What is an unrestricted gift?
An unrestricted gift is given to the Kelley School without any designation for its use. Restricted gifts, on the other hand, are earmarked for specific purposes such as a named or endowed scholarship/fellowship/professorship or for building construction. Although both restricted and unrestricted gifts are welcomed and appreciated, unrestricted gifts are of critical importance. The Kelley School’s unrestricted goal for 2002-03 is $1.2 million.

Why is unrestricted support important?
The Kelley School’s need for unrestricted support has reached an all-time high. The expense of operating the Kelley School has increased while support from state funding continues to decrease. Obviously, more unrestricted private support is essential to supplement the Kelley School’s operating budget. Any help our alumni and friends can give toward this initiative is appreciated.

How can you make a gift?
There are several ways you can make a gift. Please select the method below that best suits your needs.

- Make an online gift via credit card. Visit http:// kelley.iu.edu/development/da/giftforms.cfm
- Make a gift via check, payable to the IU Foundation, by sending it to:
  Office of Development
  Kelley School of Business
  1275 E. 10th Street, Suite 3000
  Bloomington, IN 47405-1763
- Call the Office of Development for assistance 812.855.9000
Indiana University remembers with fondness and gratitude the life of E.W. “Ed” Kelley, modern-day founder of the Steak n Shake restaurant chain and magnanimous philanthropist for whom the Kelley School of Business is named. Details about Mr. Kelley and his legacy of generosity and service will appear in the Winter 2004 issue of Kelley magazine.

 FEATURES

Ethical Leadership: Six Insights
Sensitive to today’s national focus on ethical leadership, six members of the Kelley School family—students, faculty, and alumni—deliver their perspectives on responsible business behavior.

Dollens advances Guidant throughout extraordinary history
Alumnus Ron Dollens left a 22-year career with Eli Lilly and Co. to forge a spin-off enterprise dedicated to cardiac and vascular patients worldwide. Old-fashioned values and personal perseverance have shaped his vision in leading Guidant to heights within the medical devices industry.

Sue Aramian: The Woman Who Partnered with Ed Kelley
There’s a woman behind Ed Kelley’s success as a marketing guru in the food services business. As Sue Aramian steps into retirement after 35 years with the Kelley School’s naming donor, the two describe their years of longtime partnership.

Independence by any other name…
Dean Dan Dalton uses his traditional column to discuss the meaning of “independence” for corporate boards of directors.

 DEPARTMENTS

EDITOR’S COLUMN
CLUTTER CUTTERS
DEVELOPMENT UPDATE
CONNECTIONS
BUSINESS BRIEFS
FACULTY FORUM
ALUMNI NEWS
CLASS NOTES
DEAN’S PERSPECTIVE

Special pull-out section: Kelley quality speaks for itself
When national and international reporters seek answers to pressing business questions, they frequently turn to Kelley School faculty for perspectives that make sense. This results in widespread name exposure, which plays a key role in the marketing and branding of the Kelley School. See the enclosed insert for a look at some of the school’s more recent media hits.

ETCETERA

For the latest Indiana business and technology news, log on to www.insideindianabusiness.com.
Avoiding that shameful “perp walk”

It’s a long, sad walk from the wood-paneled offices of corporate America to the concrete sidewalks of a federal prison camp.

And it’s sobering to hear a new inmate, convicted for crimes he and his business partners committed in their mortgage business, describe how he joined his daughter’s tenth birthday party in a drab visitors’ area as uniformed guards stood by.

What’s even more poignant is the reaction of the nation’s current crop of MBA students as they visit these perpetrators and hear their stories. Explaining his tears as he lagged behind classmates at a one-day prison stop, one University of Maryland male student said simply: “I have kids.”

The new focus on white-collar crime has sent serious ripples throughout the business schools of America. After all, this is the space in which the current covey of top executives presumably honed their skills. And it’s where tomorrow’s leaders are being trained.

What can business schools do to share the responsibility of ensuring that ethical standards are heeded in our nation’s businesses?

It’s an issue being faced head-on by deans of AACSB-accredited business schools, who voted at April’s annual meeting to adopt new accreditation standards applicable to business schools around the world. These newest “gold standards” are mission-linked and require, among other things, that all accredited schools establish expectations for ethical behavior by administration, faculty, and students. Along this line, the standards encourage schools to develop codes of conduct that “foster ethical behavior.” As for classroom teachings, they state that undergraduates should be able to reflect “ethical understanding and reasoning abilities” and that both undergraduate and graduate programs should include learning experiences in “ethical and legal responsibilities in organizations and society.”

The implementation methods to be used by AACSB schools are wide-ranging. Some schools will insist that business ethics components be included in every class. Others will place ethics-focused exercises in required courses.

Others, like the Kelley School, will continue to do what Kelley has done for years—embed the teaching of ethics in integrated courses throughout the curriculum to instill sensitivity and awareness in our students. In addition, this fall’s MBA curriculum will focus on ethical leadership issues, among others, during weekly professional development sessions.

And MBA students worldwide are hearing the new drumbeat. In a November 2002 study commissioned by Colorado’s respected Aspen Institute, nearly 1,700 global MBA students were surveyed regarding their attitudes about ethical conduct. The results found that 73.9 percent considered a company’s top priority to be meeting customers’ needs, while maximizing shareholder value was in second place by 70.6 percent. These numbers flip-flopped from a 2001 poll where 75 percent of MBA respondents cited increasing shareholder value to be a company’s primary task, ahead of meeting customer needs (71.1 percent).

But knowing what is right does not always lead to doing what is right. Today’s business students recognize that someday they may be pressured to make poor ethical decisions in the name of portraying their companies as productive or profitable. Today’s business employers and employees face such dilemmas on a regular basis. As many white-collar criminals will tell you, some of their “bad decisions” seemed like justified industry practice at the time they were made.

At crunch time, trustworthy business people will need to make leadership decisions based on their innermost appreciation of core values and take stands that reflect both character and courage. Today’s new climate is making this clear.
Put the Moose on the Table: Lessons in Leadership from a CEO’s Journey through Business and Life  
*by Randall Tobias*  
This leadership book about ethics and character comes from Kelley alumnus Randy Tobias, former CEO of Eli Lilly & Co. and former AT&T vice chairman. Conceived through conversations with his son, Todd, it rings true with real-life stories directed at business managers challenged by turbulent times. Tobias’ career climb through more than 30 years of extraordinary corporate leadership is related through 100 personal “life lessons.” Anecdotes are engaging and include commentary on treating subordinates with respect (it’s “economically beneficial”) and facing squarely those problems at hand (thus putting “the moose on the table”). Kelley alumni will appreciate Tobias’ personal history as not only a former student but also a recent Kelley School professor—the Harold A. “Red” Poling Chair of Business and Government.  
—George Vlahakis, Manager of Media Relations, Indiana University

www.whatis.com  
Have you heard people talking about war chalking or blogs and weren’t sure what they meant? If you would like to understand these and the rest of the latest technology terms, this Web site will be quite useful with a variety of information regarding information systems and technology. You can access as much or as little information as you want, ranging from succinct definitions that provide the basics (with links to other definitions) to lengthy white papers. This Web site is a great resource to help you be conversant in the basics as well as the latest in information systems and technology.  
—Sue Brown, Assistant Professor of Information Systems

www.alldaily.com  
My brother, a writer in New York, turned me on to this site a few years back as a result of his ongoing senior sibling concern that I don’t read enough newspapers on a daily basis. “Arts & Letters Daily” provides a fantastic collation of late-breaking news from virtually all the reputable sources around the world: major periodicals, special columnists, radio news, and, of special note, some of the more obscure and opinionated print resources which A&L simply titles “Diversions.” In just a few minutes, A&L provides the user with the most comprehensive snapshot of daily financial/corporate activity and world news that I’ve run across (and I don’t even have to get newspaper ink all over my hands).  
—Rick Dupree, Executive Director of Development

www.kelley.iu.edu/alumni  
The Kelley School of Business Alumni Association Web site is the greatest resource I can recommend for Kelley alumni. The online alumni directory, a calendar of upcoming alumni events with online registration, and an extensive set of career services, including more than four million online job listings, are wonderful tools for networking and job searches. Kelley apparel may be ordered online, and discounts on online education modules are available. In addition to a wealth of information about Kelley alumni programs and services, a history of the Kelley School is provided with a timeline and video clips from tapes that can be purchased.  
—Janice Headley, Senior Associate Director of Alumni Programs

The Good German  
*by Joseph Kanon*  
Post-war Germany serves as the backdrop for this compelling historical novel where emotions are wound intricately into a gripping story of politics, friendship, and survival. The author spins this tale with incredibly vivid language. As I read, I could actually see the dilapidated gray buildings sitting in stark contrast to the fresh clear blue lake. I could smell the odor of decay from war and the aroma of soup cooking on the stove. I felt the loss of friends and family and the euphoria of finding love and a sense of belonging. If you like intrigue peppered with human relationships and history, you will like this novel. It was recommended by the staff of a quaint little bookstore in Leland, Michigan, as “something special” for a good vacation read.  
—Sue Vargo, Director of Business Communication

The MouseDriver Chronicles  
*by John Lusk & Kyle Harrison*  
This book is subtitled “The True-Life Adventures of Two First-Time Entrepreneurs,” and the reader is quickly pulled into the first-person details of a topsy-turvy saga. In 1999, two Wharton graduates set out to manufacture and market a computer mouse shaped like a golf club. Their goal: Become millionaires within two years. Although they miss their target completely, they yet have an “extraordinary education” by learning how to run a small manufacturing business. Any would-be entrepreneur with similar dreams will especially appreciate the chapter titled “Darkness, Darkness, Darkness, Darkness.” In the end, positive aspects supersedes the despair, and the book’s candor engages the reader throughout.  
—(Originally reviewed by editor Sharon Shinn of AACSB’s “BizNet” magazine, May/June 2003.)

www.ceoexpress.com  
For the busy executive, this all-inclusive business portal will become a daily favorite. Created by a CEO, it gives finger-tip access to business news, research, travel, weather—whatever’s on your mind today. Need to check a stock price, order flowers for a friend, buy an airline ticket, catch up on sports scores? CEOExpress takes you there in seconds. There’s much more: Internet access, newsfeeds, cell phone messaging, grammar rules, health data—even an ExecuDiva section expressly for women! You’ll wonder how you lived without it.  
—Meghan Boston, Marketing Director, Kelley Direct
Keeping the pencil on priorities

Prior to the opening of each new fiscal year (July 1) at Indiana University, the Kelley School’s senior administrators determine the funding priorities for the School.

Over the past years, emphasis has been placed on attracting financial commitments to increase the number of endowed faculty positions, construct a new graduate school/executive education facility, and broaden the undergraduate scholarship/graduate fellowship base, along with diversity and technology. Each of these funding initiatives has been met with success, in most cases oversubscribing the established goals and providing the resources to present new or broaden existing programs.

As a matter of fact, the IU Foundation’s most recent annual report illustrates that the Kelley School attracted more dollars this past fiscal year than any of the other 24 academic units/programs in the Bloomington system (yes, including Athletics)—and by a margin of almost $3 million. This is a tribute to the 10,227 alumni, friends and corporate/foundation partners who, in FY02, determined the mission and objectives of the Kelley School to be worthy of investment.

One of the charges of the Development Office is to pay special attention to retaining our existing alumni, friend, and corporate donor bases and, indeed, grow the number through increased participation. We’ve been pleased to join our talented colleagues in the Alumni Programs office at the majority of their hosted events around the country, thanking our guests for their support and sharing Kelley School updates. It’s our intent to continue that practice into FY04 in order to share more often the accomplishments of Kelley students and faculty as well as the detailed plans for the continued growth of the School.

Our funding emphases for FY04 will be for the following areas:

• Graduate & Executive Education Center
  Several attractive named gift opportunities remain, each beyond the fund-raising goals for the new facility that were met and exceeded.

• Unrestricted operating support (Dean’s Associates Campaign)
  The need for unrestricted support has never been higher in the Kelley School, especially as appropriations decline and assessments increase (see inside front cover of this issue of Kelley).

• Matching the Promise, IU Bloomington
  The upcoming IU Bloomington campaign will attempt to increase the number of graduate fellowships and undergraduate scholarships campus-wide. The Kelley School has an aggressive goal to achieve as part of the overall campaign. (Additional information later).

• Academies and Centers
  The Kelley School’s revised MBA curriculum pays increased attention to the impact of our academies and centers on the academic lives of our graduate students.
  Resources are needed to maintain each academy’s and center’s program for FY04.

Needless to say, ours is a donor-driven business—that is, supporters of the Kelley School and its programs determine where and how they want their resources directed.

Now you know them as we do.

You’ll hear more as the year progresses about these goals, our success toward achieving them, and—make no mistake—our hope for your continued participation in one or more of these initiatives. As mentioned earlier, the Kelley School attracted more resources last year than any other unit in the IU Bloomington system, even amidst a sour economy and political unrest. That speaks volumes to the appreciation and generosity of our alumni—you and so many others like you.

We thank you!
Johnson Family Fund established to further Kelley School entrepreneurial programs

One of Indiana’s most successful business families, the Johnson family of Columbus, is giving the Kelley School $1 million to further the programs of its Johnson Center for Entrepreneurship and Innovation.

Dick and Rick Johnson, both IU alumni, have longtime close ties to IU. In 1998, Dick and his wife, Ruth, provided an initial gift of $1 million in support of the center which now bears their family’s name. Dick also funded the Kelley Entrepreneur-in-Residence program and serves on both the Kelley School's Dean’s Advisory Council and the IU Foundation Board of Directors. In 1994, he was awarded the Kelley School’s Distinguished Entrepreneur Award. Son Rick has served on the Kelley School of Business Alumni Association board of directors and currently donates time as adjunct professor teaching venture growth management.

The new investment of $100,000 each year for a minimum of 10 years will establish the Johnson Family Fund, designed to propel the Johnson Center for Entrepreneurship and Innovation to new and increased levels of performance and achievement. It will also support facility research, sponsor visiting scholars, and sustain outreach programs.

In 1957, with $500 in the bank, a small loan from their local bank, and an insatiable appetite for success, Dick and Ruth saw a business opportunity and pursued it. Johnson Oil Co. began as a small distributorship of Shell Oil petroleum products, delivering fuel oils, gasoline, and lubricants in the Columbus, Ind., area. Rick joined the company in 1981 after graduation from the Kelley School.

In the 1980s, many service stations were converting to convenience stores selling gasoline. At the forefront of this movement, the Bigfoot food chain was developed and became one of the nation’s largest privately owned convenience store/gasoline chains with 170 Bigfoot convenience stores selling Shell, Amoco, and private brand gasoline products. In 2001, the Johnson family sold the Bigfoot chain of convenience stores to Couch-Tard, Inc.

Sun Microsystems gift allows for Solaris, Java technology incorporation into MSIS curriculum

Sun Microsystems has provided the Kelley School nearly $50,000 worth of equipment for use in instruction, research, and outreach in the Master of Science in Information Systems program.

Students will use Sun Microsystem’s Java and Solaris technologies in the Corporate and Executive Education Center’s technology studio to build and manage e-business systems. Faculty also will use the systems for research and development purposes.

Kimmelman accounting scholarship established

The late Eloise Kimmelman, a 1946 graduate of the IU business school who taught accounting for nearly six years at IU, is the inspiration behind an estate gift to establish the Eloise Kimmelman Accounting Scholarship for Kelley School undergraduate students.

Her love of accounting and teaching led her husband to create the scholarship program to assist worthy students who exhibit merit and financial need. It will be funded with approximately $100,000 per year for 20 to 25 years upon the death of Kimmelman’s husband.

Following her tenure at IU, Kimmelman headed to the University of Miami and remained there for the rest of her teaching career. She died in 1997.

Hodge endows chair of excellence

James R. Hodge, BS’74, has endowed the James R. Hodge Chair of Excellence in the Kelley School with a commitment of $1 million. A break-out room in the Graduate and Executive Education Center also bearing the Hodge name was unveiled at the Nov. 22 dedication ceremony.

Hodge is chief investment officer and executive vice president of Permal Asset Management in New York. The Permal Group provides advisory, management, and monitoring services in respect of assets of approximately $7 billion.

He was recently awarded the President’s Circle Medallion for his continued support of the Kelley School and Indiana University.
Virtual classrooms span global time zones

Kelley Direct will continue its leadership role in online business education when it launches its fifth class of online MBA students from around the world in August. Nearly 200 students—compared to the 14 students in the original 1999 class—are expected to comprise the new cohort. Participants will engage actively in classroom dialogues via chat rooms, threaded e-mail discussions, and simulations. Currently more than 450 students are pursuing Kelley Direct graduate degrees, which include the popular "public" online MBA, customized MBA programs for corporate sponsors, and specialized Master of Science degree courses. Corporations participating in various Kelley Direct programs include General Motors, United Technologies, Deere & Company, 3M, and Microsoft. Online courses are also offered through the U.S. Department of Defense, in collaboration with the University of North Carolina.

Clarke named director of BPO Undergraduate Career Services

Susie Clarke, most recently senior associate director of career development in the Graduate Career Services office, has been named director of BPO Undergraduate Career Services. She replaces Randy Powell, who has stepped down to continue teaching and conduct research in career development on a full-time basis.

A native of Bloomington, Clarke earned a bachelor’s degree in finance from the Kelley School in 1979. After 19 years of progressive management experience in finance and human resources at Cummins, Inc., she joined the Kelley School’s career services team in 1998.

Four Kelley alumni honored at annual IU Business Conference

Four Kelley School alumni were acknowledged for their professional achievement March 5 at the 57th Annual IU Business Conference in Indianapolis. Dean Dan Dalton is pictured in the center.

KBEN launched to fulfill business literacy needs

Recognizing a demand for broad-based business training that is both comprehensive and flexible, Kelley Executive Partners is launching a unique education initiative targeted to small- to mid-sized businesses. Called Kelley Business Education Network (KBEN), the program offers two-day residential courses focused on developing the business literacy needs of regional firms. The curriculum, designed in part by area business leaders, includes certificate programs in business administration, managerial accounting, marketing management, and supply chain management. Courses will be offered on both the Bloomington and Indianapolis campuses. For additional information, call 1-866-KEP-KBEN.
The second annual Kelley Green Awards were presented April 22 (Earth Day) to One World Enterprises and Blooming-foods in Bloomington and NiSource, Inc., based in Merrillville, for their environmentally friendly programs. Award winners were selected from a pool of nominations by the school’s Environmental Policy Committee. Students whose nominations were selected are Asima Biswas of Bloomington; Heather Haworth of Richmond, Ind.; and Gave Watson of Greensburg, Ind. Each student received a $200 grant.

John Maxwell, associate professor of business economics and public policy, said the Kelley Green Awards get students in the school thinking about environmentally responsible ways of doing business. They also encourage Indiana companies to have a positive environmental profile and let the public know that the Kelley School cares about environmental issues as part of its ongoing educational mission.

Kelley wins Big Ten Case Competition

MBA students (left to right) Magesh Vaidheeswaran, Vipul Adlaka (alternate), Sandeep Sinha, Pradeep Khubchandani, and Vikas Jain nabbed a first-place victory at the Big Ten Case Competition held April 5 at The Ohio State University. Sinha brought home the Best Q&A Award and Khubchandani was named best presenter. Pictured with the winning team is MBA Program Director Terrill Cosgray. The team will now participate in two “play-off” competitions: one with the PAC 11 at Arizona State in January 2004 and the other at the National Case Competition April 2004 at Rutgers University.

Kelley Green Awards presented to environmentally friendly Hoosier firms

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MBA students accelerate entrepreneurial careers at Velocity Conference

Students in the MBA Entrepreneurship Academy joined student colleagues from the University of California-Berkeley’s Haas School of Business and Rice University’s Jones Graduate School of Management in Berkeley at the fourth annual Velocity Conference in April. They met CEOs from high-potential businesses and venture capitalists funding them. Pictured left to right are Betsy Gatewood, director of the Kelley School’s Johnson Center for Entrepreneurship and Innovation and Jack M. Gill Chair of Entrepreneurship; Tricia McDougall, chair of the management department and William L. Haeberle Professor of Entrepreneurship; Jack Gill, founder of Vanguard Venture Partners and member of the Kelley School Dean’s Advisory Council; MBA student Mike Baran; and Dean Dan Dalton. (Photo by Noah Berger)
Internet multimedia pioneer says business focus important to success in all ventures

Todd R. Wagner, BS'83, philanthropist and co-founder of Broadcast.com, was the keynote speaker April 11 at the third annual Kelley School Entrepreneur Day, which provided students, alumni, business leaders, and venture capitalists a venue for discussion about issues facing high-potential start-up firms.

Wagner, along with fellow alumnus Mark Cuban, founded one of the most successful IPOs in history, then sold Broadcast.com to Yahoo! for $5.7 billion in July 1999. At the time of its sale, Broadcast.com was the leading Internet destination for multimedia programming. Since then Wagner has created the Todd R. Wagner Foundation to improve the lives of at-risk children and inner-city entrepreneurs. He also created 2929 Entertainment to leverage his expertise in digital technology and his passion for the movie business.

He and Cuban also have embarked on HD Net, the first national television network broadcasting all of its programming on 1080i HD, the highest-quality format of high-definition television.

Wagner's advice to budding entrepreneurs: Follow your dreams, not those of your parents or society. “Don’t be afraid when you are young and money doesn’t mean so much to you to start at the bottom of the heap and take a chance,” he said. “Look for a business partner that complements your skill set.”

Entrepreneurship program ranked among nation’s best

The readers of Entrepreneurship magazine have learned something about the Kelley School that students and academics already know—that it’s one of the best places in the nation for budding entrepreneurs.

The April issue identifies 100 colleges and universities for entrepreneurs and rated the Kelley School program as one of the 12 top-tier national programs. The magazine did not rank the top schools but listed them alphabetically within the tier. Other top-tier national programs included those at Harvard, Wharton, Stanford, and Babson.

IU's program is just one of three national schools ranked in the top 10 by both faculty and alumni, joining Columbia and the University of California-Berkeley in that group. More than 700 entrepreneurship programs were researched for the first-ever evaluation of programs by the magazine.

“By focusing our program on new ventures, innovation, and business development, we feel that we are making an important contribution to the Kelley School and IU’s missions and goals to the state of Indiana,” said Betsy Gatewood, director of the Johnson Center for Entrepreneurship and Innovation.

At the feet of “the master”

First-year MBA students Marc Martens (left) and Michael Sirvint (right) had the privilege of attending the May 3 Berkshire Hathaway annual shareholders’ meeting in Omaha and rubbing elbows with Chairman Warren Buffett. The students, who are members of the Investment Management Academy, along with Fred T. Greene Professor of Finance Robert “Buck” Klemkosky, also attended a Morgan Stanley-hosted dinner the evening before the meeting, where Buffett held court at a Q&A session. The trip was made possible by Doug Eby, MBA’82, of the money management firm Robert E. Torray & Co. in Maryland, who had room for the three Kelley guests on the Torray corporate jet.

1957, Buffett started what would become Berkshire Hathaway Inc. with a $300,000 investment. Following his principles of value investing, Buffett grew that venture over the years into a Fortune 500 company with a market value of $111 billion. (Photo by Buck Klemkosky)
MSIS students team up with Indiana Supreme Court on technology projects

The Indiana Supreme Court’s Judicial Technology and Automation Committee (JTAC) and 18 Kelley Master of Information Systems students have been engaged in a project in which the graduate students, focusing on information technology, conducted research for potential court technology projects.

The students involved in the capstone project course, led by Professor of Information Systems Iris Vessey, worked on one of four key projects, all of which stand to serve as enhancements to the statewide case management systems that JTAC is developing.

The projects include the development of computerized kiosks and automated voice response telephone systems, methods by which handheld devices can deliver case information to judicial employees, ways the statewide case management system (CMS) can improve upon current juvenile justice systems, and ways the CMS and JTAC can help counties establish new or improve existing jury management systems comply with new jury pool selection rules.

“This is a positive partnership between a state agency and a state university that fosters progress for both,” said Justice Frank Sullivan Jr. “This program will give IU graduate students an opportunity to experience research, problem solving, and reporting in a real-world environment while providing a valuable service to the Supreme Court and JTAC.”

The students researched the technology to implement each project, the feasibility of the implementation, and the possibilities that each project holds and can bring to the rest of JTAC’s court technology efforts.

First Waldman Award winners announced

The Kelley School’s Civic Leadership Development (CLD) program has recognized Karen Keith (center) of United Way Community Services of Monroe County and undergraduate Jeff MacDonald (left), a CLD mini-internship student, as the first recipients of the Joseph M. Waldman Service & Learning Partnership Award. The award cites a CLD student who, guided by his or her nonprofit partner agency supervisor, has provided the agency with outstanding administrative assistance. The award is named in honor of Joe Waldman (right), the long-time emeritus chairman of the Kelley undergraduate program and Glaubinger professor emeritus of business administration. (Photo by Kendall Reeves)

Alan Dennis, left, the John T. Chambers Chair of Internet Systems, is shown with Kelley alumnus and CEO John Chambers at his Cisco Systems headquarters. Under Dennis’ leadership, the Kelley School has received a major grant to head up an assessment of the Cisco Networking Academy Program, which has evolved in recent years from a high school network support curriculum to a worldwide educational program to advance the Internet and educate the IT workforce of the future. IU’s School of Education is also involved in the three-year project.
Business Conference

The Kelley School of Business

Indianapolis | March 5, 2003

(Photos by Tyagan Miller)

The 57th Midwest’s Premier Business Conference

The Kelley School of Business thanks the following for their conference sponsorship:

GOLD: Anthem Blue Cross and Blue Shield | BKD, LLP | Philip Morris U.S.A.

SILVER: Baker & Daniels | Guidant Corporation | Johnson Ventures | Kimball International | LaSalle Bank | Whirlpool Corporation

BRONZE: ArvinMeritor | Indy Men’s Magazine

Keynote speakers, clockwise, are Karen Gibbs, co-host of “Wall Street Week with FORTUNE”; Arthur Levitt, former chairman, Securities and Exchange Commission; J. George Mikelsons, founder and chairman, ATA Holdings Corp.; and Hardwick “Wick” Simmons, chairman and CEO, NASDAQ.

The Kelley School of Business
CNBC features Investment Management Academy students’ stock picks

CNBC’s “Power Lunch” on Feb. 26 featured MBA students in the Investment Management Academy explaining their stock picks for the Reese Fund they manage. “Live” in the Graduate and Executive Education Center’s trading room were (left to right) Geoff Barker, Elaine Niu, and Siva Natarajan discussing Kellogg’s, Colgate, and State Street Bank. The Reese Fund was down 15 percent from February 2002 but beat its benchmark, the S&P 500, by 10 percent. (Photo by Kendall Reeves)

KIP helps students internationalize MBA degree

Kelley International Perspectives (KIP), which offers MBA students a global opportunity to learn about industry and business issues relevant to a specific country, sent three groups of students to Australia, China, and Ireland during spring break. The trips were a culmination of KIP’s eight-week course, which is student-organized and consists of direct readings, a speaker series, and a field research trip to the country of study at the conclusion of the course. Since the program’s inception in 2000, KIP students have visited Brazil, Japan, Cuba, South Africa, and Central Europe. Pictured here in front of the Leinster House in Dublin, which houses the National Parliament of Ireland, are (left to right) second-year MBA student Mike Baran; KIP advisor Walt Blacconiere, associate professor of accounting; Sean Crowe, Sinn Fein, TD (member of Irish Parliament); Robbie Smyth, Sinn Fein general secretary; and second-year MBA student Joe DeSalvo. (Photo by Dan Burpee, second-year MBA student)

Kelley School, CIBER host Canada-U.S. Business Conference

Academics from Canada and the United States met in Bloomington in April for an international Canada-United States business conference. Participants assessed the impact of NAFTA and implications of its continued economic integration. The Kelley School, the government of Canada, and the IU Center for International Business Education and Research provided support for the event. Taking a break during the conference are (left to right) Stephen Blank, Pace University; Someshwar Rao, Industry Canada; Alan Rugman, the L.L. Waters Chair in International Business; and Daniel Abele, Canadian Embassy, Washington, D.C. (Photo by Kendall Reeves)
In the spirit of this new climate, Kelley magazine took the topic of ethical leadership to six members of the Kelley School family—two students, two faculty members, one CEO alumnus, and an alumnus who makes leadership decisions each day as a U.S. senator. Although their voices deliver the disparity of ages and experience, all echo a common concern about pitfalls that can entrap the unwary.

Here are their responses . . .
What are you learning about ethics through your Kelley School experience?

In a class on the ethics of marketing, it was eye-opening to listen to people express their unique viewpoints and argue for why they would or would not support a particular decision. After a very interesting and animated discussion, I left the class wishing we received more mandatory training on business ethics. People wanted to do the right thing, but without a learned framework to refer to, many suggested decisions that were highly subjective.

Our class has felt the negative impact of unethical decision-making more than have classes of recent years. Many of my classmates have worked in companies now ruined due to unethical business decisions, such as Andersen, Enron, or Worldcom. For our class, the issue of business ethics is a top concern.

How should business schools teach or change the way they teach ethics? What kind of investment should be made in this area?

I believe an ethics course should be mandatory for all business students upon entering business school. We should have two years to practice weighing our decisions against an ethical framework and insuring through classroom and team conversations that we understand the full ramifications of our decisions. At Kelley we are very lucky to have some of the best minds in the field of business ethics.

What are the three greatest lessons that today’s b-schools should be teaching the next generation of business leaders?

1. Look beyond the immediate decision and think long-term when making tough decisions.

2. Put ethical business codes in place in your place of work, and enforce them. As the next generation of business leaders, it is our responsibility to lead by example.

3. Ethics is more than just common sense, and a business leader must understand the intricacies of ethics to be successful.

You have been a leader in the U.S. Senate in holding corporations responsible and have been outspoken on the issue of corporate ethics. What has motivated you to be so active on this issue?

The issue of corporate responsibility involves the financial security of millions of individual investors across this country, including the security of pensions and 401(k) programs. The vitality of our economy, the amount of investment that will take place in the future, and the number of jobs that will be created all depend on how we as a nation confront the issue of corporate fraud.

“IT IS [...] WHETHER WE ARE A NATION THAT REWARDS HONESTY, INTEGRITY, AND HARD WORK, OR LIES, CHICANERY, AND FINANCIAL DECEIT.”

But more than anything else, the issue of corporate responsibility is about values. It is about the kind of behavior we are willing to condone in our country and whether we are a nation that rewards honesty, integrity, and hard work, or lies, chicanery, and financial deceit.

What are the greatest lessons business schools should be teaching students?

Business schools are beginning to place a greater importance on ethics classes in graduate business programs. I hope that business students will approach their careers not only with a sense of responsibility but also a sense of opportunity. Despite recent corporate scandals, large companies create jobs, revitalize communities, and create life-saving technology.

Business students are preparing to enter their professional lives at a critical time in our nation’s history. They will have the opportunity to prove that those who work hard and play by the rules are able to get ahead in society.
What will it take to restore trust and confidence in U.S. businesses and their leadership?

It will take years before the public once again trusts in the U.S. business system and its leadership. Unfortunately, the long economic boom of the 1980s and 1990s allowed some firms to prosper while employing unethical business practices. The rising stock market camouflaged the dangers of these practices, while the current recession exposed them. What I find encouraging is that there were less than a dozen major scandals. However, the public tends to extrapolate from the few firms involved in these scandals to the larger business community.

Ultimately firms will have to “walk the talk” for their images to recover. This will take time.

How can a company prosper without appearing greedy?

The American public does not begrudge winners. However, they are quick to condemn winners who behave badly. One can think of many sports analogies. Thus, it is not prosperity that will trigger public wrath but the subsequent actions of those firms.

How should business schools teach or change the way they teach ethics to the next generation of business leaders? What kind of investment should be made in this area?

From the early 1970s through the early 1990s, all schools with AACSB-accredited business programs required that students take a course in business ethics. However, in the early 1990s the accreditation standards were changed. The requirement for a separate course in business ethics was eliminated. The result has been a decline in the number of business ethics courses. Today, many colleges of business have effectively eliminated business ethics from their curricula.

My solution is for colleges of business to once again require a business ethics course. This is what we have done at the Kelley School in Indianapolis. In a recent major reorganization of the MBA curriculum, we required a new capstone MBA course on ethics and leadership, which I will be teaching.

What are the three greatest lessons that today’s business schools should be teaching these future leaders?

First, the relationship between ethics and profits is synergistic. Research shows that firms which are viewed as good corporate citizens tend to be more profitable. Firms which are good corporate citizens will have more loyal customers, more enthusiastic employees, and better government relations. All of these factors eventually impact the bottom line through higher sales, lower expenses, and reduced regulations.

Second, the reputation of a firm is one of its most valuable assets. Benjamin Franklin once wrote that “glass, china, and reputations are easily crack’d, and never well mended.” Firms that injure their reputations may never fully recover from the damage. Certainly Arthur Andersen is a case in point.

Finally, leadership and ethics are inseparable. Great leaders tend to have strong values. The values of organizations reflect those of the leaders of the organizations. You can’t have ethical organizations unless you have ethical leaders.
What are you learning about ethics through your Kelley School experience?

I’ve learned that the lines of ethics become more blurred than you think, especially in a competitive environment where people are often “rewarded” despite unethical behavior. I’ve also received bits of wisdom from some quality professors about the rewards of honesty and the importance of character. I’ve also learned you must be held accountable for your own actions, which may have effects not only on yourself but on others around you. I’ve also learned a lot about ethics through my involvement with Civic Leadership Development, which is a great organization within the Kelley School that helps students develop a sense of civic responsibility to the community.

How should business schools teach or change the way they teach ethics? What kind of investment should be made in this area?

I think that there should be a required class on ethics. Business schools should strive to teach character education as well as academic education. This includes not just posting the honors code but demonstrating it through case studies, role playing, and speakers who exemplify ethical behavior. I also think that there should be an investment in support and recognition for ethical conduct and character. Business schools should create an environment where students feel admired and commended about wanting to demonstrate ethical behavior.

What are the three greatest lessons that today’s b-schools should be teaching the next generation of business leaders?

1. People are more important than money. Traits such as compassion and respect for others are often lost amid the drive to become number one. By placing greater value on people, you are able to gain the trust and credibility needed to succeed as a business.

2. Lead by serving others and by example. The best way to lead others is by developing their ability to reach their goals. Leaders should demonstrate humility in a way that gains the respect of others.

3. Adhering to your values will always prevail over the bottom dollar, and you should go into a job with a strong sense of what your values and beliefs are. The difference between a manager and a leader is that a manager does things right and a leader does the right thing. Business schools should be teaching not just the skills to do things the right way but the courage and wisdom to do the right thing. Taking the high road will always prevail in the long run.

It’s important to realize that ethics isn’t something that can simply be taught; it must be lived out and experienced. While building ethics and character is ultimately a personal choice, I believe that it’s the duty of schools, parents, and teachers to provide the tools, resources, and, most of all, encouragement for students to become ethical leaders.
What will it take to restore trust and confidence in U.S. businesses and their leadership?

A sustained period without a major accounting scandal would help. Some conspicuous examples of companies doing the right thing, even at some cost to the bottom line, would also help.

How can a company prosper without appearing greedy?

The recipe for long-term prosperity for any company hasn’t changed: Provide quality goods and services at competitive prices, and treat your customers and suppliers and employees with respect. This doesn’t produce the highest peak returns in the short run, but it keeps you around in the long run.

Business leaders need to ask themselves how people outside their organizations will perceive their actions and understand that short-term gains can cause long-term losses. We had a simple example here in Hoosierland on 9/11. Several gas stations jacked prices up to three or four dollars a gallon, fearing some disruption of oil supplies. Panicked Hoosiers waited in long lines to pay these prices. Later, newspapers published the names of the stations that raised prices, and the state Attorney General announced an inquiry into “price gouging.” The stations involved were forced to announce refund programs to all who had overpaid. So, what did they gain from their price rise? A lot of negative publicity.

How should business schools teach or change the way they teach ethics to the next generation of business leaders? What kind of investment should be made?

I think it’s important to teach ethics to help those students who are intendedly ethical (i.e., those who want to do the right thing), so we reinforce the importance of right conduct and good character (messages they aren’t getting from a lot of other sources) and help them do a better job with the ethical reasoning they do. I don’t, however, think that any course in ethics is likely to change the basic character or motivations of most students. As a fellow faculty member once said to me when I was bemoaning my inability to get through to many students, “Mike, if you could save all souls, then we’d have to get you a bigger pulpit than the MBA program.”

It’s simply unrealistic to expect that any course can offset the effects of a prior education and upbringing in which many of our students have been steeped in moral relativism and effectively told that the purpose of life is to grab all you can and to do whatever you have to do to get what you want. To such students, anyone who tries to say otherwise is ‘preachy’ and ‘judgmental’ and naive. After all, it wasn’t long ago when many pundits assured us that character wasn’t important in our President. If it isn’t, why should it be important in business leaders?

Assuming that doing “more” or different ethics instruction will reduce business scandals assumes that those who perpetrate the scandals don’t realize that what they’re doing is wrong and only need to be educated before they’ll say, in effect: “Oh, faking earnings and violating accounting standards and reporting regulations are wrong? Gee, I didn’t know that! Man, I won’t do it again.”

In most cases, whether it’s in our private life or our professional life, when we’re doing something wrong we know it at some level. What we lack isn’t moral knowledge (what’s the right thing to do?) but moral will (the strength to do it). We need to quit deluding ourselves that we can have an “anything goes” society in some areas and a moral one in others.

What are the three greatest lessons that today’s business schools should be teaching to these future leaders?

The most important message we can send is that they are their life’s work—nothing should be more important to themselves than the kind of person they make of themselves. They need to understand that every day, with every decision they make, they are both shaping themselves and writing their life’s story. We’ve had plenty of examples recently of people who have written defining chapters to their personal stories that they never set out to write—Andrew Fastow, Ken Lay, Bernie Ebbers. Thinking about who you want to be is an essential part of increasing the odds that your life story will be the one you want.

It’s also important for our students to understand that many things that appear to “work” in the short run to increase an individual’s wealth or reputation cause real problems in the long run. Enron’s CFO Andrew Fastow, for example, was honored in 1999 by a CFO magazine for his “innovative financial structures.” Enron’s stock was a darling of the analysts for a while, too, and no doubt Mr. Fastow made a lot of money. How do all his achievements look now?

Finally, business leaders need to understand the incredibly broad impact of their decisions. The recent scandals add to the general climate of cynicism about business and capitalism. They lead many people (including some of our students) to conclude that everybody cuts corners, while only some get caught. Business scandals also end up tarnishing the reputations and futures of many innocent people. Lastly, prominent scandals inevitably trigger regulatory responses, which may or may not be well-tailored to the problem but which certainly will hamper the operations of the honest as well as the dishonest.
What will it take to restore trust and confidence in U.S. businesses and their leadership?

Trust and confidence are going to have to come about by companies that engage in best practices in terms of corporate governance. But it starts with that independent board of directors that clearly understands the strategy of the company, that evaluates objectively the management of its performance, and ensures succession. Those, I think, are the “holy trinity” of corporate responsibilities.

But the real way to engender trust is to resurrect growth in the economy. Doesn’t that make everything else pale in comparison? What we need to do is re-establish vigor in our corporations, or identify why indeed this is missing.

Corporations must do a better job of working with the investor community and not get seduced into making promises, commitments, and business plans that aren’t credible on close scrutiny.

What are the three greatest lessons today’s business schools should be teaching tomorrow’s future leaders?

No. 1 is the appreciation and the understanding of the need to manage change. It’s the only constant we have. When young people leave the university, they don’t really appreciate how unstable the environment is. I hope we give them a real appreciation to manage change and lead in the process of managing it. Because leadership is all about managing change. If the status quo was constant, who would need leadership?

Another lesson is to recognize that you have to give more than you get if you really want to succeed. You can’t have a compact in mind that says it’s all about quid pro quo. You have to be willing to be the principal contributor. In this world where teamwork is so important, individual initiative can’t be lost.

The last thing is to understand the underpinning issues that your enterprise faces beyond just satisfying the shareholders for the quarter or the year. As CEO, half of my time was spent ensuring that the bottom line was appropriate. The other time was spent anticipating those of tomorrow.

How can a company prosper without appearing greedy?

I think it’s by example. You have to provide a service or a product that is of value. We are economic enterprises. But we remember we have a service and political and social objective along with the profit objective.

I would hate to be in a business that is frivolous. These enterprises don’t have long durations. In the words of Janis Joplin, you’ve got to get it while you can. I think the quality of what you do and your commitment to doing it is probably your best PR representative. If I’m producing something beneficial to society, that goes a long way to convincing people that what I’m doing is worthwhile. Greed is the opiate of the moment, but it’s an expensive thing to wear on a daily basis. By definition, it steals your future.

If you are doing something important and are committed to it, the public understands. They know that in this world of easy capital, fungible technology, and access to markets around the world, competition is here. This is the age of the consumer; it’s not the age of the producer anymore. So they know that greed will kill you. And if you are committed to your business, they’ll give you the benefit of the doubt.

Greed denies companies the full potential of tomorrow. I had a director who used to say a free market economy cannot exist in an immoral society. An immoral society will see corruption in the economy; a corrupt economy will undermine the society in which it functions.
Klemkosky named Fulbright scholar

Robert “Buck” Klemkosky, the Fred T. Greene Professor of Finance, has received a Fulbright award for the 2003-04 academic year to help develop an English-language MBA program in Croatia.

The new program will play a central role in educating generations of business professionals who will form a strong network of personal and business relations. This includes an expanded network of faculty and graduate students in Central and Eastern Europe, a primary interest of the Kelley School for many decades. With strong partnerships in Hungary and Slovenia, Croatia’s neighbors, the Kelley School will be able to continue the momentum of graduate education in the region.

The U.S. Congress created the Fulbright Scholar Program in 1946 to foster mutual understanding through educational and cultural exchanges. Sen. J. William Fulbright, sponsor of the legislation, saw it as a step toward an alternative to armed conflict. Today, the Fulbright Program is the U.S. government’s premier scholarship program.

(Department of Tyagan Miller)

Dennis establishes journal for practitioners

Alan Dennis, the John T. Chambers Chair of Internet Systems, has become founding publisher of *MIS Quarterly Executive*, a peer-reviewed research journal affiliated with *MIS Quarterly*. The unique mission of the new journal is to encourage practice-based research in information systems and improve information systems practice. It is targeted toward IS practitioners and executives.

Ramesh Venkataraman, assistant professor of information systems, serves as lead architect, and doctoral student Robert Fuller was the founding managing editor. Kelley representatives on the editorial board are Carol Brown, associate professor of information systems, and Brad Wheeler, associate professor of information systems and IU associate dean of teaching and learning technologies.

Currently the journal has over 6,000 subscribers. For more information on the journal, visit www.misqe.org.

Brown tapped for induction into Faculty Colloquium on Excellence in Teaching

Sue Brown, assistant professor of information systems, was among 21 Indiana University faculty members selected to IU’s Faculty Colloquium on Excellence in Teaching (FACET) for 2003. Brown also has been named an associate editor for *MIS Quarterly*.

FACET, initiated in 1989 to promote and sustain teaching excellence, includes more than 400 full-time faculty members who have been chosen through an annual campus and statewide peer review process. FACET members are expected to contribute their experience and skills to advance IU’s faculty teaching mission. Members are involved in a range of cooperative and collaborative activities at the campus, university, and national level to promote inquiry and engagement in teaching and learning.

Kelley School faculty included on the FACET roster are Tim Baldwin, Laura Ginger, Peggy Hite, Tom Hustad, Roger Jerman, Rich Magjuka, Jane Mallor, Arvind Parkhe, and Phil Podsakoff.
Faculty forum: research and awards

The Dean’s Office announced several administrative changes, effective August 2003. Dan Smith, the Clare Barker Chair in Marketing, will become associate dean for academics. He will take over for Bruce Jaffee, professor of business economics and public policy, who has been named IU’s faculty representative to the Big Ten Conference. Rosann Spiro, professor of marketing, will assume Smith’s duties as chair of the marketing department. James Wimbush, professor of management and associate dean of the faculties, will step down as chair of the MBA program to become chair of the management department. Idie Kesner, the Frank P. Popoff Chair of Strategic Management, will succeed him as MBA program chair. Bob Jennings, the Gregg T. and Judith A Summerville Chair in Finance, will assume the chairmanship of the finance department.

Recipients of Indiana University Trustees Teaching Awards this year are Walt Blaconi, associate professor of accounting; Tom Bowers, associate professor of business law; Don Harnett, professor of operations and decision technologies; Richard Shockley, associate professor of finance; Dan Smith, professor of marketing; Robert Smith, professor of marketing; and Wayne Winston, professor of decision sciences. Lecturers/clinical faculty receiving the honor include Brian Arthaud-Day, lecturer in information systems; April Heltsley, lecturer in operations and decision technologies; Barbara Miller, lecturer in business administration; and Dwight Worker, lecturer in information systems.

Manju Ahuja, assistant professor of information systems, co-wrote an article, “Individual Performance in Virtual Groups,” which was published in the January 2003 issue of Management Science.

The Center for International Business Education and Research (CIBER) has named Management Science. Manju Ahuja, Dwight Worker, Barbara Miller, and Brian Arthaud-Day, assistant professor of information systems, co-wrote an article, “Individual Performance in Virtual Groups,” which was published in the January 2003 issue of Management Science.

The 24 Sales Traps book, has been published in Korean by the American Management Association. Canada is director of the Center for Sales Studies and Market Intelligence and a lecturer in marketing. He also writes a monthly column for the Indianapolis Business Journal on sales management and various research findings in the field.

Ken Carow, assistant professor of finance in Indianapolis, received the Outstanding Paper Award in Financial Intermediation at the Midwest Finance Association meeting for “Evidence of Managerial Opportunism During Mutual-to-Stock Conversions,” of which he is a co-author.

Woman Entrepreneurs, Their Ventures, and the Venture Capital Industry: An Annotated Bibliography has been co-edited by Betsy Gatewood, director of the Johnson Center for Entrepreneurship and Innovation and the Jack M. Gill Chair of Entrepreneurship. The book offers a comprehensive review of her Diana Project research on women entrepreneurs and equity finance.

The IU Student Alumni Association named Tom Heslin, clinical professor of business administration, and Jane Mallor, professor of business law, two of five Student Choice Award winners this spring.

Peggy Hite, professor of accounting and chair of the Kelley undergraduate honors program, had an article published in the March 2003 issue of Accounting Horizons titled “Tax Practitioner Credentials and the Incidences of IRA Audit Adjustments.” She also has forthcoming “Framing, Gender, and Tax Compliance” for 2003 in the Journal of Economic Psychology.


George Marakas, associate professor of information systems, was named an associate editor for Information Systems Research.

Robert Neal, associate professor of finance in Indianapolis, received CIBER’s 2003 summer research grant to support his study relating to empirical tests of behavioral models in finance.

Eric Richards, associate professor of business law, is the Maastricht resident faculty advisor for the spring 2004 term.

Alan Rugman, the L.L. Waters Chair in International Business, had an article he co-authored, “Does Globalization Wear Mickey Mouse Ears?” published in the January/February 2003 issue of Across the Board, a publication of The Conference Board, Inc.

Scott Smart, clinical associate professor of finance, has co-authored a textbook titled Corporate Finance, published by South-Western, a division of Thomson Learning.

Hans Thorelli, distinguished professor emeritus of business administration, has assigned a group of School of Informatics students a project to analyze the Internet version of the International Operations Simulation (INTOPIA).

Ramesh Venkataraman, assistant professor of information systems, has been named an associate editor for e-Services Journal. He also has been appointed director of the MSIS program and will lead new initiatives in the areas of corporate relations, student recruitment, and curriculum revision.
Dollens advances Guidant through extraordinary history

by Margaret Garrison

From his corporate offices overlooking Monument Circle in Indianapolis, Ron Dollens will tell you he learned life’s greatest lessons as a teenager riding in the cab of his father’s pickup. During those adolescent years, it was a 90-minute drive into Indy from his boyhood home in tiny Danville to the family-run grocery store at 49th and Pennsylvania. And Dollens was captive to conversations with his father, who always drove.

“I learned a lot about life then, going and coming in that truck, hearing him talk at the farmers’ market, and watching him interact with people. I saw how decently he treated them and how hard he worked at retail.”

Apparently the homespun values set well. As president and CEO today of Guidant Corporation, one of the newest of the Fortune 500 elite and an industry leader among a covey of big-cap medical device companies, Dollens has been recognized as a corporate luminary. Worth named him one of the nation’s “best” CEOs in 1999. Subsequently, Barron’s named Guidant one of the 500 best-performing companies in 2000, and Business Ethics cited the firm as one of the nation’s 100 best corporate citizens.

Less than ten years after its 1994 spin-off from Indianapolis drug giant Eli Lilly and Co., Guidant as a young independent has displayed an impressive capacity to develop capable managers with an eye for the bottom line. Blessed with a willingness to pursue new technology and invest in long-term product development, the company has catapulted to a 2002 net income of $681 million on revenues of $3.24 billion. That’s a nine-fold increase from its first year of operation.

Guidant’s entrepreneurial instincts reflect gildings from its Eli Lilly legacy, giving the company an edge over most start-ups. “Our launch was like giving birth to a teenager,” says Dollens. The company traces historical roots to five one-time Lilly subsidiaries: Advanced Cardiovascular Systems Inc., Cardiac Pacemakers Inc., Devices for Vascular Intervention Inc., Heart Rhythm Technologies Inc. and Origin Medsystems Inc. Dollens spent much of his 22-year Lilly career identifying novel investments and acquisitions in the area of cardiovascular management, including technology for devices sold by some of these companies. When Lilly fully divested itself to wholly pursue pharmaceuticals, Dollens was the obvious choice to become founding CEO of the new enterprise.

From his earliest youth, Dollens had dreamed of working at Eli Lilly. He spent one teenhood summer unloading coal cars and cleaning boilers at the Indy plant, with weekends at the plant in Lafayette. Later when he discovered Lilly was hiring only pharmacists full-time, he switched his Purdue University major from chemistry to pharmacy. He followed with an MBA at Indiana, where he majored in marketing.

But by the time he was ready for a full-time job, Lilly was hiring only accounting majors. Dollens couldn’t even wrangle an interview.

Having switched majors and even gone to graduate school with the sole purpose of working at Lilly, I found that totally unacceptable,” he says. Fortunately, inside contacts led the way to Lilly sales positions in Ohio and New York.

Dollens shifted into long-range planning during the 1970s, when he discovered that hospital-based pharmaceuticals were not growing as fast as medical equipment and devices. In the ’80s he moved to the Silicon Valley as head of Lilly’s Advanced Cardiovascular Systems, honing his entrepreneurial skills and growing comfortable with the culture of risk-taking. “These were the early days of rapid technology growth,” he recalls. “There was tremendous support in the Silicon Valley for making changes.”

The training paid off. For the past five years, Guidant has been the world’s largest maker of metal coronary stents, tiny mesh tubes that prop open arteries cleared through angioplasty. Today it is also pursuing a drug-coated stent similar to the one recently approved by the FDA for rival firm Johnson & Johnson. Since more than 1 million Americans undergo artery-unclogging procedures each year, Guidant’s current bare-metal device may soon be displaced in the marketplace.

If they lose market position, however, Dollens expects Guidant to bounce back within two years. Although efforts fizzled last year to acquire Bloomington’s Cook Group, whose drug paclitaxel tested well as a stent coating, Guidant has obtained exclusive rights to...
use the drug everolimus, supplied by Novartis Pharmaceuticals, and has acquired the assets of Biosensors International, who has completed clinical work with this drug. “This makes us the only company able to do internal development of next-generation products,” says Dollens, eager to start his scientists designing for even more complex anatomies and lesions.

Equally exciting for Guidant is its success with cardiac rhythm devices: pacemakers that speed up slow heartbeats, and implantable cardiac defibrillators that slow down too-rapid heartbeats. “The ICD field is growing like Topsy,” says Dollens, whose ICDs make up 38 percent of Guidant’s product mix and are growing 70 percent worldwide. As a major revenue driver for Guidant, the ICDs offset pressure on the company’s stent business. (Vice President Dick Cheney is among those currently implanted with an ICD).

“Our products have life and death implications,” Dollens observes. “We are not selling a box of cereal.”

Dollens exudes a genial self-confidence, which, he claims, is Kelley School-inspired. “The school excels in teaching great analytical skills, and when you can bring a specific set to the table, it gives you personal self-confidence. This depth of understanding produces leadership.” He has especially fond memories of classes with professors Dan DeHayes and John Summers. Today Dollens proudly counts 35 Kelley graduates among Guidant employees.

As a Hoosier native, Dollens is a cheerleader for Indiana’s attempts at building an economic future fueled by technology. He is outspoken about Indiana’s need to develop itself as a world-class region for the life sciences industry. In similar fashion, he decries Indiana’s disparate time zones as “an absolute mess” and has been publicly vocal concerning direct-flight issues that make it difficult to attract venture capitalists and other visitors to the state.

“The solution for Indiana is to encourage companies to start in Indiana,” he says. “The state needs to become more tolerant of risk and entrepreneurial activity.” The universities are hugely important in Indiana’s economic future, he notes, but they “have to become aggressive and show the value in taking science to an application.”

Another concern is the 40 million uninsured Americans on Medicare. Dollens holds the prestigious title of chair of the influential Healthcare Leadership Council, which is examining such issues as the $20 billion hospitals spend in uncompensated health care. “It’s hard to sell to a bankrupt customer,” he says wryly.

What about corporate ethics? To his knowledge, Guidant is the only company that, when formed, also formed a compliance committee of the board. In fact, Dollens’ board members include a physician who once served as chief compliance officer for Upjohn. Dollens himself is the firm’s only inside director.

Recently Guidant was voted one of the “100 Best Companies to Work For” by Fortune for the fourth time in five years. “Our employees feel energized and respected, sensing that their work here is substantive,” observes Dollens. “They know they’ll be rewarded when they make a difference.” All employees are stockholders. When a new product is launched and stock instantly increases three or four percent, celebration erupts at Guidant worksites worldwide.

Even so, Guidant is currently struggling with a sobering chapter in its history: the closing of EndoVascular Technologies, a California-based aortic stent-graft manufacturer acquired by Guidant in 1997, and payment of a $92 million Justice Department fine for the subsidiary’s failure to report a number of device malfunctions. “Guidant has learned a painful lesson about integrating acquired businesses,” Dollens said in a national teleconference June 16. Officials note that the errant managers and employees were dismissed from the subsidiary when their behavior was uncovered in 2001, at which time Guidant voluntarily pulled the device in question from the market. The FDA cleared Guidant to resume marketing the device later that year.

Posted on Guidant’s Web site is a Code of Business Conduct. It speaks of such values as “integrity” and “stewardship” that shape Guidant’s corporate culture. Included is a message on corporate responsibility: “Personal integrity is the unshakable foundation for corporate integrity.” To Dollens, integrity is an unconditional requirement for working at Guidant.

Today, Dollens maintains faith in his 11,000 “exceptional” employees. Anchored by his dedication to corporate responsibility—along with arduous lessons absorbed since those boyhood days—he looks forward to leading Guidant beyond today’s challenges to a position of continued strength in the future.
As Kelley alumni, you play an integral role in our mission by being mentors, advisors, and guides along the difficult and winding roads our graduating students will face in the demanding and challenging business community.

One of the most enjoyable aspects of my position is the face-to-face interaction with Kelley alumni. You share your successes and prove on a daily basis that you are committed to providing value for nearly 80,000 living Kelley alumni while upholding the remarkable reputation of the Kelley School.

When I host Kelley alumni events around the nation, I am frequently asked questions such as, “What are we teaching our Kelley students about business ethics?” My immediate and steadfast reply to this question is, “We are training this country’s future business leaders to stand firm and hold true to their inner values and beliefs, thereby placing integrity, reliability, and leadership above short-term profits or quick financial gains.”

As Kelley alumni, you play an integral role in our mission by being mentors, advisors, and guides along the difficult and winding roads our graduating students will face in the demanding and challenging business community. We hold you up to our students as role models, women and men who talk the talk and walk the walk, when it comes to ethical behavior in the workplace. We speak of your successes and use case studies in our classrooms to learn from others’ ethical failures. We share your standard operating procedures as a firm foundation from which students may build their careers, grow, prosper, and learn.

Recently, we have gone even further to ensure that our students are ready to meet ethical challenges. This spring, approximately 150 Kelley students and 1,200 Kelley alumni and friends attended the 57th Annual Business Conference, *Who Do You Trust: The Crisis in Corporate Governance*. We heard passionate and moving speeches from our keynote speakers about the dangers and temptations in corporate America.

We followed this grand event with a second, smaller venue the same week. The Alumni Programs office held a Lunch and Learn Program on business ethics for those students unable to attend the Business Conference. Despite the fact that the Lunch and Learn Program was held on a Friday afternoon following the completion of core requirements, I am proud to report that we still had 50 Kelley graduate students in attendance. This speaks quite clearly to the caliber of our students and is a clear sign to me that our faculty, administration, and corporate supporters ARE teaching our students the importance of business ethics. We are, indeed, making a difference.

As Kelley alumni, you, too, have a voice and a clear message to send to our students. As was so eloquently stated by J. George Mikelsos, founder, chairman, CEO, and president of ATA Holdings Corp., at our Business Conference luncheon, “We all need to send a clear message that if you do something shady, then you’re going to be shunned by the ethical, responsible business community that makes this economy move and makes this country great.”

Yes, our students need to hear this message loud and clear, and it is a second pleasure of my position as director of alumni programs that I get to invite you, our Kelley alumni, to send that message by accompanying us on our quest to produce the best business professionals possible. Won’t you please join us? You’ve earned it!
Kelley Class of 2003 celebrates

The Kelley School of Business saw 360 graduate students and 840 undergraduate students take part in commencement activities in Bloomington in May. A commencement luncheon, sponsored by the Kelley School of Business Alumni Association, followed the ceremony at the Indiana University Tennis Center. More than 1,200 graduates and guests gathered to celebrate the occasion. The Kelley Alumni Association is proud of ALL of the graduates and welcomes them to the Kelley alumni family, now numbering nearly 80,000.

Kelley communities continue to grow

Over the past few months, six more Kelley networks have taken shape in Atlanta, Detroit, Houston, Louisville, Los Angeles, and Washington, D.C. The Kelley network areas are designed to help you remain connected. The focus of network areas is to build a strong alumni base promoted to professional growth of Kelley alumni and to enhance community and networking opportunities. Like the Kelley Clubs, each network is unique and reflects the needs and interests of that alumni population. For a complete list of Kelley Clubs, networks, and liaisons, go to http://www.kelley.iu.edu/alumni/connections/connections.cfm. If you live in an area that is not represented and you would like to see Kelley events in your community, contact the Alumni Programs office. We would be happy to assist you!

Los Angeles alumni held their premier Kelley Alumni Network event on the Staples Center rooftop in March. The speaker was Mark Cuban, BS’81, owner of the Dallas Mavericks and chairman and co-founder of HDNet.

Mesch named 2002 Volunteer of the Year

In spring of 2002, Robert Mesch, BS’86, was appointed president of the Kelley Alumni Club of Chicago. Robert has continued a long tradition of success with the Club and recognized the need in the area to cover the gamut of opportunities available to alumni with varying backgrounds, interests, and career stages. He expanded the local Club board of directors to enable different committees to focus on topics such as women in business, entrepreneurship, real estate, career services, and young professionals. From September to December, the Chicago Club offered nine alumni events and hosted 40 undergraduate students on SEEK Day, a program allowing students to spend a day shadowing business professionals to obtain a real-world experience.

Mesch will be the first one to say that his accomplishment is a reflection of the many alumni volunteers serving on the board, as well as those who leverage the alumni network. While that is most certainly true, he provides the vision, the energy, and connection to drive each individual success.
Kelley Alumni and Students Around the World

Indiana University’s spring break was more than sun, sand, and sea for many Kelley School of Business students. Three groups from the Bloomington MBA program traveled to Australia, Ireland, and China to visit companies, experience a new culture, and meet with Kelley alumni. In addition, a group of Kelley undergraduate students traveled with faculty and staff members to Tokyo and met with the local IU Alumni Club of Japan. Twelve Kelley School of Business students teamed up with ten students from the East Asian Languages and Cultures Department for this special trip. Yasuhiro Obata, MBA’79, president of the IU Alumni Club of Japan, ensured that Kelley students and alumni had the opportunity to interact and exchange ideas. The Kelley School is grateful to the numerous Kelley alumni living and working overseas who host faculty and students traveling across borders.

Share your real-world experience

Interact with and lend support in a mentoring capacity to students in a one-on-one or small group environment. There are opportunities at the sophomore, junior, and senior levels. Boost your company image and at the same time share your real-world experience.

Résumé Reviews—meet on a given night to offer insights and suggestions to assigned students from a required course.

Mock Interview—interact with students, ask questions, and provide valuable feedback as they prepare for the start of the regular recruiting season.

Alumni Mentoring—share your real-world experience with students conducting information interviews.

eMentor—Alumni Links—assist students via e-mail with questions, suggestions, and insights to help them prepare for a career.

Further details about these programs are available at http://bpo.indiana.edu/bpocgi/bpoweb.htm-cgi.mail. Questions may also be e-mailed to bpo@indiana.edu.

Popoff Shares Expertise with Kelley Students

Frank P. Popoff, BS’59, MBA’59, ScD’88, former chairman and CEO of The Dow Chemical Co. and current Poling Chair of Business and Government at the Kelley School of Business, met with 60 graduate and undergraduate students during a visit to the Bloomington campus last spring. The opportunity to bring prestigious alumni together with current students is something the Kelley School deems invaluable. Current students are eager to comment about their interactions with Kelley alumni and the value those opportunities add to their education at the Kelley School of Business:

“Alumni can talk about things that are currently occurring in the business world, and help many of us put things into perspective. They can provide a certain depth of knowledge on topics (corporate scandals, regulation, and corporate governance) that is sometimes difficult to ascertain from just reading a newspaper or magazine article.”

—Tibor Juhasz, MBA Class of 2003

“Attending alumni lectures for the past two years has been one of my favorite Kelley School experiences. I have always left sessions feeling inspired and motivated because they connect me with students and truly exhibit how a Kelley graduate can lead a successful, interesting, and ethical career. The fact that these world-class leaders will spend time with undergraduates and connect with them is wonderful.”

—Camille Constantin, Class of 2004

Photo by Janice Headley
Leadership...Outside of the Office

It's no secret that Kelley alumni around the world hold positions such as CEO, CFO, and president. The Kelley School boasts numerous high-achieving entrepreneurs, educators, and philanthropists. This true, uncommon spirit is also found within individual communities, where impassioned alumni give their time, expertise, and support to provide value and opportunity through various activities that keep alumni connected.

The following Kelley communities announce new leadership:

Kelley Alumni Club of Indianapolis

John Sullivan, BS’76, is assistant vice president for the McGowan Insurance Group, Inc. in Indianapolis and new president of the Kelley Alumni Club of Indianapolis. He is a life member of the IUAA and a former member of the IUAA Executive Council and Insurance Committee. He is also a Community Captain for Hoosiers for Higher Education. John has remained connected to the Kelley School as an active alumnus because of numerous opportunities to meet people and learn industry trends at various alumni events.

Kelley Alumni Club of San Francisco and the Bay Area

Karen Barnett, MBA ’97, is president of the Kelley Alumni Club of the San Francisco Bay Area. Prior to coming to IU, she earned a BA from UCLA and worked in public accounting for KPMG Peat Marwick to become a CPA. Currently, she markets enterprise software for a Cognos partner; a legal protection and service plan; and a tax shelter in the racehorse industry. As a class agent she helped organize the Class of ’97 reunion at the Graduate Alumni Weekend last year.

Kelley scores again with alumni networkers

In 2001 the Kelley School Alumni Programs office launched the Association for Business School Alumni Professionals (ABSAP), a network for alumni directors and their staffs in the top-ranked business schools nationally. Three different services are provided to the members of the association: a listserv for exchanging ideas; an online benchmarking survey with summarized responses readily available, which can be updated by institutions as their data change; and conferences dealing with the most critical issues facing business school alumni professionals.

The first conference, held in April of 2001 in Bloomington, brought together representatives from 21 business schools.

The June 2003 conference, again hosted by the Kelley School, included Arizona State University (W. P. Carey), Babson College, the University of California—Los Angeles (Anderson), Carnegie Mellon University, Case Western Reserve University (Weatherhead), Emory University (Goizueta), the University of Illinois—Urbana–Champaign, the University of Maryland (Smith), the University of Michigan, Michigan State University (Broad), the University of Minnesota (Carlson), the University of Notre Dame (Mendoza), Purdue University (Kranert), the University of Southern California (Marshall), the University of Washington, and the University of Wisconsin–Madison among the participants.

Third oral history videotape now available

Joseph M. Waldman, the Lawrence D. Glaubinger Professor Emeritus of Business Administration, has completed production of the third videotape in a four-part series detailing the history of the Kelley School since its inception in 1920. These three tapes cover the years of deans Rawles, Wells, Weimer, Pinnell, Otterson, and Wentworth. The tapes may be purchased online, and clips of all three tapes are available for viewing at www.kelley.iu.edu/alumni/history/oral_history.cfm. Learn more about what has made Kelley one of the top business schools in the world today.
organizational development and assessment for Lilly Endowment Inc. Previously he served the IU Foundation as senior development director.

**Karyn N. Smith,** BA’77, MBA’79, and her husband celebrated the one-year anniversary Dec. 20, 2002, of adopting Jeremy Carlos Cristofer and Sylvia Isabella. Smith is a registered representative for Axa Advisors in Decatur, Ga.

**George F. Clancy Jr.** MBA’87, retired from Citizens Gas and now is CFO for the Indiana Family and Social Services Administration. He lives in Indianapolis.

**James T. Young.** BS’83, JD’87. MBA’87, writes, “I married Sara Anne Hook, MBA’88, JD’94, associate dean of the faculties at IUPUI, in May.” He is an attorney at Rubin & Levin in Indianapolis.

**Scott Andrew Lady.** MBA’88, was recently promoted to group controller of the Mobile Products Division for Credence Systems, Inc. He lives in Pleasanton, Calif.


**Scott A. McCormack.** MBA’97, is a product marketing engineer with Intel. He and his wife, Stacey McCormack, BA’91, recently celebrated the birth of their son, John “Jack” William. They live in Folsom, Calif.

Emerald Wang. MBA’98, owns her own line of clothing (www.emeraldwng.com). She lives in Carmel, Ind.

**Ryan J. Davis.** MBA’99, writes, “I moved to Fort Worth, Texas, and am now the retail loan payoff manager for Bank One.”

**Douglas J. Ford.** MBA’99, is a strategic consultant for Cap Gemini Ernst & Young. He lives with his wife, Paula M. Ford. MBA’99, in Chicago.

**Mary B. O’Connor.** MBA’99, recently finished a stint as spokeswoman for the Chevrolet-sponsored Olympic Torch Run to the Salt Lake City winter games. She is now assigned to manage promotions for Chevrolet’s car division. She will be involved with Chevrolet’s sponsorship of entertainment and sports events, including the U.S. Figure Skating Championships and the Chevrolet Rock & Roll Tour. She lives in Royal Oak, Mich.

**Donna A. Stephens.** C B St’90, BS’94, MBA’99, is the executive director of Learning Well, Inc. in Indianapolis.

**2000s**

**Kenneth E. Wendeln.** MBA’01, joined the Kelley School of Business in Indianapolis as a senior lecturer in management, accounting, and systems. He lives in Carmel, Ind.
**UNDERGRADUATE**

**Before 1960**

Emil C. Beck, BS’42, writes, “We are living at a continuing care retirement community and spend summers at our place in the Great Northwoods, Pittsburg, N.H.”

K. Edwin Applegate, BS’46, LLB’48, was honored with the 50-Year Award by the Fellows of the Indiana Bar Foundation. The award honors individuals that have dedicated their professional lifetimes to excellence in legal activity and civic engagement. He lives in Bloomington, Ind.

Robert P. Kassing, BS’44, serves as the managing partner for Bose McKinney & Evans in Indianapolis.

John W. Holmes, BS’47, writes that he is retired from Hormel Food Corp. and lives in West Lafayette, Ind.

Jack V. Swanson, BS’49, is a member of the Sun Cities/Northwest Valley IU Alumni Club. He is retired and lives in Peoria, Ariz.

G. Weldon Johnson, BS’52, was included in the 2003–04 edition of *The Best Lawyers in America*. He has a law firm in Indianapolis.

Patricia G. Hentges, BS’56, writes, “I moved to Kirkland, Wash., after retiring from teaching in Tacoma, Wash.”


Andrew Jacobs Jr., BS’57, served 15 terms as a congressman from Indianapolis for the U.S. House of Representatives. He is on the board of directors of First Indiana Bank, Indianapolis.

Alan A. Nelson, BS’58, retired on Oct. 31, 2002, after 36 years with Ball Packaging Corp. He lives in Muncie, Ind.

Robert P. Kassing, BS’59, JD’64, was listed in the 2003–04 edition of *The Best Lawyers in America*. He is a managing partner with Bose McKinney & Evans in Indianapolis.

**1960s**

Richard E. Ford, BS’61, was recently named a Sagamore of the Wabash. He is past president of the Hoosier Salon board of directors and is retired director of the Ford Meter Box Co. He lives in Wabash, Ind.

Robert E. Gecowets, BS’62, retired as an automotive parts processor at Federal Mogul Corp. after 25 years. He lives in Angola, Ind.

David O. Tittle, BS’64, JD’67, a partner in the law firm Bingham McHale, was named to the Indiana Supreme Court’s Committee on Character and Fitness. He lives in Indianapolis.

James L. Kittle, BS’66, JD’69, was named chairman of the Indiana Republican Party 2002. He is chairman and CEO of Kittle’s Furniture Group and lives in Carmel, Ind.

Jeffrey K. Espich, BS’67, is the ranking Republican member of the House Ways & Means Committee. He has been a member of the Indiana House of Representatives since 1972 and is the owner and operator of Kozy Kort, Inc. He lives in Uniondale, Ind.

Chuck Lineback, BS’71, was promoted to executive vice president of internal operations at Scottish Annuity and Life Holdings. He lives in Fishers, Ind.

James E. Carlberg, BS’72, was listed in the 2003–04 edition of *The Best Lawyers in America*. He is head of the creditors’ rights and bankruptcy group for Bose McKinney & Evans, Indianapolis.

Last January at the Athletic Club in Indianapolis, the World Trade Club of Indiana sponsored an awards night for Indianapolis businessman and CPA Charles A. Spillman. Charles A. Spillman, BS’72, owner of Spillman & Spillman Co. The club named him its Global Business Person of the Year. At the same time, Indiana Gov. Frank O’Bannon named him a Sagamore of the Wabash; Indianapolis Mayor Bart Peterson named a day in his honor; and Indiana senators Evan Bayh and Richard Lugar gave him special recognition. Spillman can be reached at spillman@spillmanco.com.

Belinda Feldmeyer, BS’73, received a master of science degree in management from Indiana Wesleyan University in April 2002. She is the director of parks and recreation for the city of Marion, Ind.

David W. Thomas, BS’74, vice chair of retail banking for Bank of Hawaii Corp., has been named 2002–03 chair-elect of the national Consumer Bankers Association. He lives in Honolulu.

Richard B. Huybers, BS’75, is program manager for North American Risk Services in Orlando, Fla.

Eric I. Miller, BS’76, is an attorney with Miller Waters Martin & Hall and also serves as the executive director of Advance America, an organization impacting legislation at the Indiana Statehouse. He lives in Danville, Ind.

John R. Stewart, BS’76, senior vice president for Colliers Turley Martin Tucker Co., was a speaker at the annual State of Real Estate event. He spoke on residential sector real estate. He lives in Indianapolis.

Paul J. Nowacki, BS’79, writes, “I am married, have a 12-year-old daughter, and work for PA Consulting Group as a manager of outsourcing consulting.” He lives in Newark, Del.

Gary L. Redmond, BS’79, is co-founder and managing partner of Construction Business Medica, publishers of *Architectural Products* magazine and media representative for *House & D* magazine. He lives in Winnetka, Ill.

Robert W. Susterich, BS’79, was recently appointed director and account executive for the public entities marketing business unit of large group services for Blue Cross of California. He is in his 15th year with the firm and lives in Thousand Oaks, Calif.

**1970s**

Stephen M. Blaising, BS’81, acquired 30 percent ownership of the firm Brain Surgery Worldwide, Inc. His company, Blaising Inc., is based in Indianapolis.

Phil L. Isenbarger, BS’81, JD’84, is litigation partner and recruiting chair for Bingham McHale. He lives in Zionsville, Ind.

Arthur T. Daronatsy, BS’82, is customer service manager for Homier Distributing Co., Inc. He lives in Huntington, Ind. He and his wife, Rhonda J. Daronatsy, BS’82, will celebrate their 20th wedding anniversary in May 2003.

Mark J. Morrison, BS’82, of Dallas, is president of Associates Insurance Group.

Scott E. Habegger, BS’84, an 11-year employee of Harley-Davidson in Milwaukee, was named director of strategic planning. He lives in Menomonee Falls, Wis.

Howard A. Hammersley, BS’84, is director of national accounts for Moûts, Inc. He and his wife recently celebrated the birth of their daughter, Lauren Olivia. They live in Glenview, Ill.

Elizabeth A. Hoover, BS’84, moved her financial planning practice to Lincoln Financial Advisors at Keystone at the Crossing in Indianapolis. She lives in Zionsville, Ind.

Lance T. Luegers, BS’85, of Rogers, Ark., is director of customer development for Quaker Foods and Beverages, a division of PepsiCo.

Sean P. O’Daniel, BS’86, is a partner with O’Daniel Automotive Associates in Evansville, Ind.

Richard D. Ricker, BS’86, was named CFO for Beacon Services, which provides physicians’ offices with medical management, financial services, medical research, and information technology consulting and support. He lives in Indianapolis.
Jennifer K. Wilfong, BS’86, started a scholarship fund called Can Do 4:13 Scholarship Fund, which provides $1,000 scholarships to inner-city youth in Peoria, Ill. She has been with Caterpillar for 16 years as an e-business project manager. She lives in Washington, Ill.

Andrew G. Long, BS’87, of Frederick, Md., is the group controller of BioWhittaker BioProducts, a subsidiary of the Cambrex Corp.

Chris E. Rutledge, BS’87, is vice president of middle market lending at Fifth Third Bank in Evansville, Ind.

Brent R. Tilson, BS’89, is founder, president, and CEO of Tilson HR in Greenwood, Ind. The business was named one of America’s entrepreneurial growth leaders by Inc. magazine. It was placed 48th on the Inc. 500 list.

Andrew S. Goshen, CBS’90, BS’91, of Brazil, Ind., is a sales representative for Sankyo Pharmaceuticals. He celebrated the birth of his son, Benjamin William, on July 30, 2002.

Amy L. Vlasic, BS’90, was promoted to vice president for brand management at Edwards Lifesciences. She lives in San Clemente, Calif.

Yoalnda Hart, BS’91, is now a stay-at-home mom to her infant son, who was born on July 12, 2002. She lives in Chicago.

Michael T. Mann, BS’91, is marketing manager for TIS, Inc., Bloomington, Ind. He and his wife, Lisa A. Mann, BS’91, celebrated the birth of their daughter, Nicole, on Sept. 8, 2002.

James L. Thorne, BS’91, of Valparaiso, Ind., is principal of Liberty Intermediate School in Chesterton, Ind. He and his wife, April Ortt, CDA’89, AS DH’91, have two sons, Stephen and Jack.

Robert O. Kennedy, BS’92, was inducted into the IU Department of Athletics Hall of Fame. He is the co-owner of The Running Co., Indianapolis.

In Memory

Don E. Artmeier, BS’73, died unexpectedly at his Bloomington, Ind., residence, May 8, 2003. At 56, he was the founder and owner of Inside Out Home Inspection Services and a Navy veteran of the Vietnam War. Survivors include his wife, M. Sue (Carroll) Artmeier, assistant director of the Johnson Center for Entrepreneurship at the Kelley School, and two children. Memorial contributions may be made to the First Presbyterian Church 2nd Renovation Fund or Monroe County Habitat for Humanity, c/o Allen Funeral Home, 3000 E. Third St., Bloomington, IN 47401.

Wesley B. Vance, MBA‘96, Dean’s Advisory Council member and chief operating officer of Diebold, Incorporated, died April 26, 2003, when the private plane he was piloting crashed southeast of Columbus, Ohio. At 45, he was a Certified Public Accountant and member of the American Institute of Certified Public Accountants, holding several key positions during his careers with Diebold, ArvinMeritor, Deloitte Haskins and Sells, and Coopers & Lybrand. Survivors include his wife, Melinda, and five children. Memorial contributions may be made to Habitat for Humanity of Greater Canton, 320 Third St. N.W., Canton, OH 44702.

David Dale Martin, 77, professor emeritus of business economics and public policy, died January 19, 2003, in Bloomington after a lengthy battle with prostate cancer. He held three degrees in economics from the University of Texas and UCLA. He came to IU in 1958 as an associate professor and later was named professor of business economics and public policy. He taught courses on managerial economics and government regulation of business and also researched and published in these areas. Martin was a consultant to the President’s Council of Economic Advisors in 1963 and the Federal Trade Commission from 1967-68. President Lyndon Johnson appointed him deputy executive director of the staff of the Cabinet Committee on Price Stability. He continued in the Nixon administration as study director of the Joint Labor-Commerce Study of Construction Seasonality. He retired from IU in 1989. Contributions may be made to the Prostate Cancer Research Fund, c/o Indiana University Foundation, P.O. Box 500, Bloomington, IN 47402.

1990s

Andrew S. Goshen, CBS’90, BS’91, of Brazil, Ind., is a sales representative for Sankyo Pharmaceuticals. He celebrated the birth of his son, Benjamin William, on July 30, 2002.

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James L. Thorne, BS’91, of Valparaiso, Ind., is principal of Liberty Intermediate School in Chesterton, Ind. He and his wife, April Ortt, CDA’89, AS DH’91, have two sons, Stephen and Jack.

Robert O. Kennedy, BS’92, was inducted into the IU Department of Athletics Hall of Fame. He is the co-owner of The Running Co., Indianapolis.
Joanna Rossi, BS’92, writes, “All my time is spent, apart from working, raising my two daughters. On special occasions I still play some tennis.” She lives in Cyprus.

Jennifer E. Skehan, BS’92, was accepted for membership to the American Institute of Certified Public Accountants’ Group of One Hundred, which recognizes leaders in the field of accounting. She is a supervisor with RJ File & Co., an Indianapolis-based accounting and consulting firm.

Traci E. Brown, BS’93, recently relocated to New Jersey with Colgate Palmolive as human resource manager for manufacturing operations. She lives in Morris Plains, N.J.

Kristie Hensley, BS’93, is vice president of account management at Hirons & Company in Bloomington, Ind. Previously she was an account supervisor at MZD Advertising in Indianapolis.

Jeffrey D. Matthews, BS’94, received an MBA from Butler University in May 2002. He lives in Indianapolis and is the controller for Progress Linen Services.

Julie Gossman Sapper, BS’94, is an attorney in the criminal division of the U.S. Department of Justice in Washington, D.C. She lives in Rockville, Md., with her husband, Darren.

Christopher V. Cogan, BS’96, of Marlton, N.J., works in the supply chain/distribution department of Campbell Soup Co.

Robert A. Mellinger, BS’96, lives in Chicago and works for Salomon Smith Barney as an associate in public finance.

Justin T. Steier, BS’96, writes, “I am assigned to the fraud squad of the U.S. Secret Service, Los Angeles Field Office, where I investigate identity theft and credit card fraud. I traveled a lot on temporary protective assignments related to the midterm congressional elections and should be in Los Angeles until the 2004 presidential campaign gears up.”

Mary J. Tranter, BS’96, is vice president of sales and marketing for Tranter Graphics. She lives in Syracuse, Ind.

Martin L. Weaver, BS’96, is president of Veros Partners in Indianapolis. He was married to Loralee Kilgore on Oct. 27, 2001.

Jeffrey D. Grider, BS’97, left Borders Group, Inc. to accept a position as manager of lease administration for KB Toys in Pittsfield, Mass.

Matthew H. Novell, BS’97, is working toward an MBA at Kellogg. His wife, Candace E. Novell, BS’97, graduated from the law school at UCLA and is working at O’Melveny & Myers in Newport Beach, Calif.

Sarah M. Sands, BS’97, works in the marketing department at American College in Bryn Mawr, Pa. She lives in Limerick, Pa.

Blake P. Chroman, BS’98, recently started an organization in Chicago called Windy City Young Professionals, a nonprofit networking organization that enables young professionals in the Chicago area to establish business and social relationships.

David E. Deaton, BS’98, of Fort Worth, Texas, is a market manager for Burlington Northern Santa Fe Railway.

Shannon Boland Grayson, BS’98, director of marketing for Bittners Limited Liability, celebrated the birth of her son, Boland Simms, on Aug. 24, 2002. She lives with her husband, Leon, in Louisville, Ky.

Marissa B. Kaye, BS’98, is a principal treasury accountant for Coca-Cola Co., Atlanta, as well as the vice president of the IU Alumni Club of Atlanta. Her e-mail address is mkaye@na.ko.com.

Yevgeniy M. Kliosnisky, BS’98, works for Wheels, Inc., Des Plaines, Ill., as a senior financial credit analyst. He lives in Chicago.

Michael G. Jarvis, BS’98, is a service manager at Cintas Corp., Indianapolis. He lives in Muncie, Ind.

David K. Orensten, CBUsF’98, AC’99, BS’99, joined the law firm Porter Wright Morris & Arthur. He lives in Columbus, Ohio.

Brian T. White, BS’98, serves full time in the Army Reserve for the 81st Regional Support Command in Birmingham, Ala.

Laura G. Ziliak, BS’98, works for KONE Elevator as a service sales manager in the Orlando, Fla., branch office.

Raymond A. Glaser, BS’99, of Minneapolis, is business development manager for Procter & Gamble.

Jennifer L. Skinner, BS’99, was promoted to western regional sales manager for GroupLink, Inc., an Indianapolis-based dental insurance company.

Due to space limitations, only Class Notes submissions from IUAA dues-paying members are included in this issue.

2000s

Ernie E. Denninger, BS’00, is an IT consultant for IBM Global Services and lives in Indianapolis.

Brent Landry, BS’00, sells pharmaceuticals for Boehringer Ingelheim. He lives in Carmel, Ind., with his wife, Gretchen Landry, BS’99.

Ryan N. Pike, CBUsF’00, BS’01, worked on the campaign to elect Carl Brizzi for Marion County prosecutor. He lives in Carmel, Ind.

Brett P. Kaufman, BS’01, AC’01, married Tara Sharer Kaufman, BA’01, on Oct. 12, 2002. The couple met as freshmen living in Read Residence Center on the IU Bloomington campus. They live in Greenwood, Ind.
From the beginning with Sue by Ed Kelley

When Sue Aramian came to New York City in 1963, she was an eager young woman from Rhode Island and a new development officer for Brown University. After she finished her work on a financial campaign for Brown, she served as assistant to the president of many individually owned companies who later became a Congressman in Washington. She left this job in 1968.

Soon after, while pursuing an interview opportunity, Sue met me and was asked to join in running my New York office for the consumer goods group of Gulf + Western Industries and Consolidated Cigar Corporation. In this new position, she handled numerous assignments which helped expand these consumer goods operations. In 1974, she became a partner with me in Kelley & Partners, Ltd. Together we bought control of a medium-sized Florida and offshore company in the Bahamas. Sue continuously worked with me in my personal farming and agribusinesses.

A year later, Sue and I joined and invested in Fairmont Foods. Sue helped organize Fairmont’s extensive marketing and personnel divisions, which included fourteen dairies, 2,000 convenient stores, and eight snack food plants. Within a few short years, she became the first woman officer of Fairmont, a Fortune 500 company. After six years of expanding and improving profits for Fairmont, she joined me in restructuring and selling the company. At this point we reactivated the partnership, the purpose being to buy and strengthen management of mid-sized companies. We continued our acquisitions and subsequently bought and sold three or four companies.

Then in the late seventies, Sue and I became very interested in the Steak n Shake restaurant group. Along with me, Sue did the preliminary work on the acquisition analysis of Steak n Shake. When we acquired majority control in 1981, Sue became vice chairwoman and a director. At that point the restaurant chain seemed to take on a life of its own, growing from 100 stores to over 400 restaurants today. Its success story over the past 22 years is widely known and appreciated.

In 1974, Sue graduated from Indiana University’s Executive Development program, becoming the program’s first female graduate. Within her class of sixty men, Sue received high accolades for her contributions in the area of management. In recognition of this achievement, she served as a member of the program’s advisory committee for the next five years.

But Sue’s involvement with Indiana University was just beginning. She was instrumental in the establishment of the fully-funded E. W. Kelley Chair in Marketing and in the selection of its first professor. She also helped establish the Prickett Chair to honor accounting professor Alva L. Prickett. In addition, Sue worked on a number of projects for the IU Foundation and became widely known as an early senior management executive. When IU decided to set up a women’s colloquium, Sue assumed a strong leadership role by serving on its steering committee. She was also a major participant in establishing the Kelley Scholars program in 1997.

As a result of all this, Sue was named by then-President Myles Brand to be a member of the Indiana University Foundation Board in 2000. Her numerous years of devotion and commitment to the work of Indiana University, the business school, and the IU Foundation have acquired near-legendary status.

Today Sue is semi-retired, but she remains in active roles as a director and member of the Executive Committee of Steak n Shake. She will be remembered as one of the new modern-day founders of Steak n Shake.
As a first-generation Armenian-American woman working in corporate America in the sixties, my experiences can be described as that of a stranger in an even stranger land. Along my journey, I have in fact often met esteemed leaders in their fields and captains of industry—individuals I never would have met within my small community in Rhode Island.

My life changed drastically when I was hired by Brown University to work in their development office. I reported for work on a Thursday, and on Friday I was offered a one-year position to establish a development office in New York City. That kind of position was generally offered to a Brown graduate, but the development officer was confident I could handle the responsibilities. I was overwhelmed.

When the one-year commitment ended, I was hired as an executive assistant to a man who owned and operated 10 companies. The fact that my interview was conducted in his limousine was a clue that he would be a different kind of employer. But I was ready!

My employer was demanding, to say the least. The expectation was that I would be able to do whatever was asked without wondering whether I could in fact do it. Early in my employment, I was sent to an art auction at Helena Rubenstein’s townhouse to bid on a Picasso painting and a Brancusi sculpture. My bids were not successful, but three days later I successfully bid on two Andre Derain paintings at $3000 each. Years later, Architectural Digest featured my employer’s apartment, and I was thrilled to see the dining room on its cover with the Derains that I had selected.

Another responsibility was my employer’s social calendar, including parties at his apartment where the guest lists included luminaries such as Adlai Stevenson and Jackie Kennedy. Once I arranged an escort for Doris Duke to one of his parties. This was all heady stuff for someone who had never before left tiny Rhode Island.

When my employer became a Congressman, I knew it was time to move on. An employment counselor recommended an interview with a corporate executive named Ed Kelley, a Midwest Quaker who had to research Armenians in the library because he had never before heard of an Armenian. Well, a Midwest Quaker was strange to me, too. That’s how foreign we were to one another. It took seven pre-interviews before I finally met Ed. The rest is history.

At this time in his career, Ed Kelley was recognized as a corporate leader with sterling financial and marketing credentials in consumer goods. As Ed began to expand his personal enterprises, my own responsibilities grew until eventually we formed a business partnership. I credit him for mentoring my career, while he credits me for giving him the female point of view on consumer goods and services. The personal- ities with whom I worked were leaders and creative thinkers in their industries, presenting me with more challenges—and achievements—than I had ever dreamed of.

One such challenge involved working with cosmetic companies. Ed had become interested in buying a cosmetic line developed by Anna Maria Alba, who purportedly was either the former girlfriend of dictator Juan Peron of Argentina or the best friend of his wife, Eva. In the middle of our negotiations, she died of cancer. We then met Polly Bergen, who was selling her cosmetic line, Oil of the Turtle. I ended up on her board of directors and got to know Polly well.

At another point, Ed was evaluating a chain of beauty salons owned by Kenneth, who at the time was the personal hairdresser of Jackie Kennedy. Coincidentally, Kenneth was also a good friend of Maria Callas. When he picked me up for a dinner dance, he remarked at how much I resembled Callas, in that he related me to her. It was a delightful conversation, and I have kept photographs of the two of us as a memento of a wonderful evening.

Not everything in my business career was glitzy or glamorous. I routine- ly worked a 24/7 work week before that became a catch phrase. I traveled on business assignments throughout this country and in Europe. My life was finally focused, and I have loved every detour, every stop along the way.

By now the shy girl from Providence had become the first female officer of a Fortune 500 company and a principal officer in re-establishing a Midwest company, the Steak n Shake restaurant chain, to its present-day success of over 400 stores. I had the distinct thrill of being a vital part of a company which was invited to join the New York Stock Exchange. Until very recently, I was vice chairwoman of The Steak n Shake Company, and today I remain a member of the Executive Committee and continue on its Board of Directors. I also continue as a managing general partner at Kelley & Partners.

Education is important to me, too. I currently serve on the Indiana University Foundation board and on IU’s Kelley School of Business Dean’s Advisory Council. My relationship with IU began when I was the first female to attend and graduate from the Indiana University Executive Management program. I served on their advisory board for an extended term of five years. Earlier I served on the Purdue University Hotel and Restaurant advisory board. At Purdue I also established a scholarship for highly qualified but needy students.

But among the achievements, of which I am most proud, is the estab- lishment of the Kazar and Nevart Aramian YMCA Child Care Center in Vanadzor, Armenia, with a senior center, the Zevartaran, named in honor of my aunt. The 1988 earthquake, coupled with the death of my father, caused my sisters and me to rethink our life values. The videos of the social events enjoyed by the more than 400 children served by the Center caused much delight for our mother, who rejoiced that Armenian children could enjoy their childhood in ways that she was denied. I again journeyed to Armenia with sister Margo, her daughter Jocelyn, and my nephew Paul, so that my niece and nephew could experience their heritage. Jocelyn treasures her conversations with Catholicos Karekin, and Paul regards his visit as a thrill of a lifetime. Of course, I was thrilled to have been with them and to have shared their enthusiasm.

As I look back on my life, I honestly do wonder: How did I do this? But I think the answer lies again with my parents who were genocide survivors. How did my father as a young boy walk from one point in Turkey to Damascus to come to this country, not knowing the language or having a family to turn to? How did my mother make this same kind of pilgrimage? They, too, were strangers in an even stranger land, but their internal strength, integrity, and love of life was obviously their legacy.

My life has been most fulfilling. I feel rewarded in ways that money alone cannot measure. Enjoying what you do, having fun at what you do, and, most importantly, working with people whom you respect, can make your life’s work a measure of your love of life.
Independence by any other name...

Romeo said of his beloved Juliet that “…a rose by any other name would smell as sweet….” Independence, however, may not have that character. Even a cursory review of the press in recent months chronicles a series of corporate misconduct including:

- Ever-increasing CEO compensation and “benefits” (e.g., lucrative pensions, post-employment “consulting” fees, severance pay, restricted stock) despite a recalcitrant economy
- Relationships among investment banks and clients regarding fraudulently favorable stock research reports
- Stock option repricing
- Gross irregularities in earnings accounting, and
- Conflicts of interests among investment banks, venture capital firms, and clients and investors in IPO transactions.

In response to these and other excesses, we have seen a proliferation of new laws and corporate governance guidelines from the Sarbanes-Oxley act, Securities and Exchange Commission, New York Stock Exchange, and NASDAQ. A common theme is the independence of boards of directors: independent boards will result in greater oversight of corporate management and that, in turn, will lead to higher firm performance. Board members should not be characterized by personal or professional relationships with the firm or its management.

An analogy: suppose that the President of the United States is also Chief Justice of the Supreme Court. Suppose that nearly half of the remaining justices of the Supreme Court were also members of the President’s staff and that among the remaining justices there is the brother of the CEO and a past president of the same party. Lastly, suppose that the constituency is nearly powerless to affect those arrangements.

In this hypothetical example, the near total lack of independence among the parties obviously present a formidable challenge to independent judgment. Under such circumstances, many would argue that the executive branch would or could do as it pleased. The judiciary is effectively co-opted and the legislature is, as a practical matter, unable to act to reduce the dependence.

Interestingly, however, there is no evidence that board independence is related to the financial performance of firms. Perhaps a better focus is the budgetary independence of a board. What is the primary signal to corporate officers that they have arrived, are trusted, and enjoy independent judgment?

For many, the answer will be budgetary independence. They can allocate resources within their budget without the approval of others.

Let’s extend this scenario to the boardroom. Board expenditures are at the discretion of the CEO/chairperson. Can a board beholden for its financial wherewithal to the very management it is charged with overseeing ever truly be independent?

Consider another crucial element. The management currently selects and employs compensation consultants, external auditors, and other consultants. Who, then, must these consultants and others please to secure additional engagements? Much has been said in the press about potential conflicts inherent here.

If boards have independent budgets and autonomy to engage consultants, auditors, and outside counsel of their choice, then the dynamics change fundamentally. Now, the contributions of consultants and auditors must pass the muster of boards.

In this context, the role of lead director—an outside director chosen by the board to oversee its operations—is crucial when the CEO and board chairperson positions are combined. He or she would manage the board’s budget, ensuring that external advisors are hired by—and on behalf of—the board, not management. This lead director would also preside over executive sessions of the independent board members, providing the opportunity to assess the firm’s practices and performance outside the presence of the firm’s inside directors.

Ultimately, the performance of any board is a function of the character of the individuals that comprise the board. No amount of individual character can overcome accountability without responsibility. Boards with independent budgets enjoy both—responsibility and accountability.
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