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Inside Track: Biting hand that fed him

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Even in retirement, Bob MacDonald hasn't stopped pulling punches.

Writing last week on his blog, www.bobmac onbusiness.com, the outspoken former CEO of Allianz Life Insurance Co. of North America let loose a fusillade of invective at his former employer in response to news that the company was eliminating more than 100 jobs at its Golden Valley headquarters.

In a posting titled "Allianz Life -- The Sad Decline of a Great Insurance Company," MacDonald blamed the "precipitous decline in the performance of the company" on the "corrupting influence of bureaucracy."

MacDonald took issue with Allianz Life's public claim that the job cuts were driven by economic necessity, arguing that Allianz was in a funk even while "the economy was bubbling along at record highs."

In MacDonald's view, Allianz Life's problems stem from "bureaucratic leaders" who allowed the company to become overly dependent on a single product -- the equity-indexed annuity -- even as that product had come under attack from regulators, lawyers and the media.

Instead of reacting, the company "instituted stop-gap solutions," MacDonald said, such as increased commissions and larger bonuses.

"At Allianz Life, the bureaucratic leaders have surrounded themselves with weak, incompetent 'yes-men' who will not challenge their leader," he wrote.

MacDonald has been pounding the anti-bureaucrat bully pulpit since he left Allianz Life's board four years ago. He's also the author of two books, including "Cheat to Win: The Honest Way to Break All the Dishonest Rules in Business." So far, his blog posting has received more than 50 comments, many of them from current or former Allianz Life employees.

An Allianz spokeswoman had only a brief comment about MacDonald's posting. "It is what it is," she said. "We really have nothing to say."

Legal briefs

Dorsey & Whitney today will name Roderick Dolan as chief financial officer. Dolan joins Dorsey from Piper Jaffray, where he most recently was managing director for acquisitions. Managing partner Marianne Short said Dolan will help the 610-attorney firm manage costs and expand its practice. Dorsey's most recent full-year revenue was $373 million.

Dolan joined Piper in 1994 as a vice president for investment banking.

He later served as chief operating officer for investment banking. He replaces Kevin Tracey.

Briggs and Morgan has doubled the size of its intellectual property practice with the hiring of seven attorneys from the IP and litigation practice of the Minneapolis office of Fulbright & Jaworski. Five of the seven will join Briggs as shareholders, one as an associate and one of counsel.

The new shareholders are Alan Anderson, John Klos, Matthew Palen, Sharna Wahlgren and Christopher Young. The associate is Audrey Babcock; Aleya Rahman Champlin will serve of counsel.

Michael Fleming of the Bloomington firm Larkin Hoffman Daly & Lindgren last week was named chairman of the American Bar Association's committee on cyberspace law. Fleming's current practice is heavily weighted toward electronic commerce. Issues facing the committee include privacy, cyberpiracy and online business transactions.

Christina Kunz, a commercial law professor at William Mitchell College of Law, is vice chair of the ABA's cyberspace committee.

New agency, new ad

Those new United Airlines ads that debuted during the Olympics are the creation of Minneapolis ad agency BD'M, founded by former Fallon executives Bob Barrie and Stuart D'Rozario -- who have done award-winning work for United since 2005 -- and David Murphy, who was president of Saatchi and Saatchi in Los Angeles. With a look between "Lucy in the Sky with Diamonds" and the work of artist Salvador Dali, the five-spot set is designed to promote United's first- and business-class accommodations on international flights. The ads incorporate Gershwin's "Rhapsody in Blue," a United theme for several years, and include the stylings of Herbie Hancock and the voice of Robert Redford.

Missing Hillary

Selling a president is like marketing a hotel: It's all about the choices, according to professor Akshay Rao at the University of Minnesota's Carlson School of Management. It's called the "phantom decoy" effect, and it means that when consumers start with three choices and one goes away, they will want the remaining choice that's most like the one now unavailable to them, Rao reports in a coming Journal of Marketing Research.

That means even a tightwad will go for a four-star hotel, when a five-star hotel is fully booked and the other choice is a cheap room. It also means that, because Hillary Clinton bowed out of the presidential race, voters may gravitate not to Republican John McCain but to the other candidate most like Clinton: Barack Obama, Rao said.

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