

# ACADEMIC CASE STUDY: UNIVERSITY OF MICHIGAN

› Students, professors, and faculty across University of Michigan gain individual access to FactSet’s industry-leading financial software.



NAME	TITLE	SCHOOL	TOTAL MBA STUDENTS	TOTAL UNDERGRAD BUSINESS STUDENTS
Kai Petainen	Tozzi Trading Floor Manager & Adjunct Lecturer of Finance	University of Michigan, Ross School of Business	1,037	505

“As FactSet has grown their databases and analytics, we’ve been able to apply it more.”

## CHALLENGE

University of Michigan was one of the pioneers of the university trading floor. And when they opened a trading room in 2000, they needed a robust product that could screen many different key financial and estimate data items for a large universe. They hoped to build quant scores to track their investment ideas. They also wanted a product that was trusted by current investment professionals, so their students could gain practical industry knowledge. They decided to reach out to FactSet.

### SOLUTION

Since then, University of Michigan's use of the trading room expanded quickly. In 2002, the school built the Tozzi Center, which boasts 13 desktops and sees 500-1500 students pass through each week. The trading room employed a dedicated faculty member, Kai Petainen, whose office is located within the lab and has a direct view to the floor. "This allows me to be visible to students in the lab, and they are aware I am a dedicated resource to help increase their knowledge of FactSet," commented Kai, Tozzi Trading Floor Manager and Adjunct Lecturer. Kai has set up processes that make it easier for students to learn: he creates FactSet tipsheets on most commonly used functions and he also holds initial learning sessions each September and October to go over different aspects of using FactSet, from basic analysis to complex screening and advanced coding.

Not only has FactSet's presence grown at the Tozzi Center since 2000, but the ways FactSet is used in conjunction with course content has become more advanced, as well. In addition to screening and quantitative applications, students who have questions on fixed income, economic, and ownership data are encouraged to use FactSet to enhance their research. "As FactSet has grown their databases and analytics, we've been able to apply it more, like with Fixed Income, I send the students who are looking to analyze a bond to FactSet since the reports are comprehensive but still easy to use," states Kai. Additionally, the grad and undergrad students manage \$200,000 in the Maize and Blue Student Managed Fund, and they use FactSet to inform their investment decisions.

For professors, Kai has been able to show the different ways the lab can be used to augment their classroom lessons and assignments and he is available to co-teach all classes in the lab so the professors who are less familiar with the software can rely on his expertise. Now, more than a dozen business courses on campus use FactSet. Example courses include **International Finance** where students must download CPI, Gross Domestic Product, and other key economic information on target countries and their neighbors for comparison. Both **Private Equity Finance** and **Venture Capital Finance** courses use the FactSet Mergers database to search historical deals in order to find trends in companies who went from public to private or are at a various stage of funding which they can then model for future potential deals.



One of the best examples of University of Michigan's action-based approach to learning is Kai's **Applied Quant/Value Portfolio Management** class. It has one of the largest wait lists at the business school as students are driven to real-world learning of the fundamentals of portfolio management. Since every class is taught within the Tozzi Center, Kai is able to use FactSet to get more context on recent and relevant news. A typical example is utilizing FactSet's Ownership, People, and Corporate Governance databases to research connections between people and firms, and to discover details on recent deals, as well as links between funds. In December 2013, Kai and his students even uncovered a potential conflict of interest using FactSet in this class. See how Kai used the situation, discussed in [this Forbes.com article](#), to teach the value of informed research on FactSet.

### RESULT

Combining FactSet's robust analytics and breadth of data, University of Michigan has been able to expand their hands-on learning philosophy and provide tremendous value to both students and faculty as they continue to discover ways to utilize FactSet within their coursework. Kai concluded, "I think [University of Michigan] students have been able to distinguish themselves after graduation based on their proficiency in FactSet and learning experiences in the lab."