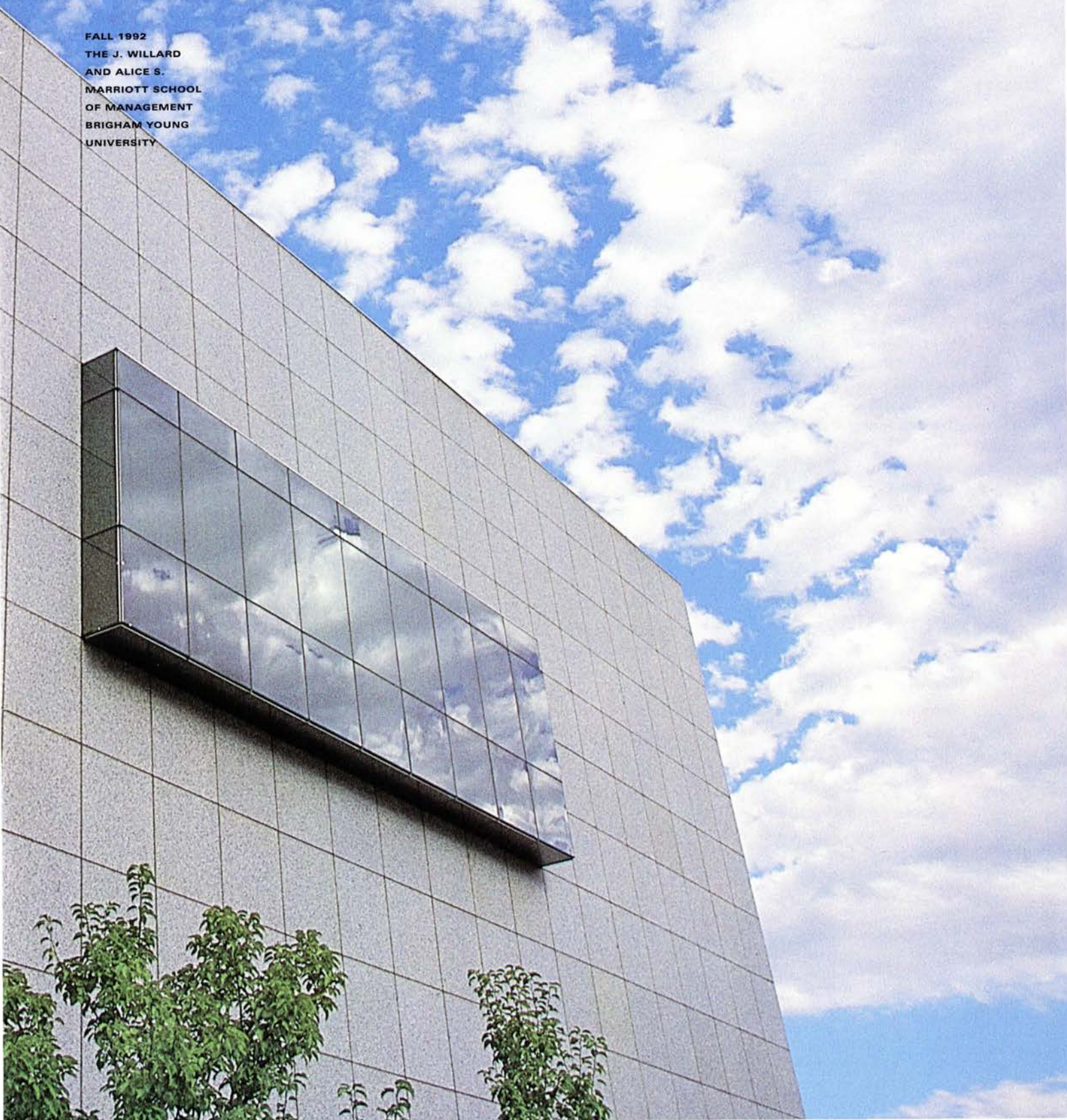


# EXCHANGE

FALL 1992  
THE J. WILLARD  
AND ALICE S.  
MARRIOTT SCHOOL  
OF MANAGEMENT  
BRIGHAM YOUNG  
UNIVERSITY





## ...From the Dean

Over the past few years, much has been said about excellence in management and quality control in the workplace. Marriott School faculty and administrators have looked carefully at this trend and its implications for management education. We have determined that to achieve excellence and quality in management education, four educational characteristics are necessary: well-prepared students; well-qualified faculty; strong, well-developed programs; and superior external support groups. My comments will focus on the fourth characteristic—external support.

Historically, the MSM has received strong support from various external groups. We are fortunate to have many alumni and friends who are committed to assisting the school as it moves forward in its quest for excellence in management education. In addition, many companies have joined ranks with us to provide much-needed financial and professional support.

I would like to share with you examples of the various kinds of external support that are essential to the continuing development and well-being of the Marriott School. The school receives excellent support for its various lecture series and the Executive-in-Residence Program. During any given year, 90 to 100 special lecturers visit campus as a result of alumni and friends' involvement with the school. Some come as part of a commitment made to the school through support groups, such as the Entrepreneur Founders and the Grant Taggart Program of Insurance and Financial Services. These groups sponsor the Entrepreneurship Lectures and the Insurance and Financial Service Lecture Series with outstanding success. The Executive Lecture Series gives corporate America an opportunity to participate. Members of the National Advisory Council (NAC) and the Alumni Board provide the names and those vital links that bring major management figures to campus. External support of these lectures is essential to accomplishing the desired goal: to provide an opportunity for students to

learn from outstanding "real world" executives and managers.

A second area where external support provides academic development opportunities can be illustrated by the relationship the school has with Larry H. Miller, owner of the Utah Jazz and a number of auto dealerships. Miller has willingly given lectures, provided student internships, and assisted faculty research. He opened the Jazz organization to a team of researchers composed of four faculty members and



four graduate research assistants. Their goal was to research and write a management case study on the development and completion of the Utah Jazz Delta Center project. This multimillion-dollar project offered a research challenge, coupled with hands-on business experience. With Miller's direct involvement and the cooperation of Jazz organization members and others who played major roles, the research team pursued the project to completion. The resulting case study appears in *Strategic Management: Concepts and Cases* (Richard D. Irwin, Inc., Boston, Mass). MSM students, as well as students across the country, will benefit from this cooperative venture.

The school receives substantial help from companies and organizations. Three good examples are the support received from major accounting firms and retailing companies. First, the accounting program enjoys major endowments from Ernst and Young, Arthur Andersen, Deloitte and Touche, Peat Marwick, Price Waterhouse, and

their employees. Through the matching gift program, these accounting firms, their foundations, and employees make major financial contributions each year to professorships, scholarships, curriculum development, and to Beta Alpha Psi, the national accounting honorary fraternity. Firm representatives serve on an accounting advisory board and recruit students for internships and full-time employment.

The second example is the exceptional support received by the Skaggs Institute of Retail Management (SIRM). Each year the institute sponsors Retailing Fortnight. During this two-week period, SIRM Advisory Board members, representing major retailers, visit campus to work with students and faculty. They are joined by representatives from other retailing organizations to present programs and offer student internships and employment opportunities. This external support has helped the Skaggs retailing program develop into one of the finest retailing programs in the country.

The third example of substantial support is Union Pacific. In response to a proposal on a technology-enhanced learning environment (TELE), Union Pacific is funding development of a Tanner Building TELE classroom. This educational concept includes computers and software that bring home learning points without taking major amounts of time to write or diagram on the blackboard. Graphs, charts, formulas, etc., can be immediately shown on the screen and a pointer calls attention to specifics.

Individuals in support groups and alumni also play a major role in the development of MSM programs. The International Student Sponsor Program (ISSP) was the dream of a National Advisory Council member. Wilford Cardon, a former Brazilian mission president, wanted to help talented students from Brazil to pursue graduate degrees at BYU. He and Duke Cowley started to loan funds to one or two students. Wilford presented the program to the NAC Executive Committee, and NAC members caught the vision. Today, nearly 30 individuals and organizations have contributed to this loan program to allow international

*continued on page 12*

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**C O N T E N T S**

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**INTERNATIONAL COOPERATION/COMPETITION**

Robert G. Crawford

*Our thinking about cooperation/competition is always done against the backdrop of our experience and intellectual influences. But few of us have direct experiences of the kind that helps us analyze the effects of international cooperation.*

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**INVESTMENTS**

William R. Lambert and Roger G. Clarke

*Most of the time the unexciting yet sound, long-term investment strategy is actually the most profitable, and it surely gives the greatest peace of mind though the titillation of our greed and gambling instincts is seldom satisfied.*

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FOR MANY, COOPERATION TENDS TO BE VIEWED POSITIVELY,



WHILE COMPETITION IS REGARDED AS UNDESIRABLE.



**T**he street on which I usually drive from home to campus faces the local

**B I T I N G**

Steel Workers Union Hall. On the fence in front are twin signs: "YOU AND YOUR AMERICAN MADE CAR ARE WELCOME HERE!" To me

these signs present a paradox. I wonder if the union members see the irony in the fact that while their

**T H I E**

jobs depend upon the company's ability to export steel to unbiased global customers, union workers have a bias against global suppli-

*Robert G. Crawford*

ers of "non-U.S.-manufactured" cars. The signs are more anach-

**H A N D**

*Department of*

*Managerial Economics*

ronistic than before, because now most steel workers, like the general public, would be unable to identify

*Illustration by*

*Alan E. Cober*

a U.S.-made car. A "U.S.-made" car is only a statistic, a domestic

**T H I A T**

content percentage. There is, in fact, no U.S. car made with 100 percent domestic content. 🌐 So how do these steel workers,

whose very jobs depend upon global steel buyers' cooperative buying habits, ratio-

**F E E D S**

nalize biting the hand that feeds them? International cooperation/competition so pervasively and subtly influences our daily activities

that we seldom think of it. But if we do think of it, how should we think? Let me pose a few questions

**Y @ U**



that suggest a way. Am I cooperating or competing if I:

a) volunteer to bear some of the risk of your business activity in a way that allows you to retain your business?

b) buy a business that results in giving you a more secure job than you currently have?

c) build a higher quality car than you would otherwise be able to purchase and, by so doing, force other manufacturers to improve the quality of their cars?

d) buy the products that you produce, thus helping you extend your market share and increase your profitability?

e) improve the quality of a product you currently rely on and find a way to produce and sell it to you at a lower price than you now pay?<sup>1</sup>

Through these actions you can see that I'm both cooperating and competing. I am cooperating with you and competing with your current supplier or other businesses. A given behavior is viewed as cooperating or competing depending only upon the perspective taken. All of these activities will be beneficial to American consumers and are favored by them. Further, the result doesn't depend on who I am, or whether I am the same nationality as you. Yet the union's signs say just the opposite. Why?

#### **Economic Theory and Experience**

Our thinking about cooperation/competition is always done against the backdrop of our experience and intellectual influences. But few of us have direct experiences of the kind that helps us analyze the effects of international cooperation. However, our thinking is never independent of some kind of theory. What is the implicit theory grounding the steel workers' signs? Keynes' General Theory concludes with the following interesting claim:

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly

exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval; for in the field of economic and political philosophy there are not many who are influenced by new theories after they are 25 or 30 years of age, so that the ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But soon or late it is ideas, not vested interests, which are dangerous for good or evil.

The word *theory* comes from the Greek "theoria," which means "vision"—"a way of seeing." The convention of scientific theory, including economics, is to think of science as a way of "saying what we see" and empirically testing what we say by what we see, as if "seeing" is outside or prior to saying. What is seen is something "out there" to which we have direct access and which we then describe "linguistically." An alternative view, which postmodern philosophers of science regard as proper, is that we do not have direct or alinguistic access to things as conventionally assumed. Hence science is as much a case of "seeing what we say" as "saying what we see."<sup>2</sup>

This postmodern view turns the conventional understanding of "objective" science on its head by recognizing the jointness of the "saying" and the "seeing." This jointness of saying and seeing emphasizes language as the medium of access to our world: Thus, the importance of Keynes' recognition that ideas (linguistic seeing) are most dangerous for good or evil—particularly as they relate to matters of global trade. And thus, the focus on the language of economic relations.

I link cooperation/competition with a slash to draw your attention to the theoretical view that competition is an economic way of cooperating. I emphasize this view of economics because it is common for others to view cooperation and competition as opposite ends of a social action continuum. For many, cooperation tends to be viewed positively, while competition is regarded as undesirable.

#### **Economic vs. Political Boundaries**

Boundaries, even if necessary in the domain of politics, are arbitrary and make no economic sense. Yet these arbitrary boundaries pervade our "seeing"

because they persist in our "saying." Without economic boundaries, there is no issue of "international" economic anything. National political borders make us see things from the perspective of a national "us," which then governs

our behavior. For example, we don't keep statistics on the magnitude of trade between Utah and New York, but do keep them on trade between Utah and Alberta even though Utah may be closer in culture, language, and distance to Alberta than it

is to New York. Why? Because of an "us" versus "them" mentality of an arbitrarily established political boundary.

Why adopt our political boundaries as economic boundaries? True, they facilitate the collection of tariffs to support political activity, but tariffs work against the very employment objectives of national politics. It is now common knowledge that the Hawley-Smoot tariffs of the thirties were a major contributor to the Great Depression and the loss of jobs that they were purportedly preserving.

Thus, tariffs restrain trade between Utah and Alberta—something constitutionally forbidden between Utah and New York. Tariffs, long recognized by economists as being harmful, are a barrier to international economic cooperation. By adopting the so-called free trade agreement with Canada and Mexico, we are now politically recognizing the impracticality of these economic boundaries as well as the theoretical nonsense on which they are based.

The accounting statistics on trade between the political boundaries result in arbitrary "deficits"—mere accounting artifacts—to which the traditional meaning of a personal deficit is commonly attached, along with all the worries such personal deficits constitute. These worries give rise to political action to "solve" the problem of these deficits, which further leads to folly.

The "us" versus "them" way of thinking gives priority to national issues—the national perspective—which tends to be personalized.<sup>3</sup> All the baggage of mercantilist thought and its protectionist corollary are carried along with this nationalistic way of viewing our relations with others who formerly merely used a different language and were separate from us in time and space when the idea of a





nation was first conceived. These former differences gave apparent significance to terms "us" and "them," creating the natural priority for the personalized "us." Today's technology renders these differences effectively nonexistent.

It is now entirely appropriate to ask the questions "Who Is Us?" and "Who Is Them?"—as Robert Reich has done.<sup>4</sup> Reich's conclusion is that the us and them distinction does not apply to products made in an era of global specialization and exchange. But most Americans still think otherwise, and thus we have the political folly over trade deficits and their supposed harm. During the decades of the seventies and eighties, when the U.S. had a merchandise trade deficit 90 percent of the time, civilian employment grew from 78 million to 118 million—a 40-million, 51-percent increase. During the supposed economic wonder years of the fifties and sixties, the U.S. never experienced one merchandise trade deficit. Yet civilian employment grew by only 18 million, from 59 to 78 million—a 36 percent increase.<sup>5</sup>

I further split the adjective 'international' from the cooperation/competition terms, because I believe it adds little to our understanding of cooperation/competition. Further, it perpetuates between peoples of the world a division that business seeks to overcome. Using the adjective international reflects a dangerous attitude if it implies an economic priority to "national" economic activity. National economic activity is like the "U.S.-made" car; it doesn't exist. The need to distinguish between international and national economic events reveals that we have carried over into our theory some ideas which may not be appropriate or helpful given the arbitrary nature of the distinction.

#### Global Accounting

National income accounting presupposes an "us" economy in relation to a "them" economy. National income and national product are the aggregate of all "us" expenditures minus purchases from "them." In this accounting system there are two accounts: (a) the current account, which measures all trades of goods and services, and (b) the capital account, which measures all transactions related to the ownership of assets. The accounting system is such that the current

account balance (CAB) is always opposite in sign and equal in magnitude to the capital account balance (KAB). Further, one nation's deficit is always another nation's surplus. Thus the current national income accounting system allows that while some nations may have a trade deficit, the global economy can never be in deficit unless we commence trade with Mars and keep interglobal trade statistics. Thus if "us" country CAB is negative (exports are less than imports), its KAB is positive (there is a net inflow of capital from "them" to "us").

What does a negative CAB, a trade deficit, mean? It means, for instance, that if an "us" economy wants more capital for development of industry to provide better employment opportunities for "us" residents than it is able to provide for itself, it can do so *only* with cooperation from "them." "Them" must run a trade deficit and export capital to "us." Or if "them" investors see better opportunities to invest their capital with "us" (as the U.S. did in the fifties and sixties), they can only do so by inducing a current account surplus with "us." International deficits and surpluses are the head and tail of the same coin. If one is bad, so is the other. It makes more sense to speak not of heads or tails but of coins. It is such trade deficit activity that is the coin for the remarkable revitalization of the Mexican economy during the decade of the eighties.

The existence of a trade deficit *by itself* is no indication of problems for "us." Even if the trade deficit arises because "us" is importing large amounts of consumer goods from "them," which goods are financed by capital inflows from "them," we cannot necessarily draw negative conclusions. These capital inflows may be loans—borrowed capital—or may be capital inflows that result from the sale of assets owned by "us." Thus, even if the capital account surplus is just financing an increase in current consumption, we are not forced to draw the conclusion that this is a bad situation for "us." Until we know the composition of the imports, how they are financed and the financial position of the individuals making these transactions, nothing at all can legitimately be concluded from just the existence of trade deficit.

For instance, two years ago Pebble Beach Golf Resort was sold by an

American investor group led by Marvin Davis to Japanese owner Minoru Isutani for \$841 million.<sup>6</sup> Isutani had financial difficulty arranging a private membership plan for the resort and within the year sold it to another Japanese owner for \$500 million. Isutani bought at the height of the California real estate boom, and analysts believe he paid as much as \$300 million too much for the property—reflected in the \$341 million loss he realized upon selling the resort. Who is to say that billionaire Marvin Davis and his group of investors made a mistake in selling the resort? Such a repositioning of their investment portfolio now appears as an astute management action. This \$841 million was part of the U.S. capital account surplus, and there was an offsetting deficit in the current account balance—an accounting number—to match this fortuitous capital gain. Are you worried about that accounting number? Yet it is this and thousands of other similar transactions that make up the capital account surplus that allowed "us" in 1991 to create nearly \$100 billion in new capital beyond the amount financed by "our" saving.

So how should we rewrite the signs for the steel workers so that we'd feel welcome, not embarrassed by their myopia? "WE WELCOME YOU AND YOUR STEEL!"

■

#### Notes

<sup>1</sup> These are not hypothetical. Examples of each are:

a) Nintendo president Hiroshi Yamauchi heads a group investing in the Seattle Mariners; Yamauchi is putting up \$75 million of his own money!

b) Bridgestone's purchase of Firestone Tire.

c) Toyota and Honda relative to GM, Ford and Chrysler.

d) Forrest products, agricultural products, software, chemicals, nuts and bolts, industrial equipment.

e) Computer chips, TVs, and VCRs.

<sup>2</sup> See Lloyd Eby's article "Reflections on the Philosophy of Science" in *The World & I*, September 1991, pp. 531-45.

<sup>3</sup> See Robert B. Reich's book *The Work of Nations*, Alfred A. Knopf, New York, 1991, especially the first three chapters.

<sup>4</sup> See Robert B. Reich, "Who Is Us?" *Harvard Business Review*, January-February 1990, pp. 53-64, and "Who Is Them?" *Harvard Business Review*, March-April 1991, pp. 77-89.

<sup>5</sup> 1992 *Economic Report of the President*, tables B-31 and B-100.

<sup>6</sup> *Wall Street Journal*, February 20, 1992.



# INVESTMENT STRATEGIES FOR FUTURE FINANCIAL GROWTH

As the U.S. economy struggles to get back on its feet, two frequently asked investment questions are:

- What should I invest in if I believe in a slow-growth future?
- I just switched all of my retirement funds into stocks from my bond and money market accounts. Do you think that was a good idea?

## **A Slow-Growth Economy?**

To address the first question, one should first differentiate between the growth rates of the economy and the stock market. In the very long run the stock market would obviously be positively correlated with the general directional growth in the economy. However, the stock market has traditionally led the major cyclical swings in the economy from two months to a year. Thus, the major market move of 1991-92 may be predicting a major economic recovery—or it may be giving a false signal. The market wouldn't have to keep rising if the economy starts its recovery, since the market has already discounted some part of an economic rebound. In any case, the general consensus of a slow-growth economy may not be an accurate prediction of the future.

Falling interest rates have also been a predictor of a rising stock market and economy. On the one hand, some argue that the improving trend of U.S. efficiency, quality of goods, and competitiveness could increase our growth rate. Furthermore, the increased development of the international markets, and especially the modernization of Eastern block and Third-World countries, could significantly bolster the demand for U.S. goods.

On the other hand, some take a more critical view of our economic future. They suggest the following predictions:

---

**WILLIAM R. LAMBERT**  
Institute of Business  
Management

▪  
**ROGER G. CLARKE**  
President  
TSA Capital Management



**ILLUSTRATION**

**BY**

**RAFAL OLBINSKI**

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- Our loss of competitiveness will continue in certain major manufacturing areas.
- Trade barriers by foreign countries (Japan and the European Common Market) will significantly restrict our export growth.
- Lower birth rates and environmental concerns will lead to slower growth rates.
- Someday, uncontrolled budget deficits will also have to be tackled. This would diminish the stimulus we've come to expect from an irresponsible fiscal policy.
- The decreasing availability of cheap natural resources will slow down our growth rates.

Certainly some of these considerations suggest a lower rate of growth for our economy as compared to the past. But although there seems to be ample reason for a slow-growth economy prediction, there cannot be any certainty given the mix of data.

If the economy grows more slowly, inflation should also be lower. Then a real rate of return from investing could acceptably start from a lower level of gross return—a realized rate of return of 12 percent with 8 percent inflation is no better than an 8 percent return with 4 percent inflation. Possibly too many people suppose that investment strategies should vary significantly, given different forecasts of growth. Since both fixed-interest security yields and stock market returns will quickly reflect changing economic growth rates at any given time, it is difficult to argue for significant long-term investment strategy changes. It probably makes the most sense to remember the basics, take a little less risk, and hedge by diversifying between both fixed-income and stock portfolios.

### Portfolio Returns

Concerning portfolio returns, you might want to be more heavily weighted in the stock market if your time horizon is for the longer term, because the more risky stock market has shown a greater long-term return than fixed-income portfolios. Data on long-run average returns for stocks, bonds, and cash equivalents since 1926 illustrates this point. As shown in Exhibit 1, the average annual

return on stocks since 1926 has been 10.4 percent while the average annual return for long-term U.S. Government bonds and Treasury bills has been 4.8 percent and 3.7 percent, respectively.

Statisticians typically describe the amount of risk in an investment by its standard deviation, which measures variability around the average return. Notice that the standard deviation for stocks is much higher than for bonds or bills; consequently, the promise of higher returns demands higher levels of risk. Thus, if you have a long time horizon, perhaps weighting a portfolio more heavily in stocks seems reasonable as the riskiness is less onerous in a long time frame. However, if one is close to retirement, a long-term average is less attractive, and one can easily argue for taking a less risky approach and underweighting the more risky stocks. Many people would rather sleep well than eat well.

Pertaining to the question of what stocks to buy, a broad-based fund is generally acceptable. However, there has been so much indexing in stock funds (trying merely to capture the average stock market gain) that their performance is sometimes surpassed by more focused funds. One of the challenges of the future may not be merely to decide to invest in a stock index fund; rather, it may be to diversify investments into a selected variety of focused stock funds, such as small-capitalization companies or funds with only international companies.

### Changing Investment Strategies

The second question, determining an investment strategy, may be the more immediate concern. The fact that this

question is asked so frequently and impacts the first question so heavily sheds important perspective on long-term investing.

One standard principle of long-term strategy is not to change basic investment focus because of short-term results. If an individual rationally chooses an initial strategy of balancing fixed-income securities and stocks, it would be a major strategic reversal to switch into all stocks just because of a short-term wide difference in performance. This can be especially risky if the investor is now significantly older, a time of life when greater risk taking is not in order. If a major fall in the stock market were to occur in the near future, one may not have the time to wait for the recovery.

Too often one is persuaded to change strategies, jumping on what would have been better for last year and thus always being one step behind. This often is the response of inexperienced investors, both in selling out after a major slide when stocks are more fairly valued and in switching into stocks after they see a market rise and everyone is optimistic. If they tend to respond to these kinds of pressures and feel the need always to run to catch up, their actions usually override any sensible long-term strategy. As a result, they suffer for their short-term guessing.

Although the stock market has been performing well, especially given the weak economy of the last two to three years, it may be a misleading indicator. As long as interest rates fall and the stock market maintains a slight upward trend, money will flow from short-term CDs and money/cash accounts into the

**EXHIBIT 1: Average Annualized Returns on U.S. Stocks, Bonds, and Bills  
1926-1991**

Investments	Average Compound Return	Risk Measure Standard Deviation
Common Stocks	10.4%	20.8%
Long-Term Government Bonds	4.8	8.6
U.S. Treasury Bills	3.7	3.4

Source: *Stocks, Bonds, Bills and Inflation: 1992 Yearbook*. Ibbotson Associates, Chicago.



stock market. It represents the only perceived alternative to the very low obtainable yields on cash holding.

However, one might consider (even if interest rates fall again before election) what will happen when interest rates start to rise and the stock market takes a dip. Would people then flee the stock market? Would many of the particularly *weak hands* (inexperienced stock market participants) reverse their confidences and begin to feel that even a lower certain yield is better than the uncertainty of a falling stock market? If so, this would cause a reversal, with funds flowing from stocks to bonds.

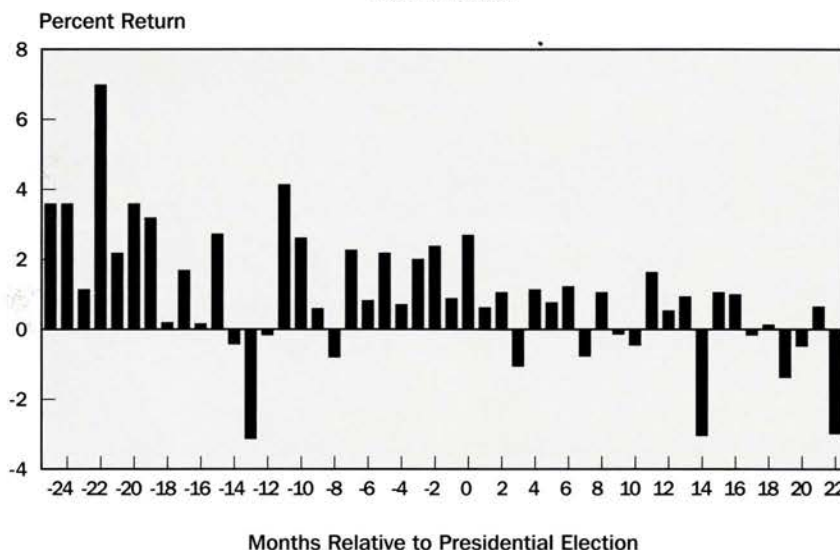
Many of the traditional market valuation approaches now show a generally optimistic investor assessment of earnings, sales growth, book value, and economic growth. Since the market has recently reached an all time-high [as this article is being written in early June], one might conclude that most investors are bullish. If this stock market high is accompanied by a strong growth of sales and earnings, then no concern should dominate. However, if the high is only a response to a recognized turnaround from the recession bottom, perhaps the market is merely reflecting anticipatory optimism and a lack of any unusually attractive investment alternative.

Sometimes individuals change their portfolio mix because their expectations change concerning return potential. For example, investors may notice stocks tend to perform better during months preceding presidential elections than after the elections. Exhibit 2 presents the average return for the months before and after the presidential elections from September 1962 to May 1992. The zero point represents November of presidential-election years.

Notice that returns tend to be higher in the 25 months preceding the election than in the 22 months following the election (the large average negative return 13 months before the election is heavily affected by the market crash in October 1987). This suggests that perhaps an administration can take actions to make the economy look good before an election; but shortly thereafter reality sets in and economic problems

## EXHIBIT 2

### Average Stock Returns Relative To Elections 1964-1992



receive extra focus. An investor exploiting this analysis may want to overweight the portfolio in stocks prior to a presidential election and underweight it in stock soon after.

#### Conclusion

The past has taught us that stocks—over the long term—have returned better results than fixed-income securities, but with accompanying higher risk. Investors' tolerance for risk depends to a great extent on their personality and investment horizon. Some people are more willing to bear risk than others. The length of the investment horizon, often influenced by age, also influences the investor's desire to bear risk. However, the personality, disposition, and circumstances of the individual investor usually do not change very quickly. Consequently, the composition of an investor's portfolio based solely on these factors would not be expected to change very often. The appropriate mix of stocks, bonds, cash, and other investment alternatives could be put in place and held for some period of time without a need to change, regardless of changes in economic growth.

It is also important to remember that (a) switching into stocks after they have had a good move in order to participate profitably in that move and then

(b) switching out of stocks after a major fall in order to prevent further losses is undoubtedly a destructive short-term approach. Economic forecasting is difficult, and it may not predict the stock market's performance. To get ahead of the crowd rather than follow it, perhaps even a contrarian strategy may make the most investing sense. However, since so many investors even try to reflect this in their investment decisions, it is difficult to know what the real contrarian view is. Even California real estate has its cycles and demonstrates that no investment is permanently preferred.

Therefore, a strategy showing awareness of risk and the importance of diversification should be a good strategy for the future, whether a slow- or a fast-growth era lies ahead. Be cautious not to make short-term major changes in strategy based on short-term results. Most of the time the unexciting yet sound, long-term strategy is actually the most profitable, and it surely gives the greatest peace of mind even though the titillation of our greed and gambling instincts is seldom satisfied. Knee-jerk reactions to satisfy the latter are speculation, not investing. Since it is very difficult to time brilliant moves in short-term trading strategies, a sound investing strategy should probably change very little, whatever the economic outlook. E





Janet M. Howard

*Department of Management Communication*

**T**HE Marriott School's unique International Student Sponsor Program (ISSP) was initiated in the mid 1980s because of the need for leadership in third-world nations, as perceived by returning mission presidents. Members of the MSM National Advisory Council and alumni who have worked and visited in these developing nations also saw a great need for leadership among the people. Therefore, they have wholeheartedly become donors to the ISSP and support its objectives: (1) to provide graduate management education and varied Church experience for LDS students from selected countries outside the United States and Canada; and (2) to strengthen those nations and the Church as those students return to take leadership roles in their professions, their communities, and the Church.

To be selected as a participant in this program, the student must—

- be married to a person native to the student's country.
- have completed a successful LDS mission or had significant Church experience.
- have completed an undergraduate degree, preferably from the native country.
- be committed to returning to the home country upon graduation.
- agree to repay these grants (loans) after graduation.

Since the ISSP's inception, 14 students from Argentina, Brazil, Chile, England, Mexico, and Venezuela have received grants and graduated from one of the MSM graduate programs. Because of the commitment and generosity of MSM alumni and other supporters of this program, the two-year experience will produce a positive

influence on these students, their families, their businesses, and the Church.

While at BYU, these students expressed in letters to the donors their appreciation for and their perceptions of the value of the program. For example, Carlos Zepeda, an April 1992 graduate from Mexico, wrote "My perspective of the business world has been expanded. This expanded outlook has resulted in many prospective full-time opportunities. In addition, being able to interact with people in the BYU community and in the Church has afforded me and my family an education within itself. Our lives will forever be enriched because of this opportunity that has been given us through generous donors of this program." Carlos' undergraduate chemical engineering degree from Universidad Nacional Autonoma de Mexico and his MBA degree brought him a rewarding position with Otis Elevator in Mexico City.

Another outstanding ISSP graduate (April 1991) was Milton Camargo from Niteroi, Brazil. Before coming to the MBA program, he filled an LDS mission in Portugal and then graduated in civil engineering from the prestigious Instituto Militar De Engenharia. After graduation, he worked for nine years in Brazil as a design engineer. He made the following comments in a letter of appreciation to program donors: "I want you to know that the knowledge and skills learned and developed in the MBA program will be used to serve and build the country of Brazil, the Church within Brazil, and the community in which we will reside. My wife and three children have benefited from living in the United States. They have learned a new language, a different culture, and have gained knowledge and skills that will help them to face future challenges."

"Our positions in the Church while at BYU have given us new insights in the areas of leadership, Church organization, and interpersonal relationships. Your sacrifice will not be forgotten but will extend far beyond me and my family. We plan in the future to follow your example in helping students who are in similar situations."

After a one-year Otis Elevator training program in the United States and Europe, Milton is now working for Otis in Brazil. Without the ISSP, Milton could not have come to BYU to pursue an MBA degree.

Another participant, Juan Carlos Castillo from Chile, made the following comments to program donors: "Because of what we have experienced and learned here at BYU, when we return to Chile we will be able to broaden other people's minds by sharing our two-year experiences in North America. We are committed to extending your sacrifice in our behalf to others in our country." Since returning to Chile to work as a financial analyst for Empresa Nacional De Minería, Juan has been called to serve as second counselor in the Quinta Normal LDS Stake Presidency. His wife is serving as ward Primary president. In addition, he is teaching a finance course at Universidad de Chile, one of the best universities in Chile.

Another graduate from Chile, Jorge Zeballos, is working for Minera Escondida Ltda.—BHP Minerals as an assistant to the vice president of operations. He has been called to be bishop of the Antofagasta 2nd Ward, Antofagasta Chile Stake. In addition, he was asked to teach advanced finance to fourth-year business students at a local university—Universidad Católica del Norte (Catholic University of the North).



Because donors gave these students the opportunity to obtain a graduate degree, the students now hold responsible positions within their business communities of their countries. They are serving as managers and consultants for such companies as Otis Elevator, Ernst & Young Consulting, Proctor & Gamble, Exxon, WordPerfect, G. E. Medical Systems, and McKinsey & Co, Inc. Further, along with other BYU alumni, ISSP graduates have organized a strong Management Society chapter in Brazil.

Warner Woodworth, an MSM faculty member who went to Brazil in the fall of 1991, noted that "Management Society members are using their finances, knowledge, and skills to help

members in the following ways:

(1) Teaching Church members how to start and operate their own successful businesses; (2) developing support systems among the members so they can help and assist each other in raising their living standards; and (3) assisting returned missionaries, who were illiterate prior to their missions, in getting a good high school education. In addition, they are providing living accommodations for these young men and women, hiring them either as full-time employees or as interns, and helping those qualified in obtaining higher-education degrees."

In addition to the graduates mentioned, current students include two from England, one from the Philip-

pines, one from Chile, two from Argentina, one from Colombia, one from Brazil, one from Singapore, and one from mainland China. As the needs and networking increase in Third-World nations, the ISSP will be able to extend its helping hand to many more qualified and eligible young men and women in those nations. But we need more participating alumni and friends to achieve ISSP goals.

Will you take a few moments to consider the positive impact you can have by being a donor to the ISSP? For additional information about the International Student Sponsor Program and how you can participate, contact Dr. Janet Howard, ISSP Coordinator, 587 TNRB, Brigham Young University, Provo, UT ☐

## The BYU Army ROTC Leadership Excellence Program: Developing the Warrior Spirit

by Jeff Broadhead

THE challenge for Lt. Col. Paul M. Searle, chair of the Military Science Department, a unit of the Marriott School of Management, has been to fit the Army ROTC program to the uniqueness of BYU as a religious institution.

"The mission of Brigham Young University—founded, supported, and guided by The Church of Jesus Christ of Latter-day Saints—is to assist the individual in the quest for perfection and eternal life. That assistance should provide a period of intensive learning in a stimulating setting where a commitment to excellence is expected and full realization of human potential is pursued."<sup>1</sup>

The mission of the United States Army ROTC Cadet Command is to produce commissioned officers in the quality, quantity, and academic disciplines necessary to meet army requirements. These officers must be action-oriented, tactically and technically competent, and possess a "warrior spirit."<sup>2</sup> To meet these objectives, Cadet Command has implemented the ROTC Leadership Excellence Program.

Col. Searle has adapted the Leadership Excellence Program to

focus on "empowering cadets to obtain their professional *and spiritual* potential through application of leadership excellence principles."

Col. Searle defines leadership as "the process of influencing others to accomplish the mission by providing purpose, direction, and motivation." As a framework for leadership development, the ROTC's Leadership Excellence Program aims to develop nine leadership competencies: communication, supervision, teaching and counseling, team development, technical/tactical proficiency, decision making, planning, management technology, and professional ethics. BYU cadets work for a tenth competency that they call "sound and perfect understanding."

Cadets learn three distinctive leadership styles: directing, participating, and delegating. Most BYU cadets, especially those who have served LDS missions, are very experienced in the participating and delegating styles, but not with the directing style of leadership. Cadets learn how and when each style is appropriate and practice applying each in field exercises, weekly labs, ranger activities, and basic and advanced camps.

A vital part of leadership excellence is understanding how to be an excellent follower. Col. Searle teaches the cadets that the essence of being a good follower is "to ensure that the one who is leading is successful."

In approaching military leadership from the unique BYU perspective, the cadets have selected General Mormon as a role model. When presenting the program to military leaders not acquainted with the LDS faith, Col. Searle explains that General Mormon lived in America between 311 and 385 AD and was a great warrior and the central religious figure in his nation—the man for whom the Book of Mormon is named.

Cadets study about General Mormon's life and his contribution to his people, not only as a warrior and a general, but also as a prophet, a scholar, a statesman, an author, a teacher, and a father. Mormon is an ideal role model because he was fearless, forthright, humble, full of integrity, and he gave his life for his country. For the cadets, he is the embodiment of the warrior spirit.

The Army ROTC Cadet Command has been overwhelmingly impressed

*continued on page 29*



## ...From the Dean

*continued from inside front cover*

students an opportunity to receive a professional degree.

Other supporters have helped by endowing scholarships to assist students with the costs inherent in attending a management program. These scholarships allow us to recognize outstanding academic work, to recruit promising students to our various programs, and to provide much-needed financial support for worthy candidates. Each year, I recognize with gratitude the great source of strength that comes with the knowledge that scholarship funds are available for MSM students. A number of NAC members, friends, alumni, and corporations provide endowments or annual-gift scholarships. Approximately 190 to 200 students are helped each year through these scholarship funds. This repre-

sents approximately 4.5 percent of the MSM student body.

External support takes many other forms. Some of the supporters provide help through donations of money or gifts in-kind; others give time to share expertise. Businesses and individuals provide internships and recruitment opportunities for graduating students. Some provide professional development opportunities for faculty.

Major financial gifts are funnelled through the Endowed Scholars Program—a program that provides faculty support through chairs and professorships, scholarships and assistantships for students, and research funds that allow faculty and students to pursue topics that are important to today's managers. All gifts to the MSM are part of the Leadership Alliance, an umbrella organization that gives structure and guidance to the fund-raising efforts of the various groups within the MSM.

A final example of external support is

the home of the MSM, the N. Eldon Tanner Building. This project received tremendous support from the National Advisory Council and from alumni and friends, who recognized the school's need for expanded teaching facilities, computer labs, and faculty space. The Tanner Building will mark its 10th year of occupancy this fall. It was and is a great morale boost to the MSM and its programs, and it has been used by many other business schools as a model of what a management school building should be.

As dean, I appreciate all those individuals and organizations that are committed to the Marriott School of Management, its students, and faculty. Without their loyalty, effort, and contributions, the MSM would not have made the progress it has. I look forward to many years of continuing support from "our external friends."

K. Fred Skousen

*Dean, Marriott School of Management*

## Foreign-Language Competency Means Competitive Advantage

*by Jeff Broadhead*

THE demand for managers with foreign-language ability is increasing. In an article in the *New York Times*, June 11, 1991, Richard W. Kean, executive vice president of Dunhill Personnel Systems, Inc., said that a person who could "write his own ticket" is an MBA who is fluent in Japanese and who has spent a year in Japan. The article reported that three MBAs from the Marriott School of Management were recently hired by a Japanese manufacturing firm because of their Japanese language fluency. The article also noted that the Marriott School of Management's rate of foreign-language fluency among its MBA students is about 80 percent, due largely to the experience many students gained on foreign missions for The Church of Jesus Christ of Latter-day Saints.

In the last two to three years Japanese firms have shown a growing interest in BYU students who are fluent in Japanese and who have backgrounds in engineering, computer science, and business. Jay Irvine of BYU's Placement

Center said that "many multinational firms are looking for managers who can communicate with Japanese executives and engineers and who understand the American way of doing business." Firms that have recruited Japanese speakers include Calsonic International, Seiko, Mitsubishi Bank, Sanyo, Honda, the Bunsha Group, Mitsui, Aetna Life, and the Bank of Tokyo.



*Toshio Kimeda is executive director and general manager of operations for Morgan Stanley-Tokyo. After his recent recruiting visit, he wrote to BYU's Placement Office commenting on the high calibre of our graduates.*

Brigham Young University is well known for the language skills of its students and alumni. Ron Burke from the MSM Career Services Office said that "many of the 17 companies expected to make first-time recruiting visits to campus this year are coming precisely because of the language capabilities of MSM graduates."

Japanese is not the only language in demand. The Latin American divisions of Monsanto, Black & Decker, and Quaker Oats came to campus for the first time last year looking for Spanish speakers. Continental Grain Co., Price Waterhouse, Hewlett-Packard, and Schmidt Scientific of Taiwan have recruited students with skills in Chinese and other Asian languages. Gitano and Medtronic look for competency in all languages.

In addition to hosting companies who recruit MBAs, the Career Services Office receives many requests for alumni with language skills. Interested alumni can contact Career Services Director Ron Burke at 470 Tanner Building, Provo, UT 84602, (801) 378-4859. E



# UPDATE



## **MSM Introduces Official Mark**

Brigham Young University's administration recently approved an official mark for the Marriott School of Management. In designing the mark, the Marriott School was looking for something that would be highly identifiable and could be used on all MSM publications.

The roundness of the design is patterned after BYU's official seal. The inner image depicts the sun rising over the N. Eldon Tanner Building—home of the MSM. The Tanner Building, whose stone walls represent strength and stability, has long been a symbol of the Marriott School. The image of the rising sun calls to mind the dawning of a new day and is symbolic of light and knowledge.

## **Management Society Chapter News**

### *Denver Chapter*

This past year the Denver Chapter of the Management Society has held an exciting series of lectures and seminars.

These meetings have included a luncheon with

Senator Bill Owens on the changes in the former Soviet Union; an address by chapter President David Allen entitled "Who Is Israel in the Context of Latter-day Science, the Kingdom of God, and Political Scenarios"; and a seminar by author and management consultant Stephen R. Covey.

### *Bay Area Chapters*

The San Francisco, East Bay, and South Bay chapters of the Management Society are dedicated to keeping their members informed on a broad array of topics, including business, religion, politics, and personal health. One way they accomplish this goal is through the periodic Bay Area lecture series.

Last October J. Bonner Ritchie, BYU professor of organizational behavior, spoke to members of the Management Society as part of the School of Management's Dean's Seminar. Dr. Ritchie related his experiences in working with the Bedouin tribes of the Middle East in 1990. He explained the complications and difficulties he saw as he tried to teach them principles of capitalism and organization. He also spoke on cultural biases and being open to change.

The Bay Area chapters regularly bring in speakers to uplift and educate their members. Speaking engagements planned for this coming year include an address on the worldwide activities

of the LDS Church by Elder David B. Haight of its Quorum of the Twelve Apostles; stress counseling by Beth Dansie, a counselor and stress management consultant; and an analysis of the economic impact of current events by author and financial advisor Howard Ruff.

## **MSM Faculty and Students Hear Korean Executive**

On March 27 Hyung-Chul Kim, manager of corporate strategic planning at Sunkyoung Industries, spoke to MSM students and faculty on "Integrating Corporate Strategy and Culture Change for the Year 2000." The lecture was an overview of recent developments in the company's strategy and organization.

Mr. Kim described Sunkyoung Industries' integration of the company's new strategic plan with a concurrent and cooperative change in corporate culture. He explained the concept of increasing interaction between the dynamic and static factors in the organization and the principle of coordination management—different functional groups reporting to the same manager.

Mr. Kim also described some important concepts that Sunkyoung has implemented to increase employee participation and innovation, including can-meetings and

supex. Can-meetings are off-site gatherings where employees may freely speak their minds without fear of retribution. This increases innovation as employees become more willing to be open with constructive criticism of company operations. Supex is what Mr. Kim described as "brain engagement maximization": the ability to overcome obstacles to develop breakthrough technologies.

Sunkyoung Industries is a subsidiary of the Sunkyoung Group, one of Korea's largest conglomerates. The company is involved in a variety of industries, including petrochemicals, textiles, and pharmaceuticals. Since 1989 the company has worked extensively towards harmonizing strategic planning and company culture.

## **OB Professor Meek Selected by Blue Key as Professor of the Month**

In April, professor Christopher B. Meek of the Department of Organizational Behavior was named professor of the month by Blue Key, a campus service and honor society.

Dr. Meek spoke at the award presentation on "Education for Development and Economic Democracy." He outlined the problems with unequal economic participation through limited property ownership and the need to move away from



"wage slavery" to self-employment. "The trend," he said, "needs to move towards people governing their own affairs and reaping the rewards or consequences of those decisions. One way to move towards economic self government is through cooperative systems in which all employees have partial ownership in the company for which they work."

### Executive Retailing Panel Advises MSM Students

Executives from some of the country's top retailing chains spoke on the future of business and answered students' questions in a recent MSM panel discussion.

The panelists, who were on campus attending Skaggs Institute board meetings on February 3, agreed that although the poor economy and recent corporate downsizing has limited student recruiting, there are still good employment opportunities for ambitious students.

Many students asked the panel for advice on being competitive in the job search. Don R. Clarke, CEO of Caldor, stressed persistence, saying, "If you stop at closed doors and walk around blocks you will be just like everyone else." Joseph A. Tomaselli, senior vice president of merchandising for Mervyn's, added that "Recruiters are looking for graduates who have common sense, communication skills, a sense of teamwork, business sense, and are willing to take risks."

John McMillin, co-chairman of Nordstrom, Inc., relayed the importance of familiarizing oneself with a company before the interview, suggesting that

students visit with company employees and learn about its culture.

Board members also counseled women who are pursuing business careers and advised them to focus on their talents rather than worrying about gender. Suzanne Allford, vice president at Wal-Mart, advised "If a woman wants to succeed she should be willing to accept untraditional roles."

Participating executives, representing several companies including Fred Meyer, Kmart, Jewel Company, Inc., Nordstrom, and J.C. Penney, were all members of the Skaggs Institute's National Advisory Board.

### Ned Hill Receives 1992 Outstanding Faculty Award

Ned C. Hill, professor of business administration, was honored February 26, 1992, with the Marriott School of Management Outstanding Faculty Award. The award was established in 1972 to honor faculty members who have distinguished themselves by outstanding professional contributions while at BYU.

Professors are selected according to excellence (in the past three to five years) in professional service, publication, teaching, research and/or administration.

Hill teaches finance primarily in the MBA program. A Utah native, he received a bachelor's degree in chemistry from the University of Utah, where he worked as a research assistant to Dr. Henry Eyring. He then attended Cornell University, earning a master's degree in chemistry shortly before serving in the Army. After his discharge, he began

doctoral work in the emerging field of finance, earning a PhD from Cornell in 1976.

He taught at Cornell for



Ned Hill

one year before accepting a teaching position at Indiana University. He remained there 10 years before accepting BYU's Joel C. Peterson Professorship of Business Administration in 1987.

As chair of the committee to examine the MBA program in 1989, Hill played an integral part in designing the revised program introduced in 1990. He has been twice honored as MBA Professor of the Year and has authored more than 70 professional publications and three books. He is editor of *EDI FORUM: The Journal of Electronic Data Interchange* and is a frequent speaker at national and international meetings on the subjects of EDI, cash management, and banking.

### Weldon Taylor Completes History of NAC

The Marriott School of Management has recently published a history of its National Advisory Council and the NAC's contribution to the school's growth. The book—*Pragmatics of Values*—is the result of years of work by author Weldon J.

Taylor, former School of Management dean, and others. Dean Taylor was responsible for many changes during his tenure, including forming the NAC, the MBA program, and the Department of Organizational Behavior.

Although the book's goal is "to provide the school and its patrons a history of NAC in partnership with the Marriott School of Management," it also gives an extensive history of the school itself, starting with its genesis as the Commercial College of the Brigham Young Academy in 1891. It also highlights many notable events, such as creation of the Executive Lecture Series and the MBA program and the school's recent emphasis on ethics and international issues.

Anyone interested in knowing more about the book, or obtaining a copy, may call the dean's office at (801) 378-4121.

### Professor Hubbard Retires

Dr. Dee Hubbard, professor of accounting, has retired this year after 25 years of teaching at BYU.

He taught for a year at BYU after receiving his MBA from the University of Utah in 1959. He then worked in the retail and construction industries before entering the University of Washington PhD program in accounting, which he completed in 1967.

Since rejoining the BYU faculty, Dr. Hubbard has been very involved in service to the university. He served as director of the BYU College of Business Student Advisement Center for five years, as faculty



curriculum and course coordinator of introductory accounting courses for three years, and as faculty advisor to the Gamma Alpha chapter of Beta Alpha Psi, 1979-1981. He served as coordinator of the management accounting stem of the School of Accountancy from 1981 to 1988, and most recently as associate director of the School of Accountancy from 1984 to 1992. In 1980 he received the School of Accountancy Distinguished Service Award.

Dr. Hubbard also served with the Salt Lake chapter of the Institute of Management Accounting in various capacities, including chapter president. In addition, he was an area councilor on the National Council of Beta Alpha Psi, 1981-1983.

He worked as a faculty resident with Arthur Andersen & Co. in Seattle and as a special project consultant on health care costs for Kennecott Copper Corporation. He was an educational consultant to the IBM Corporation in the U.S. and Belgium, and to the Deseret Press. His most recent faculty development leave was with the Marriott Corporation as a special projects consultant.

Dee is married to the former Patricia Hurren. They have three sons, a daughter, and three grandchildren. Their daughter, an attorney in Washington, D.C., will be spending this year as a visiting instructor at the BYU Law School.

After retirement, Dr. Hubbard's plans include a service mission with the LDS Church Auditing Department. Then, health permitting, he and his wife hope to serve a full-time mission.

## Promotional Videos Released in German

MSM promotional videos were recently translated into German and were shown to executives from various professional organizations in Europe.

In addition to the two tapes currently available, a third will spotlight the MSM Executive MBA Program and will include footage from the group's recent tour of Switzerland, Germany, and Czechoslovakia.

Those interested in using either the tape highlighting the entire Marriott School of Management or the video specifically featuring the MBA program may request a copy from Annette Jaspersen at (801) 378-3500.

## MSM Programs Earn Reaccreditation from AACSB

The Marriott School of Management achieved reaccreditation of its graduate and undergraduate management degree programs from the Accreditation Council of the American Assembly of Collegiate Schools of Business (AACSB). The bachelor's degree in accounting and master of accountancy degree received separate accreditation from the same organization.

The AACSB offers accreditation to only 268 of the nation's approximately 1,200 colleges and universities offering undergraduate business degrees. Of the more than 600 master's programs across the country, 268 are AACSB accredited. BYU's accounting program is one of only 97 schools that have received separate accreditation at various degree levels.

In order to achieve accreditation from AACSB, the MSM spent over 18 months responding to accreditation documents that addressed such issues as class offerings, faculty credentials and education levels, class loads, and student preparation.

## Grant Lasson awarded the Stoddard Prize in Finance

The 1992 George E. Stoddard Prize in Finance was awarded to Grant M. Lasson on April 1, 1992. The Stoddard Prize is a financial award given to BYU's outstanding MBA graduate with an emphasis in finance. The award is made possible by a \$15,000 endowment in Mr. Stoddard's name from W. P. Carey & Company, a national investment banking firm. Award selection is by a committee of senior finance faculty members.

Former winners include Darren Wilcox, 1987; Steven Lambert, 1988; Nick Loeb, 1989; Dennis Guerretti, 1990; and David Bryce, 1991.

After graduating this past April, Grant Lasson accepted a consulting position in San Francisco with APM, a growing management consulting firm that services the health care industry.

## MBA Program Names New Director

BYU's Master of Business Administration program was placed under new leadership beginning May 1, 1992. Dr. Gary F. McKinnon replaces Darral G. Clarke as director, while Kaye T.

Hanson remains as associate director.

McKinnon, a professor of business management, has been a member of the BYU faculty since 1969. His academic specialty is marketing theory and management. He has been serving as president of the Western Marketing Educators Association, a group that promotes marketing education at the university level.

After receiving a BS and an MBA from the University of Utah, McKinnon earned his PhD at the University of Texas at Austin in 1968. A two-time recipient of the



Gary F. McKinnon

Exxon Outstanding Teaching Award, an honor bestowed by the School of Management, McKinnon has also been named Professor of the Month by BYU's Management Society and Blue Key Honor Society.

## MSM Alumni Directory Available

Includes information on 20,000+ alumni for \$30.95. To order call (801) 378-4800 or (801) 378-5083.



## Administrative Changes—Department Chairs Appointed

Alan Wilkins was named chair of the Organizational Behavior Department. Wilkins, BYU's Wheatley Professor for Integrity in Free Enterprise, is one of the nation's leading authorities



*Alan Wilkins*

on organizational culture and culture change and has consulted with many Fortune 500 companies.

The author of a book on culture change, Wilkins has also written several articles for management audiences. He received a bachelor's degree and MBA from BYU and earned his PhD from Stanford University.

The Management Communications Department is now under the direction of Paul Timm. He is author of 17 books and dozens of articles on customer communication, human relations, supervision,



*Paul Timm*

business communication, managerial communication, and self-management. He has been a professor at BYU for 13 years.

Assistant dean of the Marriott School from 1981 to 1983, Timm also has nine years of industrial experience including employment with Bell South and Xerox. He also served as president of a training company. Timm holds a bachelor's degree in communications from the State University of New York at Buffalo, a master's degree in organizational communications from Ohio University, and a PhD in organizational communications from Florida State.

Scott Smith was reappointed to another term as director of the Institute of Business Management, a



*Scott Smith*

position he has held since 1989. A professor of marketing at BYU since 1981, Smith has also taught at the University of Oregon. He specializes in survey research in three areas: research methodology, marketing management applications, and computer modeling.

A graduate of BYU with a bachelor's degree in marketing, statistics, computer science, and economics, Smith earned an MBA from Michigan State

University and a PhD from Pennsylvania State University.

## Mentor Program Matches Students with Professionals

Students who have experienced difficulty making business contacts in their major field or who just need advice from an experienced professional can now get that assistance from a mentor assigned through the Marriott School of Management's mentor program. The program facilitates relationships between MSM students and seasoned professionals who can offer career-preparation advice.

The mentors are recruited from MSM organizations including the National Advisory Council, Alumni Board, and Management Society chapters. In most cases mentors will live in areas served by a chapter of the BYU Management Society.

The Management Society National Steering Committee coordinates the mentor program. The 50 Management Society chapters organized across the country provide a natural geographical base for program operations.

Student participants must have completed their sophomore year and be a member of the Management Society Campus Chapter.

## Skaggs Institute Changes

The Skaggs Institute of Retail Management is currently updating activities and curriculum to build its innovative and highly successful program.

The program changes will better fulfill the institute's

mission, which is not only to prepare BYU students for a retailing career, but also to improve faculty interest in retailing and to facilitate and conduct research for retail companies.

The changes focus on the program's number one strength, which, Director Heikki Rinne says, "... lies in [the institute's] contact with the retail community." According to Dr. Rinne, these contacts need to be better "utilized ... to improve the overall education for students and opportunities for faculty." Changes in institute activities center on improving and strengthening the contact between retail executives and MSM students and faculty.

Student interaction with the "real world" of retail management has always been a Skaggs Institute priority. In the past, most attention has been placed on student retailing internships and the Retail Fortnight, a two-week activity that includes company recruiting, executive lectures, and class discussions.

While both of these activities will remain a major part of students' retailing experience, new activities are being introduced to improve student participation. For example, workshops sponsored by the Retail Management Association will focus on time management and personal development to ease the transition into the workplace. In addition, a new program—Retailing Curriculum Review—will be introduced. This involves periodic curriculum review by institute graduates who are currently working in the retail industry, evaluating the program in light of current

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## 1991-1992 YEAR IN REVIEW

The J. Willard and Alice S. Marriott School of Management  
Brigham Young University

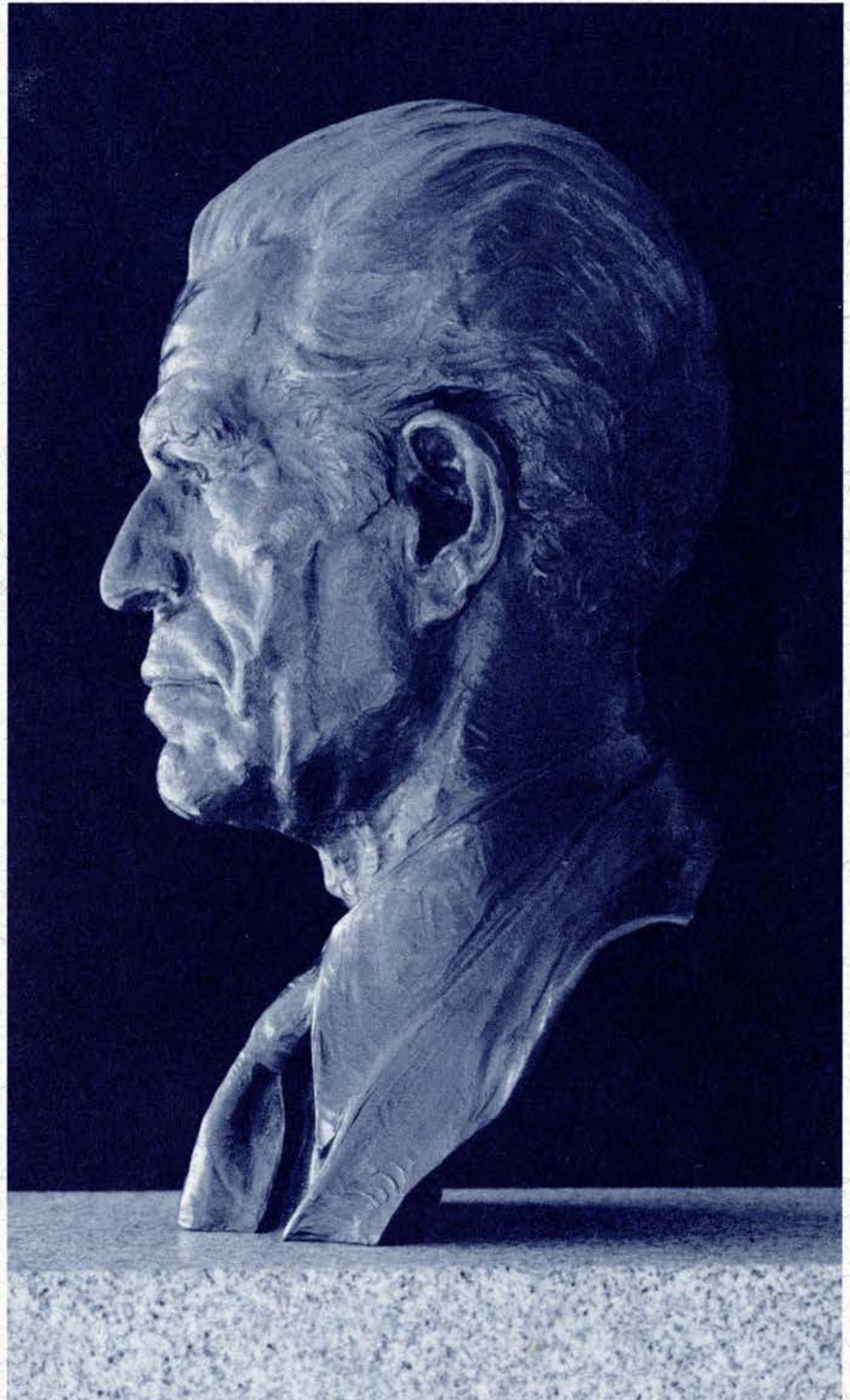
October 1, 1992

To MSM alumni and friends:

At the end of each academic year, I have the opportunity to review the past year, to evaluate various activities, to take note of areas needing more effort, and to highlight successes. After reviewing the 1991-92 school year, the progress report looks good indeed. MSM students continue to show strengths and skills essential for management degrees and successful careers. Faculty members are productive scholars and effective teachers. External support groups are actively involved in projects that stimulate academic growth and development.

The 1992 "Year in Review" highlights this latter group and gives recognition to alumni, friends, and corporate supporters, collectively and individually. They play a major role in the success of the Marriott School of Management. From these external groups, the school receives much-needed financial support, professional counseling, student internship opportunities, research opportunities for faculty and student teams, faculty professional development support, mentoring for students, and career opportunities through job recruitment. I share some of the details regarding these important external relationships in this "Year in Review."

K. Fred Skousen  
*Dean*





## National Advisory Council

Since its organization in 1966, under the leadership of Dean Weldon J. Taylor, the National Advisory Council has been an external support group vital to the School of Management's growth and development. Initially, NAC aimed to "bridge the gap between town and gown." Members wanted to bring the academic and the real worlds together for the betterment of both.

Early on, NAC developed the Business-Education Alliance. Then in the mid-seventies, under Dean Merrill J. Bateman, council members recognized the need for larger school facilities and provided leadership, as well as financial support, for the project. Under Dean William G. Dyer, NAC was involved in the building of the Tanner Building. It was the first academic building on campus to be built totally with external funding, raised primarily through NAC contributions and fund-raising efforts. In a final act of generosity and dedication, the council raised the funds for the NAC conference room and the faculty commons on the seventh floor.

In 1974, NAC announced a special annual award sponsored by the council and the School of Management. Award recipients would be outstanding executives whose professional and personal lives represent BYU values. Over the years, the International Executive of the Year (IEY) Award has been a highlight of the academic year and has been given to many outstanding executives. Representative of this group are Ronald W. Allen of Delta Airlines (1991), Jacqueline G. Wexler of the National Conference of Christians and Jews (1990), L. S. "Sam" Skaggs (1989), and James H. Evans of Union Pacific (1976).

When Paul H. Thompson became dean, council members became actively involved in strategic planning and moved into fund-raising for the Endowed Scholars Program. K. Fred Skousen, when he became dean, began to involve these external supporters in a myriad of ways to help the school fulfill its mission to educate students with ethical values, management skills, and leadership abilities needed in organizations worldwide; to conduct and

publish research on management topics that is useful in academic and management environments; and to foster an attitude of responsibility and service toward society. Dean Skousen has stated

The men and women who have served on the National Advisory Council throughout the years have been and are major supporters of the value-laden philosophy that is the foundation for Marriott School programs. They bring management expertise into the development of curriculum, and their ideas are reflected in the development of the school's strategic planning. Their continuing financial support is essential to the school's academic well-being.

Representative of NAC's involvement with the school in recent years are the Endowed Scholars Program and the International Student Sponsor Program (ISSP). The Endowed Scholars Program



*J. David "Bud" Billeter, NAC chair*

raises much-needed funds supporting faculty development, management research, curriculum development, and student scholarships. For example, NAC members who are partners in major accounting firms took the challenge and immediately began working with Arthur Andersen & Co., Ernst & Young, and Peat Marwick to establish professorship endowments. Dallas H. Bradford, a partner in Arthur Andersen

& Co., explained his participation with NAC and the Andersen Professorship in this way:

I am personally a strong supporter of the Marriott School of Management, as is Arthur Andersen, because the BYU students we have hired are able to make an immediate impact on our practice. I am also extremely impressed with the extraordinary accounting faculty. In addition to being excellent teachers, they are personally involved in all aspects of a student's entire educational experience.

NAC has raised funds to endow its National Advisory Council Professorship, and individual NAC members have endowed professorships that are major assets to the school and to faculty academic development. Steve V. White, former NAC chair, led the way by establishing the Georgia Thomas White Professorship in Management. Following Steve's and Georgia's desires, this professorship provides funding to invite an outstanding woman teacher to campus. For the last two years, Dr. Larzette Hale, a nationally recognized accounting educator, brought vitality and professionalism to her classes and to her faculty position as the Georgia Thomas White Professor.

Other NAC-initiated professorships are the J. Earl and Elaine B. Garrett Professorship, the Nyal D. and Bette McMullin Professorship, the Joel C. Peterson Professorship, the J. Fish Smith Professorship, and the William F. Edwards Professorship.

Several years ago, Wilford A. Cardon, as a member of the NAC Executive Committee, initiated an international student program proposal. For several years he and Duke Cowley had been sponsoring Brazilian students at BYU. He felt this program could be expanded to benefit students from other countries, and he challenged NAC to respond. Several NAC members caught the vision of what is now called the International Student Sponsor Program. To date, 18 students have graduated with two-year professional degrees (MBA and MOB). These graduates have returned to their home countries of Argentina, Great Britain, Brazil, Chile, Venezuela, and Mexico. Their



employment is with companies such as Black & Decker, Ernst & Young, WordPerfect, Otis Elevator, Procter & Gamble, and Minera Escondido Limibada.

Currently, a NAC committee, with **Donald L. Staheli** (Continental Grain Company) as chair, works to provide leadership and financing for this international student support program. They assist ISSP and other international students to obtain internships and career employment. For example, Continental Grain sent Kersti Alabert to Geneva, Switzerland, on a 1992 summer management internship. Kersti, an Estonian, returned to the MBA program this fall semester to complete her second year. This opportunity with Continental Grain was Kersti's first real experience with the free enterprise system, and it helped to bring classroom learning into reality for her. Continental Grain also provided Larry Fu a summer internship. He spent two months in Beijing, China, and then returned to Continental's Chicago office to complete his analysis and report before returning to school.

Mary Anne L. Graf of Health Care Innovations hired one full-time employee from the Class of '92 and provided one summer internship. Dan R. Paxton of Pizza Hut recruited two MBAs from the Class of '92 for full-time positions and hired one summer intern from the MBA class of 1993. Over the years, other NAC members have provided similar opportunities for work and research.

The National Advisory Council fulfills the leadership role for the BYU Management Society, an international association of MSM alumni and friends. NAC members have been presidents, consultants, and board members for various Management Society chapters. Current national chair **M. LaVoy Robison** (Denver, KPMG Peat Marwick) spends hours with the society's board members and MSM representatives planning how to strengthen the society and to make it a more valuable resource. Currently, the Management Society, in conjunction with the MSM Alumni Board, is coordinating a new program to assist students, "The MSM Mentoring Program." Through local Management Society

chapters, management students can establish relationships with business professionals, thereby enhancing the student's career preparation.

**Ronald E. "Ron" Malouf**, chair of Malouf Company, former NAC chair, and Management Society national president, stated:

The Marriott School's Mentor Program is providing a direct line for the students to the world of business and management. I know from personal involvement with students how valuable this can be for them. Through the mentoring process, lifelong friendships are built. I'm grateful to be involved.

Additionally, National Advisory Council members are committed to matching the Marriott \$15 million gift by 1996. To accomplish this, they have formed the Leadership Alliance and are personally providing leadership and funds. D. Richard McFerson, a NAC member and president and CEO of Nationwide Insurance Companies, is national chair of this new fund-raising organization, and Ron Malouf is the NAC committee chair. These men, together with representatives from the Alumni Board, the MSM, and other MSM friends, are leading out to provide entree into foundations, businesses, and individuals who can ultimately assist the school in meeting its fund-raising goal.

### National Advisory Council Emeriti

A special group of supporters is composed of emeritus members of the National Advisory Council. These men and women have maintained a commitment and loyalty to the Marriott School of Management through participation in local Management Society chapters, by making annual gift donations to the school, and by sending letters of suggestion and support.

Representative of their continuing interest and commitment is Veigh Nielson's service in the Dean's Office. After he retired from Phillips 66, and until he and his wife were called to service in the Dallas Temple, Veigh worked in the Dean's Office with international students and on other projects needing attention.

Another NAC emeritus, Byron



Ronald E. "Ron" Malouf

Anderson, moved to Salt Lake after his retirement from Northern Petrochemicals. He provided necessary local leadership for the Salt Lake Chapter of the Management Society and continues to be actively involved in chapter events.

Collectively, NAC emeriti represent a source of strength for the school. As most *Exchange* readers know, the Marriott School is named after J. Willard and Alice S. Marriott, charter members of NAC and NAC Spouses. A major gift from Mr. and Mrs. Marriott, followed by a gift from the Marriott family and a generous on-going commitment, helped the school move forward. The continuing support of the Marriott family is an important asset as the school moves into the 21st century. J.W. Marriott, Jr. is a NAC emeritus who continues to assist the school with specialized projects. Richard E. Marriott is a current NAC member who serves on its executive committee.

These are just a few of the over 185 former NAC members who have served the school and helped it to take steps forward. Each of these NAC members has rendered special—and much appreciated—service.

### National Advisory Council Spouses Committee

An important link in the success of an MSM graduate is the spouse, who is partner in the home and family. Recognizing this important relation-



ship, the spouses of National Advisory Council members were organized almost immediately after the council was established. Over the years, the challenges for this group have changed. Early on, the emphasis was predominately on wives and mothers, but as more women entered MSM professional graduate programs it became necessary to broaden the program's perspective and approach.

Under the capable direction of outstanding NAC spouses, this program assists students and spouses to make the transition from student to professional life. During the 1991-92 year, **Marjorie Bradford** served as chair. With vice-chair Carol Hansen, Marge worked with NAC spouses and student spouses to present a workshop/conference on the theme "Time for You."

### Alumni Board

The MSM Alumni Board began in 1986 with a small group of committed members. Since then, the size of the board has increased and its purpose has become clearly defined. The board has 35 to 40 members who serve a three-year term, and 30 individuals are emeritus members. **Kent Meyers** serves as board chair.

The board's purpose is to develop within alumni and students a desire and commitment to support the Marriott School. This support includes financial resources and alumni-school identification. The board also promotes recruitment of MSM graduates.

Board committees include fund raising, alumni relations, and student relations. During their semiannual meetings, board members meet with individual students and become career-preparation mentors. The Alumni Board originated the idea of a mentor program and conducted a pilot program with board members. The Mentor Program is presently cosponsored by the Alumni Board and the MSM Management Society.

Another successful Alumni Board program has been a series of panel discussions. Board members have addressed students on subjects such as successful interviewing, the importance of networking, and entrepreneurship.

The board has also implemented interactive alumni/faculty groups in

which mutually interesting subjects have been discussed from academic and business-world perspectives. As a result of these meetings, case studies are in development, and some alumni will be working with faculty members to review class outlines and curricula.

The MSM Alumni Board has helped plan and implement the new Leadership Alliance fund-raising program. The members themselves have made substantial monetary contributions to the school.

### Entrepreneur Founders

The Center for Entrepreneurship in the Marriott School of Management works with a dedicated group of entrepreneurs—the Entrepreneur Founders—who help the center determine policy and who advise direction for entrepreneurial education at Brigham Young University. The Entrepreneur Founders is chaired by **LeRoy K. Speirs**.

In 1989, Dean K. Fred Skousen announced that entrepreneurship would be one focus of three centers of excellence within the Marriott School of Management. The program has grown and continues to develop under the leadership of Dean Skousen and Dr. Brent D. Peterson, program director.

The mission of the Entrepreneur Founders is: *To support the Center for Entrepreneurship by and through contributions and involvement.* To fulfill this mission, the founders have identified seven support areas:

1. Participate in faculty/student research.
2. Assist in developing teaching materials.
3. Give lectures and presentations to MSM students and other groups.
4. Serve as role models for aspiring student entrepreneurs.
5. Help arrange internships for students.
6. Consult with MSM faculty and administration.
7. Assist in providing funding to develop an endowment for the center and to provide operating capital.

Since its inception, the Entrepreneur Founders has had a significant impact on the Marriott School of Management. Board members' efforts have led to an

entrepreneurship track in the undergraduate business program and an entrepreneurship area of emphasis in the MBA program. Through the Entrepreneur Lecture Series, many board members have been able to share their personal perspectives, insights,



*LeRoy K. Speirs*

advice, and expertise on management issues with MSM students and discuss personal successes and failures.

Many founders invite faculty and students into their organizations to conduct research. In addition, some have donated time and funding to develop cases for classroom use. These case studies are researched and written by students as part of a graduate course taught by Brent Peterson. Recently James Fraser, CEO and chairman of the board of Brighton Bank and the chairman of the Utah Bankers Association, sponsored a case write-up about Brighton Bank's beginnings. Students also have written a case study about Charles Hobbs' recent decision to sell his company to DayTimer, Inc. John McKeon invited students to research a recent expansion decision of the Howard and Phil's Western Wear chain.

The founders' financial support has been very helpful in guiding the center toward a \$5 million program-maintenance endowment. As the center works to obtain this endowment, the founders help with necessary operational funds. Their gifts provide research support, scholarships,



curriculum development, and library holdings.

With founders' help, new entrepreneurship classes are being developed in MSM undergraduate and graduate programs. Entrepreneurial research will be given more attention, and work is being done to secure holdings for a library.

### **Skaggs Institute of Retail Management National Advisory Board**

The National Advisory Board objectives are to help keep the Skaggs Institute abreast of the continually changing trends and needs of the retail industry and to provide an ongoing review of the institute's programs.

With the help of its National Advisory Board, the Skaggs Institute has become one of the most respected and nationally recognized programs in the Marriott School of Management. Much MSM recruiting comes from board-represented retailing firms; these firms know the quality of both the Skaggs program and its graduates.

In addition to advising the institute, participating executives interact with MSM students. Each year as many as 300 students attend the board's question-and-answer panel discussion as well as the small-group meetings with individual board members. In these settings the executives are able to answer questions and give insight into the things that have impacted their careers. Many students say this association with executives from some of the country's most successful companies is one of their most significant extracurricular activities.

Board members have also been instrumental in arranging faculty internships with their companies. Each summer, one or more MSM faculty members spends time at the corporate headquarters of a board member's company.

During the summer of 1991, Sally Fails, assistant director of the Skaggs Institute and an instructor of merchandising in the BYU Clothing and Textiles Department, participated in a two-day faculty internship at the Mervyn's headquarters in Hayward, California. The internship was arranged by NAB member Joe Tomaselli.

Most of Fails' time was spent in the

product development area. For Mervyn's, 50 percent of the merchandise sold is private label. Fails was able to witness the effects of the trend toward global sourcing in textiles and how Mervyn's interprets industry trends in developing their product lines. She was also able to tour the company's distribution center.

Business management professor William R. Swinyard has been on several faculty development internships in the last few years with firms such as Target, Express, Mervyn's, and JCPenney. Most of those visits were arranged through the National Advisory Board. Dr. Swinyard said that these experiences have been beneficial because he was able to build relationships with senior retail managers and establish contacts for the MSM. He has been able to see and understand the training these companies are expecting in the college graduates they hire. Having been inside the organization, he can better represent the company to the students in classroom discussions. It also helps to keep him current on retail practice.

New directions for the future of the Skaggs Institute and of retail education at the Marriott School of Management were the topics of this year's National Advisory Board meetings. NAB members suggested four specific institute objectives: 1. to improve the quality, preparation, and education of BYU students entering retailing as a career; 2. to generate faculty interest in retailing; 3. to facilitate quality research in retailing; and 4. to create an educational partnership between BYU and the retailing community in developing retailing education.

### **School of Accountancy and Information Systems Board of Advisors**

The School of Accountancy and Information Systems (SOAIS) Board of Advisors is an external sounding board and support group comprising 12 to 18 individuals. The board's objective is to assist SOAIS faculty in providing high-quality accounting and information systems education at Brigham Young University. Board members are alumni and friends who are committed to excellence in education and professional

pursuits and who are willing to work to improve SOAIS programs.

The specific board objectives are to—

1. Ensure the continued quality and progressive outlook of SOAIS programs through periodic peer review;
2. Serve as a sounding board for present and proposed SOAIS activities, including periodic updates of the long-range plan;
3. Assist in implementing a practitioner-faculty-student partnership;
4. Promote the school within the accounting and business community;
5. Assist in recruiting students and placing interns and graduates;
6. Provide guidance and direction in fund raising; and
7. Facilitate professional development leaves and relevant professional experiences for the faculty.

Candidates for board membership are nominated by SOAIS faculty and current board members. After approval by the SOAIS Executive Committee and the MSM Dean, appointments are made by the SOAIS director and the Board of Advisors chair. Each member serves a three-year term. The specific number of board members depends on the availability of qualified individuals who can and will effectively contribute their time and talents. An appropriate representation from each of the Big Six accounting firms, other national and local CPA firms, industry, systems, and government is sought.

Board members come from across the U.S., ensuring representation of all regions from which potential SOAIS students are drawn and to which graduates may return to seek employment. Board members need not be members of The Church of Jesus Christ of Latter-day Saints or alumni of BYU. **Scott Petersen** of Ernst & Young, is current board chair.

Since its inception in 1975, the Board of Advisors has been instrumental in helping SOAIS improve its programs to the point where the undergraduate program is rated fourth in the U.S. and the graduate program is rated eighth. The Marriott School of Management's accounting graduates are among the most highly recruited groups in the



nation. Much of the BYU recruiting is by SOAIS Board of Advisors members. Placement records for the 1990-91 school year show that of those graduates seeking employment, 99 per cent of MAcc graduates and 98 percent of BS graduates were placed.

SOAIS has benefitted from the individual efforts of many of the board members. Space permits mentioning only a few. Former Advisory Board chair and Arthur Andersen partner Dallas Bradford secured funding for the Arthur



*Scott Petersen*

Andersen Professorship Endowment and is heavily involved in recruiting MSM accounting graduates. Current board member Roy Avondet is leading the effort to secure a professorship endowment from Delloitte & Touche. Orrin T. Colby, of Utah Power & Light, has worked to make funding available each year for UP&L student scholarships. In total, the board has helped raise money to fund four professorships, two research fellowships, a \$100,000 endowment, and supplemental operational funds of approximately \$50,000 per year.

Another significant SOAIS board contribution has been significant feedback during development of the new undergraduate accounting curriculum introduced during the 1991-92 school year. The board has also provided faculty professional development leaves for SOAIS professors Lynn McKell, Emory Sonderegger, Dave Stewart, Owen Cherrington, and Leon Woodfield.

## Public Relations Advisory Committee

In February of 1990, the Public Relations Advisory Committee was formed from membership of the National Advisory Council, the Alumni Board, the Entrepreneur Founders, Management Society chapters, and MSM faculty and staff. Various MSM task forces had suggested forming a public relations committee to bring the Marriott School of Management message and name before the world.

The Public Relations Advisory Committee currently has 16 members co-chaired by **Steve Hansen** and MSM public relations director **Kaye T. Hanson**.

The committee has been directly responsible for a number of successes over the past year. For example, early in committee discussions it was suggested that a videotape promoting the MSM would be a useful publicity tool. Two videos were completed and distributed this year. One showcases the Marriott School of Management, and the other focusses on the MBA program, specifically highlighting changes instituted during the past two years. Both videos have been very positively received and are excellent representations of the MSM; vision and mission. The MSM videotape was translated into German and used during the Executive MBA tour of Europe in June. Copies were given to corporations the EMBA's visited in Switzerland, Germany, Czechoslovakia, and Sweden. Another video presentation is being prepared for the Executive MBA program.

The PR Committee has also focussed on unifying and increasing the quality of publications originating in the MSM. The committee announced last year that Dean Skousen has approved a publications council that will establish guidelines governing all MSM publications including mission statements, quality standards, timing frequency, and production procedures. Another recent PR Committee success has been the approval of an official identity mark to be used on all MSM publications.

Currently, the PR Committee is preparing an "Experts Book" for distribution to media representatives. It showcases MSM faculty members and

their areas of expertise. The book's format will assist the media in contacting MSM faculty members regarding current national and international news stories on which commentary from faculty experts would be useful.

## The Taggart Program of Insurance and Financial Services

The Taggart Program of Insurance and Financial Services began as a result of a gift to Brigham Young University by the late Grant Taggart, a prominent and successful Intermountain Area insurance executive. The gift's purpose was to help stimulate insurance and financial services education. It underwrites the Grant Taggart Symposium, a two-day BYU conference for insurance professionals that has been held each year since 1989. The symposium features workshops and presentations by many national and internationally renowned speakers.

Encouraged by the Taggart Symposium's success, and recognizing the need to strengthen the MSM insurance and financial services curriculum, the dean's office sponsored (as part of the Executive Lecture Series) the Insurance and Financial Services Lecture Series for MSM students.

This year, Dean Skousen has proposed and received administration approval for an insurance and financial services curriculum. The program will be funded entirely from outside sources and will be aimed at helping both students and friends of the school become better able to manage their own finances. This means having competencies in at least the use of insurance (life, health, casualty, etc.), investments, tax management, and comprehensive financial planning.

To implement this program, the Marriott School of Management will rely heavily on involvement of the Taggart Insurance and Financial Services Program Committee. The committee is chaired by **Rulon E. Rasmussen** and includes representatives from both the MSM and industry.

The dean's proposal fits well with overall Taggart Program objectives, which are to—

1. create an environment of professional cooperation between Brigham



Young University and the insurance and financial services industries;

2. intensify insurance and financial services education for BYU students;
3. integrate into the MSM instructional program participation by insurance and financial services professionals;
4. foster integrity and professionalism among individuals seeking careers in insurance and financially oriented fields;
5. conduct professional development programs including seminars, lectures, workshops, etc.;
6. educate consumers in the benefits and appropriate application of insurance and other financial services products; and
7. conduct and publish research on insurance and financial services topics that will be useful in both academic and professional environments.

The dean's office, the university administration, and the Taggart Program Committee are all enthusiastic about the program's future. Eventually, they hope to establish a Taggart Center for Insurance and Financial Services similar to the Skaggs Institute for Retail Management. With the Skaggs Program success and the recent development of a new accounting curriculum—also a competency-based program—Dean Skousen is confident that with continued support of the Taggart Program the MSM will succeed in properly developing a top-rate insurance and financial services curriculum.

### Master of Organizational Behavior Advisory Board

Early in 1992, Warner P. Woodworth, chair of the Organizational Behavior Department, invited William G. Dyer, a founding member of the OB faculty and former MSM dean, to help create an MOB Advisory Board. Their aim was to assemble a group of professionals who could help strengthen the MOB program and help both faculty and students build better networks with practicing OB professionals.

In its first meeting in March, the Advisory Board established the following objectives:

1. To give input to the OB department



*William G. Dyer*

regarding program curriculum, emerging trends in the field, student qualifications, and other issues.

2. To help students obtain valuable experience through quality internships and to help place graduates in professional positions.
3. To assist the faculty in organizing a first-rate OB conference each year.
4. To develop short courses, workshops, and seminars led by practicing professionals to help OB students get "hands-on" experience while at BYU.
5. To establish a lecture series that invites human resources professionals to campus to address students and faculty.
6. To identify research or consulting opportunities that will benefit OB students, faculty, and graduates.

Board members serve for a minimum of three years. **William G. Dyer** is the current chair.

Future plans for the board include establishing a "practitioner-in-residence" program in which a professional comes to campus for an extended stay. The MOB Advisory Board will make a significant contribution to the future success of the program and to the MSM as a whole.

### Leadership Alliance

The Leadership Alliance was formally named and implemented in October of 1991. Founded upon a rich tradition of

philanthropic giving, the Leadership Alliance helps secure external funding necessary to achieve the MSM goal of management education excellence. External funding has provided expanded opportunities ranging from scholarships, fellowships, and professorships to funding entire programs such as the Center for Entrepreneurship and the Skaggs Institute of Retail Management. The N. Eldon Tanner Building, which houses the Marriott School of Management, exists because of the generous support of university friends.

The Leadership Alliance is the coordinating center for all MSM fund raising, thereby obviating duplicated fund raising expenses. The Leadership Alliance and its board are intent on matching the Marriott family's gift of \$15 million (initiated in 1988) by December 31, 1996.

The Leadership Alliance is guided, under the direction of Dean Skousen, by an executive committee chaired by **Richard McFerson**, president of Nationwide Insurance Company, with Vice-Chair Ron Seamons, MSM director of development, and Associate Dean William R. Siddoway.

The first 12 months of the program have been very successful. With the commitment and dedication of many loyal volunteers, gifts totaling approximately \$1.6 million have been developed from many private, corporate, and foundation sources. In the short time since its inception, the Leadership Alliance has received contributions from 76 percent of the faculty, 56 percent of National Advisory Council members, and 56 percent of Alumni Board members. Two individual and three corporation donors have each gifted sums of \$100,000 or more.

One of the fastest growing support areas is the MSM Matching Gifts Program. Many alumni and friends have made the effort to contact their companies to secure matching gifts, which double (and sometimes triple) the amount of their contributions.

Speaking of this past year, Leadership Alliance Chair Richard McFerson said he viewed 1992 "as an organizational year. We succeeded in building the linkage between the different Marriott School groups and we



made a nice start toward our financial goal as well." He also voiced optimism that the Leadership Alliance will reach its objective within the established time frame. He continued, "We've had a good first year, but the real work lies ahead—in taking this plan and organization and converting them into real financial results."

Anyone desiring information about the Leadership Alliance can contact the Dean's Office at (801)378-3801.

## Management Society

In 1977 Merrill J. Bateman, then dean of the College of Business and Graduate School of Management, announced to alumni and friends that BYU's administration had approved creation of the Brigham Young University Management Society.

Today the Management Society is well established, with 39 chapters organized in the United States, Brazil, Canada, Hong Kong, Japan, Korea, and Singapore. Membership is available to all Marriott School graduates, friends of BYU, and other interested members of the management community.

In November 1984, joint Management Society/MSM National Advisory Council meetings were first held. Chapter leaders and NAC members have gathered annually since to exchange ideas and provide feedback to BYU in a variety of areas.

The Management Society is a national organization of emerging and established business leaders and managers from the private and public sectors. Its express purposes are to:

1. further and enhance the career development of members.
2. make members' skills and talents available in support and service to BYU and the MSM.
3. provide member networking opportunities.
4. be of service in the community.

This mission is carried out through the efforts of a national organization and local chapters. The national organization, known as the Steering Committee, consists of a national chair, **Richard E. Cook**, and regional coordinators. They work directly with a representative of the dean's office who

serves as executive director. This national organization reports to the MSM National Advisory Council Executive Board. M. LaVoy Robison, who served as national chair for several years, promoted and helped develop national and chapter organizations.



*Richard E. Cook*

Each chapter functions independently. Each has its own board of directors and carries out its own programs in its own geographic area. Each chapter is financially self-sufficient, financing its operations through annual dues. The national organization and the MSM provide local chapters with advice, forms, computer assistance, Dean's Seminars, and access to the MSM placement service. The school also sponsors an annual leadership meeting. Regional coordinators maintain regular contact with their assigned chapters and act as liaisons to the national organization and, upon request, as advisors.

A basic Management Society purpose is to promote networking that enhances members' careers. Some of the most prevalent chapter member needs are for management training, new ideas, more business contacts, continuing professional education (CPE) credit, and opportunities to share activities with spouses.

It is not possible to list all of the outstanding programs that existing chapters have provided for their members. Events have included Dean's

Seminars and presentations from BYU administrators and faculty, church leaders, politicians, members of the judiciary, CEOs and other business leaders, tax specialists, discussion panels, economists, and newspaper editors.

Discussions have touched on such topics as ethics, career planning, and general management development.

In addition, many Management Society chapters have found great opportunities to serve their local communities while simultaneously building their chapters. Local celebrations, centennials, conventions, or other special community events provide many opportunities for chapter exposure and service. Chapter sponsorship often takes the form of program organization, funding, or function services.

During the bicentennial celebration of the U.S. Constitution, the Washington, D.C., chapter cosponsored a Mormon Tabernacle Choir concert. Another chapter sponsored a debate between political candidates during local elections. At its annual banquet, one chapter presents an award honoring a local business or church leader. When BYU's football team plays near some chapter areas, these chapters hold a tailgate party at the game.

Several chapters periodically publish newsletters for chapter members. The newsletters often contain information about chapter members, policy changes and updates, job opportunities, service projects, community affairs, and actions taken by the chapter's board.

In conclusion, external support is a major source of strength for the Marriott School of Management. With the help of special individuals and groups, like those mentioned in this report, the Marriott School is able to provide enhanced management education. Their expertise and financial support make numerous opportunities to grow and develop available to faculty and students. External support is essential to the overall well-being of the school. Thanks to the commitment and loyalty of alumni, friends, and corporate partners the school is making excellent progress in its mission to provide outstanding management education for students and productive research and development opportunities for faculty. ■



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industry needs and offering suggestions for improvement.

The Skaggs Institute is also establishing the Partnerships in Development and Teaching Program. This invites retailing executives and National Advisory Board members to review the curriculum, advise changes, and become more involved in classroom discussion and team teaching.

In addition to the student activities, the institute is working on strengthening the interface between faculty members and retail executives. Dr. Rinne is currently developing plans to involve MSM faculty in cooperative research projects that will further the knowledge of both the participating retail outlets and the professors.

The institute is also enlisting faculty internships to improve faculty member's knowledge of and experience with the retail environment. Several have already indicated interest in consulting in operations, marketing, and other fields.

While many of these activities are still in their developmental stage, Dr. Rinne feels that they will have a significant impact on improving the already successful Skaggs Institute.

### **MAcc Students Participate in Graduate Common Core**

Beginning fall semester 1992, students in the Master of Accountancy Program joined MBA and MOB students in taking the Marriott School's graduate common core courses. The core includes classes in finance, operations, marketing, organizational behavior, and written communication.

The decision to require MAcc students to complete the graduate common core is due in part to the changing requirements for the Certified Public Accountant exam. In order to sit for the CPA exam, 150 credit hours of coursework are required. The graduate common core not only allows MAcc students to take graduate-level business courses but also adds an integrative approach to their education. Students from all three disciplines will share in class discussions, case studies, and study groups.

Although integration is the goal for the common core, each graduate program will retain its identity by having its own orientation, student organizations, faculty advisors, and areas of specialization.

### **MSM Announces Professor Promotions**

Faculty members Gordon E. Mills and J. Michael Pinegar were recently promoted from associate professor to professor.

Mills, a professor of organizational behavior, specializes in analysis, design, and media development in human resource development. He graduated from BYU with bachelor's and master's degrees in communications, and received a PhD in speech from Pennsylvania State University.

A recipient of the Management Development Award for Excellence bestowed by the American Society for Training and Development, Mills has served as a consultant to energy-related industries. He has published articles in both academic and professional journals and has

coauthored books in analysis, media development, and communications. His research involves studying human resource development in Fortune 500 corporations and analysis of the causes and effects of managerial plateauing in corporate America.

Pinegar has been a member of BYU's faculty since 1988 and teaches finance to both graduate and undergraduate students. Prior to coming to BYU, Pinegar was an assistant professor at the University of Iowa.

A graduate of BYU with a bachelor's degree in German, Pinegar earned an MBA and PhD in finance from the University of Utah. His professional work experience includes positions as a rate case assistant for Utah Power and Light and a missile launch officer for the U.S. Air Force.

He has authored and coauthored numerous papers published in journals and presented at professional meetings. He is currently researching wealth sharing in domestic licensing agreements and the benefits of international diversification.

Pinegar is a member of the Western Finance Association, Financial Management Association, Academy of International Business, and European Finance Association.

### **MSM Alumni Board Elects New Officers**

The MSM Alumni Board elected new officers to serve for the next two years. Kent Meyers will succeed Ralph Christensen as president, and Norman Nemrow will replace out-going vice president Stephen Morgan.

Meyers has held various

positions at Aetna Life & Casualty, headquartered in Hartford, Conn., and is currently president of



*Kent Meyers*

Aetna's equity investment operations. He earned both a bachelor's degree and MBA from BYU and participated in intramural sports.

Nemrow is an adjunct professor for the Marriott School of Management and is also involved in private real estate investments. He is a former member of AICPA and was previously president of J.D. Stout Co., a real estate investment company, and vice chairman of 5-Star Management Group, a real estate management company. He earned both bachelor's and master of accountancy degrees from BYU.

### **L. Ralph Mecham Named Outstanding Public Administrator**

The Master of Public Administration Program has named L. Ralph Mecham as Outstanding Public Administrator of the Year. Mecham was honored at a special banquet on February 27, 1992.

He is director of the Administrative Office of the United States Courts, appointed to that position in 1985 by the U.S. Supreme Court.



He earned his BS degree with "highest honors" at the University of Utah, his JD at George Washington University, and his MPA at Harvard.

Mecham has a wide background in public service. He began his Washington career as an administrative



*L. Ralph Mecham*

assistant and counsel to a United States senator from Utah. After 13 years in Washington, he returned to Utah and served four years as vice president of the University of Utah. He has also served as special assistant to the secretary of commerce for regional economic coordination and as co-chair of the Four Corners Regional Economic Development Commission. He was vice president in charge of federal government regulations for the Anaconda Company until it was acquired by the Atlantic Richfield Company (for whom he served as Washington representative until his current appointment). He claims the modest distinction of having worked in all three branches of the federal government.

In accepting the award, Mecham stressed the importance of public service to the nation and the need for ethical behavior in government. He said, "I urge you faculty members to remember the importance of public

service and teach its value to your students. I also urge you students to consider public service as a career. It is very challenging and rewarding to know your programs and accomplishments are vital to the well-being of the nation. I believe you would find, as I have, that public service can be an opportunity for a brighter future for you and our nation."

Mecham emphasized that continuity in government programs, especially with the turnover of political appointees, is accomplished through the efforts of professional public service employees.

#### **MSM Cohosts Information Technology Summit**

BYU's Marriott School of Management cohosted its first annual Information Technology Summit March 25-27 in Salt Lake City. More than 150 senior executives from leading computer companies and computer technology consumers attended the event. The summit was sponsored by a worldwide organization of computer network users called OURS (Open User-Recommended Solutions), which links customers and vendors in resolving information technology customer issues.

Other hosts included the Utah Information Technologies Association, of which BYU is a member; the Utah Technology Finance Corporation; Vancott, Bagley, Cornwall & McCarthy; and various state economic development agencies.

Keynote speakers were Peter Lewis, editor, reporter,

and columnist for the New York Times; Craig Goldman, chief information officer, and Elaine Bond, Chase fellow and senior technology consultant for Chase Manhattan Bank; Robert J. Frankenberg, vice president and general manager, Personal Information Products Group, Hewlett-Packard; James Flach, vice president, Intel Products Group, Intel Corporation; J. Scott Briggs, president, and Eric Hippeau, chairman and chief executive officer, Ziff-Davis Publishing Company; Steven Jobs, president, chairman, and founder, NeXT Computer, Inc.; Darrell Panethiere, minority counsel and senate aide to Senator Orrin Hatch; and Ray Noorda, president and chief executive officer, Novell, Inc.

Panel discussions featured topics such as systems integration and CEO/CIO perspectives on MIS. Workshops addressed issues on multivendor education, information exchange methods, and software licensing terms and conditions.

Twelve graduate students from the MSM joined students from the University of Utah and Westminster College as guests of participating executives and summit cohosts. The students were able to network and interact with executives from top technology firms.

According to OURS President Elaine Bond, "Utah was chosen as the conference site because of its increasing significance in the U.S. information technologies industry." Utah's software industry ranks third in the country in revenues behind California's Silicon Valley and Redmond, Washington.

#### **Database for MSM Management Societies**

The Marriott School of Management is developing an integrated database for use by Management Society chapters. The first objective of the system, according to Dr. Lynn McKell, is to establish exchangeability and consistency among Management Society data and the BYU External Relations Information Center (ERIC) database. Second, the system will allow information exchange between society chapters for networking purposes. And finally, the system will support membership tracking, dues paid, etc., for all chapters through its centralized effort.

Currently in the testing phase, the project is projected for release during the fall of 1992.

#### **EMBA Tour—Europe '92**

With the whole world watching the developments surrounding Europe '92, the Executive MBA Program (EMBA) administrators decided to try something new. Rather than taking the graduating EMBA class on a tour of the Orient, as has been done in past years, Burke Jackson, tour director, arranged for a tour of Europe.

Fifty-five people, including students, spouses and family, faculty, and administrators, spent a busy 17 days bussing around Europe to meet with managers from several major international companies and to tour their facilities.

In planning the trip, organizers wondered whether a trip to Europe would have the impact of the previous trips to Asia. According to



Lisa Lambert, EMBA director, that question was answered with a resounding "Yes"!

The key to this trip's success was the quality of the contacts in each of the organizations. Through Ulf Hoaglund, the contact person in Europe, the group was able to meet with the CEOs of Saab and Åstra Hässle and with other high-ranking officials of companies such as BMW, Siemens, Volvo Truck, Rover, and VW-Skoda. Much discussion revolved around the managers' reactions to Europe '92 and the effect it would have on their industries.

About the value of the trip, program director Lambert said, "You can't globalize managers in two weeks, but it does give them an edge to have actually been on foreign soil." The EMBA graduates will return to their positions with a new and valuable perspective on the changing world marketplace.

#### **Richard E. Cook Addresses MSM Graduates**

The Compass of Life was the theme of Richard E. Cook's address to 797 graduates of BYU's Marriott School of Management. In his address at convocation exercises held April 24, 1992, Cook cautioned against worrying about setting objectives that are too high. "It has been my experience that the greatest regrets come from not challenging one's self sufficiently rather than from setting goals that are too aggressive," he said.

Recently retired from Ford Motor Company, Cook served for 35 years in

various positions, including general auditor, controller for Ford Tractor Operations,



*Richard E. Cook*

and corporate general assistant controller. Cook has been a member of the MSM National Advisory Council since 1973. He was honored by the BYU Management Society in 1991 with its Distinguished Service Award. A graduate of BYU with a bachelor's degree in accounting, he went on to receive an MBA from Northwestern University.

#### **MSM Faculty Members Receive Exxon Teaching Awards**

Marriott School of Management faculty members Jay M. Smith, professor of accounting, and Hal B. Heaton, professor of finance,

were awarded Exxon Outstanding Teaching Awards for 1992. They each received \$1,000 from Exxon Corporation, sponsor of the award, for their outstanding classroom performance, excellent teaching methods, and innovative curriculum developments.

A member of the MSM School of Accountancy faculty since 1971, Smith served as a visiting professor of accountancy to the University of Hawaii. He has also taught at the University of Minnesota and Stanford University. In addition to teaching, Smith has served as a faculty consultant for Arthur Andersen & Co., an expert witness for various law firms, and a professional instructor for IBM. He is currently an education consultant for Coopers & Lybrand.

A certified public accountant, Smith received an associate degree from Boise Junior College, bachelor's and master's degrees from Brigham Young University, and a PhD from Stanford University. In addition to numerous published works, he coauthored an intermediate accounting textbook with Dean K. Fred Skousen.

Dr. Heaton has been a professor at BYU since 1982, taking two years off

(1988 to 1990) to serve as a visiting associate professor of finance at Harvard University. In addition to teaching, Heaton currently serves as an expert witness in court hearings and trials in which valuation is a central issue. He also teaches finance development seminars in the United States, Europe, Asia, and South America.

A graduate of BYU with a bachelor's degree in computer science and mathematics and an MBA, Heaton went on to earn a master's degree in economics and a PhD in finance from Stanford University. His professional experience includes consulting for Boston Consulting Group.

The author of numerous articles and cases, Heaton currently serves on the faculty research and development committee, the entrepreneurship committee, and the career services committee.

#### **Bryson Presents Paper in Greece**

Dr. Phil Bryson, MSM professor of managerial economics, presented a paper to the Congress on East-West Economic Relations sponsored by the Hellenic Economic Association December 19-20 last year in Thessaloniki, Greece. The international conference attracted approximately 70 scholars from countries including Greece, the United States, and the former Soviet Union.

The paper, entitled "The Joint Venture in Soviet External Economic Relations," examined the part of Soviet history when leaders aspired to enhance the country's economic



*Hal B. Heaton, Jay M. Smith, and Dean K. Fred Skousen*



performance by pursuing effective external relations with Council for Mutual Economic Aid (CMEA) allies.

According to Bryson, during Mikhail Gorbachev's tenure as Communist Party chairman, "the basic need of the stagnant Soviet economy was to interact in a much more productive way with the world economy." Gorbachev had noticed the rapid development of newly industrialized nations, especially those in Asia. From his observation it became apparent to him that the Soviet Union must be integrated into the world economy.



*Dr. Phil Bryson*

In order to improve the import/export structure and to further the economic development of the Soviet Union, Gorbachev "encouraged enterprises to pursue cooperation arrangements with foreign firms, to create joint ventures, international associations and organizations, and to become involved in CMEA programs for development of science, technology, and production." The paper details the pros and cons of such a strategy.

Dr. Bryson has taught at BYU since 1988 and was recently awarded continuing status. Prior to BYU, Bryson taught at the University of Arizona for 21 years. He recently completed a

Fulbright fellowship with the Council for International Exchange of Scholars at the Research Center for Comparative Economic Systems in Germany and consecutively served as a visiting professor at Marburg University there.

Twice an exchange fellow at the International Research and Exchanges Board in East Berlin, German Democratic Republic, Bryson has also served as a Humboldt Fellow at the University of Munich and as a Humboldt Senior Fellow at the Free University of Berlin. He is the author of numerous articles and papers on German and Soviet economic issues.

A magna cum laude graduate of the University of Utah with a bachelor's degree in economics, Bryson earned a PhD in economics from The Ohio State University in Columbus, Ohio.

#### **Representative Orton Speaks to Management Society Campus Chapter**

Congressman Bill Orton spoke February 24 to the MSM Management Society Campus Chapter. His topic was "Citizen Responsibility to Hold Elected Representatives Accountable."

Orton stressed that citizens need to make certain that elected officials conduct government activities consistent with constituent desires.

He criticized President Bush's proposed 1992 budget deficit of \$500 billion saying, "We cannot survive year after year after year with that kind of deficit. We have to reverse it." He also criticized past Republican fiscal policy, saying that it set a financial course in the 1980s of increasing govern-

ment spending and decreasing taxes in order to discredit the Democrats.

Orton, who is in favor of a balanced budget amendment,



*Congressman Orton*

said that we must change our budget process and deal with a realistic budget.

A graduate of BYU's J. Reuben Clark Law School, Bill Orton is a member of the congressional Banking, Finance, and Urban Affairs Committee.

#### **Dean Skousen and Other Faculty Members Visit Far East**

Last March, Dean K. Fred Skousen, Chris Meek, John Beck, Masakazu Watabe, and Lee Radebaugh traveled to Korea and Japan to discuss the MSM's international emphasis and ways the school could take advantage of its students' foreign language expertise. They visited with alumni, members of the business community, and representatives of Seoul National University.

The MSM is working with Seoul National University on a formal agreement that will promote faculty and student exchanges. While in Seoul, the group also visited with representatives of Lucky Goldstar, the Korea-U.S. Economic Council, the Korean Chamber of

Commerce and Industry, and Daewoo Heavy Industries.

In Tokyo a meeting was held with 25 LDS business leaders, many of whom were graduates of BYU. Topics discussed included the state of international business education in the United States and trade tension between Japan and the U.S. The group also visited several businesses, including The Bunsha Group, Coca-Cola, Nippon Telephone and Telegraph, and the Kobe Fashion Mart.

Future travel plans for Dean Skousen include other parts of Asia, Europe, and Latin America.

#### **Skaggs Holds Retail Fortnight**

BYU students were exposed to the world of retail management during Retail Fortnight, held February 24 to March 6 on campus. The event, sponsored by the MSM's Skaggs Institute of Retail Management, introduced students to many of the country's major retailers through company orientations, interviews, discussions, and lectures from some of retail's top managers.

Twenty retailers, including Nordstrom, Barnes and Noble, JC Penny, and Wal-Mart, held information sessions and over 700 job interviews during the two-week event.

Jeff Wells, vice president of human resources at Toy's "R" Us, was the featured speaker during the event, addressing the school's Executive Lecture Series on "Successful Ingredients in Retail Careers." Toy's "R" Us is a major recruiter of college graduates, hiring approximately 800 annually for its national management training program. E



## BYU Army ROTC Leadership Excellence Program

*continued from page 11*

with the success of the BYU Leadership Excellence Program. BYU cadets are among the best in the nation, receiving evaluation ratings after entering active service of twice the national average.

In addition, this year the BYU Army ROTC Ranger Challenge Team was named the Ranger Challenge National Champions. In its regional competition, BYU placed first in five events and set records in four of those. In the two-mile run, all nine BYU competitors finished in the top 12, including the first-, second-, and third-place finishes.

Notwithstanding the trophies, the real successes of the program are the

young men and women who leave BYU prepared to be not only excellent military leaders, but also civic, religious, and business leaders who possess the warrior spirit. E

### NOTES

<sup>1</sup> Jeffrey R. Holland, President. "The Mission of Brigham Young University." November 4, 1981.

<sup>2</sup> Cadet Command Reg. 145-3.

## MSM and University of Utah Host NAFTA Conference

*by William Kilmer*

THE North American Free Trade Agreement (NAFTA) was the topic of a conference held jointly by Brigham Young University and the University of Utah on January 23 and 24, 1992. The conference, organized by Gerhard Plenert of the Marriott School of Management and Steve Tallman of the University of Utah's school of business, featured lectures from academicians, business executives, and government officials as well as policy makers from the United States, Canada, and Mexico.

First-day sessions, held at the University of Utah, focused on business issues effected by NAFTA. Dr. Alan Rugman, an economist from the University of Toronto, was the keynote speaker. Dr. Rugman spoke on the inevitability of NAFTA, saying, "The economic logic of having an institutionalized trade and investment relationship for all of North America is so compelling, it will happen . . . There will be a formalized relationship among the three countries."

Noting benefits of the existing free-trade agreement between the U.S. and Canada, Dr. Rugman demonstrated the expected benefits of extending the agreement to include Mexico. He also dismissed current theories of U.S. economic domination over the other two countries—Canada and Mexico. However, he pointed out that many, especially in Canada, fear having to harmonize their social system and cul-

ture with the U.S. He noted that, "A trade relationship has to pay attention to the sensitivities of Canadians and Mexicans or else it will fail . . . It is imperative for Americans to understand the cultures and independence of its trading partners." He also said that the issue of globalization verses national sovereignty will continue to be a problem as more free trade agreements are implemented.

Dennis Tenney, of the Utah Commission for Economic Development, spoke on the specific effects the trade agreement will have on Utah's economy and the opportunities that will be available for Utah-based companies. He highlighted the benefits currently accruing to Utah under the present free trade agreement. He noted that because of the agreement, trade between Utah and Canada increased by over \$206 million in 1990, creating an additional 4,000 to 5,000 jobs in Utah alone.

Later in the day John Huntsman Jr., senior vice president of Huntsman Chemical, brought his experience in international trade relations to the conference. Mr. Huntsman spoke on the reality that, "The world is getting smaller [and] our economy must remain strong if we are to continue to be competitive."

Huntsman saw many reasons for optimism about the U.S. economy, noting that interest rates are down, the trade deficit is falling, and that we, as Americans, "know how to think and develop technology."

Joaquim Peon-Escalante of the Fundacion Mexicana Para La Calidad

Total, Mexico's version of the Baldrige Award Program, spoke on recent improvements in the Mexican economy and debunked the idea that "Mexico's contribution [to free trade] will be cheap labor only." He said that often times, "In the U.S., Mexico is talked about with either ignorance or arrogance." He added, "One way to [prevent this] is to recognize that Mexico's contribution is quality." He said that while many Americans have focused on investment in Eastern Europe due to recent revolutions there, "The real revolution is in Mexico—the quality movement."

Escalante spoke on the recent progress of the Mexican economy, showing that privatization is increasing and the country is making the movement from an economy based on low wages and natural resource exportation to one based on quality manufacturing and services. He said that for Mexico, "The issue of quality is an issue of survival . . . to promote total quality in Mexico is to contribute to national development."

Utah congressional representative Bill Orton was also a featured conference speaker. Orton, who is on the House Foreign Relations Committee, focused on NAFTA legal and legislative issues. Orton came out in favor of the free trade agreement, saying that it would allow free and fair trade throughout North America. He also gave a synopsis of the steps needed to implement the agreement and outlined the supplemental legislation needed to help retrain workers displaced by it. E



# HEALTHCARE REFORM

*Where do we go from here?*

## Mark J. Howard

I believe the present healthcare delivery system in the United States will be very short lived. Within the next three years, major changes must take place if we are to survive. National health insurance is not the answer. Approximately 35 million individuals in the U.S. from ages of 18 to 65 who have no healthcare coverage, and many individuals living below the federal poverty level, are not covered at this time.

This is the direction I feel we should take in the United States:

1. The Medicare and Medicaid programs should be consolidated. Few of us realize that there are more dollars spent on Medicaid each year

*continued on page 32*

## Congressman Ron Packard

Over the past 20 years, America's healthcare spending has skyrocketed. In 1970, we spent 7 percent of our gross national product on healthcare. In 1992, that spending is expected to reach 14 percent of GNP—over \$700 billion.

Despite the high level of spending, however, many people receive no health benefits because they cannot afford to pay costly health insurance premiums. At the same time, high premiums can make it difficult for small business owners to provide coverage for their employees.

There is a consensus in Congress that something must be done to reform our healthcare system, and that something must be done soon. However,

*continued on page 32*



**Mark J. Howard, FACHE**  
CEO, IHC Hospitals of Central Utah  
Intermountain Health Care, Inc.



**Congressman Ron Packard (R-CA)**  
U.S. House of Representatives  
Washington, D.C.



**Robert J. Parsons**  
Professor, Institute of Public Management  
Marriott School of Management



**Roger N. Walker**  
Executive Director  
Cardston General Hospital

## Robert J. Parsons

Healthcare expenditures, which accounted for less than 5 percent of the nation's gross national product in 1950, will consume 14 percent of GNP this year; by some estimates, that figure will rise to as much as 40 percent by the year 2030. These rising medical care costs are increasing health insurance premiums and forcing as many as 37 million Americans to risk going without health coverage. Currently, businesses spend an annual average of \$4,081 per employee on family health benefits. While cost is most often cited as the main problem facing healthcare, any future system must also address the question of access to basic services for all Americans and provide continued quality of care.

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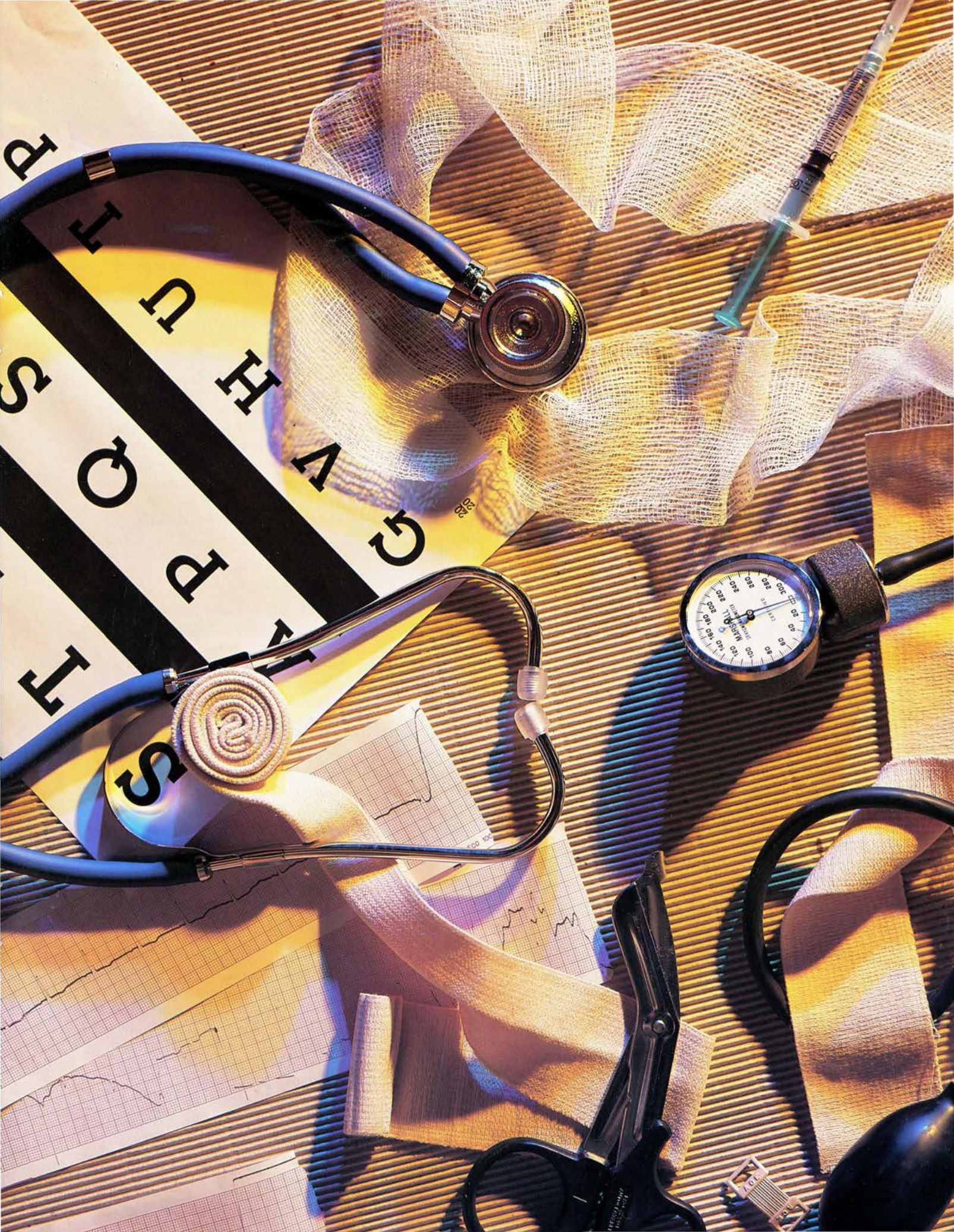
## Roger N. Walker

While Americans look north to Canada for possible answers to U.S. healthcare systems problems, Canadians are anxiously moving through the next period of major reform in their own system. The driving forces are similar in both countries: increasing difficulty of sustaining the costly healthcare infrastructure, adding new technologies, and ensuring equitable access all in a deteriorating fiscal environment.

American healthcare might be characterized as a four-tier system: uninsured, underinsured, fully insured, and privileged services. Canadians would challenge the unfairness of this because they see basic healthcare as a right. For the past four decades, Canadians have

*continued on page 33*







**Howard** continued

in the United States than on Medicare. Each state has different authorizations for what is and is not covered. I feel that we need universal access to basic healthcare benefits for everyone, but we need to outline a *single set of basic benefits* for everyone. We cannot afford the Barney Clark heart transplants or other high-tech services. Such services need to come from the discretionary dollar side or from community fund raising.

2. Next we must establish a pluralistic financing system, combining private and government sources. All employers are going to have "play or pay." Most states require businesses with 25 or more employees to offer healthcare benefits, while employers with fewer than 25 are not required to do so. This is causing a cost shift, and I feel that businesses with fewer than 24 employees need to either cover

healthcare or pay into a national program.

3. Additionally, we must address cost control through restructuring the healthcare delivery and financing system. We need community care networks where individuals can enter the system. With the consolidation of Medicare and Medicaid, those who do not have insurance would purchase healthcare on a *capitated* basis. Payment to providers would be negotiated within regulatory limits. Cost controls would be met through deductibles and co-payments. The health insurance system would have to be revised to have a single claim form with electronic transfers and the tort system would have to be adjusted to encourage prelitigation panels and arbitration.

4. Another major change that must take place is modification of the antitrust laws. We must change these laws to facilitate cooperation and collaboration between hospitals so that we are

not involved in health wars—vying for the latest and largest in new technology.

5. To meet future healthcare needs, there must be adequate manpower. Utah, as an example, has long waiting lists of qualified individuals seeking admission to nursing schools. Ironically, some areas in the country are having problems filling their nursing schools. Government funds should be redistributed to areas of the United States where they can do the most good.

I know these are major changes that must take place, but all decisions that impact the healthcare field must be reviewed through three basic criteria: access, cost, and quality. By changing the delivery system and reforming the Medicare/Medicaid administrative programs, antitrust laws, and malpractice laws, I feel that we will be able to meet the future healthcare needs of all Americans.

**Packard** continued

that is as far as the consensus reaches. A large gulf exists between those who feel that we should improve on the existing system and those who feel that we would be better off with a nationalized, Canadian-style system.

For several reasons, I believe that the answer lies in reform of our existing healthcare system. First, establishing a Canadian-style system in the U.S. would not only create new government bureaucracies and restrict consumers' choice of medical services, it would

also cost the federal government an additional \$200 billion a year. It is unlikely that Americans, who already feel overtaxed, will agree to the dramatic increases that would be necessary to fund a nationalized system—nor do I believe we should ask them to fund such a system.

Second, the lack of agreement in Congress would make it nearly impossible to pass something as radical as a "socialized medicine" bill. It is far more probable that Congress will eventually agree to reform our current healthcare system.

Finally, and most important, the

quality of healthcare available to the American public is already the best in the world. Nobody would be willing to sacrifice that quality for the sake of a nationalized plan. We Americans value the choice and quality the present system delivers—we simply want to keep costs down and improve access.

Ultimately, the best solution lies in a market-oriented approach. Private sector initiatives such as malpractice reform and health insurance networking (where small firms pool together to purchase low-cost health insurance) would help bring costs under control and expand access to our current high-quality system.

**Parsons** continued

Thus, reform of the current healthcare system in the United States must focus on the problems of access, quality of care, and cost—problems that are not new, but which have reached a critical point in light of a recessed economy, increasingly stringent insurance underwriting practices, and growing numbers

of unemployed and uninsured Americans. A year ago, the anticipated 1992 agenda of the hospital industry included issues like the DRG update, hospital outpatient reform, and physician self-referral. Few would have predicted that healthcare reform in 1992 would include literally dozens of comprehensive national healthcare bills, ranging from a modified tax strategy to malpractice reform.

The first issue that must guide any restructuring in the healthcare system is access; every person should have access to an *adequate* level of healthcare. However, the definition of adequate healthcare can vary with the individual. For some people a very high level of care might be needed, while less would be adequate for others. Basic plans should include a core of key medical services and be supple-



mented with other options for those willing to pay for their choices of more expensive procedures. Families could opt for different coverage plans based upon their healthcare needs, financial situation, and life cycle. Supplemental coverage should be available to those who choose to purchase it. Furthermore, each person should, within his or her own means, share in the costs of healthcare—implying the use of co-payments and deductibles.

Individual financial responsibility implies that all people bear, to the extent possible, the cost of adequate health insurance, so that they have access to the system. Finally, people should bear the costs of their unhealthy choices. Fairness demands that those who choose unhealthy behaviors pay the cost of those choices. These lifestyle illnesses caused by smoking, alcohol, and drug abuse impose enormous costs to the nation's health bill.

More preventative care—such as vaccinations, pap smears, and prenatal care—need to be provided to at-risk populations.

A second issue to guide healthcare reform is the importance of returning to the basic patients' rights pertaining to quality care. These rights involve patient information, patient choice, patient decisions, and patient responsibilities. In other words, healthcare

*continued on next page*

## Walker continued

benefited from a system based on five key principles: comprehensiveness, universality, accessibility, portability, and public administration. The insurance plans that fund medical treatment are "socialized" on the basis that full universality and accessibility to comprehensive services could only be insured by society as a whole. There are two major outcomes: no uninsured or underinsured population segments exist in Canada, and a comprehensive set of services is available to all but the most remote locations. The net result is a population even healthier than that of the U.S. Canada's answer has been a Chevy in every driveway versus a Cadillac in some, a Chevy for most, and a bike or nothing for the rest—and, so far, it has worked very well.

However, the combination of Canadian cost containment strategies and central planning have resulted in "rationing" of some services. For example, one MRI unit to service a population that might have six MRI units in the U.S. This has generated pressure to create a second tier of services for those who can afford to pay directly.

As Canadians now search to resolve these issues and maintain the viability of their system, the focus is shifting from healthcare to health, and from provider to consuming public. This paradigm shift means establishing clearly defined health goals based on identified societal needs and collaborative subsequent multisector (health, education, housing, transportation) initiatives. Role definitions for both institutional

*continued on next page*

Summary of Similarities and Differences in Healthcare Delivery		
Issue	Canada	United States
<b>Differences</b>		
Healthcare Model	Regulatory— High proportion of government funding	Economic system— Equal proportion of government and private funds
Degree of Decentralization	Moderate, with high uniformity	High, with patchwork results
Access	Excellent—99+%	Good—90%
Cost	9% of GNP	12% of GNP
User Pay	Minimal	Increasing
Health Insurance	Provincial government plans, federal funding help	Mostly private, some moves to government funding
Managed Care (Institutional)	Being implemented	Well-established
Technology	Rationalized	Oversupply
Liability	Limited litigation	High exposure, costly
Competition	Interdependence	Antitrust environment
<b>Similarities</b>		
Major Concern	Maintaining a high quality of health and healthcare, while containing spiraling healthcare costs	
Other Similarities	Delivery mechanisms Historical parallels Structural parallels Legal and ethical issues	



#### Parsons continued

providers should respect the preferences of patients in determining quality care interventions and desired outcomes. For example, demographics indicate that we now have a much more educated, health-conscious, fitness-oriented consumer. These preferences and choices will dictate key healthcare issues of the future. Focusing on patients and service will be essential for success in the next decade. Time and convenience are also critical for consumers, and a healthcare system will need to respond to these needs

through alternative delivery systems.

The consumer also has the right to choose his or her healthcare plan within a framework of increased use of managed care. Managed care has great potential to control healthcare costs, and yet provide access to quality care. Managed care brings the patient directly into the decision-making process and offers basic first-dollar coverage. A recent survey by the Group Health Association of America found that HMOs added 2.2 million members in 1991—a 6 percent rate of growth. Managed care will continue to grow in the nineties.

The third issue to guide healthcare

reform deals with costs and greater emphasis on productivity and efficiency within the system. The current inefficient use of resources includes unnecessary care, duplication of services, oversupply of healthcare facilities, malpractice issues, and reimbursement concerns. For a wide range of clinical procedures, roughly 20 percent of the money we now spend could be saved with no loss in care quality. The responsibility to use economic incentives to achieve desired outcomes with the least expenditure is shared by individuals, healthcare providers, insurance companies, and the government.

#### Walker continued

and individual providers will change dramatically. Rationalization of services and massive reallocations of healthcare expenditures will also occur. The hope

is that Canadians will achieve a higher level of health and continuing independence in their own homes and communities while maintaining reasonable access to a seamless spectrum of services: leading edge technology, quality

medical procedures, professional expertise, and required medications and health supports whenever treatment is required. Funding is still an issue, but structure of the system has become the target. E

## Center for International Business Education and Research

FOR the past two years the Center for International Business Education and Research (CIBER) has developed a joint effort between Brigham Young University and the University of Utah to increase student, faculty, and business community preparedness to meet the challenges of an increasingly competitive global business environment.

Under the co-directorship of BYU's Lee Radebaugh and the U of U's Jim Gardner, the center was established as a strategic alliance under a federal grant. Although both schools had previously employed their unique international business strengths independently, the CIBER grant has developed strong synergies between their business schools and has supplied the necessary financial support. Through the center, the two universities have developed joint programs and shared ideas and teaching methods, while maintaining independence in pursuing their own strengths and directions.

The center has established four

broad objectives:

- 1) Develop academic programs for students to cope with the new international business environment.
- 2) Cultivate a more internationally focused faculty at both universities.
- 3) Establish a research agenda concentrating on international business and U.S. business competitiveness.
- 4) Develop specific programs that increase U.S. business competitiveness.

To support pursuit of these objectives, the center draws on such major resources as both universities' language and area studies programs. The partners have used such resources to cultivate ideas, establish programs, and develop core competencies.

For the 1992-1993 academic year, CIBER has established three major focus areas:

- 1) *Increase interdisciplinary academic programs.* To further develop academic programs, both universities will add depth and breadth to their business curriculums. For example, the University of Utah is establishing more international business and foreign lan-

guage courses to support its global MBA track.

BYU has added an international business track to its MBA program. The track will include specialized language emphases in Japanese, Korean, Spanish, German, and Russian. Some track courses will be taught by a bilingual faculty member and a visiting professor from a foreign university. During the fall 1992 semester, the school will introduce a class on Korean business taught by Professor Kim of BYU's Korean Language Department, Professor Chris Meek of the MSM Organizational Behavior Department, and Professor Tak Seon-Back of Korea's Won Kwang University. In addition, BYU is developing an Honors Asian-culture class.

Both universities will also open their core international business classes to both business and nonbusiness students with the hope of expanding student interest and knowledge of the field. The two schools also plan to exchange host CIBER directors to teach one international business class, thereby benefitting students and faculty



with the experiences and insights of both universities.

2) *Foster research programs to strengthen U.S. business competitiveness.* Several planned center conferences will build on BYU/UofU research. Through the conference series, greater access to university research will be offered to U.S. businesses. Conference topics will include environmental issues of the North American Free Trade Agreement, the role of language in business, and global strategies in high technology.

3) *Develop cooperative programs with*

*the two universities, the Department of Commerce, the Small Business Development Center, and the World Trade Association.* Programs designed in conjunction with these organizations include conferences on language acquisition, competitiveness in the software industry, and a six-week program on export development strategies. The latter conference is a joint program with the Small Business Development Center designed to help local Utah businesses develop overseas markets for their products.

Business-community support for the center has been significant. Organizations that have made valuable contributions of time and effort include: the CIBER Advisory Council, the District Export Council of Utah, and the World Trade Association. With continued support from these organizations, the federal government, and others, CIBER is assured of keeping up with the accelerating pace of international business and preparing students, faculty, and businesses with the tools to compete on a global level. E

## Faculty Insights

### Ned Hill—Bird Watching

As a 12-year-old boy scout, Ned Hill, professor of finance, discovered the sport of bird watching while earning a bird study merit badge at summer camp. He began earnestly watching birds again when he came back to Utah five years ago.

He has seen 250 of the 390 birds recorded in Utah. When he goes to seminars all over the country he takes



the opportunity to watch the birds in the area. Consequently, he has been bird watching in the U.S., Germany, Denmark, Sweden, Austria, Switzerland, Africa, and South Africa.

Each December he takes part in the Christmas Bird Census, where he spends almost 24 hours in an area around Provo recording all the bird activity. The census is taken in the U.S., Canada, and Mexico so researchers can use the information to study migratory patterns.

Hill says he enjoys birding because "every time you go out there's the possibility you'll see something exciting."

### Lee Radebaugh—Acting

Lee Radebaugh, KPMG Peat Marwick Professor of Accounting and director of the Center for International Business, married into a "dramatic" family. His wife's parents have been involved in drama most of their adult lives; they built the Hale Centre Theater in South Salt Lake soon after their retirement. They started a summer theater in Grover, Utah, and two years ago opened the Hale Theater in Orem.

As soon as the theaters opened, Lee's wife and children began performing in plays. Lee took a small part in one of the productions a few years ago and got "bit by the drama bug," he says.

He had a major part in "Hold Onto June" during the fall of 1990. A year later he began playing the minister in a fireside play called "Are the Meadowlarks Still Singing." He still plays that



part every other Sunday night in the Orem theater and enjoys working with his wife and two children, who are also in the cast.

Radebaugh enjoys acting in live theater because each night is different. "Live drama is unpredictable," he says, "because you don't know which lines you are going to miss, how the other actors are going to do, or how the audience is going to react. The challenge of helping the audience think and have a good time is really a rush."

### Dale Wright—Oil Painting

Dale Wright, department chair of the Institute of Public Management, became interested in oil painting when he took an art class in junior high. After a long



hiatus he resumed painting in 1980. When asked what motivates him to paint, he says he does it because he feels compelled to do so. He specializes in Western landscapes and enjoys painting subjects around Provo and in Jackson, Wyoming.

He works on several paintings at a time and tries to paint on location as much as he can. He has completed five pieces in the past year, but has not participated in any exhibits. E



# Letters

## EXCHANGE a Disappointment If Not a Surprise

You've sent me several unsolicited issues of EXCHANGE since I finished the MOB program in 1989. I have perused them carefully, looking for something new or informative—for Total Quality Journalism, if you like. EXCHANGE has disappointed if not surprised me. The only articles of value to me have been the sporadic, sketchy presentations of faculty research. Otherwise, the magazine's function is just that of *Swimwear Illustrated*: both are glossy marketing pamphlets posing as periodicals. Nice pictures, but not so much to read.

Eloise Bell could teach you more about Total Quality Management than Kevin Stocks. She could tell you that quality in prose is the same as quality in cars: it is *satisfying customers' wants*. Your customers are educated readers, and these want clarity, novelty, and substance. Ms. Bell could also warn you that "The only way to parody Mormon culture is to describe it exactly as it is: it parodies itself." If self-parody is the intention, EXCHANGE succeeds brilliantly. Its covers' stiffness and gloss recall the same qualities in the stereotypical BYU coed's mane. (It is a natural fact that Utah County purchases more hairspray per capita than any other cosmetics sales region in the U.S.) And what's between the covers matches what's under the hair. Otherwise, EXCHANGE is a flop. I have no use for a business maga-

zine whose lead essay only summarizes recent articles in more prestigious business periodicals: *Business Week*, *The Harvard Business Review*, *The Wall Street Journal*, *Fortune*. I can read the HBR and the Journal all by myself. Don't waste my time.

—Todd McKay Morley  
Stanford, CA

## Stocks Article Great Overview of TQM

I am a 1988 graduate of the School of Management with a degree in information management. I am currently a system analyst for the University of Texas Health Science Center—Huston. As financial funding for the university is cut, the need for quality improvement increases. The dean of the medical school believes in the total quality approach and has created teams throughout the school to implement it. I am a member of a "Total Quality Improvement" team and am enjoying the opportunity to influence the way "the system" works here.

Kevin Stocks' article is a great overview of TQM, and I have shared it with colleagues on my TQM team as well as with others. I appreciate the timely information always presented in EXCHANGE.

—Tina J. Thompson  
Houston, TX

[Editor's note: The American Physical Therapy Association in Alexandria, VA, requested permission to

reprint the Stocks article in its May *Management Memo*, which is distributed to its members.

Also, David Saari, representing American Cyanamid's Agricultural Research Division in Princeton, NJ, indicated by phone that he enjoyed the Kevin Stocks article in the spring EXCHANGE and had outlined it on their E-Mail at work. He normally receives two or three requests for copies on such postings, but this time he received over 60 requests for copies.]

## A Bit of Irony

I have really enjoyed reading the EXCHANGE Magazine. You are doing a great job. Just a bit of irony—note [in the attached copy] that pages 3, 4, 5, and 6 of the excellent article on Total Quality by Kevin Stocks [have not been cut and separated]. I'm sure that my copy was the only one where it happened.

—Wayne Hansen  
BYU Placement

## Hawes' Article Eloquent and Practical

I recently read an article from the spring 1992 . . . EXCHANGE. The article was titled "Remember Who You Are" and was written by Rodney Hawes, Jr.

As I started reading it I thought to myself, "Great, another Rah-Rah-You-Can-Do-It speech." I quickly discovered I was mistaken. Mr. Hawes eloquently presented not only practical

advice, but also spiritual counsel. Both are necessary; both are important. Knowing that MSM brings in qualified, experienced, and good people to speak at such important events strengthens my confidence in the future of the Marriott School of Management and its graduates.

—Jeff H. Singer  
Class of 1990

## Articles Need Statement Introducing Authors

I was very enlightened and impressed by the articles authored by Kevin Stocks ("Total Quality Management") and Rodney A. Hawes, Jr. ("Remember Who You Are") in the spring 1992 issue of EXCHANGE.

However, since I personally do not know who they are I would have appreciated a brief statement introducing them . . . I noted that such a statement was included in the book review by Dr. Wanda A. Wallace. Is it possible to do the same for all authors in future issues?

—John N. Gardner, CPA  
BYU Financial Services

[Editor's note: We're embarrassed that introductions were not included with the authors' pictures. You can plan on their being included in the future.]

• • •

## Let us hear from you.

Letters should be addressed to Editor, EXCHANGE, 588 TNRB, Brigham Young University, Provo, UT 84602. We reserve the right to edit for length and clarity. [E]



## Class Notes

### 1935

**Oakley S. Evans, BS '35**, is a retired president of ZCMI and retired vice president of J.C. Penney—New York, where he served as director of corporate development. He has also served as president of the Mormon Tabernacle Choir. He and his wife, Mabel, reside in Salt Lake City.

### 1954

**Ron Salisbury, BS '54**, owner/president of The Restaurant Business, Inc., a very successful Southern California restaurant chain. His original restaurant is located right in the middle of the area where the recent L.A. riots occurred. Ron currently resides in Newport Beach, CA.

### 1967

**H. Kurt Christensen, MBA '67**, was appointed last September as associate director of executive education at Northwestern University's J.L. Kellogg Graduate School of Management, where he has been teaching business strategy and policy since 1982. Dr. Christensen received his PhD from Columbia University.

### 1973

**Richard Mann, BS '73 Accounting**, is an audit senior with the LDS Church Auditing Department, where he has worked for six years. He holds certificates as a CPA and as a CIA (that's Certified Internal Auditor). He has travelled on auditing assignments to Brazil, Samoa, and Hawaii. Richard is also a freelance writer. In three years he has sold 135 articles, primarily for publication in computer magazines. His wife, Ramona, started law school this August. They are the parents of two children. The Manns reside in Roy, Utah.

### 1974

**John Monahan, BS '74**, is vice president and director of stores with Liberty House in Honolulu, Hawaii.

### 1975

**Stephen R. Baker, BA '75**, is currently a vice president with Citibank, in New York City. He also holds an MBA from Northwestern. He and his wife, Tamara, live in Princeton Jct., New Jersey.

**David Mansius, BS '75**, and his wife, Sharla, live in Vancouver, Washington. He is the owner of HobbyTown USA, a retail store in Clackamas, Oregon.

### 1977

**Richard D. Condie, MBA '77**, was recently named senior vice president of marketing and sales at the E.J. Brach Corporation. Richard joined Brach from M&M/Mars, where he worked as director of marketing over the snack segment.

### 1978

**Kevin Call, Macc '78**, was made a partner in the public accounting firm of Altschuler, Melvoin, and Glasser in Chicago. Kevin is also currently president of the Management Society's Chicago chapter.

**Mark Howard, Macc '78, BS '78 Accounting**, is assistant district counsel for the Internal Revenue Service in Salt Lake City. Mark also graduated from BYU's J. Reuben Clark Law School in 1981.

### 1979

**Cy "Butch" Howington, MPA '79**, is president of Howmar Technology, a company involved in international management development. He is also currently assisting start-up of Medical Device Co. He resides in Raleigh, North Carolina.

**Maira Johnson, BS '79**, has been a financial systems analyst with the Hechinger Company, a large retail chain of do-it-yourself home improvement centers, for four and a half years. Formerly she was with Bell Northern Research in Ottawa, Ontario, Canada. Maira resides in Mitchellville, Maryland.

**Aaron D. Kennard, MPA '79**, began serving a four-year term as Salt Lake County Sheriff in January 1991. Sheriff Kennard had formerly been with the Salt Lake City police for 20 years. He and his wife, Sandra, live in Salt Lake City.

### 1980

**Jonathan Gardner, MPA '80**, was chosen to receive the Department of Veteran Affairs' National Award for Professional Achievement. Gardner accepted the Arthur S. Fleming Award on May 14, 1992. The award is given to federal employees who demonstrate outstanding work achievement. Gardner is director of field support for the southern region of the Veterans Health Administration in Washington, D.C. He and his wife, Jerelyn, live in Chantilly, Va., with their four children.

**Tim W. Layton, MBA '80**, has been president and CEO of Medeco Security Locks, a division of Hillenbrand, for five years. Medeco is a manufacturer of high-security locks and electronic access-control devices. He and his wife, Nancy, also a BYU graduate, live in Roanoke, Virginia. They are the parents of five children.

**Gary S. Richards, MBA '80**, recently relocated to Bartlesville, Oklahoma, with IBM Corporation. Gary is an account executive with the Phillips Petroleum account. He has been with IBM for 12 years. He and his wife, Kathy, are the parents of four children.

**James R Scott, MBA '80**, his wife, Janeë, and their seven-year-old son currently reside in Las Vegas, Nevada. Jim is accounting manager for EG&G Special Projects, Inc., a Department of Defense contractor.

### 1981

**Robert Choules, MBA '81, BS '79**, and his wife, Sharon, are currently located in Chung Li, Taiwan, where he works as

national controller for Motorola Semiconductor Products Company. Robert speaks fluent Mandarin Chinese.

**J. Scott Jamison, BS '81**, manages his own food distribution business. He, his wife, Lisa, and daughter, Kristi, reside in Orem, Utah.

**Burke Richman, BS '81**, is a financial planner for IDS Financial Services in Pocatello, Idaho. He and his wife, Ann, live in nearby Chubbuck, Idaho.

**Jeffrey B. Rock, MBA '81**, is a foreign service officer for the U.S. State Department. He is currently stationed at the American Embassy in Bangkok. He speaks Thai and Mandarin Chinese.

**Walter E Simmonds, MBA '81**, is a mechanical engineer for IBM Corporation in Manassas, Virginia. His MBA specialization was operations management. He also received a bachelor's degree in manufacturing engineering from BYU in 1979.

### 1982

**Alison Davis-Blake, MOB '82, BS '79**, lives in Austin, Texas, with her husband, Michael. She is an assistant professor with the University of Texas, Austin, Department of Management. She received her PhD in business administration from Stanford in 1986.

**Timothy Johnson, MOB '82**, and his wife, Terry, currently live in Houston, Texas, where he is a human resources manager for Amoco Production Company.

**Dianne Kenney Lanning, BS '82 Accounting**, is plant controller for the Del Monte Corporation in San Jose, California. She is married to Rod Lanning.

**Terry Stimson, MBA '82, BS '80**, is serving as president



and part owner of a small family business in Las Vegas, Nevada, that owns and operates the Craig Ranch Golf Course and is developing surrounding real estate. Terry is married to the former Marjorie Hansen. They are the parents of five children.

#### 1983

**Richard Hanks, BS '83**, also a graduate of Northwestern University, where he received an MBA in 1986, is currently vice president of revenue management for Marriott Hotels, Resorts, and Suites in Washington, D.C.. He and his wife, Elizabeth, live in North Potomac, Maryland.

**Gary Lew, BS '83 Finance**, has been appointed general manager of the Corporate Trust and Agency Group of Bankers Trust Company for the Asia-Pacific Rim region. Gary currently resides in Vallejo, California.

**Richard Moss, MBA '83**, is currently bank relations manager for Saturn Corporation, a subsidiary of General Motors, in Spring Hill, Tennessee. He is in charge of banking relations and special financing arrangements and has been with Saturn for a little over two years. Richard was formerly with the First American National Bank in Nashville.

#### 1984

**Robert E. Black, Jr., EMPA '84**, and his wife, Lila, live in Littleton, Colorado. Robert is currently serving as activity manager with the U. S. Bureau of Reclamation in Denver.

**Roy Johnson, JD/MBA '84**, is an assistant professor at the Walker School of Management at Appalachian State University. He and his wife, Milla, live in Boone, North Carolina. He received his PhD from the University of North Carolina, Chapel Hill, in 1990.

#### 1985

**Scott Archibold, EMPA '85**, currently works for the Materials Management Department of the LDS Church. His assignment is international purchasing, working with 13 Church

offices in Latin America to coordinate purchasing all supplies, materials, and equipment. Scott resides in Murray with his wife, Mary, and their three children.

**Andy Bleggi, BS '85**, and his wife, Anne, live in Southern Pines, North Carolina. He is the entrepreneur president and CEO of Selig Manufacturing Company.

**Dale Wegkamp, EMPA '85**, and his wife, Lisa, currently reside in The Woodlands, Texas. Dale is a special agent for the Federal Bureau of Investigation in Houston.

#### 1986

**Robert Heaton, MBA '86, BS '86 Accounting**, is pricing manager for Target Stores, Inc., in Minneapolis, Minnesota. He and his wife, Deborah, live in Brooklyn Park, Minnesota.

**K. Brent Keller, MAcc '86, BS '84 Accounting**, is a public accountant currently working as a Thiokol Corporation supervisor. He also owns his own construction company. He and his wife, Ann, live in Pleasant View, Utah.

**Linda M. Palmer, MPA '86**, is currently serving as assistant to the president of LDS Business College in Salt Lake City. She is responsible for public relations and special projects and oversees the support staff. She also is involved with fund raising. She lives in Murray and is "absolutely thrilled" to be teaching her LDS ward's Primary Sunbeam Class.

**Mark Richardson, BS '86**, and his wife, Linda, presently live in Dublin, Ohio. Mark is finance director for Cigna Health Plan of Ohio, Inc., in Columbus.

#### 1987

**Kathleen Strom Burton, BS '87**, graduated with a degree in information management. She is currently a programmer/analyst for the LDS Church in Salt Lake City. She and her husband, James, live in Layton, Utah.

**Marc L. Horne, MBA '87**, is the entrepreneur behind the

newly opened Goodies Galore candy store in the University Mall in Orem, Utah. Before opening the store in April of this year, Marc worked for five years with Anderson Consulting as an information systems consultant. He and his wife, Betsy, and their two children reside in Salt Lake City.

**Denise Kemper Houghton, MBA '87**, formerly with APM, has recently joined the MacNeal Hospital in Berwyn, Illinois, as director of nursing. She studied nursing also at BYU and is a registered nurse.

**Brent Jones, BS '87**, is currently administrator for the Heritage Park Care Center in Roy, Utah. Brent received an MBA in 1991 from Idaho State University.

#### 1988

**Essie Anno, MBA '88**, is currently working as sales manager for British Airways in Ghana, Burkina, Faso, Togo, and Benin. The job involves extensive travelling to the U.K. and within Africa. Essie has also started a real estate company for which she is the business analyst.

**Jana Stringham Buchanan, MBA '88**, is currently working for Franklin International as a product manager, which includes responsibility for product development and management of the Production Graphics Department. She is married to Jim Buchanan, a native of Tennessee. Their daughter, Haylee, was born in March 1990.

**Jeff Chancey, MBA '88**, is a systems engineer for General Motors, Harrison Division, in Lockport, New York. His position involves design and development of an air conditioning system for a specific vehicle platform. He was previously a sales engineer, responsible for divisional sales to Japanese automakers. He and his wife, Claire, have two girls, Mallory and Hope.

**Craig Clawson, MBA '88**, is working in sales and marketing for a small medical supply business, Contract Medical Services, in Clearwater, Florida.

Craig and his wife love Florida. They have a daughter named Shelby Lynne.

**Matt Heninger, MBA '88**, is working in the Phoenix area for CIGNA Healthplan of Arizona. He worked for a few years as a financial analyst before moving to his current position with the Utilization Analysis Department, where he is a supervisor. He and wife have two children and live in Gilbert, Arizona.

#### 1989

**Notto Lee Jensen, BS '89 Finance**, was recently hired as a territory supervisor for Premier Industrial Corporation to cover the Portland-Vancouver area. He currently resides in Beaverton, Oregon.

#### 1990

**Ma Hsiaoping, MBA '90**, is assistant general manager of the Beijing Asia Satellite Communication Technologies Co., Ltd., a telecommunications manufacturing firm. She lives in the Haidian District of Beijing, China.

**Ivan Sartori, MBA '90**, works in the automobile industry as a production and planning consultant for Tenneco, Inc., in Spain. Before receiving his MBA, he graduated with a bachelor's degree in engineering from the Catholic University of Rio de Janeiro in 1984.

#### 1991

**Annie George, MBA '91**, recently joined the Gezt Corporation in Singapore as a marketing executive. She speaks four languages: English, French, Malay, and Malayalam.

**Murray Low, MOB '91, BS '85**, is a consultant with the Novations Group, Inc. He helps companies work through organizational change and redesign and the strategic use of human resource management. He and his wife, Nadine, live in Orem and had their third child in August.

**Adilson Parrella, MBA '91**, has been promoted to general manager of WordPerfect Brazil. Adilson lives in Sao Paulo, Brazil with his wife, Elaine, and their son.





## Spotlight On...



**Susan Hiltbrand** received her MBA, with emphasis in marketing, from the Marriott School of Management in 1987. She received a BS in fashion merchandising in 1983, also from BYU.

After completing her MBA, Susan (then Susan Jenkins) joined the Broadway Department Stores in Los Angeles, California. She worked for nearly two years as an area sales manager, during which time she was honored with a Broadway Outstanding Area Sales Manager Award. In July 1989 she became an associate buyer with the company. In that position she was responsible for analyzing business trends and planning promotional strategies for a \$19 million men's personal furnishings business.

In December of 1989 her career took an interesting turn when she became a contract negotiator for the Jet Propulsion Laboratory (JPL) in Pasadena, California. She planned, negotiated, and administered major government equipment contracts and acted as liaison between NASA, Cal Tech General Counsel, JPL technical management personnel, and prospective vendors.

Since leaving JPL in December of 1990, Susan's career has taken another interesting turn in a very different direction. She is currently employed as a Creative Services Department project director at Disneyland Resort—Anaheim's Marketing Division. She is actively involved, on both a creative and administrative level, in the marketing strategy for Disneyland Park, the Disneyland Hotel, and Walt Disney World. She is manager and art director for over 30 projects on an on-going basis.

This November, Susan will celebrate the first anniversary of her marriage to Jeff Hiltbrand, a senior manager with Deloitte and Touche. They reside in Mission Viejo, California, with their two children, Amanda (5) and Trevor (3).

Susan is active in LDS church service, serving currently as Laurel advisor and previously as homemaking leader and spiritual living teacher in the Relief Society.

In the limited time available between juggling the demands of her family, career, and church service, she enjoys cooking, reading, craft work, and travelling. As a family, the Hiltbrands enjoy getting away to the mountains on long weekends for fishing and backpacking.

**LeRoy K. Speirs** is spotlighted for his generous contribution to the Marriott School of Management as chair of the Entrepreneur Founders Board.

After graduating from high school, Mr. Speirs joined the military and became a B-17 bomber pilot, flying missions out of England. He was married while still in the service, and after returning home became a salesman for the ABDick Company, one of the forerunners in duplication processes.

Mr. Speirs has been involved in varied entrepreneurial ventures. He ran a bookstore and book club for LDS Church members in the Los Angeles area. He also was instrumental in organizing a bank that generated a \$35-million-a-year mortgage brokerage business. He founded a successful credit insurance firm, Security Protection Company, Inc., which he sold last year. Presently, Mr. Speirs operates his own financial consulting firm.

In addition to his business activities, Mr. Speirs is actively involved in his community. From 1960 to 1964 he served on the San Gabriel City Council. He has been president of the San Gabriel Valley Council of the Boy Scouts of America, president of Area Four (covering California, southern Nevada, and Arizona), and a member of numerous national Scouting committees. His latest assignment was as chair of a food service group that fed 35,000 Scouts at the Camp A.P. Hill Jamboree in Virginia. He is also a member of the board of directors of Ettie Lee Homes for Boys and the VISN Interfaith Council of Southern California.

An active supporter of the Marriott School of Management, Mr. Speirs has contributed generously of both his time and his means. As a member of the Entrepreneur Founders Board, he has shared insights and ideas that have helped the school address real-world issues.

Mr. Speirs admits, "My greatest accomplishment was marrying my wife." He and his wife, Mitzi, are celebrating their 49th wedding anniversary this year. They have five children, 18 grandchildren, and two great-grandchildren. He has served in various capacities in the LDS Church and presently is a counselor in his stake's young adult branch.





**Virginia Wright** is recognized for her achievements in the field of health care administration. Virginia graduated from the Marriott School of Management's Master of Public Administration Program, with emphasis in health care administration, in 1981. After graduating she spent a year as a marketing consultant before joining the Cottonwood Hospital Medical Center in Murray, Utah, as assistant administrator for strategic analysis and planning. While there she also served as acting director of the Department of Development Services.

In 1986, Virginia left Cottonwood Hospital and became a manager at the Intermountain Health Care (IHC) central office in Salt Lake City. In 1990 she became the director of strategic planning and marketing for IHC Hospitals of Utah County. Presently she is assistant administrator of planning and marketing for IHC Hospitals of Central Utah.

Virginia is an active speaker and author. She is a former member of the MSM Alumni Board and has been a guest MSM lecturer on aging and health care environment, planning, and marketing issues. She has also spoken to groups such as the American Society on Aging and has co-authored articles that have appeared in the *Journal of the American Gerontology Association* and the *Proceedings of the Health Care Conference of the Association of Consumer Research*.

She is a member of the American Hospital Association Society for Hospital Planning and Marketing, the AHA Society for Ambulatory Care Professionals, and the American Society on Aging. She has also served as treasurer of the Utah Society for Hospital Planning and Marketing.

Virginia is married and is the mother of four sons. Her hobbies include cooking, weaving, reading, skiing, and traveling.



International graduate **Young Hack Song** is a man with true international experience. He was born in Seoul, Korea. After high school he studied law at Yonsei University in Seoul. But before he was able to take the bar exam, he was called up to serve three years in the Korean Army as a signal corps interpreter. Two weeks after his discharge, he left on a two-year LDS mission to Pusan, Korea.

For three years following his mission, he worked in the banking and life insurance industries before deciding to continue his education in the United States.

Young Hack Song attended BYU-Hawaii in 1982-83 to learn English and to adjust to American college life. From there he enrolled in the Marriott School of Management, where he received a master of organizational behavior degree in 1986. In 1990 he graduated with a PhD in organizational psychology, also from BYU. His doctoral dissertation is entitled "Characteristics of Korean Organization and Management: A Descriptive Study of Korean Corporations."

While at BYU, he taught a "Culture and Management" course to MBA and undergraduate students. He also taught Korean in BYU's Korean Language Department, at the Missionary Training Center, and for the FORSCOM Military Language Refresher Program.

Young Hack is currently a fellow in the faculty of business administration at the National University of Singapore, where he teaches classes such as "socio-psychological foundations of management" and "applied psychology at work" to first- and second-year business students.

Young Hack sees his time in Singapore as an opportunity to broaden his perspectives. He will be conducting cross-cultural research on Singapore, Malaysia, Thailand, Indonesia, and Japan. Eventually he hopes for a tenure position teaching international management or organizational behavior at an American university. His research interests also include the management of research and development in an international environment—i.e., how cultural differences influence innovation.

Adjusting to the new system and culture in Singapore has offered its challenges to Young Hack, his wife, Yeon Han, and their three children. Having spent several years in Provo, Young Hack and his family miss BYU football and basketball and Utah's mountains, snow, and dry weather.





# W A L K I N H I S P A T H

**T**hrough an arched tree like a gate, steps ascend toward the light at Banias near the headwaters of the Jordan. Christ's visit to the spirit world opened the gate for those who died in their sins without a knowledge of the truth or rejected the prophets.



**T**he modern entrance to the tomb of Lazarus in Bethany is twenty four steps above the original chamber. After the great miracle here, the chief priests and Pharisees took council about Jesus, saying, "What do we do? for this man doeth many miracles?" They saw His miracle as a threat that would attract Roman attention, and they feared losing their nation.



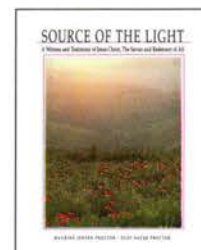
**D**etail of olive-oil lamps burning brightly in the night on part of an ancient olive press near the city of Bethlehem. The Lord gives modern revelation to interpret the parable of the ten virgins: "They are wise and have received the truth, and have taken the Holy Spirit for their guide, and have not been deceived."



**J**esus Christ, the Light of the World, was intimately acquainted with the rocky hills of Nazareth, the shining blue waters of Galilee, the narrow streets of Jerusalem. In *Source of the Light*, you'll walk the pathways of the Holy Land in a journey through the life of the Savior. Climb to the top of Mount Sinai. See the hills of Bethlehem in the season of the Savior's birth. Walk along the shores of the Sea of Galilee.

**A** companion to the best-selling *Witness of the Light*, this stunning volume is filled with timeless, full-color photographs and text drawn from the scriptures, ancient texts, and early Jewish traditions. *Source of the Light* brings to life the events of the Savior's ministry and gives added vision to the words of the scriptures.

**H**usband-and-wife team Scot Facer Proctor and Maurine Jensen Proctor traveled extensively in the Middle East to capture in photography and prose the feeling that lingers there. Photographed in Israel, Egypt, and Jordan, *Source of the Light* eliminates as much of the modern as possible, taking you on an unparalleled journey through the land where Christ lived.



**Source of the Light: A Witness and Testimony of Jesus Christ, the Savior and Redeemer of All,**  
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