

A NEWSLETTER PRODUCED BY INTERNATIONAL PROGRAMS AT THE CARLSON SCHOOL OF MANAGEMENT

Opportunity of a lifetime

Carlson School students talk business and education with India's President Abdul Kalam

BY BRENT OPALL

arlson School graduate students expected to learn much from their two-week study experience in India. They didn't expect an educational and personal opportunity that few receive—a private conversation with the president of India.

Mani Subramani, associate professor of information and decision sciences, wanted students to understand the growing role of India in the global marketplace. He began leading the trip to India for students from the Carlson Full-Time MBA, Carlson Part-Time MBA, and Human Resources and Industrial Relations graduate programs to study offshore practices firsthand three years ago.

While in the country, students visit with high-ranking business leaders. This time, though, the group benefited from the opportunity of a lifetime. Organized through contacts in the Indian Administrative Service, the visit resulted from a combination of fortuitous planning and good timing.

The Carlson School group met with President Abdul Kalam at the Presidential Palace for a 20-minute visit on January 2, 2007. India needs to continue investing in educational opportunities for its young, says Kalam, and education plays a key role in the country's plans to increase its status as an industrial world leader.

Kalam knows the importance of global technology and business. He gained an international reputation as project director for India's first indigenous satellite launch vehicle, which in 1980 successfully launched the Rohini satellite in near earth orbit. Later in his career Kalam, then chair of the Technology Information, Forecasting, and Assessment Council, led the country with the help of 500 experts



Carlson students interact with President Abdul Kalam to arrive at Technology Vision 2020, a road map for transforming India from developing to developed nation status. In 2002, Kalam became the 11th president of India.

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In his talk to students, President Kalam shared his vision of inclusive and equitable economic development, which involves delivering higher living standards to rural populations and improvement in sectors such as agriculture that have not yet benefited from the country's technology-fueled growth. He also responded to questions that were posed by Carlson School students on topics such as education, agriculture, and loan programs.

Carlson student Lori Lyons-Williams wanted to know if Kalam was concerned about the brain drain that can occur when students from India who study in Europe and the United States decide not to return to India.

Kalam responded by sharing the examples of Nalanda and Taxila, two centers of education that existed in India more than 2,000 years ago and brought together scholars from all over the world. India can use these examples from the past, he says, and develop new centers of excellence to attract the best minds not just from India, but from all over the world.

"I am not concerned with the brain drain that so many seem to see as a problem," says Kalam. No matter their location, students from India will contribute. "Ultimately the problems they solve will better the global community. Other countries have transplanted their citizens throughout the world for many years."

Blizzards in China

The China Seminar puts students to work analyzing International Dairy Queen operations by MATTHEW GOODE AND WENDY WITHERSPOON

n the Carlson School's firstever China Seminar, students worked with counterparts from the Shanghai-based Cheung Kong Graduate School of Business to analyze the Chinese operations of Twin Cities-based International Dairy Queen (IDQ).

The project involved class sessions at home in Minneapolis, virtual collaborations with Cheung Kong students, and two weeks in Shanghai for on-theground market research and analysis. It began in November 2006, when Ann Stone, IDQ vice president of international operations, presented the case to Carlson students and then flew to Shanghai to share the same material with students at Cheung Kong.

"Our motivation was the tremendous growth we are experiencing in China, both in terms of restaurant growth and the number of franchisees we have relationships with," says Stone. "We wanted to have the best possible understanding of our business opportunity in the region."

Through a competitive process, the Carlson School selected 25 graduate students from the Full-Time MBA,



Part-Time MBA, and Human Resources and Industrial Relations programs to participate. Students from the Carlson School and Cheung Kong worked on cross-cultural teams.

In January 2007, the students traveled to Shanghai for two weeks. There they attended daily academic sessions with faculty leader Seth Werner, a lecturer in the Carlson School strategic management and organization department. They also visited and explored various retail formats — from the "old market" to modern supermarkets. While in Shanghai, student teams met for the first time in person to finalize their research approach, then traveled to a variety of Dairy Queen locations in the city. They observed customer behavior, conducted surveys of actual and potential customers, posed detailed questions to store managers and workers, and sampled a healthy dose of Dairy Queen treats. They also met with Stone and members of the IDQ leadership team in China.

At the end of the second week, the teams presented their

findings to a panel of IDQ leaders and China-based franchise representatives. They immediately received positive feedback, with franchise representatives saying that they were impressed with the breadth and depth of the research. IDQ leadership also took note.

"The students developed a promotion idea that has tremendous 'legs,' which we're working on," says Stone. "Their insights into our menu offerings [in China] have spawned a complete re-look at the entire menu."

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612-625-0578 612-626-8182 612-624-4334 612-625-0562 612-626-8727 612-626-4814 612-624-4334 612-624-4334 612-626-4813 612-625-9361 612-626-8323 612-626-7669

612-625-2075

mhouston@csom.umn.edu mzaidi@csom.umn.edu aking@csom.umn.edu wwitherspoon@csom.umn.edu jmosher@csom.umn.edu mgoode@csom.umn.edu dopp@csom.umn.edu apinto@csom.umn.edu libbyjensen@csom.umn.edu lganyaw@csom.umn.edu msherman@csom.umn.edu

Limited benefits

Carlson research shows that knowledge spillover of large multinational expansion into communities is less than expected

BY ERIN PETERSON

ommon wisdom says that when large multinational companies open research and development labs in an overseas community, the community benefits from not only new jobs but also from the knowledge from the new company that spills over to other related companies.



Mazhar Islam

New research, though, suggests that the knowledge spillover effects may not be as high as expected.

Mazhar Islam, Carlson School doctoral student in strategic management and organization, and Minyuan Zhao, a professor at the Stephen M. Ross School of Business at the University of Michigan, studied patent records and other details of the pharmaceutical industry during a 25-year period.

They discovered that the connections of large companies with their worldwide branches offer limited—if any—benefits to the local international communities in which they operate. The Strategic

Management Society recently recognized the researchers' work by awarding their paper with Best Paper honors at its 2006 conference.

To understand why the knowledge spillover is limited, Islam looked at Zhao's previous research, which explored why large, multinational companies established research and development labs in places like India and China. "It's a little bit paradoxical," he says. "Those countries have weak intellectual property rights, so it seems strange that an American pharmaceutical company would take its secrets and innovations to a place like China. A Chinese scientist working for a laboratory could easily take the technology and go to another company with it."

However, large companies have been savvy about this challenge, and have structured their organizations accordingly. Islam compares the structure to a multifaceted puzzle. "If you divide a puzzle into four sections, and give one part to a Chinese engineer, one part to an Indian engineer, one part to an Israeli engineer, and one part to an American engineer, they can each solve a part, but they can't see the whole picture," he explains. "If the scientists can't decipher the entire puzzle, they may not be able to take away the most valuable knowledge."

This research led to important questions about how the structure within large, multinational companies might affect knowledge spillover across firms in a single area.

Small, entrepreneurial companies are limited in their abilities to restrict knowledge in the same ways that large companies can, says Islam. Collaborations in such firms tend to be less structured, and researchers' explorations often lead to a far more comprehensive understanding of issues by individual researchers. So while the knowledge of small ventures may make its way to larger companies, the reverse is less likely to occur.

"[Our findings suggest that] small firms might not want to move next door to a company like Pfizer [with the assumption] that they'll see great benefits," Islam says. "A small company might be better off in a place with many other small firms. It's a strategic choice."

Horsing around

Cargill Animal Nutrition hires Brand Enterprise to analyze European horse feed market

BY KATY HOLMGREN

argill Animal Nutrition hired the Carlson Brand Enterprise, a select group of MBA students who serve as marketing and branding consultants, to analyze the European market for branded horse feed.

The American market for branded horse feed reflects horses' status as beloved pets and sporting partners. Owners value the science behind Cargill's Nutrena® brand, a U.S. market leader in horse feed sales growth. The company's expertise means that a Cargill product will ensure optimal nutrition for an owner's horse, no matter its age or occupation.

With its stateside success, Cargill Animal Nutrition wanted the Enterprise consultants to take a closer look at market size in the European Union; gain a deeper understanding of industry trends, market and segment attractiveness, and consumer preferences; and identify market opportunities for new entrants.

The brand consultants talked to horse owners, breeders, associations, stable owners, and others across Europe and the United Kingdom, braving time and language differences. They analyzed data on the different ways that horses were used in various countries—for work, sports, or recreational riding. In addition, they tapped the extensive resources of Cargill itself, uniting the unparalleled expertise of a Mexico-based expert on equine nutrition and Minnesotabased equine nutrition scientists.

The results revealed a surprisingly large variation in markets across the continent. Different regions view feed differently, use horses differently, and even have different ideas about what good horse feed looks like. Hungarian horses graze in pastures, French horses dine on hand-mixed blends of whole grains, and British horses munch on easy-todigest pellets. While some Hungarian farmers still rely on horses to pull carriages, horses are used primarily for leisure in the United Kingdom and Germany.

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Never too young

A Carlson School student shares her global experience with second-graders

BY JOE MOSHER

hen Carlson School undergraduate student Karli Peterson set her sights on participating in an international exchange, she decided to share her enthusiasm and experiences with a group of Minnesotan second-grade students.

In her application for a \$5,000 Benjamin Gilman Scholarship, Peterson outlined her plan to involve her muchyounger counterparts, students in her mother's second-grade class.

The school awarded Peterson the scholarship, which favors students who study in non-traditional countries. She eagerly looked forward to spending a semester at the Singapore Management University as an exchange student.

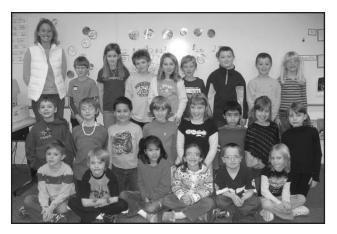
"I think that the Carlson School is great, and it allows for amazing experiences," she says. "But without fully removing yourself from the world you know, you'll never really test yourself."

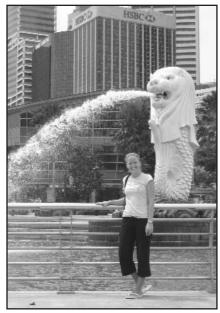
While in Singapore during spring 2006, Peterson kept in touch with the second-graders through e-mail. They quickly adapted to the technology and made some interesting inquiries. "They asked normal questions like 'Where is your roommate from?' but also things like 'Are there butterflies in Singapore?'" When she returned to Minnesota, she visited the class to show pictures and tell more stories. Through her efforts, she likely planted the seeds for future global citizens.

"It certainly made them more curious about other people and cultures," says Peterson. "They were very interested in the idea of different people leading different lives. You could see how excited they were to go out and discover new things on their own."

She gained much from her relationship with the students. "Being able to come back and talk to people helps deepen the experience and keep it fresh," she says. "It has been such a great experience to share stories with them. I'm happier as a result of it."

Her global experience also helped Peterson grow academically and personally. "I'm better able to accept the things I cannot change and instead focus on how to deal with them," she says. Such abilities are invaluable skills for successful business leaders. "You cannot put a price on this experience. It is beyond any concept of cost and value. I could not have learned what I learned in any other way."





For information on the Benjamin Gilman Scholarship and other study abroad scholarships, please visit Carlson School International Programs at carlsonschool.umn.edu/ internationalprograms.

Horsing Around, continued

Because of inconclusive available data, the Enterprise students found it challenging to uncover the exact number of horses in each country. A "large farm" in the United Kingdom typically supports 10-12 horses, a far cry from some of Hungary's 500-head farms. Some practices did prove universal. For example, no buyers would accept horse feed made in the same factory as feed for cow. With three stomachs, a cow's digestive system can tackle feed that would sicken a horse.

Enterprise consultants also learned that successful horse feed companies in Europe use well-developed distributor networks based on personal trust and market knowledge. A new brand may be able to enter a European market with success, but a local brand for the distributor networks and a legacy of trust would do the job as well, they concluded. The Carlson Brand Enterprise is a brand and marketing consultancy that combines MBA student talent with the University of Minnesota's top marketing faculty and professionals. Its mission is to help businesses build, measure, leverage, and deliver brands to drive growth and profitability. For more information, please visit the Carlson Brand Enterprise website at csom.umn.edu/brand.

In his own words

Undergraduate student travels to Tanzania to help marginalized communities

While at the Carlson School, Eric Howard, '07 BSB, wanted to learn how to apply business skills to effect change and how to help marginalized communities develop self-sustainable entrepreneurship. Here, he shares some of his experiences at the University of Dar es Salaam in Tanzania, which were made possible by the International **Reciprocal Student** Exchange Program (IRSEP), a scholarship for study abroad that is offered through the University of Minnesota.

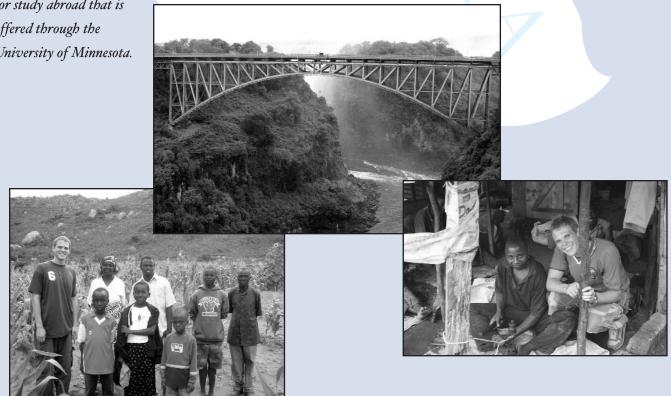
IRSEP offered me the opportunity to study poverty and its implications on a larger scale. The main focus of my studies was entrepreneurship as a tool for poverty alleviation. In Tanzania, an internship with FINCA International, a microfinance institution dedicated to helping marginalized female entrepreneurs access credit, allowed me the opportunity to pursue my goals. As an interning consultant for FINCA, I researched and provided strategies to improve efficiency, institutionalize a culture, and improve communications locally, as well as with national headquarters.

While in Tanzania, I critically evaluated the effectiveness of microfinance organizations and aid organizations in Africa. My belief is that a more decentralized approach centered on the client and their ability to offer the organization feedback and accountability is the most valuable for sustainability. In addition, I have found that quality distribution methods and supply chain management must be implemented to ensure proper delivery of aid. This can be achieved by employing Six Sigma and lean manufacturing processes in relief efforts. If lean techniques solve issues of excess and inefficiency for large corporations, it is likely that they can do the same for aid organizations.

Currently, I apply these tools at the Boeing Company where I work with international suppliers who manufacture parts for Boeing. I have gained insight into the challenges that companies face in a global network, specifically in managing a functional supply chain.

This practical experience will allow me to apply my knowledge to improve processes in non-profits, international institutions, and refugee camps throughout Africa. My experience and knowledge base can be used to improve interactions between isolated villages and global markets, refugee camps and relief organizations, marginalized communities, and international institutions.

For more information on the International Reciprocal Student Exchange Program (IRSEP), as well as on the programs that are offered by the University of Minnesota's Learning Abroad Center, please visit umabroad.umn.edu.



International Education

Supporting the cornerstone of global workforce development

International Education and Exchange: The Centerpiece for Global Workforce Development, a forum of business and education leaders, took place at the Carlson School in February. Sponsored by the Minnesota International Center and NAFSA: Association of International Educators, the forum featured a panel of business and education leaders, who reinforced the need to offer students more study abroad experiences and to internationalize the curriculum in schools and universities.

Speakers included University President Robert Bruininks and Carlson School Dean Alison Davis-Blake, with a panel discussion by Marilyn Carlson Nelson, CEO of Carlson Companies; Eugene Sit, CIO of SIT Investment Associates; and Jeanine Thompson, vice president of Human Resources International for Best Buy Co., Inc.

International experiences play a crucial role in strengthening global workforce development, say panel members. They discussed how universities and businesses are encouraging students in the United States to gain global experience and position themselves for future success.

The Carlson School continues its long-standing commitment to international education, with a healthy percentage of students who study abroad and gain international insights to many courses. The need extends beyond students in the classroom to families at home and children at play, said Carlson Nelson. "American kids go to hockey and tennis camps," she said. "European kids spend their summers in other countries, learning new languages and cultures."

Executive MBA Abroad

Making connections: Vienna past and present

In August 2006, Carlson alumni and students met for a special gathering of Vienna Executive MBA students and alumni, former exchange students from Austria, Vienna Summer Program students, and program staff.



Participants connected with old friends and met new ones at an outdoor restaurant near the Palais Liechtenstein, the location of the Vienna Executive MBA program. The



Carlson School organized the reunion to help connect the growing number of its alumni in Vienna. The reunion

allowed alumni to reinforce some already-strong ties with each other and with the school.

"The Vienna Executive MBA alumni have an especially strong network, says Lori Kocer, 'o6 MBA, a former Vienna Summer Program participant. "They have been valuable resources to one another since the first class."

Celebrating history: Warsaw School of Economics



In fall 2006, the Warsaw School of Economics (WSE), Carlson School international partner and the oldest economics university in Poland, celebrated its 100th anniversary.

WSE invited Michael Houston, associate dean of International Programs, and his wife Pat to attend a series of events that focused on the prestigious institution's centennial. Rector Adam Budnikowski, WSE's head official, hosted the Houstons at the

gala dinner, which included dignitaries from WSE and the European Union (EU), on the grounds of the Presidential Palace in Warsaw. At commencement exercises, José Manuel Barroso, president of the European Union, gave an address that explored Poland's role in the EU.

Houston also represented the Carlson School at the ceremony for the 10th graduating class of the Warsaw Executive MBA. In addition, he participated in planning meetings with Professor Marian Geldner and Dorota Serafin, Warsaw Executive MBA director and managing director at WSE, respectively, and with Warsaw Executive MBA Council members from WSE. Carlson School Professor Steve Parente joined Houston in these meetings to discuss executive education opportunities in the health care field.

Global Enrichment Electives participants

Cologne Summer Program Adam Cornell Colbert Fong Melissa Jordan Leonid Kotlyar Anders Sand Greg Zeldin

Ethics Seminar Faculty: Steve Spruth Mauricio Bascunan Kristine Boedigheimer Matthew Branson Kathryn Dieffenbach Angela Fenske William Fenwick Justin Fletcher Jeffrey Frye Charissa Giles Paul Hagenson Adam Hankins Hilary Hutt Timothy Jackson Jeremy Jenkins Sara Mancell Jennifer Melin Nancy Robinson John Scharrett Nick Schultz Christine Solberg Jennifer Styba Andre Viktora Jeremy Voigts David Waddell Lisa Wangchuk

Marketing 3001 Faculty: Kevin Upton Heidi Allen

Lindsay Bergh Amy Brinkman Stacie Goebel Matthew Hart Ashley Hawkins Shawna Kaup Brandi Lawler Maxwel Lemberger Jason Lewis Michael Lunde Laura Nelson Kirsten Olson Ashley Peterson John "Jack" Sallstrom Nicholas Salmanowicz Ann Seemann Alyssa Sivanich Adrian Suncar Karmela Sunell

Joseph Swartz Megan Tucker Kate Weber Kelsey Webster Brandon Wien Jeremy Wingler

GOING

Vienna Seminar Faculty: Sid Benraouane Barrie Berguist Steven Blank Jason Dalebroux Matthew Dickinson Jeffrey Dreher Ryan French Julie Gifford Kristin Hand Erin Herman Blaine Kriesel, Jr. Angela Leitz Richard Trent Lewis Jon Mammen Alissa Montbriand Siddharth Prashar Lyndsey Primus Lisa Schroetke Lindsay Schultz Scott Tollefson Andrew Yue

Lvon Seminar Faculty: John Mauriel Nicholas Blissenbach Scott Bradley Cassandra Erickson Kristin Geisler Mindy Gudmundson Pradeep Gundavarapu Michael Hillman Chella Hjelm Karen Kensok Heather Kielpinski John Klesk William Joel Mujica Rodriguez Megan O'Hara Kathryn Marie Olson Augusto Perez Catalin Petrescu Paul Rauen Anthony Selinger Troy Smith Tamara Urman Courtney Zinter Vienna Summer Program

Faculty: Charlie Caliendo Demian Arenas Juan Carlos Figueroa Valeriya Gerber Ed Kashmarek Neil Koepcke Taeko McFadden Petra Noble Troy Peltola Amanda Schneider Ripunjay Singh Rina Ugrin Dan Zeien

Copenhagen Summer Program Melanie Clarke Rebecca Easterwood Erin Hunt Nicolas Kumbalek Peter Littlewood Shanda Kai Magsam Greg May Todd Slininger Michael Weisbeck Caitlin Weixel Michael Yard

Spring 2007 students at partner universities abroad

MBA candidates France – HEC, outside Paris Virginia Landauer Japan – Keio Graduate School of Business Administration, Yokohama Yi-Sheng (Tom) Chung Casey Langworthy Spain – ESADE, Barcelona Brent Carlson Greg Grothe

MA-HRIR candidates Costa Rica – INCAE, Alajuela Alex Pullen France – HEC, outside Paris Jessica Wrobel Sweden – Stockholm School of Economics, Stockholm Abbey Peterson

Undergraduates Austria – Vienna University of Economics & Business, Vienna Katie Biese Ways Hassas Mark McCullough China – Hong Kong University of Science & Technology, Hong Kong Erik Krone Mehdi Merali Kyle Ries Andrea Zhuang Denmark – Copenhagen Business School, Copenhagen Brandon Biermaier

Abbey Hallberg Jim Johnson England – Manchester Business School, Manchester Bryan Dallman Margaret Marshall Michael Mather William Roller France – Bordeaux Business School, Bordeaux Rachel Nearhood France – L'Universite Jean Moulin, Lvon Irina Vishnevskava Benjamin Gaustad-Randolph Italy – L'Università Commerciale Luigi Bocconi, Milan Bethel Deresu Erica Sivertson Netherlands – Universiteit Maastricht. Maastricht Katherine Erickson Norway – Norwegian School of Management, Oslo Lauren Jome Patrick Williams Singapore – Singapore Management University, Singapore Kendal Beer Lauren Klun

Spring 2007 exchange students at the Carlson School

Australia Nicole Botsman

Austria Stefanie Grabner Maxmilian Joven Richard Ploberger China Ho Shun Cheung Lei Wei Feng Meng Lian Wenjun Peng Weiyuan Sha Man Wai Wong Wuchen Zhang Singapore York Lin Chua Meibin Ho

Meibin Ho Jialing Liu Tse Jin Gina Tjeng Switzerland

witzerland Thomas Schrepfer

GLOBE

Encouraging the international experience

BY ION SKILLRUD

The student association for international business at the Carlson School of Management, GLOBE leads student efforts to support the global student experience. **GLOBE** members represent all Carlson School programs and include international exchange students. In addition to hosting a number of speaker events throughout the year, GLOBE members also build a valuable network for all who are interested in international business.

Mentor program

Exchange student Johan Ekestrom enjoyed experiencing life firsthand at an American home, thanks to his GLOBE mentor.

The GLOBE mentorship program pairs international exchange students with Carlson School students. Mentors help students in a number of ways-from finding their way around town to recommending study strategies. The mentorship program aims to be a point of differentiation between the Carlson School and other universities by assimilating exchange students into the local student culture.

"One of the reasons I chose to spend a semester at the Carlson School was the opportunity to get IONA to know the American culture, and, of course, get to know some Americans," says Ekestrom, a graduate student from the Stockholm School of Economics in Stockholm, Sweden, who spent fall semester 2007 at the Carlson School. "The mentorship program was a great help for doing that. As an exchange student, it is easy to explore the city and find exciting activities, but harder to find and do the genuine and typical activities that are a part of your regular [American] life."

His mentor invited Ekestrom to spend Thanksgiving with his family in Wisconsin, a true highlight for Ekestrom.

"As a Scandinavian, celebrating Thanksgiving was something I only had seen on TV before," he says. "Participating in a tradition like that and spending some time with his family gave me more insights on American culture."

The mentor program also can help Carlson School students prepare for a possible studyabroad experience. Many students who plan to study abroad serve as mentors and are able to develop friendships with international students months before they set foot overseas.

Welcome 2007-08 officers

President

Ion Skillrud, MBA Vice President, Graduate Mentorship Thomas Sit, MBA

Vice President, Undergraduate Mentorship Feifei Zheng, Undergraduate

Vice President, Corporate Affairs Na Sun, MA-HRIR

Vice President, Communications and Marketing William Schumacher, Undergraduate

Interested in serving as a mentor? Want more information about GLOBE and its activities? Please contact globe@csom.umn.edu

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International Programs Carlson School of Management University of Minnesota

321 Nineteenth Avenue South, Suite 4-104 Minneapolis, MN 55455 612-625-9361 carlsonschool.umn.edu/internationalprograms

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