "I don't consider myself part of their alumni. I feel like I'm part of the University of Minnesota."

—Michael Weinbeck

*Editor's note: If you know of a lost Carlson School alum, contact Jen Gelbmann at 612-626-9486, e-mail: [jgelbman@csom.umn.edu](mailto:jgelbman@csom.umn.edu).*

# Leadership Matters

## Bill Walter gives back by taking on more.

After building a successful real estate firm, Bill Walter ('72 MBA) began looking for a second calling. He found it in an unlikely place.

"In 1980, when I realized that I had built a certain amount of financial success," he recalls, "I went to Yellowstone National Park on a fly fishing trip." As he looked at the park's mountaintops, he realized how passionate he felt about the majestic natural space.

When he returned home to Minneapolis, Walter contacted the National Parks Conservation Association, looking for a way to make a commitment to its cause. "I looked on it as taking on a new job," he recalls. The result: In addition to his regular day job as president of Heartland Realty Investors, he's had a long involvement with the Parks Conservation Association; he now serves as the organization's vice chairman.

Growing his firm, which now boasts \$200 million in holdings across 10 states, and fighting for national parks are only two expressions of Walter's capacity for leadership. He also is committed to leading at the Carlson School. The University of Minnesota has special importance for Walter because, as an incoming freshman from Helena, Mont., and later as an MBA student returning from two tours of duty in Vietnam, he felt that the campus welcomed and supported his learning. "The University of Minnesota changed my life," he says. "It embraced me and gave me the confidence I needed."

Walter can still recite the names of the professors who most profoundly influenced his business philosophy: Norm Chervany, Bill Rudelius, Bruce Erickson, and Fred Byer. With that in mind, he created a challenge grant for the MBA class of 2000. The students, with Walter's matching funds to inspire them, raised a sizable scholarship that will now fund MBA students in perpetuity.

For Walter and his wife Judy, serving as leaders in business or as advocates for national parks is more than a hobby. It's a necessity. "It's all about leadership," he says. "The rewards for giving come back to you hundredfold. It's the right thing to do, and it feels good."

—Michael Weinbeck

## Wally McCallum, 1907-2003

Wally McCallum, '30 BSB, passed away on August 6, 2003, at age 96. McCallum held management positions throughout his career—including more than 30 years in the meatpacking industry. He served as president, CEO, and director at John Morrell and Co., a Cincinnati-based meat manufacturer. After retiring, he spent 20 years leading a consulting firm.

In 1958, McCallum received the University of Minnesota's Outstanding Achievement Award, the highest award the institution gives. The last part of his life was spent building the Lost Tree Village Charitable Foundation, a nonprofit organization that has given millions in grants to service organizations near North Palm Beach, Fla.



From left: Marilyn Carlson Nelson, Swedish Queen Silvia and King Carl XVI Gustaf Folke Hubertus.

## Nordic Notable

### Marilyn Carlson Nelson named "Swedish American of the Year."

Marilyn Carlson Nelson, chairman and CEO of Minnetonka, Minn.-based Carlson Companies, and the daughter of Carlson School namesake benefactor Curt Carlson, has added a new honor to her list of accomplishments. Earlier this year, she was named 2003 Swedish American of the Year by the Vasa Order of America, a benefit fraternal society for Swedish immigrants, and received the award from Swedish King Carl XVI Gustaf Folke Hubertus and Queen Silvia.

The award, which honors prominent Swedish-American citizens each year, places Nelson in some august company. Past winners have included Nelson's father, astronaut Edwin "Buzz" Aldrin, U.S. Supreme Court Chief Justice William H. Rehnquist, and former Minnesota governors Wendell Anderson and Arne Carlson.

—Hank Pederson

# New World Order

The effects of globalization are felt by all of us every day, but are often hard to trace and understand.

Is it a powerful force for good or a means of exploitation? *By Sara Aase*

## **Like a lot of small manufacturers,**

Jerry Skoff of Menomonee Falls, Wis., has seen better days. His company, Badger Metal Tech, makes and applies surface treatments to extend the life of metal industrial tools.

But his primary customers in the tool and die industry—those that cast the molds to make the products—have been hit hard in the last three years. “There were 1,200 diecasters when I started [in 1983], and there are less than 275 now in the United States,” he says. “Some were absorbed by other companies, but the vast majority just went out of business.”



Badger Metal Tech does business with companies in the United States, Canada, and Mexico, and Skoff says Japanese competition in the 1980s made U.S. manufacturing stronger. But he blames much of U.S. manufacturing's recent demise on what he believes is unfair trade with China. In February, Skoff launched a Web site and grassroots organization, Save American Manufacturing Now ([www.samnow.org](http://www.samnow.org)) to educate readers about the Chinese threat, which boils down to this: U.S. manufacturers complain that China's steep tariffs against U.S. imports keep their products out. Meanwhile, a low Chinese currency and low U.S. tariffs make Chinese products cheaper than their raw materials. Much lower wages for Chinese workers and lax intellectual property rights also hurt U.S. firms—software and other product piracy has been rampant in China. Skoff says the rising chorus of voices from manufacturers is already spurring

PHOTOGRAPHS BY MARK LUNENBURG

**ABOVE: Stefanie Lenway, professor of strategic management, associate dean of MBA programs, Carlson School**

“One of my worries about globalization concerns being attentive to people who are paying the cost of adjustment, such as [U.S.] textile workers who have been thrown out of work. Our standard of living depends on their willingness, on the necessity for them to adjust.”

politicians to act. “I give the analogy that we’re in a war and bombs are going off all around us, and nobody hears them,” he says.

Three hundred or so miles west, another, slightly higher-tech firm is in a similar situation. Aaron Pratt, marketing manager of Microboards, a Chanhassen, Minn.-based CD/DVD duplication machine manufacturer, agrees that competition in a globalized marketplace can be a nasty challenge. His company isn’t big enough to move its California manufacturing plant to China to save on labor costs, Pratt says, and cost competition has forced it to carry cheaper, lesser-quality products from Taiwan and China that require more technical support. “Slimmer margins and more work to get them—those have been the drawbacks of globalization,” Pratt says. But he prefers to let market forces work it out. “Different people have different competitive advantages that can’t be regulated away.”

### Globalization’s roots

Different cultures have long traded and adopted each others’ goods, customs, and ideas. During the industrial revolution of the 18th and 19th centuries, the world enjoyed a heady round of globalization—or increased trade, travel, and interconnectedness thanks to new technologies such as the telegraph—up until World War I. For much of the 20th century, however, the effects of World War II, the Cold War, the emergence of communism and fascism, and the West’s regulated approach to capitalism (based on Keynesian economic theory) put a damper on the movement.

But with the end of the Cold War, countries from Poland to Bolivia found that embracing free markets and global trade—instead of price controls and tariffs—helped lower their inflation rates, foster entrepreneurialism and innovation, and create new economic growth. The movement rapidly expanded the number of players in the global marketplace at the same time that technological advances made it easier to ship goods, people, and information from one place to another. Recognizing that

**Tom Murtha, associate professor of strategic management, Carlson School**

**“Globalization reduces the control governments have over territories and social policy. There’s no global authority that says we’re going to have social welfare for people displaced by economic change.”**

the complexities of global trade had outgrown the provisional negotiations countries had agreed to since the 1940s (in the General Agreement on Tariffs and Trade, or GATT), in 1995 countries created a new body, the World Trade Organization (WTO), which could update and better enforce trade rules.

Globalization as we know it today has become a seemingly unstoppable force, fueled by everything from intertwined world stock markets and currencies to the spread of multinational corporations, to lightning-fast communication via cell phones, e-mail, satellite TV, and the Internet. It is a wide-scale experiment with free-market capitalism—that is, trying to give the rough-and-tumble effects of supply and demand between countries more power than the impulse to regulate them. Its effects, direct and indirect, are felt by all of us every day, but are often hard to trace or understand. Depending on your perspective, globalization expands or contracts opportunities. It saves or destroys the environment. It protects us or opens the world to more threats of terrorism and war. It benefits the poor, or it benefits the rich at the expense of the poor. Or it does all of these things and more at once.

### Benefits

“What we don’t appreciate as a society is the extent to which our standard of living depends on globalization,” says Stefanie Lenway, professor of strategic management and associate dean of MBA programs for the Carlson School. Because of globalization, Lenway and others say that Americans in particular have more career options in more new industries than would have been conceivable even 30 years ago. Affordable prices for goods such as food and electronics, and more choices in these goods than ever before, are the result of increased trade.

Increasingly, those benefits extend to developing countries. Globalization, say economists and world leaders, has lifted millions of people out of absolute poverty. Those that have the least access to globalization, such as North Korea and the countries of Africa, are still the worst off. A recent PBS documentary series, *Commanding Heights: The Battle for the World Economy*, based on a book by economist Daniel Yergin, profiled a remote village of India where farmers now check world prices via the Internet before







they sell their crops. In an example from *The Lexus and the Olive Tree*, a best-selling book on globalization by *New York Times* journalist Thomas Friedman, members of the Kayapo tribe in the Amazon rain forest of Brazil use a satellite TV to make sure they are charging current world rates to local gold miners who dig at the edge of their property. A recent feature in the *Wall Street Journal* noted how European and U.S. food companies, such as California-based Sunkist Growers Inc. are teaming up with companies in developing countries, which helps them gain more market access, profits, and growth.

“You’ve probably seen more U.S. products adopting foreign labels and brands,” says Anthony Albanese, CEO of BSB, a strategic consultant at the Chicago offices of Pepsicola. “Without these companies being allowed to

ABOVE: David Berg, vice president of agriculture, American Crystal Sugar

“Free trade is a wonderful idea to pursue, but it doesn’t [always] happen, and certainly not in agriculture. Countries want to be able to guarantee the affordable and stable cost of groceries.”



**ABOVE:** Vinay Gidwani, professor of geography and global studies, University of Minnesota

“I don’t think the demonstrations one saw at Seattle [and other sites of WTO meetings] are anomalies. It’s an expression of distrust and anxiety among a large section of the population about what the consequences of these trade negotiations will be.”

utilize free trade to get these products to market, the companies in these countries would never be able to achieve enough scale to play in world markets.”

Globalization can also help save the environment. In another example from Friedman’s book, U.S. environmental groups teamed up with U.S. corporations such as Ford and Anheuser-Busch, Brazilian companies, and the Brazilian government to save what remains of the Atlantic rain forest in southern Bahia, Brazil. By creating an ecopark in the remaining forest, the group helped create tourism jobs for nearby townspeople who had previously logged the forest as their only source of income. It also worked with local farmers to cultivate shade crops such as cocoa and coffee.



Because of its benefits, developing countries want a bigger stake in globalization. “They want to be a part of it, and it’s up to us to help them figure out how to do that,” says Albanese, who has done business in Mexico, Argentina, and other Latin American countries. “They think this is the best lever to pull to grow.”

That desire was illustrated at September’s round of WTO trade meetings in Cancun, Mexico. When the United States, Europe, and Japan failed to lower farm tariffs and subsidies as they had promised earlier, a group of developing countries collapsed the talks by blocking further proposals on investment rules. Developing countries want greater access to world markets, particularly in agriculture, where many of them can best compete.

#### Downsides

If it’s easier in today’s interconnected world to see the good globalization has wrought, it’s also easier to see the bad. Connecting the world’s economies means accelerating the rate at which standards of living rise. But it also accelerates

the pace of change, and pain, as competition and technological innovation phase out jobs — sometimes entire industries — and replace them with new ones. “Look at [U.S.] agriculture,” says Russell Roberts, author of *The Choice: A Fable of Free Trade and Protectionism*, and an economics professor at George Mason University in Fairfax, Va. “[Agriculture has] gone from 40 percent employment to about 2 percent. If that had happened overnight, it probably would have created a revolution.”

Without question, globalization is revolutionizing economies around the world. Developing countries are being asked to quickly build legal and regulatory standards that took the United States generations to create and fine-tune. It has been messy. So far, globalization has already

#### Anthony Albanese, of BSB

“You’ve probably seen more U.S. products adopting foreign labels and brands. Without these companies being allowed to use free trade to get these products to market, the companies in these countries would never be able to achieve enough scale to play in world markets.”

weathered a large-scale Asian and Russian economic meltdown that, within 12 months, socked millions of investors worldwide, and had serious ripple effects on countries around the world. In the United States, millions have been thrown out of factory and farm work since the late 1980s, and union membership, with its protections of jobs and wages, has declined from 30 percent of the workforce to about 13 percent today. Even education, the mantra for progress, may no longer be enough to keep up, as skills such as computer programming and even financial analysis become commodified and more easily sold to the lowest worldwide bidders.

One response has been calls for the federal government to protect industries and jobs. While the United States has protections in the form of tariffs and subsidies for its steel, textile, and farming industries, some of those have come into question of late. Case in point: The U.S. government has long kept domestic sugar prices artificially high by restricting sugar imports. But now the Bush Administration is negotiating agreements that could pave the way for an influx of imported agricultural commodities. The sugar industry wants sugar excluded from such deals, warning that cheap imported sugar would devastate U.S. growers. “We don’t want to just drop all barriers to sugar, because we think a lot of other countries will maintain those protections,” says David Berg, vice president of agriculture for American Crystal Sugar, a Moorhead, Minn.-based cooperative. “But having a domestic sugar industry makes sense. The last time we did not have a domestic sugar support program, prices went from 15 to 60 cents a pound, so having this production capacity helps stabilize prices for consumers. Free trade is a wonderful idea to pursue, but it doesn’t [always] happen, and certainly not in agriculture. Countries want to be able to guarantee the affordable and stable cost of groceries.”

In short, it's a complicated equation. Do you protect industries hurt by globalization—or accept the pain in favor of potential new long-term opportunities and benefits? Or is there a middle ground?

Tom Murtha, associate professor of strategic management at the Carlson School, believes in taking a longer view. Despite the loss of family farms, factory towns, and the way of life they represent, America is better off, he notes. “We’re no less a power in agriculture now than 100 years ago,” he says. “In fact, we’re much more so. Manufacturing is a greater percentage of the economy than ever, but has [fewer] people doing it than ever before. And in knowledge work [i.e., IT- and software-related fields] the same thing is going to happen—we’ll do the things we do most productively and continue to invent new things.”

Still, if globalization is to continue to be accepted, political, education, and business leaders must do a better job of addressing its negative effects on people, says Lenway. “One of my worries about globalization concerns being attentive to people who are paying the cost of adjustment, such as [U.S.] textile workers who have been thrown out of work,” she says. “Our standard of living depends on their willingness, on the necessity for them to adjust.”

### Backlash

Those negative effects that Lenway points out have helped lead to a backlash in recent years. At one end of the spectrum, protectionists call for beefed-up tariffs. Other proponents for change say that globalization has given the richest countries and companies control over the process, with no consideration for worker’s rights, human rights, or environmental protections. They argue that its benefits and opportunities go mainly to those with capital—and that its costs and pain are borne by workers and the poor. “People who I believe should be in control of their destiny and their futures are not,” says Susie Whitlock of Minneapolis, an activist with the Minnesota Fair Trade Coalition, which was founded in 1991 to agitate for changes to globalization.

### Stefanie Lenway

“If you’re concerned about poor people and their ability to find a way to live a better life, you have to embrace globalization and figure out how to deal with [the costs] more aggressively.”

“I want to make [trade’s] possibilities—[such as] the right to a fair wage, the right to a living wage, the right to health care, the right to electing your own government and not modifying your constitution in the interest of trade—as real for as many people as possible.”

Jeff Faux, cofounder of the Economic Policy Institute, a Washington, D.C.-based nonprofit think tank, says that many protesters are not against globalization, but against the way they say it has been organized, controlled, and carried out. “What we are against is building a common world economy that does not have the social contracts we have grown to think are fair,” he notes.

### Failings on both sides

In short, globalization has become an emotional topic in recent years, and parties on opposite sides of the line often have distorted views of each other. Where anti-globalist forces see secretive and indifferent leaders, controlled by corporations, pro-globalists see violent anarchists working to derail progress—an image fueled in part by 1999’s WTO meeting protests in Seattle, which were marked by violence. “I don’t think the kind of demonstrations one saw at Seattle [and other sites of WTO meetings] are in any sense anomalies,” says Vinay K. Gidwani, professor of geography and global studies at the University of Minnesota. “It’s an expression of distrust and anxiety among a large section of the population about what the consequences of these trade negotiations will be. It would be wrong to say that the concerns of [activists] from developing countries are the same as the ones from developed countries—we’ve seen groups oppose some of the freeing of trade barriers for very different reasons, so one should resist the temptation to see this as some sort of monolithic movement. But the sentiment, the distrust, is real.”

One anti-globalist symptom of that distrust has been to attack the spreading of Westernized culture and values. While it is inevitable and sometimes ugly that the United States is the largest economic force in globalization, lashing out at its fast food conglomerates as they expand around the globe ignores the fact that the people of the world are demanding them, and that in many cases, they are helping raise local standards of living. “Many of the things critics invoke about the global trade system [reflect] a fundamental misunderstanding of it,” says Roberts of George Mason University. “If French people want to drink Starbucks and eat McDonalds, it’s a free world. So the people who smash the windows of a Starbucks should be in their neighbors’ faces, asking, ‘Why are you eating something I don’t approve of?’ It’s bizarre and arrogant.”

On the flip side, the richest players such as the United States and the countries of the European Union occasionally do not hold themselves to their own standards. Free-traders themselves point to the devastating effects that the failed Cancun round of WTO talks will have on multilateral free trade agreements. The round was supposed to reduce the \$300 billion the United States,

Japan, and Europe annually spend in subsidizing agriculture. Those subsidies, which keep developed-world food prices artificially low, mean that many farmers from the poorest countries cannot compete, and they have no other jobs to turn to—so many go hungry.

Granted, to reap the most benefit from trade, developing countries would also have to lower tariffs, economists say. But instead of setting an example they could easily afford, developed countries often have played an “our-tariffs-are-lower-than-yours” blame game. “We should be setting an example by taking off all protection devices that protect our industries against newly emerging ones, even if free market principles would unseat our power,” says Tibor Machan, a research fellow with the Hoover Institution, a public policy research center at Stanford University.

### WTO as flashpoint, solution?

Much of the debate surrounding globalization has zeroed in on the policies of its governing body, the WTO. Critics say its actions are not transparent enough, and that just as globalization has forced countries to apply stricter standards of transparency to its markets to assure the confidence of investors, leaders should apply the same standards to the WTO. The kinds of trade deals it fosters could never be passed by those participating countries’ legislatures, they claim. Defenders counter that activists are too quick to demonize the WTO, and that the organization is being asked to take on issues—from environmentalism to labor protections—that might not belong there. “Globalization reduces the control governments have over territories and social policy,” says the Carlson School’s Murtha. “That’s what’s created so much turmoil. There’s no global authority that says we’re going to have social welfare for people displaced by economic change.”

*Lexus and the Olive Tree* author Friedman argues that every nation must strike a balance, through community and government decisions, between reaping globalization’s benefits and protecting against its negative effects. Yet social advocates claim that the way global trade works blocks the ability of countries, states, and municipalities to make such choices. One fundamental principle of WTO trade rules, for example, concerns national treatment. Under it, says Lori Wallach, a trade lawyer and director of Public Citizen’s Global Trade Watch, a Washington, D.C. consumer advocacy organization, trading countries must allow imports of agricultural goods with DDT residues, even though DDT has been banned in the United States for more than 30 years. The WTO also extends 20-year exclusive marketing rights for countries with patented drug or technologies. This policy prevented the sale of cheap, generic AIDS drugs to developing countries until August 2003, when the WTO agreed to allow this exception.

Organizations such as Oxfam, Public Citizen’s Global Trade Watch, and the Hemispheric Social Alliance have offered policy counterproposals to the WTO and to various trade agreements. The Hemispheric Social Alliance even

goes so far as to counter the framework of language for the proposed Free Trade of the Americas Agreement, which would extend NAFTA provisions to other Latin American countries, with language of its own. If WTO rules are essentially circumventing national laws, activists believe these issues must be addressed at the WTO as well as in individual countries. While free-market thinkers dismiss the idea as unrealistic, Faux and others argue that their proposals are no less workable than the current frameworks. “If you can show that a company in Denmark is selling its products below cost to capture the market, or show that there are hidden subsidies to French cheese or California wine, it’s not impossible to show that a labor force in a given place is being exploited, not allowed to join a union, or forced to work long hours at exploitative wages,” he says. “It would not be perfect, but you can use the same procedures and similar kinds of penalties.”

But the voluntary nature of its agreements mean that as the WTO’s profile has increased, its effectiveness may be on the decline. Any nation can flout WTO trade rules, and may or may not face sanctions from its trading partners for doing so. A recent study by the National Bureau of Economic Research, a Cambridge, Mass.-based nonprofit research group, found negligible differences in trade policies for member countries versus nonmember countries. And with the failure of the last few rounds of WTO talks to make progress, the United States and other countries are pursuing bilateral agreements that will be governed by their own trade contracts.

### High stakes

Whatever the mechanism, it’s clear that we all face responsibility for engaging in the debate on globalization. In 1947, at a gathering of economists in Switzerland, Friedrich von Hayek, a Nobel Prize-winning economist and champion of free market thinking, said economists must remember one lesson from the socialists: They had the courage to be idealistic—to have a vision and to work toward it. World leaders and activists alike acknowledge that everyone has a stake in making globalization work. As the 9/11 terrorist attacks illustrated, the world’s interconnectedness has made it possible for individuals to harness its information and technology against itself. Economists, leaders, and thinkers from all ends of the political spectrum say that if globalization leaves too many people out, eventually they will rise up to try to destroy the rest.

“To the extent we’re serious about creating a better life for our kids, we’d better figure it out,” Lenway says. “And not just [for] our kids—if you’re concerned about poor people and their ability to find a way to live a better life, you have to embrace globalization and figure out how to deal with [the costs] more aggressively.”

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*Sara Aase wrote about business ethics in the Spring 2003 issue of Carlson School.*

# On the Frontlines

First-hand reports from Carlson School grads

in the new global marketplace. By Sara Gilbert

## Calling Uzbekistan

from the United States can be a challenging endeavor.

Not that it's terribly complicated. Once you know the international access code, the country code, the city routing code, and the local telephone number, all you have to do is punch in the numbers. But then you hear a polite voice telling you that your call can't be completed as dialed. So you try again—and you get the same message. Another attempt yields the same result. So you call the operator to verify the sequence of numbers.

Eric Lunstrum, '02 MBA, and a few of his neighbors in Tashkent, Uzbekistan. >

PHOTOGRAPH BY VLADIMIR JIRNOV



**“I work for an American company, so it abides by U.S. law,” says Eric Lunstrum. “In business school, I was always told that could be a hindrance, but I think it helps us. We just say we can’t take bribes, and that helps keep the tax collectors and the police away. They know it’s hopeless.”**



**Lunstrum sampling wares at the Chor-Su market, the largest market in downtown Tashkent.**

But after three calls to the operator and dozens of attempts on your own, you still can’t make a connection. So you send an e-mail: “Sorry I haven’t called—can’t seem to get through. I’ll keep trying.” Almost immediately, a reply zips back: “Now you know one of the challenges of doing business in Uzbekistan.”

Fickle phone lines are only one of many frustrating factors involved in doing business worldwide. The global marketplace brings with it a unique set of challenges and realities that companies and their employees must deal with on a daily basis. Many are mere nuisances. Some provide learning experiences about different people, different cultures, and different lands. And some are downright disturbing.

Case in point: Local police regularly pound on Eric Lunstrum’s door in Tashkent, Uzbekistan. Lunstrum, who earned his MBA from the Carlson School in 2002, is in Tashkent as part of the MBA Enterprise Corps, a volunteer program for MBA graduates. Almost once a week, he says, police will knock on the door of his home, asking to see his paperwork. He ignores them. “Being American, I don’t have to let them in,” he explains. “If I let them stand out there long enough, they get bored and go away.”

It bothers him more that others don’t have the same luxury. “There is so much corruption in the police force—they really can’t be trusted at all,” Lunstrum says. “They take bribes, pull people over randomly, knock on doors at all hours asking for papers. There are no personal rights here.”

Preparing students such as Lunstrum for the challenges and the rewards of international business has become an integral part of the curriculum at the Carlson School in recent years. The University has formed liaisons across the world to create a global classroom. Students can spend entire semesters studying at international partner universities through the Semester Exchange Program or they can participate in the Global Enrichment Elective, which allows them to focus on specific international topics in a shorter time frame. And the Executive MBA program, which offers educational opportunities in China, Austria, and Poland through partnerships with other business schools, brings together business perspectives and faculty from across the globe.

Marietta Ulrich, ’01 MBA, earned her MBA in Vienna, Austria, through the Vienna Executive MBA (VEMBA) program offered jointly by Wirtschaftsuniversität Wien and the Carlson School. Now she and her husband, Werner Horn, ’01 MBA, own and operate a small but growing security printing business in Vienna that has clients throughout Europe. “Both of us agree that without the VEMBA program, without the education we got there, we would not have started a business like this,” she says. “We use a lot of our new knowledge in this business. That program helped us get a broader view of what a global business is.”

### **Being there**

In a world now driven by the global marketplace, such an enlightened perspective is imperative in international business. Going global is no longer so much a luxury as a necessity. “Our customers are global, so we have to be global too,” says Kathleen Elder, ’99 MBA, a marketing



**“[My husband and I] agree that without the Vienna Executive MBA program, without the education we got there, we would not have started a business like this,” says Marietta Ullrich. “We use a lot of our new knowledge in this business. That program helped us to get a broader view of what a global business is.”**



manager for the Donaldson Co., a Bloomington, Minn.-based supplier of filtration products. For the past two years, Elder has worked at the company’s European headquarters in Leuven, Belgium. “By having a European presence, we are able to service our global customers and offer consistent solutions or unique answers, as the situation may demand,” she adds.

Different companies have different reasons for expanding beyond U.S. boundaries. Amy Vezzetti, ’02 MAHRIR, works for Pfizer Inc., the New York City-based multinational pharmaceutical corporation. She notes that Pfizer’s motivation for building markets in Europe and

elsewhere is different from an auto manufacturer’s. “An auto company’s global presence may consist of having manufacturing plants abroad, because of the cost of labor,” she explains. “Pfizer’s reasons have more to do with expanding its markets, having more places to sell in.”

But with those opportunities come responsibility. Chris McLaughlin, ’96 MBA, has spent the past two-plus years as the managing director for 3M Co. subsidiaries in Peru, Bolivia, Ecuador, and Paraguay. In developing countries, he says, international businesses can help alleviate poverty and

**Marietta Ullrich, ’01 MBA, owns a security printing business in Vienna.**

PHOTOGRAPH BY ERWIN SHUH

**“You can’t go into another country and say, ‘This is how we do it in the United States, so we have to make it work here,’” says Amy Vezzetti. “It always has to be a two-way street. You have to make sure you listen and that you are receptive to how things are different in that country.”**



**Amy Vezzetti, '02 MBA-HRIR, will soon leave New York City on a one-year leadership development program in Spain for Pfizer Inc.**

fruits—to other countries,” he explains. “From a sense of competitiveness, it’s important to bring that opportunity for a country to develop. Foreign investment is a big factor in a country’s ability to get out of the tank and to get the public working.”

Lunstrum saw the same sad story in Uzbekistan. “Here, there’s no middle class—there’s not even an upper-lower

stimulate economic growth. “A country such as Peru has an opportunity to export its natural products—clothing, minerals,

class. You are either very wealthy or very poor, trying to get enough money to feed your family,” he says, adding that international business can help change by offering employment to desperate populations.

Good companies can also offer a good example of business integrity in emerging economies. “In the wake of the WorldCom and Enron scandals, it’s even more important for well-run companies to have a presence around the world,” Lunstrum notes. “They serve as an example of how to do business in an ethical way.”

PHOTOGRAPH BY SCOTT GRIES

**“I make more grammatical mistakes than anybody in this company,” says Christopher McLaughlin. “But employees in a subsidiary appreciate it when the managing director makes an effort to communicate in their language.”**



**Not in Kansas anymore**

“Ethical business” has different meanings around the world. While the United States has fairly stringent standards about what’s accepted and what isn’t, other countries operate on entirely different sets of expectations. Working in another country means working under its rules and regulations — many of which are worlds apart from those in the United States. “The biggest challenge is that there is a different kind of government — and a different process of government — here,” McLaughlin says. “When you combine the poorly run legislative process with an

immature and divided congress, the result is that you see laws on the books that don’t make any sense at all. Things just show up in the newspaper on any given day, and as a business you have to be constantly watching that to see how you might be affected.”

In Uzbekistan, which is ruled by a dictator, bribes are an accepted part of business — albeit one that Lunstrum and his American colleagues refuse to accept. “I work for an American company, so it abides by U.S. law,” he explains.

**Christopher McLaughlin, '96 MBA, has spent the past two-plus years as the managing director for 3M subsidiaries in Peru, Bolivia, Ecuador, and Paraguay.**

PHOTOGRAPH BY ANIBAL SOLIMANO

**“Our customers are global, so we have to be global too,” says Kathleen Elder.**  
**“By having a European presence, we are able to service our global customers and offer consistent solutions or unique answers, as the situation may demand.”**

“In business school, I was always told that could be a hindrance, but I think it helps us. We just say we can’t take bribes, and that helps keep the tax collectors and the police away. They know it’s hopeless.”

Legal issues aren’t the only stumbling blocks for companies and their employees; social differences can get in the way as well. When she moved to Belgium, for example, Elder immediately found herself facing the sorts of sexual stereotypes that previous generations of women faced in the United States. “I think I’m encountering what my mother encountered years ago,” she says. “Constantly being mistaken for the ‘trailing spouse’ has been irksome—as if a woman shouldn’t or couldn’t be here for her own career. So I’m still battling sexual stereotypes.”

But instead of being offended, Elder tries to remind herself that it’s a cultural difference. Things she wouldn’t tolerate at home get ignored for the most part in Belgium. “We have to be respectful of other cultures,” she says. “Even though they may do things differently, we can’t look down on them or be judgmental. It doesn’t work that way.”

It also doesn’t work to force American values or practices on foreign colleagues either. “You can’t go into another country and say, ‘This is how we do it in the United States, so we have to make it work here,’” says Vezzetti, a human resources associate in Pfizer’s leadership development rotational program. “It always has to be a two-way street. You have to make sure you listen and that you are receptive to how things are different in that country.”

#### **When in Rome. . .**

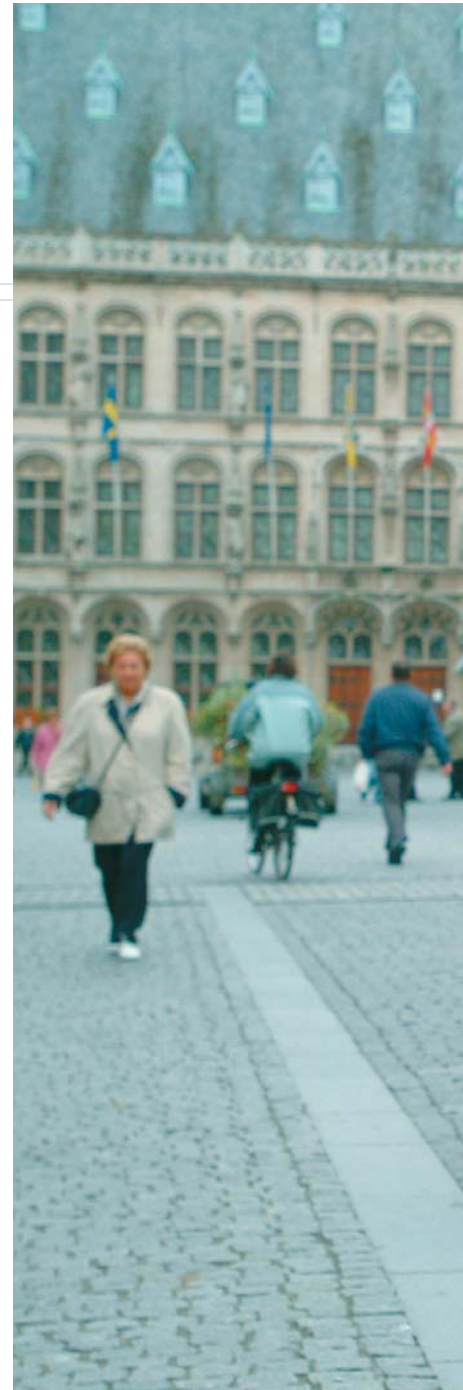
Accepting those differences can make life a lot easier in a foreign culture. Expats who learn the language of their new home and who at least attempt to assimilate into the customs typically receive far better receptions than those who don’t. “I don’t want to be the obnoxious American,” Elder laughs. “I don’t walk around in white tennis shoes and my college sweatshirt here—I try to dress the part. I live here now, and would like to be taken as a local.”

Because Elder speaks French, people often don’t realize she’s American. McLaughlin, whose Spanish-speaking skills are still developing, can’t hide it so easily. But he remains committed to speaking Spanish at work—and his colleagues appreciate the effort. “I make more grammatical mistakes than anybody in this company,” he says with a

chuckle. “But employees in a subsidiary appreciate it when the managing director makes an effort to communicate in their language. So I speak with my secretary probably 99 percent of the time in Spanish. All our company meetings are in Spanish.”

Lunstrum was given 10 weeks of language training in Kyrgyzstan before heading to his official post in Uzbekistan. Although he is admittedly still far from fluent, he considers the training a key to his success. “Even just having a little helped a lot,” he says. “The clients and coworkers respect you so much more if you at least make an attempt to speak the language. If you try it, they’re very helpful in teaching you.”

Other differences are more difficult to swallow—literally. Consider the drinking habits in Uzbekistan, where vodka is sipped like mineral water. “During our training in Washington, D.C., they taught us how to fake drinking vodka,” Lunstrum admits. “People in Uzbekistan can drink half a liter at a time. We can’t do that.” The trick, he says, is to chase a sip of vodka with a gulp of water—and to surreptitiously spit the vodka out into the water. “Nobody realizes that the level gets higher rather than lower,” he laughs.





### Citizens of the world

Once they've got the drinking habits in their international homes down, Americans abroad can begin to appreciate life outside the United States for its differences. "I never knew how much of an American I was until I lived outside of America," Lunstrum says. "To come here and look at the world with the ethics we learned in the states is different. Some are universal, I think, but some just don't apply here. And you just can't be too judgmental about that in these parts of the world."

PHOTOGRAPH BY JOOST DEBOCK

You really learn to be open-minded."

In the process, you also learn that geographical boundaries can't define who you are. Vezzetti, who leaves in January for a year's placement in Spain, says she rarely thinks of herself solely as an American anymore. "I feel a lot more like a citizen of the world than anything else," she says.

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*Sara Gilbert is a Mankato, Minn.-based freelance writer.*

**Kathleen Elder, '99 MBA, has spent the last two years working at the Donaldson Co's. European headquarters in Leuven, Belgium.**

# World Beater

Facing new challenges in a fast-moving global economy, **Michael Illbruck, '85 BSB, '87 MBA,** has reformulated his family firm's recipe for success.

**I**n 1988, Michael Illbruck, then 28 years old and the recent recipient of an MBA from the Carlson School, assumed control of his family's German-based business. At the time, Illbruck GmbH was a \$50 million dollar operation. It had 500 employees, a diverse product line, and a growing roster of sales offices and manufacturing facilities, which were peppered primarily throughout Europe. By 2001, under Illbruck's leadership, it had developed into a massive, \$1.3 billion global corporation, one that employed 13,000 people across 65 facilities and 40 countries. "We had a strong track record of expansion," says Illbruck, with some understatement.

While the company was thriving, Illbruck, who is now the company's president, CEO, and majority shareholder, and his supervisory board also began to suspect that its strengths might be camouflaging some key weaknesses. In short, they began to wonder if the company might be too big, too decentralized, and too highly leveraged to remain competitive. What's more, while Illbruck GmbH had worked to cultivate a consistent global brand, the company's size made it extremely difficult to adapt the elements of that brand to different clients in different parts of the world. "The sleek and quick survive, not the big and heavy," says Illbruck, noting one of the realities of the modern-day international business environment: Companies need to be big enough to cover the globe, but nimble and focused enough to respond to change.

Illbruck's realization: He needed to restructure his company. Immediately.



By Andrew Bacskai

## Reengineering

In the beginning, 1952, the Illbruck family business operated out of a plant in Cologne, Germany, near the Rhine River. The company manufactured plastic components for a wide range of applications, including insulation, packaging, and automotive. Then, in the early 1970s, it set out on an ambitious expansion campaign, with aims on developing an international presence. By 1978, it had established sales and manufacturing facilities in Austria, Switzerland, France, Australia, and even the Twin Cities. Before long, more than 40 percent of its products were being manufactured and sold in non-German companies. “We were never a German export company,” says Illbruck. “We were always internationally based.”

The business also boasted a progressively diverse product line. Over the years, Illbruck GmbH had carved out niches in the automotive, industrial-services, and construction industries. By 2000, its auto-products business had evolved into a \$300 million-per-year operation that supplied plastic components for interior and exterior noise-control systems to several German manufacturers, and to Chrysler, Ford, and General Motors in the United States. The company’s industrial-services business, a \$600 million-per-year endeavor, was focused primarily on markets in northern and eastern Europe. And Illbruck GmbH maintained large-scale machinery for companies in the paper, chemical, petrochemical, and other industries.

The runt of the Illbruck litter—at least in terms of revenues—was its building-supply business, which provided sealant systems, bath-installation systems, and wall and ceiling systems to the construction industry. Though the unit generated the least amount of annual income, it had one step up on its bigger siblings: Illbruck GmbH was a market leader in the European building supplies trade. “[It] was our core business,” Illbruck says. As he and the company leaders devised a restructuring strategy, he adds, they had a goal of creating an agile giant—a company that could flexibly respond to market changes but which also could operate from a dominant market position. “We decided to focus on areas where we could be either number two or number one in the market, no matter how small the business was,” he notes.

The result: Illbruck decided to sell off the industrial-services and automotive businesses. While it was no small decision—together, the



**“If we go to Russia, for example, success there depends heavily on the man or woman we select to run that business. The only way you can run this type of company is to trust people and give them the freedom they need to run their businesses.”**



two units accounted for roughly \$1 billion in annual revenues—several factors helped cement the decision. Illbruck notes that the industrial-services business was “very people-intensive;” shedding it would allow the company to immediately trim its employee base. In a similar vein, he describes the automotive business as “very investment-intensive”—the company needed to continually upgrade its machinery to meet the consistently high needs of its automaker clients. What’s more, though automotive is a global industry, it’s dominated by only a few key players. “As a family, we decided we’d much rather have 50,000 architects in Germany as our customers instead of having five customers worldwide,” Illbruck explains. “As it was, we were completely at the mercy of a small group of customers.”

Finally, on a big-picture level, Illbruck notes that the company’s size gave it a significant debt load. “We had an equity-to-total asset ratio of 23 to 24 percent,” he recalls. “In our opinion, as a non-public family business, that put us in a potentially critical situation. We were very dependent on banks and therefore very vulnerable.”

## Global brand building

After a roughly three-year, top-to-bottom remodeling process, Illbruck recently reintroduced a radically revised version of his company. Now known as Illbruck Building Systems, it features three business units: Illbruck Sealant Systems, Illbruck Acoustics and Design, and Illbruck Bath Installation Systems. By any stretch, it’s a far slimmer incarnation than the older company. In 2003, the firm, which has 24 facilities and 1,100 employees worldwide, reported revenues of close to \$200 million. “We’ve basically restarted,” Illbruck reports. “It was a great amount of work, but we’re in a strong financial position now.”

He also expects his newly refashioned company to start exhibiting heavyweight profitability. “Not in 2003, though, because we’re still in a transition period,” he says. “Of course, if you shrink, you’re way too big for your coat.”

Just as importantly, he adds, the new organization will allow the company to develop and sustain a robust corporate identity—a task that proved far too unwieldy in the past. That said, maintaining brand consistency on a global scale—even for a relatively focused, streamlined company—is

no simple feat. One reason why: The construction industry is a highly localized market. Sensibilities vary not only from country to country, but within countries. “In automotive, especially if you’re an OEM supplier, what’s important is how you do your homework, how efficient and innovative you are, and how cost-effectively you can produce,” Illbruck says. “In the building industry, you have to have strong, innovative products. But your brand plays a much more important role.”

Consequently, Illbruck Building Systems operates in a highly decentralized fashion—not as a German company, but as a global company. The pillars of its organizational structure, Illbruck explains, are compelling leaders, individuals with the skills and experience necessary to adapt the company’s brands and best practices in ways that best suit the sensibilities of the country or region in which they are stationed. “If we go to Russia, for example, success there depends heavily on the man or woman we select to run that business,” he says. “In my opinion, the only way you can run this type of company is to trust people and give them the freedom they need to run their businesses. The only way they’re going to strive is if they feel entrepreneurial.”

The primary challenge is finding promising prospects; Illbruck says his leaders have to possess a handful of key qualities. “We’re in a competitive market, so the first thing is they need is the guts to compete,” he says. His additional “essentials” include a solid education, keen customer service skills, and what he terms “social competence.” “You can be the most competitive, most knowledgeable person. You can have a Harvard M.B.A. But if you’re arrogant and you have no social competence, you won’t succeed.”

Next comes “impregnation”—once capable candidates are targeted, they’ve got to absorb the firm’s corporate values. A lifelong sailing enthusiast, Illbruck has combined the ingredients for world-class sailing into his corporate philosophy. “What happens on a race boat happens in a company—the team dynamics, the frustration and the perseverance. You have to keep pushing, stay on your toes, work as a team, and never be arrogant,” Illbruck says. In this area especially, he knows of what he speaks: An Illbruck-sponsored race team won the 2001/2002 Volvo Ocean Race, widely regarded as the most challenging around-the-world yacht race.

In fact, part of the company’s integration



**“As a family,  
we decided  
we’d much  
rather  
have 50,000  
architects  
in Germany  
as our  
customers  
instead of  
having five  
customers  
worldwide.  
As it was,  
we were  
completely  
at the mercy  
of a small  
group of  
customers.”**



process involves coordinating group outings on a boat or on bikes. “For instance,” Illbruck says, “we just acquired the leader in sealant systems in the Czech Republic. To integrate this company and these people, we can’t do it with only a presentation or a nice brochure. We have to take them outside the office and get them together on a bike in a totally different environment where they are neutralized. If you’re on a bike, the hierarchy is gone. If you’re on a boat, the hierarchy is gone. We’re all equal, and that sense of equality instills pride and a sense of belonging.”

#### **Cultural affairs**

Illbruck also has designed personnel-development programs to nurture talent from within the company. The Illbruck Academy is a continuing education program for young Illbruck employees (typically under the age of 35) who exhibit managerial potential. It’s a one-year program that features multiple components, including classroom and outdoor training, as well as case-study projects tailored around actual corporate challenges, be they marketing and communications or customer databases. “The network of young people we’re able to build, across functions and countries is just fantastic,” Illbruck says.

The Illbruck Professionals Program, designed for the company’s mid- and upper-level managers, was developed in conjunction with the Carlson School. Like the Illbruck Academy, the Professionals Program was created in part to help develop a global community. Both programs have been on hiatus during the company’s reconstruction process, but Illbruck expects them to be back in action in 2004. These programs “create a culture,” he says. “And the Illbruck culture is openness.”

Indeed, while the company’s structure has been radically altered, its global-mindedness has remained intact. Today, Illbruck Building Systems, now based in Munich, generates more than 60 percent of its annual revenue outside its native Germany. And Illbruck thinks his new-look family business now has the mobility and adaptability necessary to continually stretch its international reach and thrive in the ever-changing global economy.

“We feel really good about our position,” he says. “We’re in the driver’s seat.”

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



# CLASS NOTES

## 1930s

**Kathryn Mooney, '30 BSB**, passed away on May 30, 2003. She was a member of the Carlson School's first graduating class that included women.

**William M Dolan, '39 BSB**, a retired CPA, passed away in May 2003.

## 1950s

**Dale Olseth, '52 BSB**, chairman and CEO of Eden Prairie, Minn.-based SurModics, was appointed to the Park Nicollet Institute's board of directors.

**Michael Evers, '57 BSB, '59 MBA, '78 Ph.D.**, was named director at HEI in Victoria, Minn.

**Dwight Foster, '57 BSB**, has completed *Book V: The Partner*, in his *Shattered Covenants* series of novels which detail the rise and fall of a professional services firm. It is available through 1st Books.

## 1960s

**Ron Peterson, '60 BSB**, president of Three Arrows Capital, is the author of *When Venture Capitalists Say "No"—Creative Financing and Growth Strategies*, available through Comanche Press.

**Donald Schmiedt, '69 MBA**, was named vice president of finance and accounting at Fort Knox National Co.

## 1970s

**Oscar "Skip" Ole August Akerlund, '71 BSB**, passed away July 16, 2003.

**Dale Riley, '71 BSB**, is the new head of Rainbow Foods.

**Esperanza Guerrero-Anderson, '73 MBA**, CEO of the Milestone GrowthFund, was named the first recipient of the International Leadership Institute's Immigrant Achievement Award for her work in funding and fostering minority business.

**Gordon L. Patzer, '76 MBA**, was named dean of Roosevelt University's Walter E. Heller College of Business Administration.

**Connell Saltzman, Jr., '76 MBA**, is CFO of Vericept Corp.

**Christopher La Londe, '77 MHA**, completed his second masters degree in IT at George Washington University. He works for the U.S. Department of Veterans Affairs.

**Mark Zorko, '77 MBA**, completed an Ironman-level triathlon that included swimming 2.4 miles, biking 112 miles, and running 26.2 miles in the same day.

## 1980s

**Terry Nygaard, '81 MBT**, is principal at Ernst & Young.

**James Kordaris, '82 MBA**, is director of the Greek Orthodox Archdiocese of America, Department of Parish Renewal, Outreach, and Evangelism.

**Mary Leopold, '82 MBA**, is controller for Naval Electronics & Surveillance Systems—Tactical Systems.

**Scott Thon, '83 BSB**, relinquished his status as commander of the U.S. Navy's Supply Corps after a two-year tour of duty. He is pursuing a masters in strategic studies at the U.S. Army War College in Carlisle, Pa., where he lives with his wife, **Annie Thiesse, '85 BSB**, and their two children.

**Mark Dixon, '84 MHA**, is CFO of the Community Health Network in Indianapolis.

**Paul Gam, '84 BSB, '94 BSB**, is vice president of international development at St. Jude Medical in St. Paul, Minn.

**Thomas Velin, '84 BSB**, is CFO of Advanced Duplication Services in Plymouth, Minn.

**Lisa Ferris, '85 BSB**, is COO at RBC Dain Rauscher.

**Jeanne Hilpisch, '85 MBA**, is president of the Minnesota Treasury Management Association.

**Michael Perkins, '85 BSB**, is associate vice president for capital planning and project management at the University of Minnesota's University Services department.

**Thomas Holets, '86 MBA**, has been named president of Allina Medical Clinic.

**Richard T. Murphy, Jr., '86 MBA**, is chair of the executive committee of the Center for Transportation Studies at the University of Minnesota.

**Robert McNichols, '86 MBA**, is vice president of internal auditing and compliance at RLI in Peoria, Ill.

**Michael Carey, '87 MBA**, is vice president of human resources for Mercy and Unity Hospitals in Fridley, Minn.

**George Pagels, '87 MBA**, is CEO of St. Luke's East-Lee's Summit Hospital in Kansas City, Mo.

**John Skube, '87 MBA**, is manager of employee relations for Keewatin Taconite in Keewatin, Minn.

**Ken Erffmeyer, '88 MBA**, is vice president of human resources and information systems at Thomson Legal and Regulatory in Eagan, Minn.

**Annette Masterson, '88 MBA**, is second vice president of Fixed Income Research.

**Doug Nesbit, '88 MBA**, is CFO of LAI Midwest in Fridley, Minn.

**Dawn Elm, '89 Ph.D.**, was appointed to the board of directors of Community First Bankshares.

**Christopher Sebald, '89 MBA**, is the leader of the total return investment team at Advantus Capital Management.

## 1990s

**Michael Miller, '90 MBA**, is the founder of Hound Dog Products in Edina, Minn.

**James Wiese, '90 MBT, '02 MBA**, recently climbed Mt. Rainier in Washington state after nine months of training.

**Kathleen Raverty-Drayna, '91 BSB**, had a daughter, Megan Grace Drayna, on May 8, 2003.

**Michael Latz, '93 MBA**, is president of Golden Valley Property Management LLC in Fountain Hills, Ariz.

**Steve Rickman, '93 MBA**, is managing director of The Mercanti Group.

**Cathy Schmidt, '93 MBA**, is president at Stahl Construction in St. Louis Park, Minn.

**Brent A. Boyce, '94 BSB**, is assistant vice president, securities analyst/portfolio manager for Kirkpatrick Pettis Investment Management in Omaha. He was also awarded the CFA charter in August 2002.

**Dan Roselli, '94 MBA**, is president of Red F, located in Charlotte, N.C.

**Donald Uram, '94 MBA**, accepted an assignment in Iraq with RTI, a research organization that helps universities, government entities, and other nonprofits solve problems from drug development to education reform.

**Sheryl L. Britsch, '95 MBA**, is assistant vice president of the Federal Reserve Bank of Minneapolis.

**Jennifer Poddig Hayden, '96 MBA**, married John Hayden in September 2002. She works as part of a medical liaison team at Abbott Laboratories in Cary, Ill.

**Shari Brickin, '98 MBA**, is vice president of innovation at The Dial Corp.

**Steven M. Larson, '98 MBA**, and his wife, Karen, had a daughter, Alexa Elizabeth, on July 25, 2003. He is an associate portfolio manager with the Equity Group of Principal Global Investors.

**Thomas Norman, '98 MA-HRIR**, is executive director at Soft Center in Duluth, Minn.

**Tammy Hanna, '99 MBA**, is director of business development at Tamarack Habilitation Technologies in Blaine, Minn. She is also involved with two start-up ventures in the Twin Cities.

**William J. Righeimer, '99 MBA**, is CFO of CNM Network.

## 2000s

**Karen Flannery, '00 MBA**, is director of global strategy for Thomson Legal & Regulatory.

**Sri Kameswaran, '00 MBA**, is senior product development manager at Pizza Hut.

**Luis Moreno, '01 MBA**, and **Yrma Cova**, current Carlson MBA student, have a new baby, Dylan Alessandro, born on Aug. 24, 2003.

**Shawn Cheesman, '02 MBA**, is director of strategy and business development at Entegris.

## Want to be included in Class Notes?

Use the enclosed form and fax it to 612-624-6374, or mail your news items and photos in the envelope provided. You also can contact Jen Gelbmann, director of Alumni Services & Outreach, at 612-626-9486, [jjelbmann@csom.umn.edu](mailto:jjelbmann@csom.umn.edu).

# 6 Questions: Michael Houston

Since joining the Carlson School's faculty in 1986, professor Michael Houston has become as well-recognized in international marketing as many of the revered global brands he's researched. The author or coauthor of more than 50 academic publications (including two major textbooks), Houston currently is researching cultural influences on consumer behavior and global branding issues. He also serves as associate dean of International Programs, which provides an extensive—and ever-expanding—lineup of study-abroad programs for undergraduate and graduate students, as well as for faculty and corporate executives.

**Carlson School:** With the recent spike in anti-American sentiment, are American brands taking a beating in the global marketplace?

**Michael Houston:** Hardly. In fact, a recent report from Interbrand [a worldwide branding consultancy] shows that of the 10 most valuable brands in the world, eight of them are from U.S. companies. My sense is that consumers in foreign markets separate their feelings about the American people from their feelings about our government's actions. I think that same line of thinking applies to American brands.

Plus, it's important to remember that truly successful global brands are just that—global. They transcend national boundaries. Consider the powerful German and Japanese automobile brands, for example. Lexus stands for quality and great service—not for being Japanese. I wonder how many people know or even wonder where their Nokia cell phone is from [Finland].

**CS:** What cultural differences should American companies consider when translating their brands to foreign markets?

**MH:** A big difference is the way people think about themselves. In most Asian markets, for example, people tend to define themselves in terms of their social network—they're defined by their "group," which they also look to for guidance. In the United States and Western Europe, as well as in Australia, people are more individualistic. This difference plays itself out in a number of ways. In Asia, consumers will tend not to buy something that will make them unique within their social circles, while in the United States it's more common for consumers to buy things that contribute to their own identities. Also, in Asia you rarely see anyone shopping alone—it's something people do together. Here you see plenty of solo shoppers.

**CS:** What missteps do you commonly see companies take when they attempt to market their wares in other countries?



**MH:** The mistakes generally fall under the umbrella of not adapting to a specific market's culture by localizing the marketing effort to some degree. The companies that try to simply transfer their ways of doing business at home to foreign markets are likely overlooking some key cultural differences. Sometimes those differences need to be reflected in advertising—or even product design. For example, some of the large home appliances sold in the United States such as refrigerators, washers, and dryers have to be downsized to fit in homes in other countries, where houses typically are smaller than they are here.

**CS:** Based on recent world events, do you expect many companies to retreat from international markets?

**MH:** The companies that have been at it for a while won't retreat. For some of them, international markets make up their leading source of revenue. For others, foreign markets represent their major source of revenue growth. If anything, look for companies to increase their foreign investments if that's where they see opportunities for growth.

**CS:** On a related note, have you noticed a drop in interest in study-abroad programs?

**MH:** Actually, interest in study-abroad among the Carlson student community is probably higher than ever. Our undergraduate students participate in study-abroad at a rate that's at or near the highest among our peer institutions nationwide. At the graduate level, more than 130 students participated in study-abroad programs last year. I think students realize that an understanding of and appreciation for international business issues may be critical to their ultimate success—and that the best way to gain some of the understanding and much of the appreciation is to experience it firsthand through one of our programs.

**CS:** Why is it important for the Carlson School to maintain a strong international focus?

**MH:** You don't have to look beyond the Twin Cities to see how significant an impact international business has on today's companies—whether they're pursuing international opportunities or confronting international competitors in their home market. As a business school, we have to ensure that our students are prepared to enter positions and contribute in meaningful ways to these companies.

—Andrew Bacskai

# Time Capsule

On Dec. 23, 1960, then-President John F. Kennedy chose University of Minnesota Economics Professor Walter W. Heller to serve as Chairman of the Council of Economic Advisors. Heller, who died in 1987, served in that capacity during the Kennedy and Johnson Administrations, taught economics at the University for 40 years, and was a Regent's professor. In 1999, the U of M renamed the Management and Economics building on the West Bank Walter W. Heller Hall.



PHOTOGRAPH COURTESY BETTMANN/CORBIS

## Event Calendar

### NOVEMBER 2003

- 4 First Tuesday—Jim McNERney, chairman and CEO, 3M, Radisson Hotel Metrodome.
- 5 Denver-area Alumni Event—Restaurant Kevin Taylor, Hotel Teatro, 1106 14th. St. Call 612-626-9633 for information.
- 7 First Friday—MBA alumni and student networking event—Le Meridian Hotel, Infinity Bar, 601 First Ave. N., Minneapolis.
- 7 Committee of 200 Fall Outreach Seminar 2003: "Strategies for Success: Inspiring Leadership in Today's Business Environment." Carlson School of Management, 8 a.m. to 4:45 p.m.
- 13 Seattle-area Alumni Event—W Hotel, 1112 Fourth Ave. Call 612-624-0554 for information.
- 20 San Francisco-area Alumni Event—Olympic Club, 524 Post St. Call 612-624-2804 for information.
- 21 Inside the Boardroom with Pat Mitchell, president and CEO of PBS, a leadership series hosted by Marilyn Carlson Nelson, and presented by Graduate Women in Business. Carlson School of Management, 3M Auditorium, 5:30 to 8 p.m. RSVP 612-626-9635 or e-mail mkinross-wright@csom.umn.edu.

### DECEMBER 2003

- 2 First Tuesday—Dr. William W. McGuire, chairman and CEO, UnitedHealth Group, Radisson Hotel Metrodome.
- 2 Dallas-area Alumni Event—Maguire's Restaurant. Call 612-625-8308 for information.
- 5 First Friday—Grandma's Saloon & Grill, 1810 Washington Ave., Minneapolis.
- 9 Atlanta-area Alumni Event—W Hotel. Call 612-626-9633 for information.

### JANUARY 2004

- 6 First Tuesday—Nathan Dungan, author, *Prodigal Sons & Material Girls: How Not to Be Your Child's ATM*, Radisson Hotel Metrodome.
- 7 Chicago-area Alumni Event—location TBD.
- 9 First Friday—Martini Blu, 615 Second Ave. S., Minneapolis (second Friday due to holidays).
- 14 New York City-area Alumni Event—American Express, 200 Vesey St., World Financial Center.

### FEBRUARY 2004

- 3 First Tuesday—Michael Francis, executive vice president of marketing, Target Corp., Radisson Hotel Metrodome.
- 6 First Friday—Old Chicago, 508 First Ave. N., Minneapolis.

### MARCH 2004

- 2 First Tuesday—Robert Kueppers, national managing partner, Deloitte & Touche, Radisson Hotel Metrodome.
- 5 First Friday—O'Gara's, 164 N. Snelling Ave., St. Paul.
- 9 Inside the Boardroom with Anne Mulcahy, chairman and CEO, Xerox Corp., a leadership series hosted by Marilyn Carlson Nelson, and presented by Graduate Women in Business. Carlson School of Management.

### APRIL 2004

- 2 First Friday—Mojito South American Steakhouse & Bar, 4656 Excelsior Blvd., St. Louis Park
- 6 First Tuesday—Roger Staubach, chairman and CEO, Staubach Co., Radisson Hotel Metrodome.

For more information on First Tuesday events call 612-626-9634 or e-mail: [firsttuesday@csom.umn.edu](mailto:firsttuesday@csom.umn.edu)