E-Commerce: The Next Generation

How the Carlson School’s Information and Decision Sciences faculty and graduates are building a better online marketplace.

Alok Gupta, professor and chair, Information and Decision Sciences
With the explosion of new technologies and the proliferation of organizational information systems, success in the business world requires knowledge of information and decision sciences. Carlson School alumni and faculty have been at the forefront of this changing field, as we learn in this issue of Carlson School. From pioneering the field of information and decision sciences (IDS) here in the 1960s, to offering coursework and programs that meet the changing needs of business practitioners, our faculty research continues to provide answers to the key questions of the Information Age while working on the ideas that will create the age to follow. Our alumni are also leading us into the future by transferring that new knowledge into practice in a variety of approaches—from building online businesses to securing the digital perimeter of firms.

I grew up very aware of the emerging power of computers to change both work and organizations. My father, Professor Emeritus Gordon B. Davis, is a pioneer in the IDS field and as a member of the Carlson faculty for 44 years, was a key part of the success of the Carlson School’s IDS program. As a young girl, I attended the reception where the Carlson School showcased its first mainframe computer; each child was given a picture of Snoopy generated on a printer the size of an overstuffed chair. As a high school senior, my first job was writing computer programs on punched cards in a basement office of Blegen Hall. Over time, the IDS discipline has grown from management of computer-generated knowledge to the management of information, digital assets, and information technology for organizations. Now, as dean of the Carlson School, I appreciate my early learning in this field as I make decisions around the information technology needs of our school as well as our information technology curriculum.

This issue of the Carlson School magazine showcases the significant contributions of faculty research to creating new knowledge that helps organizations make more effective decisions. The early pioneers of this field may not have known how critical technology and the need to manage it would become. But they were certainly on to something. Today, Carlson School faculty members are frequently cited as the most productive researchers in their fields anywhere in the world. They examine everything from how pricing in online auctions works—think Ebay—to how modeling and data mining can be used to improve patient care. They share that research with our students, who use that knowledge to become the innovative entrepreneurs, managers, and individual contributors in our vibrant community of alumni.

I hope you enjoy this issue of Carlson School.

Sincerely,

Alison Davis-Blake
Dean
Investors in Leadership Distinguished Chair in Organizational Behavior
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FRONT COVER: ALOK GUPTA, PROFESSOR AND CHAIR, INFORMATION AND DECISION SCIENCES PHOTOGRAPH BY MARK LUIKENBURG
Full Circle

Thanks to the pioneering efforts of its namesake founder, the Arthur B. Schultz Foundation is helping advance international microenterprise learning and development at the Carlson School and around the world.

When Arthur B. Schultz, '51 BSB, enrolled at the University of Minnesota in 1949, it was the end of one journey and the beginning of another. Schultz is the founder of the Arthur B. Schultz Foundation, a grantmaking nonprofit dedicated to enhancing the quality of life on earth through support of international microenterprise, global understanding, and disabled mobility solutions. Schultz has funded a full-tuition fellowship that will provide annual support for full-time MBA students who want to study international microenterprise at the Carlson School.

“We hope that students will take the business knowledge they gain here and apply it in their own countries,” says Schultz. “We want this to come full circle from where it all began.”

Where and when it all began for Arthur Schultz was in Norway, where he came of age under the Nazi occupation of his country from 1940-1945. After the war, he was old enough to serve in the Norwegian military, an experience that showed him the devastation that World War II had wrought across Europe. When Schultz received a modest scholarship offer from the University of Minnesota, he left Norway for the United States. He worked his way across the Atlantic as a deckhand on a freighter, and continued to work throughout his undergraduate years to pay for his room and board. Schultz was also an accomplished collegiate skier at the University of Minnesota, competing at the highest national levels in Nordic and downhill skiing.

As well as his athletic accomplishments, Schultz excelled academically as an accounting student and credits the Carlson School for having taught him the fundamentals of business. After graduation, he moved to California in the late 1950s, where he was a partner in the accounting firm of Meggelin & Schultz. He worked with several closely held companies and was one of the founders of Cobra Golf, listed on the NASDAQ. Profits from this and other savvy investments allowed him to found the Arthur B. Schultz Foundation in 1985.

The foundation supports a number of initiatives, including microenterprise efforts in emerging economies, particularly small businesses in Russia, Vietnam, Honduras, and the Palestinian territories, with an emphasis on projects that provide social or environmental payback to the communities in which they operate.

“We believe such efforts can help change the paradigm of third world economic development by showing that microenterprise-led charitable services and sustainable management of natural resources are compatible with increased incomes and higher standards of living,” says Schultz.

—Katy Holmgren
Hanson Hall Grand Opening

All alumni and friends are welcome to join Dean Alison Davis-Blake and distinguished guests for the Grand Opening Ceremony & Community Open House for Herbert M. Hanson, Jr. Hall on Thursday, Sept. 25, from 4-6 p.m. The event will be held in Hanson Hall, which is adjacent to the Carlson School of Management. A brief program and ribbon-cutting ceremony in Hanson Hall’s Target Atrium will mark the official opening. An open house with progressive hors d’oeuvres served throughout the building will follow the ceremony.

2008 Reunion

The 2008 Carlson School Reunion will be held from October 30 to November 1. Join your fellow alumni at the Carlson School for networking, faculty-led seminars, and the Homecoming game versus Northwestern University! For more information, visit carlsonschool.umn.edu/reunion.
A Decade of Growth
The Carlson School’s Funds Enterprise celebrates a significant milestone.

Since its inception in 1998, the Carlson School of Management’s Carlson Growth Fund has consistently outperformed the Russell 2000 Growth Index, and is currently worth approximately $10 million. As a result of being successfully managed by over 200 students over the course of 10 years, the Carlson Funds Enterprise held a celebration on May 1.

The Carlson Growth Fund, a small-cap growth fund, is one of two partnerships managed by students at the Carlson School as part of the Carlson Funds Enterprise, a program designed to give students real-world experience analyzing companies and investing in their securities. The Carlson Fixed Income Fund, the other fund in the program, is celebrating its five-year anniversary. The Enterprise has more than $25 million distributed between the two funds.

The Carlson Funds Enterprise was launched on May 4, 1998 with $3.5 million in initial investments from Alliance Capital Partners, Ameriprise Financial, U.S. Bancorp and Wells Fargo & Co. to be used for the Carlson Growth Fund (originally named the Golden Gopher Growth Fund). Since then, the fund has gained Securian Financial Group, Inc., Piper Jaffray & Co., and two individuals as participants.

As of March 2008, the Carlson Growth Fund had grown 134.76 percent since 1998. On a compound annual rate, the fund has increased at 8.99 percent per year, while the Russell 2000 Index has returned 1.7 percent per year.

Students in the Enterprise research potential investments and consult with Program Director Joe Barsky and expert mentors several times per semester. In the end, the students make the call on where to invest the money. "To give students the opportunity to make decisions on where to invest real money and have industry leaders offer them advice is an unmatched experience," said Barsky.

The Enterprise program has become one of the school’s distinguishing trademarks due to its great success. The most notable success in the Carlson Growth Fund’s history came five years ago with the investment in Intuitive Surgical Inc., an obscure medical equipment firm.

Avanish Vellanki and Christian Lundsgaard, two MBA students at the time, recommended the stock, not knowing how successful it would become. A small portion of the stock was purchased for $15.60 per share in December 2003, and a larger portion was bought at a similar price in 2004. As of April 8, 2008, Intuitive Surgical stock had risen to $347.10 per share, with the fund having realized profits of over $1 million since the original purchase.

"It is very rare to identify, invest in and hold on to a stock that has risen twenty-fold in five years," said Barsky.

To celebrate the impressive growth of the two funds over five and 10 years, respectively, the Enterprise has initiated a fundraising campaign to raise $7 million to fund a lab remodeling, a fellowship program, investments in portfolio management and accounting systems and an endowment fund that will cover annual operating expenses, with the goal of becoming self-sustaining.

—Alyssa Atkins

Joseph M. Juran, 1904-2008

Joseph M. Juran, a University of Minnesota graduate and the namesake of the Joseph M. Juran Center for Leadership in Quality at the Carlson School, passed away in February at age 103.

Juran was known throughout the world for his groundbreaking theories on quality management and business efficiency. His Quality Control Handbook, first published in 1951 (and which is still in print), revolutionized how companies made and sold products. His idea of the quality trilogy—quality planning, quality control, and quality improvement—also forms the basis of many of today’s quality programs.

After graduating in 1924 with a degree in electrical engineering, Juran started his career in Chicago at Western Electric Co. During World War II he worked in Washington, D.C., eliminating bottlenecks that hindered timely equipment shipments to U.S. allies overseas. He later spent much of his life consulting with companies on how to come up with quality control standards.

In 1979 he founded the Juran Institute, an organization that provided companies with research and advice on managing quality. He transferred the Juran Foundation and its assets to the University of Minnesota in 1998. Today, the center designs and executes research and is a powerful resource for leaders, scholars, and students of quality. Juran’s support also allowed the center to create a fellowship program for doctoral students conducting research in quality. In the last decade, 50 Juran Fellows have been named, many of whom are now faculty at leading research universities.

“Joseph Juran was undoubtedly one of the most influential graduates in the history of the University,” says Jim Buckman, executive director of the Joseph M. Juran Center. “His groundbreaking theories on quality and business efficiency are still being taught and followed to this day.”

Juran is survived by his wife, Sadie; his children, Donald, Charles, Robert, and Sylvia; nine grandchildren; and 10 great-grandchildren.
“Homework” Redefined
Helping hometown teens is a part-time job for this Carlson School freshman.

Every freshman carries a piece of his or her hometown to college, but Matt Norris brought an entire city hall outpost. As a youth liaison to a Brooklyn Park, Minn., improvement committee, Norris helps the city’s planning efforts to increase programs for and participation by teens—when he’s not studying for his own classes.

Norris joined the committee when he was a junior at Totino-Grace, a private Catholic school in Fridley, Minn. “I wanted to help change the focus from having adults tell us what we’re going to do to having them make the decision jointly with youth in the city.”

As part of his efforts, he helped organize a youth summit to talk to teens directly about the city’s problems. “The overriding concerns for youth are a general lack of things to do in Brooklyn Park,” he says. “They also told us what programs Brooklyn Park does have are too spread out and difficult to get to.”

Based on his committee’s research, the city has hired a part-time coordinator to create a youth opportunities coalition, which will have up to 25 Brooklyn Park teens from grades 9-12 assisting in planning its goals. Norris knew he could continue to help even after he graduated, and will rejoin the city again this summer on a full-time basis as one of its interns on the project.

The city has also received a $35,000 grant from Hennepin County to create a map of youth-friendly businesses in Brooklyn Park. This spring and summer, up to 50 youth from grades 8-12 will interview local businesses and their peers about great places for teens to congregate. “It will give us an inventory of what we have now, let us know in a formal way the real needs of our youth, and give us ideas of what projects to tackle next,” Norris says. “It’s an exciting project.”

As for his own academic plans, Norris is considering a double major in marketing and management information systems. “My ultimate plan is to go into law school and enter sports management,” he says. “I’d like to work in the front office of an NFL team. That would be my dream job.”

—Sara Aase

PHOTOGRAPH BY SARA JORDE
What Are You Reading?

Mazhar Islam
PhD candidate

Payback: Reaping the Rewards of Innovation
by James P. Andrew and Harold L. Sirkin

As the title suggests, this book focuses on how companies can improve their return on innovation. I picked up this book on a suggestion from a 3M manager. The authors—two Boston Consulting Group consultants—bring together their long experiences and propose ways companies can align their innovative activities to create an organizational environment that not only focuses on innovation but also on the process that hastens the commercialization of innovation. With the ever-increasing interest in innovation and organic growth, this book provides an interesting perspective that would help managers understand why and how innovation and commercialization should go hand in hand in today’s dynamic business environment.

Joe Barsky
Program Director, Carlson Funds Enterprise

The Associates: Four Capitalists Who Created California by Richard Rayner

The book is the story of how four middle-class Californians—Collis Huntington, Charles Crocker, Mark Hopkins, and Leland Stanford—teamed together to build the Central Pacific Railroad in the 1860s. I’m a model railroad guy, so I’m always interested in trains. But this book is about more than trains. It explores how four exceptionally driven men helped revolutionize transportation in this country—railroad stocks soon became hot commodities and the equivalent of technology stocks in the late 1990s. In the process, they also helped influence the growth of California. It’s a fascinating look at a period of American history and the people who helped shape it.

Online and In Touch

With every graduating class, the number of Carlson School alumni grows. Our online professional and social networks can help you reconnect and keep in touch with fellow alumni. Join the Carlson School groups on LinkedIn and Facebook and update your personal information through our online directory, Alumni Online. All of these networks are available at carlsonschool.umn.edu/alumni.
Tom Harold, ‘84 MBA, knows it’s an unlikely story. At a conference a few years ago, he heard someone utter an off-the-cuff remark: “I heard electricity can cure blindness,” he says, adding that he was instantly hooked. “I was too stupid to realize you can’t just go research something like that.”

But in this case at least, ignorance was blissfully productive. Harold followed his entrepreneurial instincts and plunged into the topic. Less than a decade later, his company, Chanhassen, Minn.-based ScyFIX, has started FDA trials of an electronic device that would be the first to halt or even reverse eye diseases that cause blindness. “We want to be for ophthalmology what Medtronic is for cardiology,” he says.

Before starting ScyFIX in July 2002, Harold was recovering from selling off his previous company, IPares, an e-business venture that ended with deflation of the tech bubble. Less than a decade later, his company, Chanhassen, Minn.-based ScyFIX, has started FDA trials of an electronic device that would be the first to halt or even reverse eye diseases that cause blindness. “We want to be for ophthalmology what Medtronic is for cardiology,” he says.

Before starting ScyFIX in July 2002, Harold was recovering from selling off his previous company, IPares, an e-business venture that ended with deflation of the tech bubble. Before that, his marketing management experience included a little bit of everything, from overseeing the microwave products division of Pillsbury (now General Mills) to helping launch Minneapolis-based NetRadio, a now-defunct company that provided some of the first Internet radio stations.

In 2001, he started his eye therapy research and began working with scientists and engineers in Asia, Russia, and India, where previous fieldwork had been done. His findings were intriguing; some of the studies revealed that electrical currents could stimulate the production of proteins known as neurotrophins that help repair damaged cells and defective nerve connections. Armed with that information, Harold and his team developed a device that transmits beneficial low-intensity electrical currents into a person’s eyelids via a set of electrodes.

But after securing U.S. patents, Harold knew he needed someone to help him with the FDA trial process. As the trials would be conducted in India at some of the world’s leading eye institutes, a friend told him to call Darrell DeMello, ‘04 MBA. DeMello, who was then in charge of emerging technologies and new business development at Boston Scientific, had extensive medical device experience in India and other countries.

Later this year, the physicians leading the clinical trials (for retinitis pigmentosa and macular degeneration) will present their findings at two key conferences. Harold says he is highly encouraged by the results so far; since 2002, the device has halted progression of diseases in 95 percent of the 1,000 patients tested in 29 countries. The company expects to receive FDA approval soon for use of the device for retinitis pigmentosa, a rare eye disease. ScyFIX also needs to raise $60 million, Harold says, to fund phase two of the macular degeneration trials. He hopes approval to treat the most common form of macular degeneration, as well as glaucoma, will occur by 2010. “The trials show life in retinal cells where, before therapy, there wasn’t any,” he notes. “This will change lives for people.”

—Sara Aase
Robert Fleming
’49 BSB, on cultivating passion, communicating, and embracing change.

Robert Fleming will receive the University of Minnesota’s Outstanding Achievement Award in June for leading two revered Minnesota institutions—hockey and the Mayo Clinic—to international acclaim. Fleming, born in Toronto, came to the University on a hockey scholarship and starred for the Gophers. After graduation, he moved to Rochester, Minn., to play for the fabled Rochester Mustangs franchise, became a U.S. citizen, and began a 43-year career with the Mayo Clinic. In 1960, Fleming moved from the ice to management. He spent much of the next 30 years in leadership positions, including a tenure as chairman of the U.S. Olympic Hockey Committee, where he helped build five Olympic teams. One garnered a silver medal in 1972, and another became the so-called “Miracle on Ice” team for defeating the Soviets and ultimately winning the gold medal in 1980.

During his career at the Mayo Clinic, Fleming rose from an entry-level position to the organization’s highest non-medical administrator. In this leadership role, he helped integrate St. Mary’s Hospital and Rochester Methodist Hospital with the Mayo Clinic, expand the Mayo Clinic to its Arizona and Florida campuses, create Mayo Medical Ventures to manage the clinic’s public education and technology transfer programs, and influence hospital services coverage in Medicare legislation. He has received a lifetime achievement award for medical management from the American College of Medical Practice Executives, and has been inducted into the U.S. Hockey Hall of Fame.

Here are five things he has learned along the way:

[1] Never stop communicating to build consensus
You need to clearly articulate your goals and work toward them, but you have to let people express their reservations. And then you have to come back with answers to those reservations. You never stop problem solving.

[2] Recognize when you need help
Clearly understanding your own limitations and realizing when you need help are important assets to being successful in management.

[3] Embrace the discomfort of change
It’s human nature to have a certain amount of resistance to change, and to want to feel comfortable in what you’re doing, yet organizations that prosper over the long term have to change.

[4] Deal with failure directly
When you’re wrong, admit it and move forward.

[5] Cultivate passion
You have to believe in the things you’re doing—otherwise you can’t sell them. It helps to have fun, to not take yourself too seriously, and to be constantly learning.

—Sara Aase
Programming Success

Thirteen years ago, Greg Frankenfield, ’83 MBA, spotted an opportunity that blossomed into a robust company. Now he’s gearing up for the next stage.

In 1981, Greg Frankenfield’s initial plan to become a doctor was not panning out. Luckily, he had a new Apple II computer, a knack for recognizing opportunity, and a backup plan.

As a hedge against medical school, Frankenfield was attending evening classes at the Carlson School for a master’s degree in business administration. When he was laid off from his job at a local plastics company, he switched to the Full-Time MBA program. Two years later, he had his degree with an emphasis in information systems, and a passion for staying up into the wee hours of the night working on software programming challenges.

After working for 12 years as an IT administrator at Proctor & Gamble in Cincinnati, and in Minneapolis at General Mills, Frankenfield wanted to start his own company. He took an interim job helping run Clear With Computers, a Mankato, Minn.-based salesforce automation company. There, he met a salesperson named Paul Fridman, and knew he’d found the right partner to help him start his own venture.

In 1995, Frankenfield and Fridman launched Magenic (which was initially named Logicon Technology) to design and support Microsoft-based applications for businesses. “Everyone was focused on the mainframe space back then,” says Frankenfield, who’s now the firm’s CEO (Fridman is president). “But we bet that the Microsoft platform would grow big on the desktop.”

In its first five years, Magenic had to battle in an increasingly crowded marketplace and manage the cash-flow crunches common to a rapidly growing company. Offshore programmers were the next challenge, Frankenfield says, followed by more demanding product schedules. The challenges have honed and expanded the company’s offerings. Today its core competency is in planning, designing, building, and supporting Microsoft-based applications throughout their entire lifecycle, and it has become a well-established authority on Microsoft’s .NET development platform.

The next challenge is positioning Magenic to become a $100 million operation. The 275-person company recently expanded its Golden Valley, Minn., headquarters and opened two new offices in Boston and Chicago. The business should generate more than $50 million in revenues this year, and Frankenfield says it’s experiencing the predictable growing pains for companies in between the $5 million and $100 million marks as they evolve from a “tribal” culture, where everyone knows everything, to one that must become more professional and rely on predictable processes. “It’s a hard transition that carries you to about $100 million,” he says. “We think we can do that with this set of services, locations, and differentiation. But then we’ll have to reinvent who we are again.”

Whatever happens, you can be sure Frankenfield will have a Plan B.
In October of last year, a team of Carlson School undergraduates joined 12 business schools from around the world to participate in Singapore’s first international business case competition at Nanyang Technological University. Although the students didn’t win the competition, they did present some winning concepts and more importantly, learned how business schools in different regions bring varied approaches to business challenges.
Delphine Barringer Mills first thought she would make a career in the arts. But after struggling for a couple of years to find interesting work, the New Jersey native turned to a childhood dream—to return to Africa. “My parents had lived in West Africa for 10 years, until I was about two,” she says. Her mother and other relatives had done work with nongovernmental organizations such as Doctors Without Borders/Médecins Sans Frontières (MSF), which provides medical humanitarian relief to people affected by war, epidemics, and disasters in more than 60 countries. Mills decided to try to get her foot in the door at MSF as a way to eventually work overseas.

After volunteering for a few months at the organization’s New York City headquarters, a job opened in the human resources office. The assistant position, in which Mills handled visa issues and other needs of people working in the field, quickly grew into an associate position. “It really sparked my interest in human resources,” she says.

Following two years of office work, Mills traveled to Sudan for her first field position, where she served for nine months as the general administrator for an orphanage, overseeing more than 500 staff people. Her next mission took her to a Haitian hospital, where she shored up HR policies that had been haphazardly implemented a year earlier. “When MSF starts a project on an emergency basis, the medical side often takes precedence, and the HR stuff gets put into place loosely,” Mills says, adding that she wasn’t always the most popular person with the medical staff as she revised staff guidelines, found solutions to health care coverage, made sure that policies complied with local law, and revised salary structures.

Her missions abroad have inspired her to get deeper training in human resources to bring those skills back to MSF or another such organization. She will graduate this spring from the Carlson School’s Human Resources and Industrial Relations program. “I decided it would be good to do a program in a business school, because nonprofits tend to lack that attention to finance and business,” she says.

But Mills may not return immediately; her husband, also an MSF alum, is completing a program at the University’s Humphrey Institute, and the two are planning to start a family. But she says that overseas work still calls them. “You get to live in places you otherwise probably wouldn’t that are quite interesting,” she says. “We really enjoyed our work.”

—Sara Aase
Carlson School Human Resources and Industrial Relations Professors John Fossum ’68 MA-IR; Jim Scoville; and Mahmood Zaidi retire at the end of this academic year. Together, they have provided a total of 97 years of service to the Industrial Relations Center (IRC) and the Carlson School: Fossum with 25 years, Scoville with 29, and Zaidi with 43. They recently took a few moments to look back on their careers at the Carlson School.

JOHN FOSSUM
“The notion that I would end up in academia is not anything anyone would have expected; I was not very academically oriented,” Professor John Fossum says wryly, adding that students who struggle with statistics or worry about their aptitude can take heart from his experience. “In the MA-IR program, I had a lot of trouble with my first stats class until about halfway through, and then it clicked. I took stats every quarter after that, which has been a huge advantage for me throughout my professional and academic career.”

Following service in the U.S. Navy in the early 1960s, Fossum entered the MA-IR program to pursue his interest in personnel issues. That curiosity eventually led him to Michigan State University, where he earned a PhD in labor and industrial relations. After teaching at the University of Wyoming and the University of Michigan, he accepted a tenured position at the University of Minnesota. “I felt that the way Minnesota looked at the field was more complete than other IR programs,” he notes. “Minnesota’s program has had a tremendous influence on the intellectual devel-
opment of the human resource management field."

Carlson School Professor and IRC Director Connie Wanberg says Fossum’s management style has been a powerful internal influence. “I once took a teaching development class from a former actress who says that we all play certain ‘roles’ in our professional lives,” she says. “John’s role, in my mind, has always been the ‘Wise One.’ I can think of many faculty meetings where we would debate an issue extensively. At some point, John would summarize, make a suggestion, and suddenly everyone would nod their heads in agreement and we would move on.”

JIM SCOVILLE
Professor Jim Scoville joined the Carlson School as a full professor and director of the IRC in 1979 with an impressive resume. After earning an undergraduate degree in economics from Oberlin College, and his masters and PhD in economics from Harvard (where he also was an assistant professor), he held positions at the University of Illinois as an associate and full professor.

He counts among his accomplishments the development of an International Comparative HRIR course, along with his research. “Through my emphasis on labor markets in developing countries, I’ve been able to dispel some myths surrounding current research with more of a focus on how markets actually work and what they actually do,” he says, adding that his research on job design and training and the workings of the caste system more than hold its own against other leaders in the field.

During his 29 years at the University, he’s seen many changes. “The field is evolving away from labor relations and collective bargaining toward human resources management,” he says, adding that he’s also pleased to see more women entering the field. “The role and acceptance of women into human resources and industrial relations has changed a lot over the years. When I first came to Minnesota, the IRC was housed in the Management and Economics building, which had no female-designated restrooms on several floors.”

Looking ahead, Scoville plans to attend international conferences in Australia and in Cape Town, South Africa, and travel to such destinations as Greece, France, and Great Britain.

MAHMOOD ZAIDI
Mahmood Zaidi came to the University of Minnesota in 1965 from the University of California, Berkeley, where he had been actively involved in international activities. Over the years, his teaching and research interests have focused on international labor market analysis, human capital and multinationals, and international human resource management.

His list of honors and accolades stretches almost as far as his Minnesota tenure. In 2002, he received a lifetime achievement award for his work in building international academic programs and partnerships from the Graduate School of Business Administration in Zurich, Switzerland, and in 2003 the University of Minnesota presented him with the President’s Award for Outstanding Service. In 2005, the Carlson School named him founding director of the Office of International Programs. He also has been named Distinguished Fellow of the North American Economics and Finance Association (NAEFA), a distinction that recognizes his contributions to NAEFA and the economics profession. “I very much appreciate the support of all the faculty, staff, and administrators who helped me to qualify for these kinds of recognition,” Zaidi says.

Some of the projects he’s most proud of are being invited to chair the 50th Anniversary Committee of the IRC and organizing and chairing the George Seltzer Distinguished Memorial Lecture Series. “It has been wonderful to work in a setting where interdisciplinary research and teaching, which is necessary for the study of the world of work, is encouraged,” he says. “I have learned a great deal from my colleagues and students. I will miss the students and my regular interactions with colleagues.”

While he says he’s “not ready to sit down in my rocking chair,” he does admit that his pace will slow down slightly. “I still have some research projects I want to finish and I plan to continue my international involvement and my travels,” he says.

—Anne Obst
If you’ve ever participated in an online auction, downloaded a song without paying for it, had a Web site recommend the perfect style and brand of blue jeans for you, or clicked “purchase” to buy those jeans, you’ve benefited from the research done by a leading cadre of scientists at the Carlson School. Faculty in the Information and Decision Sciences (IDS) Department study how organizations use information technology to manage their digital assets and to make individual, group, and strategic decisions. Much of their pioneering research has explored technologies that are applied in an online environment.

The University of Minnesota became a worldwide center of computer science research back in 1968, when professors Gordon Davis, Tom Hoffmann, and Gary Dickson established a formal program in management information systems and founded the Management Information Systems Research Center. “There was a great deal of foresight in what they saw as far as the potential for and responsibilities that come with the use of this technology,” says Professor Norm Chervany, who witnessed the birth of the program when he joined the faculty in 1967. “For them to see what could be or needed to be done that far in advance of the technology that’s at our fingertips today is a remarkable event.”

What’s even more remarkable is that, 40 years later, the department’s faculty leaders are still churning out world-class research.
The Internet—as we know it today—was still a nascent technology in 1992 when Alok Gupta started his PhD studies in Management Science and Information at the University of Texas at Austin. “But in academia, we were using it,” says Gupta. “The Internet as a set of technologies was growing so fast, it was fascinating to study it.”

It raised a big question for him: The Internet would vastly change the ways businesses communicate; how would this also affect their business processes? Like a proper scientist, he’s since sharpened his focus. Now, as the director and chair of the Carlson School’s IDS department, he concentrates on a few key areas,
including recommender agents, online auctions, and online competition. His research on dynamic pricing mechanisms on the Internet, for instance, garnered him a prestigious National Science Foundation CAREER Award.

One of the first researchers to investigate how Internet usage is priced, Gupta points out that we’re likely being overcharged. “The average Internet user with a high-speed connection uses probably only one 100th of his or her capacity—even with the occasional MP3 download,” he says. Meanwhile, “heavy” users—those who are constantly streaming video and online gaming—are getting much more use out of their connections. In essence, because we all pay a flat rate for Internet access, the regular users subsidize heavy users. “The network would grow in a much more economically sensible way if we charged for traffic rather than have flat access fees. That’s why toll roads are successful.”

A few years back, Gupta started to wonder how online retailers would survive when customers could find the cheapest deals for themselves. He hypothesized that retailers would start to compete on information. The shakeout in the online travel market demonstrated how that can happen. Within a year of entering the already crowded field, Orbitz.com captured 25 percent of the market; within two years, it became the top Internet-based travel agency. How? By looking at what was important in consumers’ decision-making. Orbitz developed an information matrix showing the airlines, the number of stops, and the cheapest prices on every trip option. “They very cleverly presented a lot of information on-screen,” says Gupta. “All the information a consumer typically needs is there in a very compact format.

“Now, I don’t know any site that doesn’t use it,” he continues. “That is what I call competition on information. I think the next generation of systems will exploit the information aspects of difficulty in purchasing. Consumers have so many options; their ability to synthesize information is going to be where competition will be.”

Gediminas Adomavicius: Navigating a Sea of Information

Curious about kinkajous? Want to know more about nuclear fusion? It’s never been easier to find out. We live in an age where Google isn’t just a search engine, but also a verb. Add to that all the books, newspapers and magazines, libraries, radio, television, podcasts, and interpersonal resources you can tap for knowledge, and it’s clear that we’re inundated with information—and overwhelmed with ways to access it. (By the way, if you haven’t already Googled the word, a kinkajou is a cat-like nocturnal animal that
Personalization is a very problem-rich area. If I work on it for the next 20 years, I probably won’t be able to spend time on every issue I want to.”

Shawn Curley: Indecision Matters

At a new restaurant one night, you spend 10 minutes scanning the menu for something that whets your appetite. When the waiter comes around, you know you want the crab cakes with wasabi aioli. But your friend orders first, and he gets the crab cakes. You immediately change your mind and order something different. Why?

Human behavior is sometimes confounding and a challenge to explain in neat patterns. Decision-making is an especially tricky area to study; understanding why people chose option A over option B depends on innumerable variables—the weather, time of day, whether or not they like wasabi aioli.

But it’s an area that intrigues Shawn Curley, Carlson School Professor of Information and Decision Sciences. With a master’s degree in mathematics and a PhD in psychology, he’s perfectly situated to develop technologies and data analysis techniques that examine and aid decision-making. In an online environment, that research includes studies of ethical decision-making regarding software piracy, the unauthorized duplication of information goods. “Some of my early work was in ambiguity: the uncertainty we have in decision-making,” says Curley. “In a lot of decisions, we’re not only not sure of what the outcomes will be, but also unsure of how likely the outcomes will be.”

Uncertainty can influence how we view the information used in making a decision, and can even arise from inadequacies in the evidence. “That’s what got me into software piracy,” he says. “E-commerce has some interesting ways of impacting decision-making.”

Piracy, he notes, has been affected by the emergence of new technologies. While most people would admit that breaking into a store and taking a TV is wrong, many don’t view copying computer software as stealing. “The normative is not quite settled yet in our society,” he says. “We’re not really settled on how to think of this in the culture.”

Curley’s research seeks to clarify these types of quandaries. One study he worked on reviewed articles on Internet piracy in leading U.S. newspapers. It analyzed the types of arguments being made against or for piracy in order to determine the societal posi-
tions, along with the reasoning behind those positions. “Those arguing against piracy were primarily arguing on a monetary or an injury standpoint,” says Curley. “Arguments for piracy were much more varied: ‘The software companies deserve this. The system isn’t fairly regulated. Penalties are not fairly allotted.’”

Besides piracy, Curley, like Adomavicius, is exploring behaviors related to combinatorial auctions. “In the study of decision-making, largely over the last 60 years or so, we’ve learned a lot about how we make decisions,” he says. “Decisions are always going to be with us, so I’ll always have a job.”
“If you see failures in the use of technology and try to find out the root causes, it rests in human elements,” says Professor Norm Chervany, who has a background in mathematics and decision sciences (he earned his MBA and DBA in the latter from Indiana University). “My research is on the human side of technology.”

From that perspective, he has investigated a variety of areas: implementation processes, which examine what has to be done as technological applications are identified, conceived, and brought into an organization’s regular routine; and how information technology and systems are used in organizational strategy as well as organizational design.

Most recently, he’s been looking at the factors that influence trust between individuals, between groups of individuals, or between individuals and technology. Trust plays an intrinsic role in the realm of e-commerce, whether or not we actively recognize it. For instance, online purchasing is so well integrated into how we live today that most of us take it for granted. “Think about that,” says Chervany. “You’re willing to depend on this nameless, faceless thing called the Internet to deliver accurate information on places to take a vacation, or to deliver you the stuff you order, [to sell you] your airline tickets. Collectively, as a society, we’ve come to trust that set of mechanisms. You just don’t even think about it anymore.”

In discussing the generational factors in trusting new technologies, he notes that one of the fastest groups of technology adopters nowadays is seniors. “Why? Technology has gotten easier to use,” he says. But, as with teenagers, one’s peer group matters: If a senior’s friends are discovering how to download photos of grandchildren online, he or she also will start thinking about learning how to do it. “It’s not a stretch to say [that’s] a trust relationship.”

The key question in an issue of trust, according to Chervany, is: Are you willing to depend on a person or a technology for something that is important to you? A succession of successful, good experiences are critical to building trust with different online entities. Users routinely size up potential e-commerce partners by asking: Are they competent? Predictable? Interested in our joint welfare? When one points out that these sound more like questions you would ask yourself about a potential mate rather than an online marketer, Chervany doesn’t miss a beat. “You can have relationships with organizations, technically centered things,” he says. “At the center of successes are the human issues, the relationship issues. That’s what drives me. I’ve never lacked for questions to ask.”

**Norm Chervany: We’re Only Human**

Jenny Sherman is a New York City-based freelance writer.
When the Carlson School was given its first computer in the early 1960s, no one knew how to use it. But that computer and the people who took the lead in teaching others how to use it became the foundation for what is now one of the top-five Information and Decision Sciences (IDS) programs in the world.

Today, Carlson School’s IDS graduates are involved in a range of innovative and groundbreaking information systems and technology careers. They work for companies as large and renowned as Microsoft and Amazon, as well as for nascent startups and growing ventures. They are consultants, teachers, academic leaders, and entrepreneurs. While the four graduates here have taken different career paths, they all share at least two elements in common: a solid educational foundation and a willingness to boldly pursue new opportunities.

Variety and constant change are the hallmarks of today’s information systems and technology realm. As these four Carlson School Information and Decision Sciences graduates have discovered, it pays to be flexible and on the lookout for new opportunities.

All Systems Go
Rajiv Tandon first arrived in Minnesota from his native India to start classes at the University of Minnesota on Sept. 26, 1969. By the first of October, it was snowing. “I had never seen snow in my life,” he remembers. “I didn’t have heavy coats or anything. It snowed and snowed and snowed that winter.”

Almost 40 winters later, Tandon is still suffering through Minnesota’s cold and snow. Now armed with three degrees from the University—a master’s in operations research, a master’s in business administration, and a PhD in entrepreneurship—the former engineer has developed a reputation as a tech-savvy businessman, a passionate teacher, and an innovative thinker.

His latest venture, Adayana, is a Minneapolis-based education company that designs and develops customized e-learning and classroom-based courses for a number of different vertical markets. As he notes, the operation combines all of his areas of expertise. His information systems background is essential to the delivery of Adayana’s product, for example. His forays into teaching, including at the Carlson School, have helped him understand how effective learning takes place. Even his early years as an engineer taught him analytical skills that still inform his decisions today. “All of the pieces of my past absolutely influence the work I am doing now,” Tandon says. “This permutation, this combination of things, would not be possible if those things had not happened to me.”

Since its inception in 2001, Adayana has used technology to train and teach people worldwide. Although it is headquartered in Minneapolis with offices in several U.S. cities, Adayana’s presence is perhaps felt most strongly in Tandon’s homeland where it also has offices. “India has one of the fastest-growing economies in the world,” he says. “In another 10 years, 25 percent of all the workforce in the world will come from India.”
Jesper Johansson’s original plan was to be a professor. But when Microsoft called with a job opportunity after he had been teaching for two years at Boston University, Johansson, a native of Sweden, knew it was time to leave academia.

Microsoft was launching a new initiative to bring a higher level of security to the Windows platform. Johansson had developed expertise in the security arena, and had made a few acquaintances at Microsoft. They happened to call him just as he was contemplating a move away from the East Coast. “I was planning on looking for another job in academia, but when they came to me about this, I was really interested,” he says. “I realized it was probably the right time to leave academia.”

For five years, Johansson helped Microsoft create a security system from the ground up. “We were building it from scratch,” he remembers. “No one had ever done this before, so first we had to figure out what we were building and then figure out what it would entail.”

Leaving the classroom also gave Johansson the chance to use his education in new ways. He soon found himself quoting his Carlson School professors to his colleagues at Microsoft. “I found myself spending a lot of time evangelizing to them about considering both the people aspect and the process aspect,” he says. “I quoted things from my coursework that I never thought would be relevant to my job.”

That’s why Tandon is currently concentrating on the workforce development aspect of Adayana’s business (the company also offers industry-specific corporate training in a handful of specialized areas). In India, for example, Adayana is helping train as many as 100,000 people for jobs in the country’s growing automobile industry. “Workforce development is training people to be employable,” he explains. “You can have a college degree and still not be employable. Today, 90 percent of all college graduates in India are unemployable; they have no basic skills of making a presentation, writing a coherent paper, or working as a team.”

Even at 63, Tandon has not yet finished learning himself. He’s finally figured out how to survive Minnesota winters, for example. “As long as I can escape for a few months, it’s OK,” he says. “If you can leave for 30 to 45 days, then you can make it. The rest of the year, we love it here.”
Randy Madson wasn’t cut out to be an engineer. Although he enjoyed the process of taking things apart and putting them back together, he knew that he wanted to do more than that. “As they get more and more specialized, most engineers get more and more narrow,” says Madson, whose undergraduate studies were in aerospace engineering. “But my personality is that I like to know a lot about a lot of things.”

He’s putting that inquisitive energy to work in his new position as a relationship manager for Carol, The Care Marketplace, an online shopping mall that aims to change the way consumers purchase health care services. He joined the Minneapolis-based company when it launched last June. “We’re basically building the plane while we’re flying it,” Madson says, noting that besides working with the rest of the team to solve IT problems, he’s also been called upon to use his other business skills. “It helps to know enough about accounting, marketing, and product development to understand how to connect everything.”

Although he does whatever is required of him on a day-to-day basis, his primary role is working with health care provider organizations to package their services into bundles that he then integrates on to the company’s website (www.carol.com). “I need to be able to understand the provider’s business, then figure out how we will be able to apply that to the consumer,” he says.

As relentlessly as he pursues that mission, Johansson finds time to write articles and books about technology and security. He also teaches scuba diving in his spare time. “I do keep busy,” he says, “but I manage to have fun too.”

Randy Madson, ’96 MBA

Now he’s finding similar opportunities with Amazon.com. For the past two years, he’s been a principal engineer for the giant Internet company, building software for its security infrastructure. “How you build this when you don’t have Microsoft’s kind of money has been a very interesting challenge,” Johansson says.

Part of that challenge is keeping up with a field that is constantly changing. Security, Johansson explains, has to stay ahead of the information technology curve as a whole. Trying to be one step ahead of cunning and highly motivated computer criminals also keeps him on his toes. “We have to move a whole lot faster than we’ve ever moved before,” he says. “There are people out there who want to do us harm, and we have to stay ahead of them.”

As relentlessly as he pursues that mission, Johansson finds time to write articles and books about technology and security. He also teaches scuba diving in his spare time. “I do keep busy,” he says, “but I manage to have fun too.”
for more than six years with Accenture, where his clients included companies ranging from Best Buy to Deluxe Corp. His next job was with the Gecko Group, a boutique consulting firm that worked primarily with the health care industry.

Joining Carol as a startup was a natural next transition. In a nutshell, the company allows consumers to compare the cost and quality of health services from participating health care providers and doctors, and then select an option that suits them. The providers specify what’s included, the location of treatment, the types of patients treated, and the total price of the package, along with quality information and customer ratings. Carol also works with insurance companies to provide cost estimates for care packages.

“The health care industry needs to be taken apart and put back together again in the right way,” Madson says. “That’s what Carol is trying to do—the goal is to break the health care system down so that we can fix it.”

The buzz of a new business is both fun and challenging for Madson. But his biggest struggle has been striking a balance between work and family. His first son was born just as he was starting his first job with Accenture. “The challenge is to keep everything running on all sides of my life,” he says. “I have to try to figure out the boundaries.”

Flexibility has been a benefit of working at Carol. “All of us have families,” he says. “We all understand that this is not necessarily a nine-to-five gig. If you leave to go to your kids’ recital during the middle of the day, that’s fine—but if you need to be reached during the weekend, that’s also part of the deal.”

Saturday calls don’t bother Madson, however. “My goal was always to do meaningful work,” he says. “I’ve been able to help solve interesting problems with fun people. I guess I’ve been lucky.”

Kate Siegrist, ’02 BSB

Even before she had enrolled at the Carlson School, Kate (Hopp) Siegrist knew what she wanted to do when she graduated. She just wasn’t sure what major she should pursue to get there. “I wanted to do consulting or advising, because I wanted to have flexibility,” says Siegrist. “So as a freshman, I sought advice from several upperclassmen as to what I should major in.”

The overwhelming recommendation: Management Information Systems (MIS), which was a perfect fit. She had been using computers at home since she was a child and had developed a familiarity with technology. “It came naturally to me,” she says. “I
was the one in high school who helped my teachers and friends when they had trouble with their computers.”

It never daunted her that technology was traditionally a predominantly male field. Her confidence, she says, was cultivated at the Carlson School, where everyone in the MIS program was held to high standards. “We were faced with real-life problems and challenged to come up with real-life solutions,” Siegrist says. “That allowed me to have the confidence required to pursue this profession.”

She now works as an IT advisory manager in the Minneapolis office of KPMG LLP, and is happy with her career and her employer. “This year alone, three senior managers were promoted to the partnership in my office,” Siegrist says. “All three of them were women. Seeing their success has only strengthened my confidence in this profession.”

That confidence steadies her in other ways as well. In her role as an advisor to KPMG clients, she works with high-level executives to discuss and solve technology-related problems. “My clients are highly experienced and highly knowledgeable,” she says. “They will challenge any advisor who comes in. It’s critical that I understand the technology so I can gain their trust and provide recommendations that they embrace.”

Siegrist feels blessed that she’s been able to use her skills for a firm that’s willing to offer a flexible schedule. Although she doesn’t have kids herself yet, she knows that when she does, caring for them won’t impede her progress with KPMG. Her direct supervisor, one of the partners promoted earlier this year, has been working a flexible schedule for the past several years so she can spend time with her three young children, Siegrist notes.

Even better is the fact that the work suits her to a tee. Siegrist serves as a national subject matter professional and leads her office’s IT advisory campus-recruiting efforts, including recruiting students from her alma mater. “I’m doing exactly what I wanted to be doing. I’ve been given opportunities to prove myself and have been recognized for what I do. That’s why I’m so happy with where I’m at.”

_Sara Gilbert is a Mankato, Minn.-based freelance writer._

Starting from Scratch

**Gordon B. Davis helped build the Carlson School’s Information and Decision Sciences Department out of one computer and a textbook that he wrote.**

Gordon B. Davis remembers when the whole of what is now known as the Information and Decision Systems department at the Carlson School was a gigantic UNIVAC 80 computer in the basement of Blegen Hall. The computer was given to the University of Minnesota in 1961—the same year that Davis joined the faculty as an assistant professor of accounting. “They didn’t really know what to do with it,” he remembers. “I had been in consulting prior to that and had worked with computers, so I was put in charge of it. I was asked to teach the students something about computing.”

So he wrote a textbook, _Introduction to Electronic Computers_, because existing texts were not satisfactory for business students. By 1967, Davis and colleagues Thomas Hoffmann and Gary Dickson were ready to launch the first formal academic program in information systems, with seed money raised from several local companies. Over the course of the next four decades, they helped build the department into an internationally recognized program. IDS graduates have become leaders in the information technology field, and Davis has widely been acknowledged as a principal founder and a major intellectual architect of teaching information systems in an academic setting.

“Minnesota was at the forefront of almost everything that was happening,” Davis says. “We were the first formal degree program in the world, the first to offer a PhD in information systems.”

Davis, who was named the Honeywell Professor in Management Information Systems soon after the program began (the second endowed professorship awarded at the Carlson School), retired in 2004. He is known worldwide for another textbook, _Management Information Systems: Conceptual Foundations, Structure and Development_, which has been heralded as the classic text in the field. And he’s earned three honorary degrees based on his leadership in the information systems academic field.

He still comes to campus every week to attend workshops with faculty, students, and guest speakers; to help with student advising on occasion; and to speak about his experiences at conferences. The success of the program that he helped found is a source of enormous pride for him. “We have been a leader worldwide,” he says. “If you go anywhere in the world, people know about Minnesota’s role in information systems.”

—S.G.
For many Americans, a trip to Dairy Queen comes with a side of nostalgia. But to those who didn’t grow up with the iconic curl-topped cone—like many of China’s billion-plus consumers—DQ may be more of an acquired taste.

Aiming to create a recipe for the company’s success there, two dozen Carlson School MBA students traveled to China earlier this year to analyze the Chinese operations of Twin Cities-based International Dairy Queen. They visited street-side vendors, the latest supermarkets, and of course, a number of Dairy Queen stores. They also gained insights from students from the Cheung Kong Graduate School of Business in Shanghai, with whom they collaborated virtually before the trip and in person during their stay. What did they find? A dynamic, expanding marketplace; consumers with rising disposable incomes who like Western products with local flavor; and the other now-familiar sights and sounds of a booming economy. They also discovered the challenges of doing business in China: red tape; a range of different cultural norms; and the ever-present backdrop of rapid-fire economic, political, regulatory, and cultural change.

**ANDREW YUE:**
**DON’T TRUST YOUR ASSUMPTIONS**

The China Seminar resonated with Andrew Yue, an MBA student and product engineer at Medtronic, because of his Chinese ancestry. It also made him realize how important it is for people and companies from outside China to spend time connecting with the country and its people. “Until you're actually there, you can’t fully capture what’s going on,” Yue says. “I think that’s unique to China. It’s a changing market—and it’s changing very quickly. People who were in China five or 10 years ago would find that it’s changed.”

Despite the hustle and bustle, doing business in China means building relationships, and that takes more time than Western executives often expect. Yue adds that mistakes can begin when people assume that, after only a short time in China, they understand how to do business there. Such assumptions can lead to underinvesting in the time, money, and resources...
Nanjing Lù, the busiest commercial street in China

Tour guide Alex, left, with Andrew Yue

Broc Krekelberg, left, with Levi Hui and Carlson School student Nicholas Heisick

Taeko McFadden
needed to keep up with consumer preferences, economic trends, and regulatory changes. They can also submarine individual relationships, which often have their own unique subtleties. “In American business, you can meet someone face to face and have a business relationship,” Yue says. “In China, you can’t just meet someone once and start to work with them. It’s something that takes a longer time to cultivate. For Chinese people, a business deal also may not be the thing that brings them joy at the end of the day; rather, it’s the fact that they’ve established relationships, learned something, and grown.”

The remedy is for companies to commit to a constant corporate presence in China. That means budgeting for unexpected expenses that red tape and unforeseen setbacks can bring, and adopting a mindset to see the effort through. “It’s not just a budget thing, it’s a mentality,” Yue says. “The mentality is: ‘We’re going to China, and we’re going there to stay. It’s going to be expensive, but we’re going to do our best to minimize that cost. We’re going to stay here until we’re successful.’”

For the Dairy Queen project, Yue worked with a group of students who looked at consumer buying behavior. They watched consumers closely, stratified them into several unique segments, and proposed marketing strategies to try to influence their buying decisions. They also discovered a new wrinkle on an assumption that the company had made about its Chinese customers. The prevailing thinking had been that consumers typically made impulse purchases when they went to Dairy Queen, and that some might not be certain about what to order. What students found, however, was that the decision to go to Dairy Queen was an impulse one, but that once consumers got there, they knew exactly what they wanted. The vast majority, Yue adds, bought Blizzards.

**TaeKo McFadden: Flexibility Matters**

TaeKo McFadden, a student in the Carlson School’s part-time MBA program and an assistant professor of naval science at the Naval Reserve Officer Training Corps program at the University of Minnesota, also found some surprises about Chinese consumer behavior and the country’s business climate. Part of her work involved research into a new citrus cooler drink that Dairy Queen was introducing. While the company had high hopes for the drink, she saw some obstacles. For starters, the beverage “was not a typical Chinese drink at all,” she says. Another challenge was that the first flavor, strawberry, was popular with American tourists but not among the Chinese, who later expressed a preference for the mango variety in subsequent taste tests.

She also realized how difficult it can be for companies to promote a new product. Many stores ran into restrictions on the signs they could place in their windows. “It wasn’t so much the government—it could have been the mall or the location—but there were a lot of regulations on what type of ads stores could place and where they could place them,” McFadden says. “You had to find different things to do that would make it work. You had to be creative.”

That meant using the forms of promotion more familiar to the Chinese. Cell phone charms, for example, turned out to be both popular accessories and promotional tools, McFadden says. Consumers could register the charms online, get a code, and use that to get a coupon from a kiosk in a subway station. Giveaways such as DQ-branded notepads that came with the purchase of a coupon book from a store also proved popular, McFadden adds, noting that a tea company might give away a spoon or a yogurt company might hand out a serving bowl with its logo. After the students identified that the sense of touch is important to Chinese consumers, they recommended giving away a metal or glass thermos that would allow them to see or feel the new citrus drink inside. Students also suggested various coupon plans to persuade customers to try the unfamiliar beverage.

The larger lesson was that companies have to be flexible in responding to consumer tastes, McFadden says. With such a huge population, a small shift toward or away from a new product can have huge business implications. “Whatever your product or service, you have to tailor it in how you’re going to implement it to your customer,” she says. “Even if you’re not in the quick-service restaurant industry, the questions to ask are: What do your consumers want? What do they need?”

“Chinese customers want everything to be new, everything to be better,” she adds. “They’re moving at light speed. You have to be very forward thinking, and you have to make sure you’re doing it properly because your chance of failure is very, very high. Many companies have come, not researched their markets or not gotten to know what consumers want. They have not done well.”

**BroC KrEkElbErG: Learn The Culture**

The Shanghai students helped their American cohorts learn some of the finer cultural nuances, says part-time MBA program student Broc Krkelberg, who oversees sales and marketing in the northern United States for Griffin Pipeline, a domestic energy services firm. “If you polled most of the people in the program, that was one of the more enjoyable aspects, getting to understand what your counterparts in China are like,” he says. “We definitely learned things from them we wouldn’t have if we had just been there by ourselves.”

“Grass roots-level learning” also was valuable, he adds. That included visiting shopping centers, watching merchants selling vegetables on the street, and going to “wet markets,” where
vendors sold chickens, fish, and produce to retailers. “You learn how Chinese people buy things and why they buy things,” says Krekelberg, who was making his first trip to Asia. “You also get rid of your own biases.”

Feedback from the Chinese students about the Dairy Queen citrus cooler drink persuaded Krekelberg’s group to recommend adding a fruit swirl to the product. “It was a visual piece that we thought was important, and it came only because we were working hand-in-hand with the Chinese students,” he says. “We suggested incorporating more fruit on the top, to illustrate that there was fruit in the drink. Real fruit is more important to Chinese consumers than [it is to U.S. consumers].”

With the fruit less visible, the Chinese students “couldn’t understand why you would buy the product for that price,” he adds. “Once they understood what was in it, they got it. We jointly came up with an idea of how to highlight it and how to support the price and the product. It sounds benign, but that was an important point which wasn’t getting across.”

The fruit swirl was one item in a “toolbox of ideas” on how to market, promote, change, and position the product that the Carlson School students provided. “The Dairy Queen people were very happy with the results,” Krekelberg says. “They weren’t expecting the level of ideas to come forth that did.”

The lessons for China Seminar students—and companies aspiring to do business there—were clear. “Adapt your culture, your products, and what you’re offering both internally and externally to the Chinese market,” Krekelberg says. “Companies that have succeeded in China have realized that and have altered their value offering. Don’t try to force-fit a U.S. template into China. You will fail.”

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

“Chinese customers want everything to be new, everything to be better. You have to be very forward thinking, and you have to make sure you’re doing it properly because your chance of failure is very, very high.”
The Carlson School is taking a bold step to grow its already successful international programs by requiring all incoming freshman this fall to have an international experience as part of their four-year degree. In addition, the Office of International Programs is expanding to create more unique learning opportunities for all students, staff, and faculty.

Anne D’Angelo King, assistant dean of International Programs, is overseeing this growth and expanding the school’s network of global business and educational partners. She also will work closely with institutional advancement in fundraising of scholarships to support study abroad programs.

“With nearly half of our undergraduates currently studying abroad (soon to be 100 percent) along with a large number of our MBA students, the Carlson School has been highly successful in its efforts to prepare students for the global business scene,” says D’Angelo King. “A critical component of high-quality business education is the opportunity to directly experience other cultures and economic conditions.”

D’Angelo King joined the Carlson School in 2005 from the University’s College of Continuing Education and has a deep exposure to cultures in multiple parts of the world. She has several years experience consulting in international training and development in Washington, D.C., in managing business and development programs at the U.S. Embassy in the Republic of Georgia, and in developing and delivering English language instructional services in Japan.

D’Angelo King sat down with us recently to discuss her plans for ensuring that every student graduates with a better understanding of global business issues.
It's a very exciting time here at the Carlson School as we prepare leaders for the global marketplace. The interest in programs that take students abroad is greater than ever, and we're continuing to expand these opportunities for all of our students. Our Global Executive MBA programs in Austria, China, and Poland continue to offer our faculty opportunities to teach and interact with managers in important markets of interest to Minnesota companies. We have a growth strategy for international programs that we are actively pursuing and that have significantly expanded the size of our office.

[2] How do these activities stack up to what's going at the University of Minnesota and other business schools?
First, 46 percent of our undergraduates study abroad, which is one of the largest percentages of undergraduates among colleges at the University. We maintain a large and growing network of partner institutions in foreign countries. When combined with the opportunities available through the University's Learning Abroad Center, our undergraduates have a wide scope of options to pursue for rigorous education abroad. We also offer a series of programs for our MBA students that engages them with students in other parts of the world working together on real corporate global challenges such as foreign market entry for products of Minnesota companies. Few other business schools offer such a wide range of international activities for the benefit of their students.

[3] What do other business schools think of what is happening at Carlson in the international arena?
In the first two years of her deanship, Dean Alison Davis-Blake has implemented external reviews of our degree programs. These reviews bring faculty and administrators from other business schools to take an in-depth look at a program. In the reviews that have occurred so far, our international activities have consistently been identified as a key strength of the school.

[4] What makes the Carlson School strong in this area?
A variety of factors come into play. First, few business schools have a dedicated office to oversee their international activities. Second, the nature of our programs in which we engage students from partner schools in other countries, Minnesota-based companies, faculty, and staff is very unique. Our short-term programs typically involve a partner school, a Carlson faculty member, and a staff member from any one of our areas in the school who serves as an on-the-ground coordinator. Active participation by a company in presenting a challenge for the students to tackle further enhances the experiential nature of learning that occurs at Carlson, along with the strong academic content provided by a faculty member.

[5] How do you see international experiences transforming students?
I think a quote from a graduate student who recently participated in our Ethics Seminar says it best: “As a Part-Time MBA student, I found the interaction and networking with other students to be incredibly valuable since this is much more difficult to accomplish in the context of our normal classes. This experience was life-changing for me — both personally and professionally — and I would highly recommend it to anyone.”

This reflects the personal impact, but we also see these experiences as enhancing the competitiveness of our students in the job market. Students tell us that they learn more about the United States when they travel abroad, they learn different approaches to business problems, they gain a greater appreciation for and interest in other cultures, and that their experiences make them more marketable.

I think the strength of the school in its international activities created a comfort level that helped allow us to develop a requirement for each of our undergraduates to realize an international experience during their time at Carlson. This was the next logical step in our international evolution. We are planning and generating even more programs to ensure that our students have the necessary opportunities to fulfill the requirement. Our network of partners will expand from about 15 to 25 and we will add two to three short-term programs each year for the next few years. We are an office on the move.

[7] How do you determine where to offer such programs?
There are the obvious economic hot spots — China, India, etc. We must provide students opportunities to experience first-hand what’s going on in these places. But we also must be sensitive to what Minnesota businesses are doing. Some of them are quite active in Central and Eastern Europe, for example. We have had a presence there for many years and will add more programs there. And of course, Western Europe and Latin America are also high on the list, according to Carlson student survey data.

[8] What's your goal for international programs at the Carlson School?
Our goal is to continue to evolve an internationalization strategy that develops new and innovative programs that involve more students, faculty, and staff. We also look forward to engaging more alumni and corporate partners here and abroad. Our biggest challenge — as well as opportunity — is to help ensure undergraduate students have financial support to be able to meet the international requirement. We have a scholarship program underway, and federal and state financial aid is also available. Scholarships are available through the Carlson School and the University's Learning Abroad Center.

—Dawn Skelly
1940s
Robert Pond, ’48 BSB, who helped establish the Palm Springs Air Museum more than a decade ago, passed away in December at the age of 83. Before opening the museum, he established the Planes of Fame East Air Museum at Flying Cloud Field in Eden Prairie, Minn. It closed in 1997 and the collection was moved to Palm Springs, Calif. Pond is survived by his wife; their four children, Polly Pond Holley and Harry Brand, both of Minnesota, Angela Pond of Los Angeles, and Roseann Brand of Palm Springs; three grandsons; and two great-grandchildren.


1950s
Bob Sprouse, ’52 MBA, ’56 PhD, passed away in December 2007. He was an emeritus faculty member as well as the former vice chairman of FASB.

1960s
Doug Hedberg, ’67 MBA, retired from his 10-year career at FAF Advisors, where he served as a senior fixed-income portfolio manager.

1980s
Ralph Jacobson, ’80 MAIR, was recognized in the September issue of Leadership Excellence magazine as one of the top 10 leadership development consultants in the country.

Bentley Patterson, ’81 MBA, is an account manager representing the U.S. Department of Agriculture and the U.S. Department of Interior. He lives in Fort Collins, Colo., with his wife, Betty, and his two “kids” (English Springer Spaniels Hailey and Sasha).

Barbara Edwards Farley, ’83 MBA, ’90 PhD, was appointed vice president of Academic Affairs and dean at Augsburg College in Minneapolis.

Diane Palmquist, ’03 MBA, was recently featured in the “Careers Spotlight” in the Star Tribune. She is now the vice president of SAP products for SoftBrands.

1990s
Jim Wiese, ’90 MBT, ’02 MBA, has accepted a position at Entegris.

Soon Ang, ’93 PhD, has received the Nanyang Award for Research & Innovation, which is given by Nanyang Technological University in Singapore to recognize individuals who have made outstanding contributions in scientific knowledge through research breakthroughs and significant technological innovations on the world stage. She received the award for her achievements in cultural intelligence and behavioral science research, which have had a major impact on the field of international education and cross-cultural training and counseling.


Dana (Bode) Karzan, ’98 MBA, started a new position as vice president, customer marketing at Wells Fargo Card Services in Concord, Calif.

Tim Owen, ’99 MBA, has accepted an offer from Boeing Corp. in Everett, Wash., to serve as an estimating and pricing specialist in commercial airplane research and development.

Mikhail Pevzner, ’99 BSB, is now an assistant professor of accounting at the School of Management at George Mason University.

2000s
Rita (Rivard) Gronenberg, ’00 BSB, recently became a stay-at-home mom to Elia Elsa Gronenberg, born on July 30, 2007.

Matthew Lenertz, ’00 BSB, ’07 MBT, is a manager in international tax at Deloitte. Stephanie Strelt Lenertz, ’00 BSB, is a stay-at-home mother to her daughter, Samantha Jane, who was born in January 2007. She was previously a senior manager in audit at KPMG LLP. Stephanie and Matthew were married in 2002.

Rick Nehm, ’00 MBA, joined ATS Medical as director of Tissue Product Marketing in March 2008.

Jack Gresser, ’95 BSB, ’02 MBA, was promoted to senior marketing manager of Tony’s Pizza at Schwans’ Consumer Brands. He will have responsibility for leading Tony’s through a brand transformation process and reestablishing consumer relevance in the value segment of frozen pizza. Most recently, he served as brand manager for Red Baron Pizza and Minih Asian Appetizers at Schwans.

William Prouty, ’02 BSB, has been working at Dan Films in London, developing film projects and producing the DVD extras for the movie Severance. He recently returned to Minnesota to edit the History Channel series MonsterQuest. He has also started a company, ThreeVolts, to create ads and entertainment for the Web. His company has had some quick success; most recently, its spot, “Enter the Pepto,” was chosen as a national finalist in a Pepto-Bismol ad competition.

Jesse Bergland, ’03 BSB, received a Wealth Management 2008 Five Star Award, which is given to financial services professionals with superior client satisfaction ratings, and was also mentioned in the January 2008 issues of Twin Cities Business and Mpls St Paul magazines.

Maggie (Johnson) Zumwalde, ’03 BSB, married Brian Zumwalde, CLA School of Music and IT class of 2000, on Nov. 23, 2007. They now live and work in St. Paul, Minn.

EDITOR’S NOTE: Class notes are submitted by alumni and gathered from various newspapers and media sources. While we welcome alumni news, the Carlson School does not verify class note submissions and is not responsible for the accuracy of information contained in class notes.
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Kathy Dunmire
VP, Major Accounts, Blue Cross Blue Shield of Minnesota
Event Calendar

MAY 2008

19 Commencement  Jeff Greenfield, senior political correspondent at CBS News, will speak. Graduate student commencement will be held at 9 a.m., and undergraduate commencement at 1 p.m; Northrop Memorial Auditorium, 84 Church Street S.E., Minneapolis

21-23 Carlson on Metrics: Measuring Results in a Competitive Marketplace  Institute for Research in Marketing Third Annual Conference; Carlson School of Management, 321 19th Ave. S., Minneapolis

JUNE 2008

3 First Tuesday  Monica Nassif, CEO and founder, The Caldrea Co.; McNamara Alumni Center, 200 Oak St. S.E., Minneapolis; 11:30 a.m.-1 p.m.

JULY 2008

1 First Tuesday  Mark Eustis, president and CEO, Fairview Health Services; McNamara Alumni Center, 200 Oak St. S.E., Minneapolis; 11:30 a.m.-1 p.m.

AUGUST 2008

1 First Friday Boat Cruise  MBA networking and alumni event on Lake Minnetonka; boarding at Queen of Excelsior Docks, Excelsior, Minn; 6:45-10 p.m.

5 First Tuesday  Tom Petters, president and CEO, Petters Group Worldwide; McNamara Alumni Center, 200 Oak St. S.E., Minneapolis; 11:30 a.m.-1 p.m.

15 Carlson School Day at the Races  Reconnect with former classmates and friends and network with new ones. Canterbury Park, Shakopee

SEPTEMBER 2008

2 Classes Begin

5 First Friday  MBA alumni and student networking event; University of Minnesota Campus Club, Coffman Memorial Union, 300 Washington Ave. S.E., Minneapolis; 5:30-7:30 p.m.

25 Herbert M. Hanson, Jr. Hall Grand Opening Ceremony  Join students, alumni, and members of the community at a ceremony and open house to mark the opening of the newest addition to the Carlson School campus. Carlson school of Management, 321 Nineteenth Avenue South, Minneapolis, 4:00 p.m.

For more information on alumni events, go to carlsonschool.umn.edu/events.