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Labovitz School
OF BUSINESS AND ECONOMICS

Reaching higher

A publication for alumni, friends, and students

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LSBE Financial Markets Program Students at the Chicago Board of Trade.

Request for Alumni Information

Alumni News & Notes

We'd love to hear about your latest job, degree, promotion, award, etc., and we'd like to include your good news in this newsletter, as well as in other university-wide publications.

Please send your alumni news to lpjohnso@d.umn.edu, or call 1-866-311-1157.

Also, please send any contact updates (both personal and business), including change of address, phone number and e-mail.



Financial Markets Program Invests in Students. And the Stock Market.

Real investments. Real funds. Real rewards.

An old advertising campaign slogan once claimed "We make money the old fashioned way. We earn it." It was a successful campaign, and the philosophy behind it is enjoying great success today, in the Financial Markets Program at LSBE.

"When they graduate, our students have at least a year's worth of investment experience."

JOE ARTIM, DIRECTOR OF LSBE FINANCIAL MARKETS PROGRAM

Here, students earn their stripes by managing actual investments—real money in real time—and by analyzing the markets which affect those investments. So far, their Bulldog Fund (launched in 2003) is up 33 percent.

"Our students have the unique opportunity to learn by doing; to learn through application," said Joe Artim, Director of LSBE Financial Markets Program. "It's a very non-traditional approach when compared to the classroom. And that's exactly what makes it so beneficial."

In many cases, students come to LSBE specifically to be a part of this program, knowing they'll gain the real-world experience of managing funds and get the chance to directly apply the theories, tools, and ideas they learn in other academic settings.

"Having the opportunity to apply their knowledge is very attractive to students," added Artim. "This teaches them to be critical thinkers, and they learn to express the logic behind their decisions. They get to see and do more than anyone in a classroom."

Outside of nine credit hours of academic studies,

FINANCIAL MARKETS CONTINUED ON NEXT PAGE

students in the Program spend an average of 20 hours per week in the Wells Fargo Financial Markets Lab. Here, in this unique environment, students learn to apply fundamental, technical, and quantitative analysis techniques, and they are encouraged to develop their own methodology towards analyzing the financial markets.

“Our students look at this program like a job, and that’s what separates it from other academic offerings,” said Artim. “They’re not just buying a stock and holding it, they’re looking for difference in valuations between companies and stocks. ‘Will this trend continue or will it dissipate?’ ‘Is now the time to take advantage of it?’ This kind of thinking is the key to the program.”

In addition to the lab experience, students physically explore financial markets with trips to the Chicago Mercantile Exchange and a week at Wells Fargo in Duluth and Minneapolis. In Chicago, students see first hand the workings of an investment bank and brokerage house; they watch a physical exchange in operation. At Wells Fargo, they work in Private Client Services with a curriculum of materials and presentations, including everything from financial planning to research. At the end of the week, they prepare an investment presentation and must be ready to defend their recommendations to professionals in the industry.

These programs, in addition to managing a live investment strategy through the Bulldog Fund, provide exceptional preparation for students entering the workforce.

“When they graduate, our students have at least a year’s worth of investment experience. They’re well-versed, and they have the basis to advance quickly in their careers,” added Artim. “What’s more, because of this real-world experience, they’ve gained an understanding of the fact that markets and investments are driven



by emotion—it’s not all theories and principals. You only learn that by doing the work first-hand.”

The LSBE Financial Markets Program, one of the first undergraduate programs of its kind, was developed with support from Wells Fargo, the Carlson School of Management, and local and regional investment professionals. The program has gained national recognition that same year by earning top honors with the AACSB distinguished Innovation in Business Leadership Award.

Recent Faculty Hires

SAIYING DENG, Ph.D., joined the FMIS Department in the Fall of 2005 as Assistant Professor of Finance. She recently received her doctorate in Finance at Temple University. Her current research interests include diversification and firm performance in the financial services industry, as well as empirical corporate finance. Dr. Deng teaches Financial Markets & Institutions, Financial Institutions Management, Corporation Finance, and Risk Management & Insurance.

QIMING WANG, Ph.D., CFA, came to the FMIS Department this past fall as Assistant Professor of Finance. His doctorate in Finance is from the University of Alabama, and his research interests cover a range of topics in corporate finance and investments, with specific interests in initial public offerings, ownership structures and capital structures, emerging markets, and credit risk modeling and fixed income securities. Dr. Wang teaches Corporation Finance, Investment Fundamentals, and Financial Statement Analysis.

PATRICIA BORCHERT, Ph.D. Candidate, joined the Management Studies Department in 2005 as Instructor of Strategy and Entrepreneurship. Prior to returning to academia, she was on the management team of several start-up firms serving the telecommunications industry and is now completing her Ph.D. in Strategy and Entrepreneurship at the Carlson School of Management. Ms. Borchert’s primary research interests include the evolution of management teams in new ventures, as well as the role top management plays in the transition from “garage shop” companies to sustainable firms. She teaches classes in strategic management and entrepreneurship.

TERRY RUPAR, MA, was hired in 2005 by the Center for Economic Development as Business Development Coordinator. Prior to this position, he was an Instructor at Hibbing Community College where he taught Introduction to Business and E-marketing. He has extensive experience with issues such as labor relations, human resources, workforce development and training, and contract administration. Mr. Rupar will work out of the Center’s Hibbing regional office, assisting small businesses with business and strategic planning, loan packaging, financial projections, and employer/employee concerns.

Forward Thinking

Kjell R. Knudsen, Dean



In this newsletter we are presenting you with renderings of our new building designed by Perkins+Will. The design of the building is now completed and the architects and consultants are working on the bid documents. This spring the University will be requesting the public portion of the funding for the building from the Minnesota legislature. Hopefully, the groundbreaking will be in late spring or early summer 2006.

The design of the building has been an incredible journey for all of us at the Labovitz School of Business and Economics. Under the outstanding leadership of Chancellor Martin and Vice Chancellor Fox and the assistance of John Rashid from UMD Facilities Management, the Labovitz School Building Committee has been involved in all aspects of the design. At this point, there is likely no one in the School who has not had some input in the final design of the building, starting with the pre-design process well over a year ago. The process used by Perkins+Will in involving the Building Committee, faculty, and staff of the School has been inclusive and very well organized.

The Chancellor and Vice Chancellor and members of the Building Committee have been on tours of business schools and other educational buildings around the country and participated in meetings with the design team from Perkins+Will, including the chief designer, Ralph Johnson. There have also been meetings with numerous consultants involved in many aspects of the building. Two of the members of the Committee made a special tour with one of the design team members to study classrooms. As a result, the new building will have classrooms that are on the cutting edge of classroom design.

We are all excited about the new building and are looking forward to its completion. We are also extremely pleased that Sharon and Joel Labovitz and their family are very happy with the design, and we remain grateful to them for giving us this wonderful opportunity to have a new building.

Sincerely,

Kjell R. Knudsen, Dean
Labovitz School of Business and Economics
University of Minnesota Duluth

ATRIUM



NORTH VIEW



CONFERENCE ROOM

SOUTH VIEW



New Healthcare Management Major Offered

Addressing the Needs of an Ever-Expanding Industry

As the nation's second largest employer, the healthcare industry's demand for quality managers is continually increasing. And students are paying attention.

To put it simply, there is no industry quite like the healthcare industry. Take, for example, the fact that healthcare managers and administrators face life and death issues as commonly as they face personnel and accounting issues. They deal not only with consumers, but with consumers struggling through the most serious events in their lives. It is a distinctly different path for management professionals, and to succeed, those managers and administrators must learn as much about life as they do about business.

"Business management in health care is not simply about efficiency; it includes improving access and quality of care," said Dr. Jennifer Schultz, an assistant professor in LSBE's new Healthcare Management program. "That's why our students aren't just learning about the business of health care, they're learning about aging, disease, people's well-being, medical ethics, quality improvement, and countless other matters that directly impact how healthcare facilities are run."

"This is the first semester we've offered the program," said Schultz, "and we've already had 30 students declare it as their major and have over 50 interested in the program."

LSBE's Healthcare Management major focuses on the management, financing, and economics of the health services sector, preparing students for careers in healthcare management/policy, clinical medicine, pharmaceutical services, nursing, or dentistry.

"Our goal was to create a program that crossed disciplinary lines; one that brought faculty and professionals together from a

wide range of experiences—from professors in economics and management studies, to healthcare practitioners," said Schultz.

Drawing on the expertise of faculty from multiple disciplines and healthcare professionals will better prepare students to respond to the many critical problems now faced by hospitals, clinics, long-term care facilities, government agencies, pharmaceutical and biotechnology firms, and insurance and managed care organizations. The healthcare management major also provides the fundamental education and experience necessary for students interested in obtaining a graduate degree in health administration.

Here, students gain a solid foundation of knowledge regarding the health care industry, along with practical skills to apply that knowledge. The Healthcare Management major integrates academic and professional development through collaborative research and consulting projects among students, faculty, and the healthcare community, as well as an internship program, and presentations from industry professionals.

"This is a unique program, even among the few Healthcare Management programs in the country," added Schultz. "From the beginning, we've set ourselves up to become the first in the state to be accredited by the Association of University Programs in Health Administration. It takes two years to achieve, but an accredited program is a high quality program, and that's what we have to offer."

"We're addressing the needs of the healthcare industry and the needs of all of us by creating managers and policy-makers who understand the value of healthcare access, affordability, and rural healthcare issues, not just the economics of management," said Schultz. "There will be many opportunities for such students, and they will impact the care we all receive."

Alumni | FOCUS

For Top BBA Graduate, Hard Work has Always Been Part of the Job

Rebecca Carlson comes from the small Minnesota town of Danube, a place where hard work is as much a part of the landscape as the wide prairie horizon. Like most potential students, she toured a number of universities before the small classes and outdoor opportunities drew her to the University of Minnesota Duluth, and most specifically, the Labovitz School of Business and Economics.

"The school was just going through the accreditation process and just beginning to put together the Financial Markets Program," said Carlson, a 2005 graduate who holds majors in Finance and Organizational Management, as well as a minor in Communication. "I was very impressed and very fortunate to be a part of the program."

Carlson's time within the Financial Markets Program, she feels, led to some of the most valuable experiences of her educational career.

"We did analysis, we wrote reports, we made recommendations and presentations based on our analysis," added Carlson, "and that's exactly what I'm doing today. The work we did there was real, and I know it gave me at least a year's head start in my career."

Carlson is a Research Associate for Piper Jaffray & Company in Minneapolis, where she follows organizations who specialize in medical devices and diagnostic equipment.

"Becky is an extremely hard worker and is tremendously talented," said Joe Artim, Director of LSBE's Financial Markets Program. "She's just a star."

Carlson's efforts and accomplishments at LSBE led her to the top of her class, and as the leading Bachelor's in Business Administration graduate, she was granted the *Wall Street Journal* Award for academic merit, leadership demonstration, and potential for the workplace.

Honored with the award and empowered by her experiences, Carlson has three pieces of advice for current LSBE students: "First, get an internship. It exposes you to the working world so you can find out what you really want to do. Second, talk to as many people in the industry as you can. They have the answers. And third," she added jokingly, "take some time off after graduation, because you never know when you'll get that chance again."



Rebecca Carlson, LSBE '05

Two Prestigious Awards Don't Match the Honor of Just Getting To Do His Job

To say that Jon Pierce is no stranger to hard work is to utter an understatement as monumental as his career. Since becoming a Professor of Organization and Management in the Department of Management Studies here in 1977 (his plan was to stay about four years), Pierce has published 70 articles, co-authored seven books, and positively affected countless young lives.

That is precisely why he was awarded the 2004-2005 Horace T. Morse Award for Outstanding Contributions to Undergraduate Education—an honor equaled only by his acceptance of the UMD Chancellor's Distinguished Research Award. But if you ask him, it isn't about the awards or the hard work.

"I have the best job in the world, and I mean that literally," said Pierce. "There is such freedom in this occupation—not the freedom to do nothing, but the opportunity to think and express your curiosity in ways that interest you. I have such a passion for this job, and I have the good fortune of sharing that passion with the incredible people in the Department of Management Studies."

Pierce's teaching and research interests lie in the areas of organizational behavior and management, and his teachings include an introductory class in that topic, as well as courses in Leadership and Management Inquiry.

During his tenure, he has served on the Editorial Review Board for the *Academy of Management Journal* and the *Journal of Management*, the Board of Directors for the Midwest Business Administration Association, and currently reviews for several leading organization management journals. He was recently inducted into the *Academy of Management Journal* Hall of Fame, and along with Randall B. Dunham (University of Wisconsin-Madison), he received the YODER-HENEMAN Personnel Research Award from the American Society for Personnel Administration. Pierce was also a visiting scholar in the Department of Psychology at the University of Waikato in New Zealand.

"I grew up in a family with a strong work ethic and spent much of my childhood in a university setting," added Pierce. "It was magical to me and still is. Now, I try to impart that sense of curiosity to my students—to get them to ask why. To me, that's the most beautiful, most important question in the world."

The inquisitive Pierce speaks of the awards with praise for his colleagues and gratitude for his university, saying, "I have had a very fortunate career."



Jon Pierce, LSBE Professor
of Organization and
Management

An Impact Greater than Economics

The Bureau of Business and Economic Research Works for Students, Alumni, and the Region as a Whole

On paper, the Labovitz School's Bureau of Business and Economic Research has three distinct functions:

- to collect, analyze, and disseminate information regarding the economy of Duluth, Northeast Minnesota, and the State of Minnesota;
- to provide specific research to identify economic problems and opportunities in Minnesota;
- to act as a catalyst which generates research from faculty, staff, and students within the School.

In actuality, the Bureau's role is even more significant. It is a place for students to gain the hands-on, real-world skills of conducting economic and business research, and perhaps most importantly, it provides unbiased data and analysis concerning the economic viability of building, expanding, or relocating businesses in our region.

"We are a small shop, yet a sought-after resource for economic and environmental analysis of companies moving or expanding here," said Jim Skurla, Acting Bureau Director. "It's our job to find out whether or not there are enough available employees or construction workers—or even what the business climate is like—in the area being considered."

In some cases, this information has never been collected, and the Bureau's role involves the generation of new data.

"We're not simply sending people to a Web site to find the data for themselves, we're answering questions that have never been answered. We're helping determine if a particular project will work. And in many instances, the information we provide helps bring people and jobs to our communities," added Skurla.

It's not always that simple, however. The Bureau can find itself standing between opposing sides of a development issue, for example. But for Skurla, and the Bureau staff, the emotions of the issue don't get in the way.

"We want to help everyone arrive at data-driven decisions. We have no other agenda than that."

Recent Bureau of Business and Economic Research projects include the economic impact of building Excelsior Energy's Mesaba One power generation facility on the Iron Range, researching alternatives to petroleum-based fuels for marine vessels, and analysis of the Duluth area's economic development opportunities through a BBER-created tool, the Enterprise Network System Analysis.

"The Bureau is a true outreach program, and one of the only non-Minnesota Department of Employment and Economic Development resources in the state for research on labor force information," said Skurla.



Paul Hochsprung, John Daly,
and Nitya Malik

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Dave Gaddie, LSBE Advisory Board Chair

As Chairman, President & CEO of Republic Bank, Dave Gaddie is actively involved in the financial and economic industry of this community, yet he's made time to serve as an LSBE Advisory Board Member since 2002, chairing the board since 2004.

LSBE: What do you see as the most important role of the Advisory Board?

DG: *To be supportive of the Dean and the administrative staff; to be the eyes and ears of the University in the city and region. This connection to community is vital and to support it effectively, we must maintain a diverse board made up of involved, active, knowledgeable individuals representing our region—from the Iron Range to south of the Twin Cities.*

LSBE: How has the board changed over the years?

DG: *We've grown, because we've added active business managers and owners, developing more of a current, dynamic board. Our vitality has been created by changing and adding members. We've also set up term limits, so the board will continue to evolve.*

LSBE: What goals do you have for the board?

DG: *For now? Funding, because that's our job. We need to work diligently to raise capital for LSBE's new building. We need to work with our state legislators and develop grassroots efforts in our communities. It isn't easy work, but it's important work, and that's what we'll do.*



Dave Gaddie, Chairman, President & CEO of Republic Bank and LSBE Advisory Board Chair

Dean's Reception

LSBE Honors Its Leaders

Dean Kjell R. Knudsen recently hosted a reception to honor the former Deans and Acting Deans of the Labovitz School of Business and Economics. The first Acting Dean of the School, the late Dr. Hyung K. Kim, was recognized for his service in 1974-1975, during which the School experienced unprecedented growth in enrollment. Representing Dr. Kim at the reception was his widow, Peggy Kim.

Dr. Robert S. Hancock served from 1975 to 1977 as the first Dean of the School. He was instrumental in establishing the School's MBA Program and was known for offering wisdom and advice to the relatively young faculty members who comprised the School at that time. Representing Dr. Hancock at the reception were his sons, Philip and David, and his daughter-in-law, Laurie.

Dr. David A. Vose was Dean of the School from 1977-1992. He became Dean after holding the position of Vice Provost

for Academic Administration at the University. He chaired the Building Committee, which oversaw the construction of the current School of Business and Economics building, and he was also responsible for the creation of the Center for Economic Development (CED). He and his wife, Roberta, were in attendance at the reception.

Dr. Thomas B. Duff was recognized as the School's Acting Dean from 1992-1994 and 1997-1998. Dr. Duff played a primary role in helping attain AACSB International accreditation for the School. He was in attendance at the reception.

Dr. Rodrigo H. Lievano was recognized as the School's Dean from 1994-1997. He was responsible for reorganizing the Committee and Governance structure of the School in a way that helped faculty and administration focus on matters critical to obtaining AACSB International accreditation. He also had a clear vision of the CED as a laboratory component of the School, which contributed greatly to the integration of the CED within the School. Dr. Lievano was also in attendance at the reception.



Recent recipients Past Acting Dean Dr. Tom Duff (l) and Past Dean Dr. Rod Lievano (r)

Bruce Stender Named Business Person of the Year

Labovitz Awards Honor Entrepreneurs

Dr. Bruce W. Stender, the 34th recipient of the Business Person of the Year Award, is proud to receive such recognition, but is equally quick to point out that the honor is not all his.

"I've truly been blessed to work with so many good people," said Stender. "The complexities of running a business today are many—success takes a lot of people and a good deal of luck. Hopefully you have both."

Certainly, as President, Chief Executive Officer and a Principal of Labovitz Enterprises, Stender has seen his share of success. The Duluth-headquartered firm has interests in a variety of businesses, including the Lion Hotel Group, which operates the Duluth Holiday Inn Hotel & Suites and Holiday Center Shopping Mall. Prior to joining Labovitz Enterprises, Stender was President of the College of St. Scholastica. In 1978, he was chosen as one of Ten Outstanding Minnesotans, and he received an Honorary Doctorate of Law Degree from the College of St. Scholastica in 1981.

Since his early years in Duluth, Stender has been civically active, serving on numerous business, healthcare, and community and statewide boards and committees. He has generously offered his experience in business and education and has focused his efforts on organizational development, operations, management, and corporate and non-profit board governance.

"I had the good fortune to come to Duluth in 1975, and meeting Joel Labovitz, who became a mentor, business partner, and 'boss,' was a turning point in my professional life," added Stender. "I've learned a lot—not just how to run a business, but how to help people reach their goals. To me, that's most satisfying: helping people achieve as much or more than they thought they could.



Bruce Stender, Business Person of the Year (left), with LSBE Dean Kjell R. Knudsen.

That's success."

A number of other successful entrepreneurs were also recognized at the Labovitz Awards Ceremony. They include: Micro-Entrepreneur Award winner Derek Vekich of Inhaler Fishing Tackle Company, Bovey; Emerging Entrepreneur Award winner Bob Menne III of Premier Plastics, Hoyt Lakes; Established Entrepreneur Award recipients Steven Dastoor and Sean Dean of Citon Corporation, Duluth; Mature Entrepreneur Award winner John Anderson of Northshore Manufacturing, Inc., Two Harbors; Recognizing Emerging Technologies Award recipient John Foucault of Points North Consulting, Inc., Duluth; Lifetime Achievement Award winner Edgar Hetteen, founder of Polaris and Arctic Cat, and co-founder of ASV; and the David A. Martin Entrepreneurial Leadership Award recipient, Dale S. Lewis.

"It is a humble experience when you consider the names on that list—all the winners and all the nominees over the years," added Stender. "And in the years to come, there will be twice as many names, and the community will be twice as strong as it is today—because of LSBE's commitment to training qualified business leaders."

It's Always Been All Business for Clayton Keim



Clayton Keim, LSBE '07

You'd expect a student of LSBE to be interested in business—maybe even active in his search to get involved with the corporate community. What you might not expect is a student who's been running his own company for two years, and looking to

start up a few more. You might not expect a student who has been directing athletic races, or attracting national-caliber speakers for the Entrepreneur Club—let alone a student who will have three accounting internships under his belt by graduation.

"If you want to get the most you can out of something, you have to apply yourself; you have to go beyond the classroom," said an energetic Keim,

"You also have to start young—every middle-school kid out there should be investing."

After growing up near St. Cloud, Minnesota, Keim has invested considerable time and effort into his interest in outdoor sports.

"I have a passion for cross-country skiing, and it's the motivator for my business, as well as for the races I coordinate," added Keim, who's Rollerskishop.com LLC has enjoyed an impressive second year with the addition of his own brand—Pursuit. "But you can't just have passion, you need to have a great idea to really make it."

Keim, whose motto is "You can't control the market; let it control you," didn't come to college with the idea of being an entrepreneur, but once he joined the Entrepreneur Club, he was hooked.

"I came to Duluth because of the accreditation and the outdoors," added Keim. "There are many opportunities here, you just have to take advantage of them."

Keim's plans include an audit internship with McGladrey & Pullen in Duluth this spring, and a corporate finance/accounting internship at Honeywell during the summer. After graduation in 2007, he foresees going into accounting. "I'll always be an entrepreneur, though," he added. "I know I'll be running my own businesses."

CALENDAR OF EVENTS

Volunteer Income Tax Assistance (VITA) Program	February 5 – April 15, 2006
Spring Professor for a Day	February 28, 2006
Lake Superior Economics Challenge	April 6, 2006
Beta Gamma Sigma Induction Dinner	April 7, 2006
CARE Awards Reception	April 2006
UMD Graduate Commencement	May 11, 2006
UMD Undergraduate Commencement	May 13, 2006
14th Annual Joel Labovitz Entrepreneurial Success Awards	May 17, 2006
The Upper Midwest Economic Development Course	July 17-21, 2006
Fall Professor for a Day	October 2006



Labovitz School OF BUSINESS AND ECONOMICS

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