



Rotman Reader

NEWS AND EVENTS AT THE ROTMAN SCHOOL OF MANAGEMENT

FEBRUARY 2001

Rotman Exceeds United Way Goal

The Rotman School wrapped up a very successful fundraising campaign for the United Way of Greater Toronto in January. Faculty, staff and students raised a total of \$54,106 surpassing the original campaign goal of \$40,000.

For the second year in a row, Rotman MBA students received a Spirit Award from the United Way for the Best Post-Secondary Student campaign in Toronto and also received special recognition for their success in the CN Tower Stair Climb in October.

"I would like to thank the Rotman community for your generous financial support and hard work," says **Ann Armstrong**, who co-ordinated the School's efforts. Staff, students and faculty came forward to support the United Way by organizing and participating in special fundraising events.

Lee Benson, Roger Martin, Jim Fisher, Kathleen Saddington and **Amphon Keo-Khamdhi** worked at the opening coffee and book sale selling food donated by Alli's Catering. Many people participated in the CN Tower climb where PhD student **Neil Fassina** set the time to beat next year. **Gaby Kampouris, Gerri LaForme** and **Michelle Stinson**, MBA'01, called the bingo games featuring great prizes donated by part-time MBA student **Harold Ho** of Benchmark Hospitality Services and by the MBA Community Services Club. **Kathleen Saddington** and **Nadine Kharabian** ran the dunk tank where volunteers braved the chilly waters.

The Rotman School was the only educational institution selected to participate in the United Way @ Work pilot project that permitted staff, students, and faculty to make donations online. Special thanks go to **Kathleen Saddington** for managing the electronic donation project for staff and faculty and to MBA students **Mark Allen** and **Barclay Hancock**, who ran the e-donation system for the students' campaign.

Rotman Top Ten in Finance According to FT

The *Financial Times* 2001 ranking of international business schools was released on January 22nd. This year 100 schools from around the world were included in the ranking. Nine Canadian business schools were included which is good news for the Canadian B-School industry.

The Rotman School ranked 46th this year. For the first time the School was included in the top half of the survey. In numerical terms, Rotman is five positions lower from last year but the position relative to Rotman's global competitors continues to rise. An additional 25 schools were added to this year's survey. Of note, only a few points separate a large number of schools, including Rotman, below the leading 15 schools.

The Rotman School, for the second consecutive year, was ranked as one of the top ten business schools for finance in the world, based on recommendations by alumni.

The complete survey results can be found at www.ft.com.

"The ranking shows that we are on track but we will need to continue to push ahead on our ambitious five-year plan. It will take time for these changes to be reflected. Much of the FT's ranking is based on information dating back as far as five years ago, long before we began to move aggressively forward," says Dean **Roger Martin**. "Therefore the ranking is not an up-to-date snapshot of the true progress and momentum that we have achieved in the past three years. We know that the marketplace is responding positively to our changes."

In a memo to the Rotman community on January 22nd, Martin outlined the progress and achievements the School has made over the past year including:

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Financial Times Ranking

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- Rotman continues to attract hundreds of applicants to the MBA program.
- It has been a record year for the MBA Career Development Centre. There is an absolute war for Rotman's graduating students as more firms than ever want to recruit at the Rotman School.
- Rotman has successfully incorporated new classes on integration into the curriculum.
- The PhD program has been expanded with two new streams and an increase in enrollment across the entire program.
- Leading Canadian firms and industries are making Rotman their first choice for their Executive training needs. In the past year alone Rotman Executive Programs has created new executive programs for the Aerospace industry, the Ontario Chiefs of Police, and Ontario Power Generation, among others.
- Rotman continues to expand international partnerships with business schools on three continents bringing students from around the world to Rotman and sending Rotman faculty and students abroad.
- Rotman's fundraising efforts continue to be rewarded as alumni and the international business community support financially the new goals for the School.
- Special events such as the ongoing Rotman E-Biz Forum are attracting the major thinkers and strategists from the business world.
- The Rotman School continues to receive the most media coverage of any B-school in Canada.
- Rotman's marketing materials continue to win national and international awards for excellence.

New Part Time MBA Program Launches in May

The Rotman School has launched a newly redesigned Part-Time MBA program to allow students to complete their degrees in three years. The first class begins in May. To date, 54 offers have been made to prospective students, of which an impressive 39% are female. The class has an average GMAT score of 640 and has an average of seven years of work experience in a variety of areas including finance, IT, consulting and packaged goods.

Like Rotman's Full-Time MBA Program, the new Part-Time program will emphasize integrative thinking while continuing a focus on team-based learning. For more information about Rotman's Part-Time MBA program, contact Prof. **Harvey Kolodny** at kolodny@rotman.utoronto.ca.

Research and Teaching Awards Presented to Faculty

A prestigious professor of operations management and an assistant professor of finance are the winners of the **Roger Martin and Nancy Lang Awards for Excellence in Research and Teaching** at the Rotman School of Management.

Oded Berman, professor of operations management, receives the Roger Martin and Nancy Lang Award for Excellence in Research. During his career Prof. Berman has published more than 110 refereed articles and has contributed to several books in his field. He is an Associate Editor of the journals *Management Science*, *Operations Research and Transportation Science* and a member of the editorial board of *Computers and Operations Research* and the *Journal of Service Research*. His main research interests include: operations management in the service industry, logistics and software reliability. He has served as Associate Dean, Programs at the Rotman School. Prof. Berman received his PhD in 1978 from MIT and has been at the University of Toronto since 1990.

Alexandra MacKay, assistant professor of finance, receives the Roger Martin and Nancy Lang Award for Excellence in Teaching. Prof. MacKay has taught finance courses at both the undergraduate and graduate levels, including courses on financial engineering in the Rotman MBA program, consistently winning praise from both colleagues and students for her leadership in the classroom. Her research interests include fixed income markets, term structure estimation, embedded options, pension funds and accounting for derivatives. Recent work by Prof. MacKay has been published or is under review at several major finance academic journals including the *Canadian Investment Review*, the *European Finance Review*, and the *Journal of Banking and Finance*. She joined the University of Toronto in 1996.

The annual awards were established in 1999 by a generous donation to the Rotman School by Dean Roger Martin and his wife, Nancy Lang. The purpose of the awards is to recognize and encourage the research and teaching activities of faculty members at the Rotman School.

Alumni from RIM and Netigy Featured at Rotman E-Biz Forums

James Balsillie, BCom'84, Chairman and Co-Chief Executive Officer of Research in Motion Limited (RIM), is the featured presenter in the next **Rotman E-Biz Forum** on February 26th. In his role with RIM (www.rim.net), Balsillie directs the company's strategy, business development, and finance. RIM is a world-leading wireless data subscriber device, software and service company, best known for the design, manufacturing and sale of the BlackBerry handheld. Prior to joining Research in Motion, Mr. Balsillie was with Sutherland-Shultz in Kitchener, Ontario, and Ernst & Young in Toronto. He is a Chartered Accountant and has an MBA from Harvard in addition to his U of T degree.

The Rotman E-Biz Forum kicked off the New Year on January 29th with a presentation by **Jeff Rushton**, MBA'89, President, Americas, of Netigy Corporation. The subject of his presentation was "Are you E-Ready? The Enabling Infrastructure to Make E-Business Real Business." Netigy provides infrastructure consulting and professional services to help enterprise clients and service providers make a smooth and successful transition to network-based E-Business models. Rushton's presentation is available on the Rotman web site at www.rotman.utoronto.ca/news.htm.

The Rotman E-Biz Forum is an ongoing series that educates its students, faculty, alumni and the rest of the business community on the role of e-commerce in the new economic environment. Presenters in Rotman E-Biz Forum focus on the most pressing issues in e-commerce in both the business-to-consumer and business-to-business markets. Tickets for all Rotman E-Biz Forum events are \$95 and can be purchased online at the Rotman events page. A limited number of complimentary tickets are available for each event for current Rotman MBA, MPA and PhD students by contacting Jack Thompson at thompson@rotman.utoronto.ca.

Rotman Tax Centre to Develop Program for Russia

In co-operation with the World Bank Institute and the Institute of Urban Economics of Moscow, the **International Tax Program** of Rotman's International Institute of Business has undertaken to develop a training program on intergovernmental and local finance for Russia. Financed by CIDA, the aim of this program is to provide training for both analysts and officials involved in

intergovernmental fiscal relations in Russia. Although the course will ultimately be delivered in Russia in some 30 oblasts (regions) throughout the country, much of the original course material will be developed by Canadian experts working in close collaboration with both the World Bank Institute, which has substantial experience in delivering training in these areas around the world, and with the Institute of Urban Economics, a leading institution in this field which was originally established with the support of the Urban Institute of Washington, D.C. The Canadian effort will be directed by **Richard Bird**, co-director of the ITP, with the support of other faculty from Toronto and elsewhere, including Enid Slack of the Department of Geography, Francois Vaillancourt of the Universite de Montreal, Ken McKenzie of the University of Calgary, and Harry Kitchen of Trent University.

MBA Business Conference A Huge Success

Speakers and participants at the Rotman MBA Business Conference looked at competitiveness from a new angle, examining whether mergers and developing new alliances is an appropriate strategy for winning in the global economy. The conference is an annual student-organized event and provides a forum for executives, students and alumni to discuss crucial issues facing today's business community.

The conference, held at the Rotman School on January 26th featured keynote speakers **David Kassie**, Vice-Chairman, CIBC, and Chief Executive Officer, CIBC World Markets; **Michael Sabia**, BCom'76, President, BCE and Vice-Chairman Corporate, Bell Canada; and Dean **Roger Martin**.

Speakers in breakout sessions included: **Larry Baldachin**, Executive MBA'94, President and CEO, Liberty Technology Services; **Teri Brown**, Executive MBA' 88, National Director, Growth & Development, Watson Wyatt; **Jim Coutts**, Executive MBA'99, President, Coutts & Company Inc.; **Bobby John**, Executive Vice President and Founder, Personus; **Marianne Harris**, Managing Director of Investment Banking and Head of the Financial Institutions Group Canada, Merrill Lynch; **Dennis Kavelman**, Chief Financial Officer, Research in Motion; **Ken McCord**, Senior Vice President, Investment Strategy & Communication, AIM Funds Management Inc; **Andrew Muroff**, President, SoftQuad; and **Ken Smith**, Senior Vice President, Cap Gemini Ernst & Young.

Presentations by selected speakers are available online at www.rotman.utoronto.ca/businessconference.

New Police Leadership Program at Rotman

The **Ontario Association of Chiefs of Police** (OACP) has approved a new leadership development program that provides the next generation of top police officers with MBA-style executive training at the Rotman School. This new initiative, called the Police Leadership Program, is designed to give experienced law enforcement professionals the unique management skills required for leading a police service successfully in today's environment of social and political change.

"The duties of a police officer have changed dramatically in the past decade," says OACP spokesman **Ron Bain**, Deputy Chief of the Peel Regional Police and Chair of the OACP Training Committee. "In today's complex, fast-changing world, an effective police leader must be an expert at much more than law enforcement. Top police officers need to know how to lead organizations effectively and understand the 'business' issues that affect their ability to serve the public. The better we become at leading and running a police force, the better we can serve and protect the people of Ontario."

The Police Leadership Program includes executive-level training in fields such as organizational development, leadership and team-building, financial management and stakeholder relations. The program is the result of a detailed study recently completed by the OACP that identified the skills required for future police leaders. Program participants are nominated by their commanding officers and identified as having the potential to advance toward a command position.

Each of the courses is designed to reinforce fundamental concepts, build on participants' law enforcement experience and develop competency-based executive-level skills. Program instruction is based on the team-based learning philosophy that the Rotman School incorporates in its programs, including the Executive MBA.

"The courses combine in-class instruction, peer-based learning, simulations, team projects and individual assignments," explains Prof. **Joseph D'Cruz**, Academic Director of the Program. "We find this approach creates a powerful learning environment where new concepts are quickly understood and put into action."

The OACP is a professional services organization of more than 1,000 members that promotes competent administration of policing services, co-ordinates police training and education and provides timely information. The Association continually strives to increase the efficiency of law enforcement agencies for the protection and service of the people of Ontario.

Aerospace Program Wraps Up First Module

The inaugural class of the Aerospace Executive Management Program wrapped up its first four-day class module on February 12th with a reception at the Rotman School. The Program is the first executive development program of its kind created exclusively for leaders in the aerospace industry. It is designed to help participants build business competencies that are unique to the aerospace industry. The program also develops the management skills and knowledge that industry leaders need in an increasingly competitive and global business environment. Classes begin on February 9th. The program is a joint initiative of the aerospace industry, working through the Ontario Aerospace Council (OAC), and the Rotman School.

In attendance at the event were **Rod Jones**, Executive Director of the Ontario Aerospace Council, Prof. **Joseph D'Cruz**, Academic Director of the program, Dean **Roger Martin** and senior executives from sponsoring companies in the aerospace sector.

The inaugural class of 24 represents a cross-section of aerospace companies, ranging from manufacturers such as Boeing Canada, Honeywell and Messier-Dowty, to suppliers such as Walbar Engine Components and Vega General Machining.

Staff Changes

Ann Smiley, Assistant Dean, Development, has left the Rotman School to accept a position with U of T's School of Graduate Studies. If you have any inquiries regarding Rotman's advancement area, please contact Kate Eccles, Assistant Dean, Marketing & Communications, at 416.978.6991, or Betty Kung, advancement assistant, at 416.946.3622.

Suzanne Spragge has joined the Rotman School as Director, Office of the Dean. Most recently, she was Manager, Special Projects in Advancement Services, at U of T's Division of Development and University Relations. She has worked for a variety of organizations including Deloitte Consulting and the Canadian Opera Company. Suzanne can be reached at 416.978.4232.

Rachel Doll is the new MBA Recruiting Assistant. She joins the Rotman School from U of T's International Student Centre where she was an assistant administrator. Previously, she worked as an admissions officer for a private school in Argentina.

Shannon Singh has joined Rotman's Executive MBA program as program assistant. In her new role she will be providing a full range of administrative services for the program.

Faculty News

The briefing book for the current Team Canada trade mission to China includes a synopsis of Prof. **Don Brean's** work on the fiscal and financial systems in China with special reference to the research volume that he edited and published, entitled *Taxation in Modern China*.

Sridhar Moorthy, Manny Rotman Chair of Marketing, gave a presentation on "Research Frontiers in Marketing" to faculty and PhD students at the Indian Institute of Management, Bangalore, India on December 21.

Operations Management professors **Oded Berman** and **Dmitry Krass** have been invited to edit a special issue of *Annals of Operations Research* entitled "Recent Developments in Theory and Applications of Location Models."

Tom McCurdy, professor of finance, has recently presented papers at McGill University, Queen's School of Business, the World Congress of the Econometrics Society, the Canadian Econometrics Society and the annual meeting of the Northern Finance Association.

Andrew Mitchell, Patricia Ellison Professor of Marketing, was the discussant for a special session entitled, "Experience-Based Processing and Its Effects on Judgment Decision Making and Behavior" at the Association for Consumer Research Conference in Salt Lake City last October.

At the same conference, **Ian Skurnik**, assistant professor of marketing, presented a paper on "Reported Warnings About False Consumer Claims Can Make Them Seem True."

Jin Gyo Kim, a PhD student in marketing, has accepted a tenure track faculty position at the Sloan School of Management at the Massachusetts Institute of Technology.

The Marketing Science Institute recently sponsored a Young Scholars Conference featured three recent graduates of the Rotman School, Prof. **Angela Lee** of Northwestern, Prof. **Ganesh Iyer** of UC-Berkeley, and **David Soberman** of INSEAD. Twenty-five academics who graduated three to five years ago and are considered "rising stars" in marketing were invited. Only two other PhD programs, MIT and Columbia, had three graduates invited.

Jack Mintz, Arthur Andersen Professor of Taxation, and **Richard Bird**, Co-Director of the International Tax Program, presented a paper on international sharing of tax bases at a CESifo conference in Munich on January 11.

Rotman in the News

Dean **Roger Martin** was quoted in a front page article on January 30 in the *Washington Post* on the downturn in the U.S. economy. Martin said layoffs in the U.S. auto industry reflect not only the lowered expectations of auto sales over the next few years but also the painful realization that the companies are losing market share and more work will have to be outsourced to lower cost suppliers.

Martin was the "Economist of the Day" on ROB-TV on January 23 where he talked about the U.S. and Canadian economies.

Joseph D'Cruz, professor of strategic management, also commented on the layoffs in the auto industry in the January 30 edition of the *Toronto Star*. Prof. D'Cruz says that layoffs at parts plants will come fast and furious. In the past, production cuts at assembly plants took a while to translate into cuts at parts makers, which typically kept high inventory levels. But today, thanks to integrated operations with the assembly plants, just-in-time manufacturing is standard practice. "This means the shocks will reverberate very quickly," says Prof. D'Cruz.

Prof. D'Cruz also discussed the steel industry on Money Week, a business program on CBC Newsworld during the weekend of January 27 and 28.

On a more optimistic note regarding the auto layoffs, Prof. **Peter Dungan** in a *Canadian Press* article that appeared on January 30 in the *London Free Press* and *Hamilton Spectator*, says that we should not expect a recession. Prof. Dungan says that growth in the economy will slow. "We can't expect the growth this year and next what we've had for the last two or three years. That would be unreasonable. But we also should not expect a recession."

Prof. Dungan also told the *Ottawa Citizen* on January 25, that the prospects for the Canadian economy remain good over the near and long term despite recent economic bumps. He was also quoted regarding the economic slowdown in numerous *Canadian Press* articles throughout January as well as the January 9 edition of the *National Post*.

Jack Mintz, Arthur Andersen Professor of Taxation and President & CEO of the C.D. Howe Institute, contributed a column to the January 8 issue of the Canadian edition of *TIME*, on the effects the slowdown in the U.S. economy will have in Canada.

In the most unusual Rotman in the News item in recent years, a door handle at the Rotman School was featured on the cover of the January-February issue of *AZURE*, a design, architecture, and art magazine.

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Rotman in the News

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Finance Professor **Eric Kirzner** took part in two recent round table discussions on investing. In the January 30 issue of the *Toronto Star*, Prof. Kirzner commented on index investing along with a panel of experts from the banking industry. In the January 29 issue of *Maclean's Magazine*, Prof. Kirzner discussed investment strategies for 2001 with Jeffrey Rubin, Chief Economist for CIBC World Markets, and Wendy Brodtkin, President of Goodman Institutional Investments. He also commented on index investing in the *Globe & Mail* on January 13.

Marketing Professor **Sridhar Moorthy** commented on the marketing campaign of the new eatons department store in the *Toronto Star* on January 27. Aside from a few subway posters, you'd be hard pressed to notice any advertising, he said. "They should have grabbed the consumer's attention with a more splashy, sustained effort."

The appearance of two key people from Canada's financial services industry at the Rotman MBA Business Conference was noted by Andrew Willis in his "Streetwise" column in the January 24 issue of the *Globe & Mail*.

On January 20, Prof. **Joseph D'Cruz**, was quoted in the *Toronto Star* on the proposed takeover of Chapters Inc. by Trilogy Retail Enterprises, a company set up by Gerry Schwartz and Heather Reisman.

Laurence Booth, professor of finance, also discussed the Indigo/Chapters saga on January 18 on CBC National News.

David Beatty was profiled in the *Globe & Mail* on January 22. Beatty, who teaches in the Rotman Executive MBA program was appointed last fall as the new director of the Clarkson Centre for Business Ethics. Beatty says that good intentions of boards and senior management teams are often undercut at the operations level. "Profoundly ethical organizations of vast size and scope have found that they are operating, at the level where work is done, with less noble principles," says Beatty. The challenge for managers is to create linkages between sound governance at the top and clean operating practices in the trenches.

Gary Latham, Secretary of State Professor of Organizational Effectiveness, gave several interviews during late December and early January regarding ways to make and keep New Year's resolutions. He appeared on City TV's Breakfast Television and Global News, and was interviewed by Vancouver radio station CKNW. He also gave interviews to the *Canadian Press*, *The Oregonian*, *The Guardian* (PEI), and did a Q&A for the *Globe & Mail*. He also took part in an online chat session on WebMD.com, taking questions on goal setting.

The new Jeffrey Skoll BASc/MBA program was featured in a December 28 article in the *Globe & Mail*. Dean **Roger Martin** and **James Colaco**, one of the first students in the program, were quoted.

A new executive program to provide MBA-style training to potential police leaders was profiled in the *Globe & Mail* on December 22. The program was designed in partnership with the Ontario Association of Chiefs of Police.

A special report on "Risk Conference 2000", a conference sponsored in part by Rotman's Bonham Centre for Finance, appeared in the winter 2000 issue of *Canadian Investment Review*. It includes articles by Rotman finance professors, **Alan White**, **Alex Mackay**, **Eric Kirzner**, and **Paul Halpern**.

Upcoming Events

Wednesday February 21, 2001

Institute for International Business (IIB) Roundtable

4:00 to 6:00 pm, venue TBA

John Curtis, Senior Policy Advisor and Coordinator, Department of Foreign Affairs and International Trade
"The World Trade Organization: What's Next and Can We Live with it?"

Attendance is by invitation only. Please contact the IIB at (416) 978-2451 or by e-mail at iib@rotman.utoronto.ca

Monday February 26, 2001

Rotman E-Biz Forum

5:00 to 7:00 pm, Fleck Atrium

Jim Balsillie (BCom '84), Chairman and Co-CEO, Research in Motion Limited

"Taking Wireless Technologies to the Next Level"

Cost: \$95 per person.

To register, please contact Jack Thompson via e-mail at thompson@rotman.utoronto.ca.

A limited number of complimentary tickets are available for current Rotman MBA, MMPA and PhD students.

Tuesday March 6, 2001

Great Minds for Great Business Lecture & Reception

5:00 to 6:30 pm (Lecture & Q&A), 6:30 to 7:30 (Reception), Fleck Atrium

Dr. Robert A. Mundell, C. Lowell Harris Professor of Economics, Columbia

University and 1999 Nobel Laureate in Economics

"How Big Should Government Be?"

Cost: \$100 per person

To register, contact Jack Thompson via e-mail at thompson@rotman.utoronto.ca. A limited number of complimentary tickets are available for current Rotman MBA, MMPA and PhD students.