

# OWEN@Vanderbilt

VOLUME 19 / ISSUE 3  
WINTER 2000

M A G A Z I N E

*on the cutting edge of*

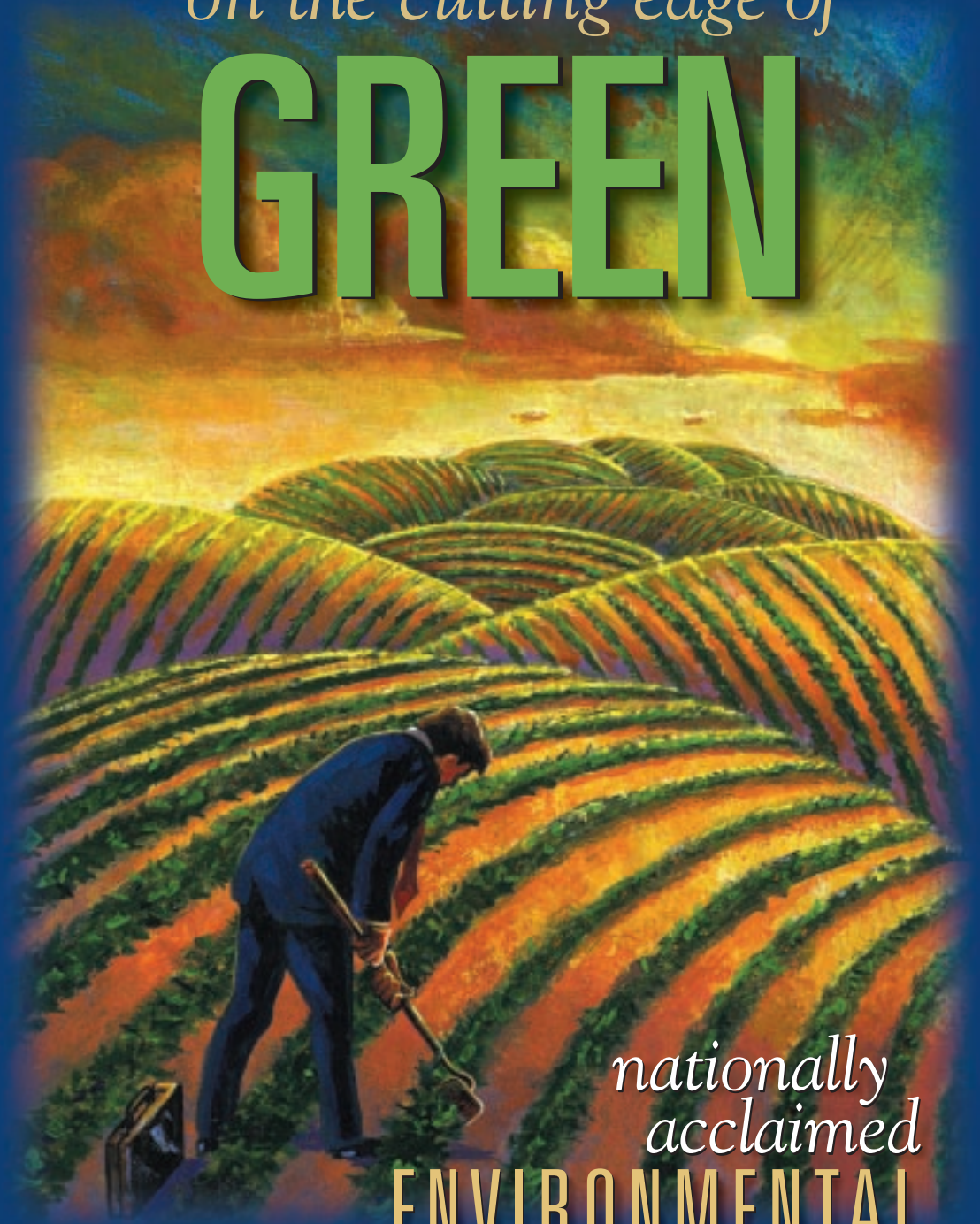
# GREEN

ALSO



THE  
GROWING  
DIGITAL DIVIDE

OWEN  
UNPLUGGED



*nationally  
acclaimed*

**ENVIRONMENTAL**  
management program



## Teed Off AGAIN

The third annual **OWEN GOLF INVITATIONAL** held October 23 at the Legends Club in Franklin, Tennessee, brought together students and recruiters to not only exchange golf tips, but career tips as well. Ready to head to the course are Ford Primus recruiters **Romain Bubay, Mulubwa Munkanta, '98**, and **Dallas Thornton**. Foursome **Matt Horenkamp, SAP America**, student **Matthew Grace, Mitch Freedman, '99**, and student **Noni Nielson** pause for a photo before proceeding with their game.

The tournament featured a four-person team scramble with best ball scoring. Participants included 80 MBA students, 8 alumni, and 30 company representatives. Corporations getting into the swing included **BellSouth, Career Central, ConAgra, Continental Airlines, El Paso Energy, Ford, FedEx, Goldman Sachs, Hay Group, Meritor Automotive, Morgan Stanley Dean Witter, Reliant Energy, SAP America, Saks, Southern Company, SunTrust, Towers Perrin, and Wachovia.**



# OWEN@Vanderbilt

MAGAZINE

WINTER 2000

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## TO OUR READERS:

This issue marks a name and design change for our magazine. For some time, Owen alumni have said the name *Owen Manager* did not accurately reflect their career experience or that of the general alumni body, and we at the Owen School agree. The new name, *Owen@Vanderbilt Magazine*, is more inclusive of our diverse audience, while capitalizing on the Vanderbilt brand name and our leadership position within the field of telecommunications and electronic commerce education.

We will continue to report on news of Owen and our alumni around the world in a timely and lively manner. Feel free to drop us a line with questions or comments about the material in this and future issues.

Joe Blackburn  
Acting Dean

## DIRECTOR OF COMMUNICATIONS HIRED

**J**uliana Deans, a marketing professional with Fortune 500 work experience, has been named to the newly created position of director of communications.

Deans's plans include developing an integrated marketing program and communicating core strengths to appropriate audiences through a variety of communication vehicles: Internet/Intranet, web site, news releases, advertising, direct mail, and publications, including the *Owen@Vanderbilt Magazine*.



Deans

"I believe that it is essential as a communicator to identify and develop the future communications needs of the School rather than just relate what we offer. By building a model that focuses on communication strategies, the Vanderbilt/Owen 'brand' is enhanced," she says. "The School's strategic communication objectives are defined and translated into meaningful messages tailored to influence each of the internal and external constituencies. Feedback from the constituencies is used to build credibility for the original objectives."

Prior to coming to Owen, Deans served as a consultant providing marketing expertise to both high-tech start-up businesses and established corporations in Atlanta. She has held senior-level marketing positions with AEGON, BellSouth, and General Electric, and started her career with IBM in sales. She received an undergraduate degree in international affairs and communications from George Washington University and an MBA from Emory University.



Stoll

## STOLL DELIVERS AFA ADDRESS

**P**rofessor Hans Stoll concluded a year of serving as president of the American Finance Association by presenting the keynote address at the AFA's annual meeting in Boston January 7-9.

"The prestige and recognition of the AFA as the leading organization of American finance professors is based on the long history of the organization, the quality of its membership, and the quality of the *Journal of Finance*, which it publishes," Stoll says. "It's been a great honor to have been elected to this position and to have served as its president for the past year."

Stoll, the Walker Professor of Finance, is founder and director of the Financial Markets Research Center at Vanderbilt.

## NEW TEC CENTER SPURS RESEARCH, TECHNOLOGY TRANSFER

**T**he new Telecommunications and Electronic Commerce Research Center is taking Owen's TEC initiative to a new level by making its cutting edge research and academic resources available to businesses.

Owen, a pioneer in the field of telecommunications and electronic commerce, offers momentum and expertise in three areas critical to TEC: telecommunications (network design, network management, the Internet and the WWW, wireless and mobile systems, and multi-media); electronic commerce (strategy, policy,

operations, and change management); and information systems (data management, knowledge management, systems development, and ERP systems).

"The TEC Center leverages these resources to help businesses effectively respond to the challenges of the networked age and exploit its opportunities," says Professor Ben Gavish, center director.

In addition to technology transfer, the Center's goals include developing a world class TEC research program, becoming a repository for TEC research, attracting and developing

high potential MBA students, running conferences and workshops on TEC issues, and doing joint projects with industry.

"The TEC Research Center is going to take telecommunications and electronic commerce research into all aspects of network based business activities," Gavish says.

The Center is currently soliciting sponsorships. For more information on the Center and/or sponsorship benefits, contact Gavish at (615) 322-3659 or at [GavishB@ctrvax.vanderbilt.edu](mailto:GavishB@ctrvax.vanderbilt.edu). Visit the Center online at <http://mba.vanderbilt.edu/tecweb>.

## CORPORATE ADVISORY BOARD FORMED

**T**he Owen Corporate Council, an advisory board composed of senior executives of national and international firms, has been formed to provide strategic direction for the Owen School. The Council will help Owen anticipate the changing needs of the business world and assist with strengthening its external relations, including executive development, marketing, and placement.

Members include Larry Wilson, chair, (retired) CEO, Rohm & Haas; John Ingram, '86, vice-chairman, Ingram Industries; Bill Bain, Bain Willard Companies L.P.; Brad Martin, E '80, chairman and CEO, Saks Incorporated; Sharon Munger, CEO, M/A/R/C, Inc.; Gene Shanks, CEO, NetRisk; Jimmy Bradford, senior partner, J.C. Bradford & Co.; Josue Gomes da Silva, '89, vice president, Coteminas, Brazil; Cal Turner Jr., CEO, Dollar General; Patrick Byrne, CEO, A.T. Kearney; Ian Arnof, chairman, Bank One, Louisiana; and Craig Leipold, CEO & Governor, Nashville Predators. **Wilson, Shanks, and Turner** are members of the Vanderbilt Board of Trust.



## AND THE WALLS CAME TUMBLING DOWN

Alexander Hall, former home of the Graduate School of Management, bit the dust this past May to make room for a new Vanderbilt-owned hotel/restaurant/retail complex on West End Avenue. The building, which at one time was a funeral home, housed the School for 13 years.

## E-COMMERCE PRESS FELLOWSHIP

**O**nce again, the Owen School offers leadership education in the fields of telecommunications and electronic commerce—but this time it's for journalists, not graduate students.

The second annual E-Commerce Press Fellowship will be held in Washington, D.C., March 12-15, moving from its prior venue at Owen. Having received the highest accolades ever given to a National Press Foundation Fellowship program, this year's program continues to bring together journalists from across the nation to learn about trends in e-commerce from Vanderbilt researchers. The program is sponsored by the National Press Foundation and Vanderbilt, and is underwritten by the Kiplinger Foundation. Owen, considered a leader in e-commerce, is the first school to offer an MBA program combining the fields of telecommunications and electronic commerce.



## SCHOLARSHIPS FUNDED

**T**he **Martin S. Geisel Memorial Fund**, established in memory of Dean Marty Geisel, has received \$275,000 in gifts and commitments, enabling the endowment of a half-tuition scholarship. The scholarship will benefit a student from Latin America, helping to insure Owen's international reputation, one of Geisel's most enduring legacies. In 1987, when Geisel arrived at Owen, only a handful of international students were

touched by the response to the scholarship in Marty's memory," says his wife, Kathy Geisel, assistant director of development. "Marty loved his job, and he loved the Owen School. He would be very moved by this gesture of so many friends and alums of the School."

**The James R. Gordon Scholarship for Entrepreneurial Leadership** has been established by Aspect Communications Corporation in

the leading provider of software applications for planning and forecasting staffing requirements for customer contact centers at thousands of large companies including airlines, financial institutions, high-tech companies, and other industry leaders.

In 1990, TCS became a wholly owned unit of Next, plc, one of England's largest retailers. In 1995, Aspect Communications acquired TCS from Next and has operated the business as an independent subsidiary headed by Gordon. Over the past four years, TCS business volumes tripled, and the company frequently is cited for award-winning software products and excellence in customer satisfaction. TCS, renamed Aspect Communications Workforce Solutions business unit, is headquartered in Brentwood, Tennessee. It is Aspect's largest operating center outside Silicon Valley, housing approximately 350 employees, many of them Owen graduates.



PEYTON HOGE

Jim Carreker, (holding the certificate) CEO of Aspect Communications Corporation, presents the Owen School with a \$250,000 endowment to create the James R. Gordon Scholarship for Entrepreneurial Leadership to honor Gordon, an Owen alumnus. With Carreker are, from left: Amit Basu, associate professor in telecommunications; Tom Burish, Vanderbilt provost; Gordon; Joe Blackburn, acting dean, and Todd Reale, admissions director.

enrolled. Over the next 11 years, he transformed the student body, so that today an astounding 41 countries are represented. He had a true love for Latin America and devoted much of his time developing a strong relationship between Owen and that region, building on ties already existing between Vanderbilt and Brazil. Amy Jorgensen Conlee, '77, chaired the fund-raising effort, assisted by classmate Bill Bounds. Geisel died on February 7, following a massive heart attack. "I'm overwhelmed and

honor of James Gordon, TCS founder and president, who retires this year. Aspect, the parent company to Nashville-based TCS Management Group, created a \$250,000 endowment to provide tuition support in perpetuity for a deserving MBA student focused in the field of telecommunications and electronic commerce.

Gordon, Vanderbilt's top MBA graduate in 1976, founded TCS as an entrepreneur in Nashville upon graduating. He grew the company into

## AVERBUCH GETS FACELIFT

**A**verbuch Auditorium has been transformed into another state-of-the-art classroom for the Owen School. The 189-seat auditorium has been replaced with a 113-seat classroom featuring wireless communication and an updated computer podium. The tiered room features 67 executive styled chairs and desks, and two rows of auditorium seating in the back. Gifts from the class of 1998 and anonymous donors helped fund the renovation.

## BEST/WORST

### BUSINESS INNOVATIONS

#### FACULTY BEST

- 1 computers/personal
- 2 assembly lines/production automation
- 3 financial markets
- 4 voice-mail, e-mail, and fax machine
- 5 the Internet

#### STUDENTS BEST

- 1 computers/personal
- 2 the Internet
- 3 voice-mail, e-mail, and fax machine
- 4 telephone
- 5 assembly lines/production automation

#### FACULTY WORST

- 1 telemarketing/direct mail, e-mail spam
- 2 "poor" inventions
- 3 voice-mail, e-mail, and fax machine
- 4 business conglomerates
- 5 taxes

#### STUDENTS WORST

- 1 "poor" inventions
- 2 telemarketing/direct mail/e-mail spam
- 3 pagers
- 4 cubicles
- 5 "poor" software

## STUDENT SCHOLARSHIPS AWARDED

**E**very year, outstanding students are rewarded with named scholarships, announced at the Second-Year Assembly in the fall. This year's honorees include

**Santiago Silveyra**, winner of the Edmund B. Fitzgerald Scholarship, a full-tuition scholarship awarded to a student exhibiting an extraordinary grasp of the principles of global competitiveness;

**Halley Willison**, who received the Bruce D. Henderson Merit Prize of \$5,000, awarded to the student who, during his/her first year at Owen, exhibited brilliance, originality of thought, and thoroughness of investigation;



PEYTON HOGE

Halley Willison and Bess Henderson, wife of the late professor Bruce Henderson, founder and former chairman of the Boston Consulting Group

**Seung-Taek Oh**, recipient of the J. Dewey Daane Scholarship in International Management and Finance, a \$3,000 award that goes to a student with demonstrated interest in international management and exemplary academic credentials;

**Sheru Chowdhry**, winner of the Richard S. Weinberg Scholarship, a \$2,000 award presented to a second-year student concentrating in finance;

**Chip Wasson**, who received the Prakash C. Arora Prize, given to a student who has demonstrated outstanding scholarship achievement and involvement in extracurricular activities. The award consists of a \$1,000 cash prize.



PEYTON HOGE

Santiago Silveyra and Edmund Fitzgerald, adjunct professor and retired chairman and CEO of Nortel Networks

## OWEN SURVEY RATES

### BEST/WORST

#### BUSINESS INNOVATIONS

**H**old the phone. Better yet, ignore it. Telemarketers take it on the chin again. In a recent survey of Owen School faculty and students, who represent 41 nations, telemarketing rated as one of the worst business innovations of the 20th century. And no surprise, the computer led all others as the best.

The survey—which has received national media attention from major news outlets in the U.S. and Canada—asked faculty and students to rank the five best and worst innovations of the last century. The findings from the two groups, save a few candidates, were remarkably aligned.

"The computer has changed our lives and our society more than anything else before or since," says Amit Basu, associate professor in Owen's Telecommunications and Electronic Commerce area.

Ironically, voice-mail, e-mail, and fax machines made both the faculty's best and worst lists.

Besides slamming telemarketing, faculty also ranked neckties, the BETA format VCR, and carbon paper as some of the worst inventions. The students' worst list included thermal fax machines and automobiles such as the Gremlin, Pinto, and Yugo. Both groups listed New Coke as one of the worst business innovations.

Asked why telemarketing may have won the dubious distinction as the worst innovation of the last 100 years, Professor Larry LeBlanc replied, "I'll call you during dinner to explain."







Global leader Cezar Souza offered congratulations and advice to IEMBA graduates.

## IEMBA GRADUATES ENCOURAGED TO BE “GLOCAL” LEADERS

Being a “glocal” leader—a global and local leader at the same time—is a goal Owen graduates should pursue, said Cezar Souza, ’76, senior vice president of Odebrecht of America, Inc., speaker at the International Executive MBA commencement ceremonies September 11.

Souza, who said his own Graduate School of Management days 25 years ago changed his life, offered other bits of advice to the 33 graduates: Never stop learning. Reconcile professional challenges with personal ones. Dream, and transform the dreams into reality. Love what you do, and follow your intuition.

“You are CEO of your life,” he said. “One of your biggest challenges will be how to have a career in a system where there no longer are careers.”

During the ceremony, Martin Barrack received the Dean’s Award for Academic Excellence, and Luke Froeb, associate professor, the teaching award.

## OWEN VISITS CUBA

Owen became only the third MBA school to visit Cuba when it sent a contingent of executive students on a weeklong trip last summer to compare capitalism to communism.

Four students from the EMBA program (Executive MBA) and nine students from the IEMBA program (International Executive MBA) made the trip along with Associate Professor Bruce Barry; Tom Hambury, director of the EMBA program; and Lori Sciadini, director of the IEMBA program.

The travelers visited three business sites a day, including the Planning Department for the City of Havana, the Ministry of Tourism, the Upmann Cigar Factory, and a new tourist hotel outside Havana. They also had discussions with senior government

officials about direct investment and joint ventures in Cuba.

Other MBA schools that have made similar trips are the Harvard Business School and the University of North Carolina at Chapel Hill Business School.

“It is entirely appropriate to go to Cuba at this point,” Hambury says. “The country is seeking business investment for the first time. They have loosened up the way China has loosened up in allowing small, unregulated markets within Cuba. You can now sell vegetables that you grow without getting the government involved. You can operate a small restaurant. You can board tourists in your home. This is a change. Probably when Castro dies, we’re going to see some major changes. The collapse of the Soviet Union really has pushed them to the wall.”

EMBA student Jay Lander, who works for CSX Railroad, wanted to see what life is currently like in Cuba before its probable turn to capitalism in the next decade.



Sciadini

“I wanted to have a snapshot of the ‘before’ so I will have a greater appreciation of what it could and will be,” he says.

Tourists are allowed to bring back \$100 worth of Cuban products to the U.S., and Lander was prompted to bring back the famed Cuban cigar.

“My dad said, ‘Don’t forget to bring cigars back. They make great gifts.’”

## DISTINGUISHED SPEAKERS SERIES



Owen sponsored four Distinguished Speakers during the fall term: **Brad Martin**, ’80, chairman and CEO of Saks, Incorporated, on September 2; **Paul Bell**, senior vice president of Dell Computer, on September 30; and **J. Neil Weintraut**, partner, 21st Century Internet Venture Partners, and **John Bates**, co-founder, BIGWORDS.com, an online textbook retailer, on December 2. **1) Martin:** “The question that I face constantly as an owner in the business, as an investor in the business, is can I elevate my gain? What do I have to do differently to run a \$7 billion business than I did when I ran a \$7 million business?” **2) Bell:** “We were the scrappy little upstart that we still think we are six to seven years ago when IBM could not take

us seriously. We firmly believe there are people out there, maybe many in this room, who are dreaming up business models of the future that will come after Dell and redefine the marketplace. Everyone, even those in the most mundane industry, has to ask themselves the question, am I going to be ‘Delled’—outcompeted by somebody who just redefined the business model?”

**3) Weintraut:** “Companies that are first get more money, and it snowballs. Being first is king. To get into the Internet space and succeed, you need to be bold, fast, and produce action.” **4) Bates:** “Start-ups hardly ever die from starvation, but from indigestion because you try to do too much and lose your focus.”

PHOTOS BY DAVID CRENSHAW AND JOERG ZELLERHOFF

## HYER, CHRISTIE NAMED ASSOCIATE DEANS



Christie



Hyer

In a restructuring of the Dean’s office, William G. Christie, associate professor, has been appointed to the newly created position of associate dean for faculty development. Nancy Hyer, associate professor, and former associate dean for academic affairs, is now associate dean for academic programs, and Joel Covington continues as associate dean for external affairs.

In his new role, Christie will work with junior faculty to support their teaching and research missions, and to help ensure that faculty have access to the resources necessary to accomplish their goals. Hyer is responsible for various aspects of the curriculum and works with the faculty to create the course schedule. Together they coordinate course curriculum and teaching loads.

“Bill and Nancy, working together, will give us a stronger leadership team that can provide more focus in our improvement efforts,” says Joe Blackburn, acting dean. “The new structure allows us to utilize the distinctive skills of two talented faculty members. And by splitting the associate dean’s duties, both will be able to maintain active research and teaching programs.”

## PLACEMENT OFFICE GETS NEW NAME, INTERIM DIRECTOR



Owen’s placement office has been renamed the Career Management Center to reflect the School’s

commitment to providing ongoing career assistance to alumni, as well as to the placement of new graduates.

Elizabeth Clarke, a 1992 Owen graduate, has been named interim director, following Peter Veruki’s departure for Rice University. Clarke fills the position until May while on sabbatical from Eli Lilly and Company, where she serves as marketing manager.

Her key responsibilities at Owen include developing new corporate relations and maintaining strong ties with current companies. Owen recently added Dell, J.P. Morgan, Merrill Lynch, and Mattel, among others, to its list of recruiting companies. New this year were e-commerce recruiting days Owen held in San Francisco and Boston.

## LIBRARY NAMES NEW DIRECTOR

Brent Mai comes to the Owen School as the new Walker Library director. Previously an economics librarian at Purdue University, he also served as a professor of library science and management. Mai holds an MLIS degree from the University of Texas at Austin, and a master’s degree from George Washington University.

Owen’s Walker library has placed first, two years in a row, among the top ten business school libraries as ranked by the *Princeton Review Best Business Schools*.



## HEADLINES FROM AROUND THE NATION

### “B-SCHOOLS, NEW RULES: OWEN GRADUATE SCHOOL OF MANAGEMENT”

The Owen School rates as one of the top ten business schools in the country to train the next generation of “New Economy” leaders. A pioneer in the teaching of e-commerce, the administration chose to offer its telecommunications and electronic commerce concentration in response to the changing economy and student desires. Since the field is being integrated into business issues, there are no plans to offer a separate e-commerce degree. “We’re not turning our whole curriculum around. We’re still teaching the basic principles of management, finance, and operations,” said Acting Dean Joe Blackburn.

—*Business 2.0*, October 1999

### “BIG BOARD POSTPONES PLANS TO GO PUBLIC; NYSE TO CONSIDER STOCK SALE IN 2000”

Directors of the New York Stock Exchange voted in favor of turning the exchange into a for-profit entity, but delayed any public offering of shares until next year, pending review of regulatory and tax issues. The Nasdaq Stock Market, the NYSE’s main competitor, decided

in July to evaluate the option of turning itself into a for-profit

corporation. Critics fear that as for-profit entities, the exchanges may prove less effective in investigating and punishing delinquent traders—some of whom would likely be their major shareholders. “Public perception is clearly the issue,” said Hans Stoll, a professor of finance at Vanderbilt University. “The responsibility will need to be delineated.”

—*Washington Post*, September 3, 1999

### “WHO’S READING WHAT? USING POWERFUL ‘DATA MINING’ TECHNOLOGY, AMAZON.COM STIRS AN INTERNET CONTROVERSY”

Online bookseller Amazon.com has started featuring thousands of individual bestseller lists calculated by zip codes, workplaces, and colleges—wherever its customers are ordering from. Sophisticated software that remembers and correlates such specific customer information is what permits Amazon and other Internet companies to engage in what is known as “data mining.” Donna Hoffman, co-director of the electronic commerce center at Vanderbilt, commented: “It could get pretty scary, depending on where you live, work, and go to school. These lists might begin to define interests most people would prefer to keep private.” The Amazon program, called Purchase Circles, is “a clever tool, but it has very dark privacy implications,” she continued.

“Amazon is showing the power of mining the database.”

—*Washington Post*, August 27, 1999

### “FORD PLANS LIVE ADS FOR FOCUS”

Ford Motor Company has planned a set of 64 live commercials to give its new line of Focus subcompact cars an edgy and topical twist. The ads will appeal to teenage and 20-something viewers of MTV and other youth-oriented television programs. “Younger consumers have built up a tremendous amount of skepticism toward polished ads,” said Professor Roland Rust at Vanderbilt University. “This is a way to break out of that. It’s new, off the wall, and risky.”

—*Washington Post*, August 12, 1999

### “INVEST IN KIDS NOW, OR PAY LATER”

In the last year, there has been the usual hand-wringing over school violence and the requisite White House conference. But at summer’s midpoint, when policies and programs affecting students should have been moving into place for the coming school year, there was little evidence of significant change. When Associate Professor Mark Cohen of Vanderbilt University studied chronic offenders, he estimated that each youngster saved from a life of chronic crime saves Americans between \$1.7 million and \$2.3 million in the cost of incarceration and in victim costs, such as pain, suffering, and property loss.

—*Washington Post*, July 28, 1999

PARTNERS IN AN ONLINE MEDICAL REVOLUTION



The future is now at 450 Cummins Station in Nashville. There in the artsy, trendy building housing architects and massage therapists, a group of techies—possibly the quintessential Internet company—is also tapping into creativity to develop online healthcare education.

The group—Healthstream—manages healthcare education over the Web, and has developed the largest online continuing medical education library, with more than 1000 hours of content in seven specialties. Its distribution network includes more than 600 hospitals and 400,000 medical professionals, with products and services ranging from e-mail medical update newsletters to the testing of pharmaceutical salespeople and medical students online. Recent offerings include a hysterectomy and cryoblation performed in real-time online, and accompanying interactive educational panel discussions, viewed by physicians worldwide.

Vanderbilt is one of Healthstream’s content providers, and the company recently converted Owen’s executive program “Management Principles for Healthcare” to an

online course, “which ties together two of Owen’s strengths, healthcare management education and e-commerce,” says Tonya Hobbs, director of executive education.

Healthstream also currently offers a Vanderbilt Nursing School course online, and is a partner in the newly established Vanderbilt-Northwestern-Texas-Harvard/MIT Center for Bioengineering Educational Technologies, a project being spearheaded by Vanderbilt’s Engineering School and Peabody College.

“Nine years ago we saw some interesting technology and shaped a model around it,” says CEO Bobby Frist. “We thought the best application of interactive media was in education. It is wonderful to be able to create revolution with a top university such as Vanderbilt. We present our best ideas to Vanderbilt, and they present their best feedback to us.”

Healthstream also is involved with Roland Rust’s Center for Service Marketing and employs marketing interns through this program. In addition, every spring they invite e-commerce students to do market research. Several Owen

alums are employed at Healthstream: Robert Goldstein, ’94, director of the interactive media group; Stephen Clemens, ’89, vice president of content; and Suzanne Higgins, ’95, HR director. John Dayani, a current EMBA student, is manager of business development.

“Owen’s executive healthcare program is a perfect fit for our online service because physicians are demanding healthcare management information,” says Michael Pote, executive vice president.

“Healthstream needs content, and Owen has content. Our model does not cost Owen a dime. That’s a nice marriage. When we found out about each other, it was a ‘gosh, where have you been all of my life?’ kind of thing.”

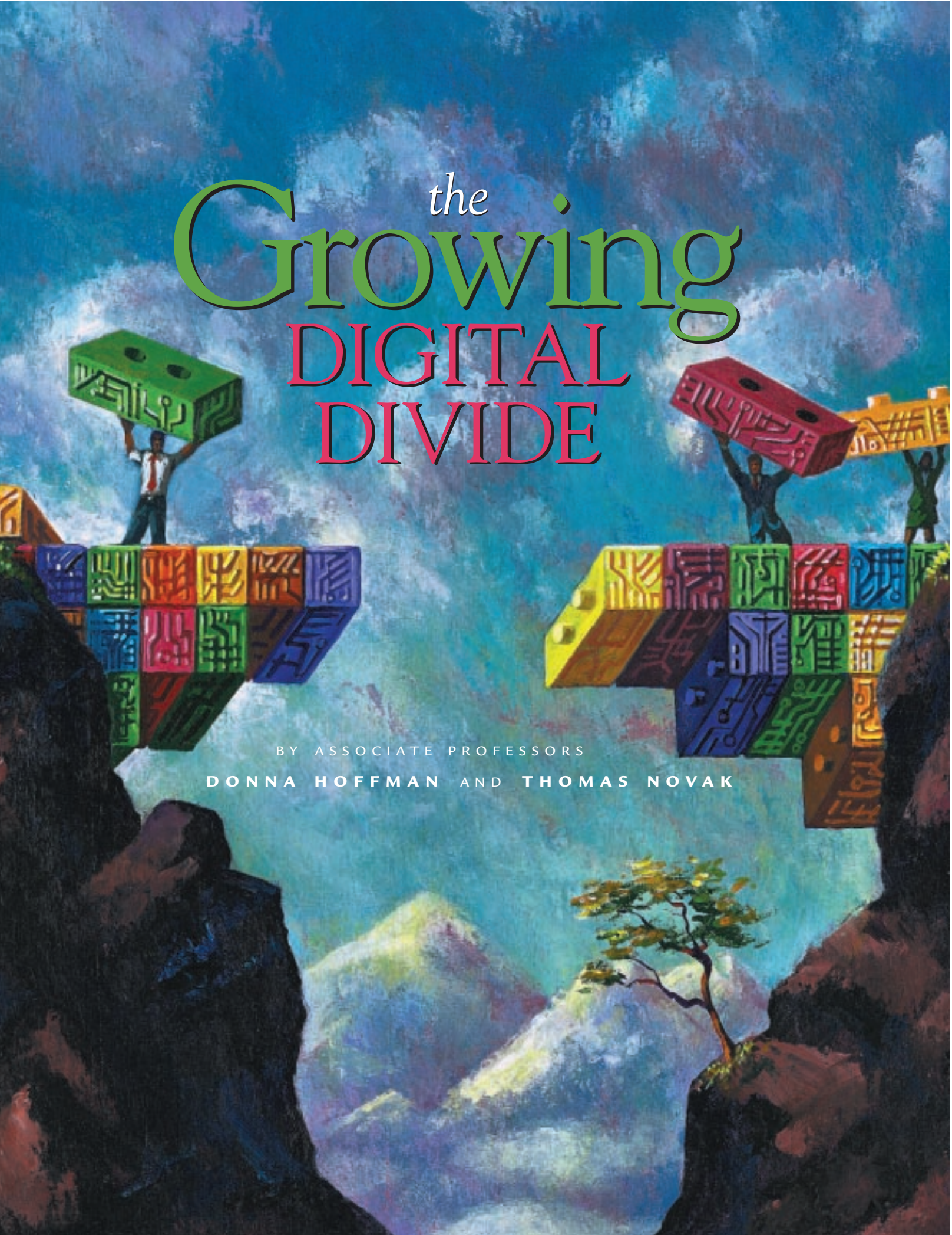
—*Beth Matter*

Healthstream online wizards: from left, John Dayani, Bobby Frist, Michael Pote, and Robert Goldstein



OWEN@Vanderbilt





# the Growing DIGITAL DIVIDE

BY ASSOCIATE PROFESSORS  
DONNA HOFFMAN AND THOMAS NOVAK

That portion of the Internet known as the World Wide Web has been riding an exponential growth curve since 1994. Currently more than 43 million hosts worldwide are connected to the Internet. In terms of individual users, between 40 and 80 million adults in the United States alone have access to arguably one of the most important communication innovations in history.

Enthusiasm for the anticipated social dividends of the “revolution in democratic communication” for all members of our society appears boundless. The Internet is expected to do no less than virtually transform

While Clinton’s “Call to Action for American Education” may likely guarantee universal access for the next generation, are the approximately 200 million Americans presently over the age of 16 equally likely to have Internet access?”

society. Nowhere is this confidence expressed more clearly than in President Clinton’s aggressive objective to wire every classroom and library in the country by 2000, followed by every home by 2007, so that “every 12-year-old can log onto the Internet.”

Yet as the Internet races ambitiously towards critical mass, some social scientists are examining the policy implications of current demographic patterns of Internet access and usage. While Clinton’s “Call to Action for American Education” may likely guarantee universal access for the next

generation, are the approximately 200 million Americans presently over the age of 16 equally likely to have Internet access? The findings have been both obvious and surprising, with important implications for social science research and public policy.

## THE ONLINE DIVIDE

Looming large is the concern that the Internet may not scale economically, leading to what Lloyd Morrisett, former president of the Markle Foundation, has called a “digital divide” between the information “haves” and “have-nots.” For example, although almost 70 percent of the schools in the

77.6 percent of students entering public black colleges report doing so.

The Commerce Department’s National Telecommunications and Information Administration in 1997 conducted a study that concluded that the gap between the technology “haves” and “have nots” had increased between 1994 and 1997, with African Americans and Hispanics farther behind whites in terms of home computer ownership and Internet access, and an even wider gap between individuals at upper and lower income levels. A year later, they found that more Americans than ever were connected to the Internet, but there existed a persistent digital divide

between the “information rich” and the “information poor.” Upper income households are much more likely to have Internet access and PCs at home, and

whites are more likely than blacks or Hispanics to have Internet access. Additionally, rural Americans are less likely to have Internet access than those in urban locations. We conducted research into differences over time in home computer ownership, Internet access, and usage between whites and African Americans in the United States and agree that the digital divide continues. Generally, Web users are wealthier than those without Internet access. Similarly, Web users are better educated, while those without access most likely have a high school education or less.

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Overall, whites are more likely than African Americans to have a computer in their home and more likely to have PC access at work. Whites are more likely to have ever used the Web at home, whereas African Americans are slightly more likely to have ever used the Web at school or work.

Higher income corresponded to higher levels of access, use, home PC ownership, and PC access at work. Increasing levels of income corresponded to greater likelihood of owning a home computer, regardless of race. At incomes below \$40,000, whites are more likely than African Americans to have Internet access, own, or use a PC, whereas the gaps greatly diminish at incomes above \$40,000. Although income explained race differences in computer ownership and Web use, education did not. Increasing levels of education led to higher levels of use, home PC ownership, and PC access at work. We found these levels to be higher for whites than African Americans and to persist even after adjusting for education. Whites are still more likely to own a home computer than are African Americans and to have used the Web recently, despite differences in education.

Our most striking findings concerned students. Students are more likely to have access, ever used, and own computers than non-students, and that rate is increasing. We found no differences among white and African American students with home

computers. However, white students are more likely to have access and use the Web, and are more likely to own home computers. Without a home PC, the gap increases between white and African American students. Among students without a computer in the home, white students are more likely than African American students to have used the Web at other locations. In other words, "access translates into usage," with whites more likely than African Americans to use the Web because they have more access.

The up side is that among recent Web users, who by definition have access somewhere, gaps in usage have largely disappeared. Over time, African Americans with access are as likely to be long-term users as their white counterparts and use the Web as frequently. African Americans also tend to be among the newest users. Their use of the Web from home, work, school, and other locations appears to be increasing.

#### SEARCH AND DIVIDE

In terms of e-commerce, whites use the Web to search for product or service-related information more often than African Americans. There appear to be no differences between African Americans and whites in the incidence of Web shopping, however. Is this because race doesn't matter for "lead users,"

who are most likely to shop, or because commercial Web content better targets racial and ethnic groups than noncommercial Web content? One possibility for the gap between the races in search behavior is that there may be insufficient content of interest to African Americans on the Web. *Interactive Marketing News* reported in 1997 that "while there are about 10 million sites on the Web, there are fewer than 500 sites targeted" to African Americans. Such differences could have important implications for the ultimate success of commercial efforts online. Consumer behavior in the commercial Web environment is complex and poorly understood. Further research is needed to explore the differences in consumer behavior on the Web and the implications for commercialization.

#### CROSSING THE DIVIDE

Some suggest U.S. policy contributes to the growing digital divide. Researchers Mark Cooper and Gene Kimmelman argue that the Telecommunications Act of 1996 had the unintended and unfortunate consequence of increasing the division between the telecommunications "haves" and "have-nots." As evidence, they point to 1) increased concentration and less competition in the

Looming large is the concern that the Internet may not scale economically, leading to a "digital divide" between the information "haves" and "have-nots."

telecommunications and cable industries, 2) significant increases or flat prices, instead of declines in cable, long distance, and local phone rates, and 3) a growing disparity among market segments employing heavy use of telecommunications networks like the Internet and those whose use is more modest.

It is forecast that by 2003 more than half of all households in the U.S. will have access to the Internet, but PC penetration could stall at 60 percent of households. Individuals who own a home computer are much more likely than others to use the Web. The popular press has provided a number of reasons for the gap between whites and African Americans in computer ownership. Price and value are often cited as explanations. Research is necessary to understand what motivates individual-level adoption of home computers and related technologies, as well as Internet adoption, both within and outside the home.

Schools differ widely in their access to educational technology. The Educational Testing Service recently reported that students attending poor and high-minority schools have less access to most types of technology than students attending other schools. It will cost about \$15 billion, approximately \$300 per student, to make all schools "technology rich." This is five times

what is currently spent on technology, but only five percent of total education spending, the report states.

The consequences of the digital divide are expected to be severe. The Internet may provide for equal economic opportunity and democratic communication, but only for those with access. The U.S. economy also may be at risk if a significant segment of our society, lacking equal access to the Internet, wants for the technological skills to keep American firms competitive. As noted by the report, creation of educational opportunities requires financial resources that cannot be generated by the minority groups themselves. Policy implications need to be considered carefully. To ensure the participation of all Americans in the information revolution, it is crucial that educational opportunities for African Americans be improved. How this might be achieved is an open research question.

Public-private initiatives such as Bell Atlantic's efforts in Union City and Bill Gates's announcement of a \$200 million gift to provide library access to the Internet are a step in the right direction.

**DONNA HOFFMAN and THOMAS NOVAK, associate professors, presented their groundbreaking research on the digital divide at the Understanding the**

Digital Economy conference held at the U.S. Department of Commerce last May. The first of its kind, the conference explored the impact of the Internet and the World Wide Web on the U.S. economy and society. Their findings also appeared in the April 17, 1998, issue of *Science* magazine.







# OWEN UNPLUGGED

Wireless LAN Puts OGSM at Forefront of New Technology

BY BETH MATTER

Students in Professor Ben Gavish's wireless technology course this spring got a bonus as they are not just studying about an up-and-coming technology but experiencing it firsthand. No longer wired, they are piloting a local area wireless network that debuts schoolwide next fall. Gavish's

students are equipped with laptop computers featuring 2.4 gigahertz, 11 megabits capability, and a wireless receiver card. With the assistance of Lucent Technologies, a new high speed (11 Mbps 802.11

B) wireless networking infrastructure has been installed and configured that covers the first and second floors of the Owen School and the courtyard.

Such state-of-the-art equipment, used by few business schools in the country, not only is going to prepare students for the coming workplace but enhance Owen's position as a

leader in the telecommunications and electronic commerce (TEC) arena.

The pilot program is designed to weed out any problems with the network before the expanded program begins in the fall. First-year students next year are required to purchase laptops preconfigured with

selected software and a wireless network card, and second-year students also can participate in the program. Wireless access at that point will be extended to such neighborhood eateries as Starbucks and Irelands, budget allowing.

"This wireless network runs at the same speed as traditional Ethernet cards, something unimaginable even

a short time ago," says Barry Dombro, director of Owen's IS department. "Incoming students are expected to purchase and become acquainted with their laptops before they arrive in the fall. During orientation, we will instruct them on what resources

are available at Owen, and students can be productive from day one in terms of utilizing the network. The computers also can be operated with traditional Ethernet cards and dial-in modems, and loaner laptops will be supplied from the vendor when warranty repairs are necessary. The system is constructed to be entirely seamless for students."

"Wireless access to the network is fantastic," says Carrie Oliver, a second-year student who earlier had a test run with the system. "It is like beaming with my Palm Pilot times a hundred. No, make that a thousand. The system made me more efficient, and it is truly invaluable in that it saved me a lot of time, which at Owen seems to be my most valuable asset. I do not think this could be rolled out as a permanent solution fast enough!"

## LEADING THE PACK

Not only will the wireless system fundamentally change the way

students work in teams at the School, allowing them access to the Web anywhere in the building, "it strongly supports our objective of being the leading business school in telecommunications and electronic commerce," says Acting Dean Joe Blackburn. "With wireless, we are bringing state-of-the-art telecommunications into our curriculum and to the way we work and communicate."

Such wireless networks as Owen's will be commonplace among businesses and other institutions within the next couple of years, Dombro predicts, and wide area networks prevalent soon thereafter.

"Recent dramatic improvements in wireless bandwidth (from 2 million bits per second to 11 million bits per second) technology combined with a new wireless industry standard (802.11b) have driven prices for a wireless network card to below \$200.00," he says. "With the improved performance and relatively low price point, high speed local area networking is poised for explosive growth."

"Our graduates are asked to assume leadership roles in helping their organizations leverage technology, and this wireless project is just one aspect of the technology-rich environment we aim to provide," he continues. "Until you are exposed to a technology, it is hard to understand how it can affect your daily life or strategically be used by a business."

This system is letting the students develop some insights and actually 'kick the tires,' so to speak."

Owen is one of the few MBA schools offering multiple courses on wireless communications and mobility, says Gavish, also director of Owens's TEC Research Center. "Students taking the courses are prepared to deal with fast-emerging technologies and their impact on corporations and society. Topics covered include cellular systems, wireless local area networks, satellite-based networks, and the mobile Internet. It is natural for the School to develop a wireless environment similar to the one that the graduates will face after graduation. Implementing a wireless LAN is a tremendous opportunity for Owen to increase its differentiation as a prime TEC school—one that not only teaches TEC but also practices it."

## ADVANTAGES OF THE LAN SYSTEM

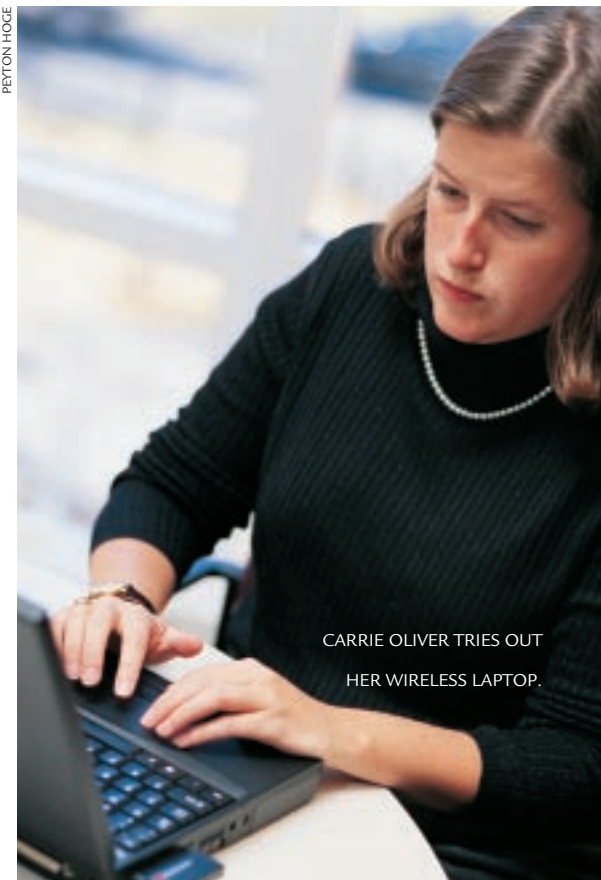
- *Overcoming space/ equipment restraints.* Demand for PC-lab based computers and jack-equipped tables routinely exceeds supply at the School. The wireless LAN eliminates the need for the computer lab, space that can be used for other purposes.
- *Solving meeting space restraints.* Meeting space is limited at Owen, and the LAN broadens meeting options, allowing students to be part of project teams distributed throughout the School.
- *Efficiency and productivity.* The need to hook laptops to hard wires in the classrooms is eliminated, leaving more time for presentations. Students will not have to hunt for a port when deciding where to study or work, and they can roam from class to class without disconnecting from the network.
- *Scalability.* If demand for connections increases over time, scalability can be achieved by adding more access hubs in the

wireless LAN without the need to install costly wires at expensive labor rates.

- *Paper savings.* Wireless networks obviate the need to print hard copies when on the move, since an individual remains connected to the network.
- *Access to other networks,* such as the Law and Engineering School, and the University Library.
- *Flexibility.* Professors can design lectures, demonstrations, and exams around the use of computers and the Internet. "Currently doing so requires reserving one of the few wired rooms or computer lab, or scheduling multiple sessions to accomplish one objective," Professor Ben Gavish says. The network also allows faculty to update slides or lecture notes at any time and put them on the server, he adds. "Students at the beginning of class can retrieve the latest version of the material and display it on their laptops."



PEYTON HOGE



CARRIE OLIVER TRIES OUT HER WIRELESS LAPTOP.



Back in 1993 Owen student Drew Herzog was one of the first students to enroll in Associate Professor Mark Cohen's new environmental management course. Six years later, Herzog remembers the course as "something that captured my imagination."

Hundreds of Owen students since have studied environmental management, some with equal zeal. Today, the Owen School offers an environmental management emphasis with four courses and participates in a unique research center devoted to the field.

"The courses play an important role in creating a more aware business executive," says Professor Joe Blackburn, acting dean at Owen. "These are all part of the skills that MBAs need to have in the changing world."

While both the emphasis and the Vanderbilt Center for Environmental Management Studies (VCEMS) have caught the attention of experts in that field, the Owen School's efforts are sure to get more widespread attention after the release this fall of a new survey on B-schools' commitment to environmental management education.

The School has been cited as being on "the cutting edge" for incorporating environmental business issues in its student coursework and for its institutional support and faculty research.

Owen is one of nine schools making the list (Wharton,

University of Texas, and Cornell also were cited) in a study by the World Resources Institute and the Aspen Institute's Initiative for Social Innovation through Business. The study examined how future business leaders are being trained to deal with environmental issues in the marketplace and how they can balance the often conflicting expectations of investors, employees, and communities. Some 300 surveys were mailed to the nation's top business schools, and only 60 reported offering any environmental management courses.

The October 11 issue of *Business Week* magazine included an article on the survey and cited both Vanderbilt and Rensselaer Polytechnic Institute for innovative teaching of "green" issues.

#### OWEN'S PROGRAM EVOLVES

Cohen and economics Associate Professor Seema Arora, who teach Owen's four EM courses, help students understand the issues highlighted in the study. They teach such concepts as environmental life cycle analysis of products, environmental cost accounting, and global environmental concerns.

But above all, says Cohen, the professors challenge students to think strategically about the environment. "In the beginning, there was more of a reaction sort of

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### owen's innovative ENVIRONMENTAL MANAGEMENT program draws national ACCLAIM

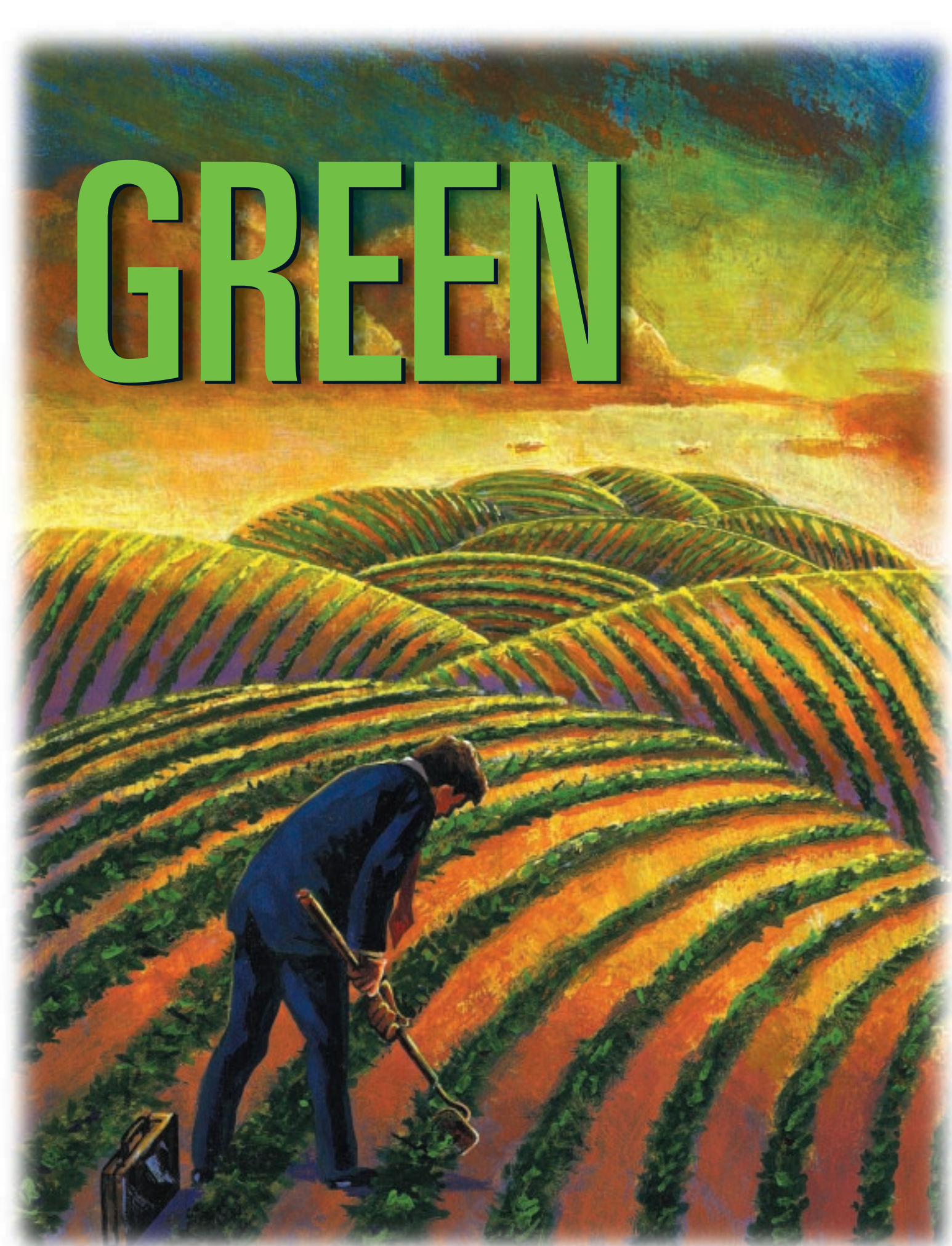
BY JANE DUBOSE

mode, how to deal with regulators and interest groups," he says. "But the second class I did was a seminar on strategic issues, how to use this to your competitive advantage."

The professors are constantly refining the material to reflect the many changes in the EM field, but they stay away from highly technical concepts. "We are not just targeting people who plan to go into environmental management," Cohen says. "Our intent is to provide important knowledge and a way of thinking about environmental issues to business students in general."

Arora and Cohen use case studies,

# GREEN





guest speakers, and lectures in the classroom. One class examined McDonald's Corporation and its well-publicized problems with waste products and packaging. Speakers come from such top U.S. institutions as Procter & Gamble and The World Bank.

Who enrolls? "Most students are not informed about environmental decision making when they enter the class," Arora says. "They are surprised there are synergies between maximizing profits and the environment and that there's analysis behind environmental decision making."

an issue that corporations had to deal with because of political pressures.

"What I learned is that in being environmentally friendly, you can often save a corporation a lot of money."

At any time, at least half of the students in the EM courses are foreign students. Cohen is not sure exactly why this is the case, but he does know that EM courses are not as available at foreign universities, although that is changing. "And it also tells me that environmental issues are on the minds of people in Europe, Latin America, and

who became interested in Owen after they heard of the study.

Students today are better versed in environmental issues than their counterparts in 1993, he says, and more importantly, corporations are more attuned to the issues as well.

"It's partly generational," he says, adding that CEOs in their 40s and 50s have more of an awareness of the environment than older execs. "Kids are taught environmental issues at an early age, and that's a profound change. More and more students come with an awareness, and that's good."

#### WHAT SETS OWEN APART?

The study mentioned above, called "Beyond Grey Pinstripes: Preparing MBAs for Social and Environmental Stewardship," pointed out that Owen is among a small group of programs excelling at preparing students to take care of the natural environment, labor resources, and the greater society.

It singled out student involvement in local projects, such as the cleanup of environmentally sensitive areas in Tennessee, in which Owen students help the Nature Conservancy.

It also cited VCEMS, an interdisciplinary research and teaching center jointly run by Owen, Vanderbilt's Engineering School, the Law School, and the Vanderbilt Institute for Public Policy Studies. VCEMS offers two different master's degrees, and a Ph.D. in environmental management studies. The center is supported by corporate sponsors and outside research grants.

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Cohen believes interest in Owen's emphasis will grow because of publicity from the WRI and Aspen Institute study. Since the study appeared, he has received numerous e-mails from prospective students

Fred Seip, a second-year student concentrating in marketing, was pleasantly surprised by the content of the EM-marketing course he took. "I think it is valuable to get that perspective," he says. "Before I went in, I had a very negative viewpoint of environmental issues. I saw it as

VCEMS brings in corporate and government executives from around the country to focus on environmental issues. A summit last March focused on information disclosure, and one in January examined corporate environmental reporting. Participants have included Baxter International, General Motors, and others.

It also sponsors research on such topics as environmental compliance and its costs, and whether strong environmental management translates to better financial performance by corporations.

The latter research is of particular interest to both Cohen, who is also co-director of VCEMS, and Arora. "A lot of my work has emphasized voluntary environmental regulation," Arora says. "I am finding some evidence that there is a link between voluntary compliance and financial performance.

"One question is whether these companies have deeper pockets anyway and can afford the cost of compliance," she says. "But we are finding some positive impact."

#### THE FUTURE OF EM?

Even though Owen now has been recognized as one of the hot spots for environmental management, the courses still are not on the must-have list of most prospective students. Nevertheless, the emphasis is a solid part of the curriculum.

Cohen says he would like to see all Owen students have some exposure to EM, and is encouraged that environmental management

cases are finding their way into coursework at Owen outside the emphasis.

A number of grads have emerged from Owen to pursue careers in the field. They work at Procter & Gamble, Price WaterhouseCoopers, BFI, Bridgestone/Firestone, and other top firms. Herzog has used parts of EM courses from Owen practically every day since graduating in 1994.

First, at the Tennessee Department of Environment and Conservation, he helped estimate natural resource damages at six sites across the state. For example, he computed the monetary damages resulting from contamination at an old ammunition plant in Milan.

The work fascinated him, but the program's funding was cut, and Herzog found another position.

Now, he's employed at Browning Ferris Industries as a major account manager, and he's still pulling out gems from his Owen database.

"One of the things Professor Cohen's class taught was an introduction to OSHA and Superfund, and we looked on a case study basis at the potential fines that could be levied."

Today, he advises BFI clients on the potential economic impact of their actions as they relate to government programs, such as Superfund. "I look at disposal regulations and how to forecast environmental damages," he says.

Dean Kim, who graduated in 1997 with degrees from the Owen and Law Schools, says the Owen degree and EM emphasis helped him get his



job at Bridgestone/Firestone in Nashville. "A lot of things Dr. Cohen taught me are coming to fruition, especially on the economics of environmental management."

Kim describes the Owen courses as "very forward thinking," especially in their focus on ISO 14000 certification for manufacturers. (Bridgestone/Firestone is the only tire company in the United States that is ISO 14001 certified at all U.S. plants, he says.) As environmental counsel and business manager for the firm's law





department, he advises the top management on such cutting edge issues as sustainability, and even brought Cohen in to explain how sustainability might be achieved within their culture. "At our company, these type of decisions come directly from the CEO."

Despite the student success stories, it still is very hard for an MBA student to translate knowledge of EM into a job, Cohen says. "Although some of the companies considered environmental leaders in their industries recruit at Owen,

other companies may exhibit a disconnect between the corporate policy above and how that gets translated to the recruiter," Cohen says. "Sometimes, environmental concern just doesn't filter down from the CEO."

Eben Ostergaard's experience may reflect the reality of EM today. Prior to coming to Owen, the 1998 grad worked for the Earth Watch Institute near Boston where he coordinated international scientific research projects.

Following graduation, Price WaterhouseCoopers hired Ostergaard into a new EM group, but the group had trouble getting off the ground. "They just didn't have many projects," Ostergaard says. "EM is not the highest priority for funding, and firms, especially consulting firms, have to be flexible."

Ostergaard now works for a San Francisco firm doing electronic business consulting, but hopes to eventually return to his original passion of EM. "I think knowledge of EM is invaluable, even in just understanding some of the issues at the World Trade Summit in Seattle."

Cohen says several important trends, however, are going to make the EM field more dynamic and important to companies. Among them are the global economy and the information revolution. It's unclear what impact, if any, the Internet will have on environmental management. It can't be assumed that the explosion of electronic commerce will necessarily have a positive or negative effect on the environment. He cites as an example



## faculty NEWS

**Seema Arora**, assistant professor, is one of two faculty members who teach and conduct research in the environmental management program, which recently received kudos for "innovative teaching of green issues" from *Business Week*. Among the top nine schools cited, Owen placed third in research productivity despite the School's small size. Arora's earlier research evaluated the merits of voluntary regulation, and her recent research examines the impact of proactive voluntary actions on firms' stock market performance. Arora also

examines the relation between environmental regulations and competitiveness. She gave invited talks on her work at the University of Illinois at Urbana-Champaign and at the Krannert School of Management at Purdue University.

**Bruce Barry**, associate professor, presented his work on "Free Speech and Expression in the Workplace: Legal, Ethical, and Managerial Perspectives" at the annual meeting of the International Association for Business and Society in Paris last June. In September, Barry gave an invited talk on this research at

Vanderbilt Law School. Barry's paper, "Dyadic Communication Relationships in Organizations: An Attribution/Expectancy Approach" (with J. M. Crant of the University of Notre Dame) was accepted for publication in *Organization Science*. His paper on "The Tactical Use of Emotion in Negotiation" appeared in the 1999 volume of *Research on Negotiation in Organizations*.

**Wayne Beavers**, adjunct professor, presented a paper on "Patent Protection for Web Based Business Methods" in September to the Nashville Bar Association, and spoke on the same subject to the Second International Conference on Telecommunications and Electronic Commerce in October. That month, he also

presented his paper "Application of 35 USC Sec. 112(6) to Method Claims" to the Tennessee Intellectual Property Law Association. Beavers and Luke Froeb, associate professor, coauthored a paper with Greg Werden (U.S. Department of Justice) titled "Quantity Accretion—The Mirror Image of Price Erosion from Patent Infringement," which appeared in the *Journal of the Patent and Trademark Office Society*.

**Mark Cohen**, associate professor, recently traveled to New York to receive an award on behalf of Owen for being in the "top tier" of business schools offering courses in environmental management. The World Resources Institute and the Aspen Institute



the old belief that the growth of e-mail would create a paperless office. "Paper consumption has, in fact, gone up, despite e-mail." The possibilities that the Internet brings for niche marketing do have many implications in environmental marketing issues, he adds.

The coming years will see a growing number of companies with the environment on their minds and who will want business leaders up to the task. With Owen now considered a "cutting edge" program, many may find their way to Nashville for talent.

**Jane Gibbs DuBose is a Nashville-based freelance writer. She is a former business editor at the Nashville Banner and Knoxville News-Sentinel.**

### DIPPING INTO THE COOKIE JAR

Are restructuring charges too often exaggerated? And are analysts too positive about these charges?

The answer to both questions is yes, according to research conducted by Debra Jeter, assistant professor, and Owen colleagues Paul Chaney and Chris Hogan. Their study, "The Effect of Reporting Restructuring Charges on Analysts' Forecast Revisions and Errors," took a unique approach to restructuring charges, examining them from the perspective of financial analysts, as opposed to prior studies that have focused on the market's response to an announcement of a charge. Their article appeared in the *Journal of Accounting and Economics* and has been cited in the *Wall Street Journal* and other media.

There is a perception that more and more companies are not honest about restructuring charges, Jeter says. Some companies take a big 'hit' at one time and call unrelated costs—such as future costs of personal computers or advertising logos—restructuring charges. "By taking a big hit, they think they can cover costs incurred as well as estimated future costs. They then dip into the cookie jar when they want to, creating the impression of a desirable

pattern of growth."

In one phase of their research, they discovered 157 restructurings from 113 firms. "Some firms restructure as often as three out of four years, making you wonder what they call restructuring. I believe on average that most companies report fairly, but they need to disclose more fully. The SEC just released a new set of disclosure guidelines, which reinforce EITF 94-3 and crack down on restructuring charges. I think this will cause people to use the term restructuring a little more carefully."

Another aspect of their study looked at analysts' accuracy and bias regarding restructuring charges. "Analysts do revise their one and two year ahead forecasts of earnings downward after a company announces a restructuring charge, but they don't adjust it down far enough," she says. "When we examine forecast errors in the year following the charge, we find evidence that the analysts' accuracy has declined and, despite the downward revision, they are still optimistically biased."—Beth Matter





presented the award. He also traveled to Laguna Beach, California, in October, where he was a panel member at an Environmental Protection Agency workshop on “Capital Markets and Environmental Performance.” His research on the relationship between environmental and financial performance was a featured topic of discussion during the conference. In November, he attended the American Society of Criminology meetings in Toronto and chaired a panel on the economics of drug markets.

**Bruce Cooil**, associate professor, coauthored two papers recently accepted for publication. “Identification of Patients at Increased Risk of First Unheralded Acute Myocardial Infarction by Electron Beam Computed Tomography (EBCT),” forthcoming in *Circulation*, demonstrates the value of using a percentile score for arterial calcification, based on a patient’s age and sex, to aid in

estimating the risk for an acute myocardial infarction. The second paper, to be published in *American Journal of Cardiology*, entitled “Evaluation of Chest Pain in Patients with Low to Intermediate Pre-Test Probability of Coronary Artery Disease by Electron Beam Computed Tomography,” shows that diagnostic procedures using EBCT are not only clinically effective but cost effective as well.

During July and August, Professor **Dick Daft** spent five weeks as a Distinguished Visiting Scholar at the National University of Singapore. While there, he presented two papers on “Fusion Leadership” and two workshops on “Facilitating Large-Scale Change in Organizations.” He also completed data collection for a large applied research project on “Changing Leadership and Culture” at a major insurance company. Daft recently worked with two not-for-profit organizations—San Antonio

Housing Authority and Translink (Vancouver regional transportation authority)—to develop greater stakeholder collaboration for implementing strategic changes.

In October, Associate Professor **Luke Froeb** gave a seminar in Toulouse, France, at an international conference on “The Econometrics of Price and Product Market Competition,” and in November a similar seminar at the University of Iowa. At both, he presented his work on simulating merger effects in auction markets. In Toulouse, he urged his European colleagues to become involved in European Union antitrust policy formation, which currently lacks formal economic input. In January, Froeb gave two seminars at the American Economic Association meetings in Boston on merger simulation and estimating demand curves. He is editing a volume on computational approaches to simulating oligopoly behavior.

Visiting Assistant Professor **Brooks Holtom** recently published an article in *Human Resource Management Review* entitled “Standing on the Shoulders of Giants is a Matter of Perspective” that discusses 50 years of study in human resource management and identifies emerging HRM trends. Subsequently, he appeared in a WTVF (Nashville) “Tennessee 2000” Spotlight to discuss emerging employment arrangements such as independent contracting and temporary work. He recently published an article he coauthored entitled “Theoretical Development and Extension of the Unfolding Model of Voluntary Turnover” in the *Academy of Management Journal*, and presented a paper on “The Retention of Employees: The Role of Organizational Embeddedness” at the Academy of Management Conference in Chicago.

In November, Professor **Larry LeBlanc** taught a two-day

## REAL TIME MARKETING

Imagine a car that won’t allow you to take curves as fast as you would like in inclement weather. This is not fantasy, but real time technology currently being developed by Cadillac and Mitsubishi Motors, among other car manufacturers.

Real time technology can also be found in video camcorders that adjust for shaky hands, vacuum cleaners that change suction and power based on the level of dirt in the carpet, and washing machines that vary their wash cycles

depending on the weight and type of clothes.

Such products blur the line between pure products and services by meeting customers’ initial needs and addressing their changing needs over time. “Service products are forging a new relationship, not between producer and consumer, but between service product and consumer,” says Professor Rick Oliver, who researches this new field along with Professor Roland Rust.

Real time marketing soon will become the dominant

marketing paradigm, Oliver predicts, because it enables firms to give customers what they want, when they want it. “True real time marketing occurs when intelligence about the customer is decentralized from the producer and embedded in the product or service itself. The technology allows the product to sense what the customer needs and adjust accordingly.”

Cheaper, smaller, and better microprocessors together with the development of parallel

processing, smart materials, and high performance sensors have made the technology economically feasible. The principal driver in the concept, however, has been the informed consumer, Oliver says.

—Beth Matter



Oliver

course on international operations at the Institute of Industrial Logistics at the Bordeaux School of Management. In September, he gave a full-day presentation on teaching operations research using spreadsheets to the Operations Research Society of Italy in Naples. Earlier in the summer, he attended the DSI conference in Athens, Greece, and presented “The Impact of Information Systems Technology on Operations Management” at the Technical University of Crete. Recent articles accepted for publication include “Heery International’s Spreadsheet Optimization Model for Assigning Managers to Construction Projects,” forthcoming in *Interfaces*, and “Teaching Management Science/Operations Research Using Spreadsheets,” in *Ricerca Operativa*.

Professor **Richard L. (Rich) Oliver** recently published a paper entitled “Whence Consumer Loyalty?” in the first special issue of the *Journal of Marketing*, produced jointly with the Marketing Science Institute. Prior to its publication, Oliver presented this paper at the INFORMS fall conference. An earlier paper entitled “Customer Delight: Foundations, Findings, and Managerial Insight” (with Roland Rust and Sajeev Varki) received second place among the best articles in the *Journal of Retailing*. The award was presented at the American Marketing Annual Conference in August where Oliver delivered the paper to the awards audience.

**David C. Parsley**, associate professor, was invited to Switzerland to present recent work at a conference focusing on lessons from intra-national

economics for international economics. He was also invited to present his work (with Shang-Jin Wei) on the economic effects of political borders at the National Bureau of Economic Research’s Summer Institute. He also visited Spain (with faculty members Scudder and Gerhart) to study management implications of European integration with students in the International Management Issues Seminar. His current research studies the impact of the exchange rate regime on the strength of the purchasing power parity relationship.

Professor **Roland Rust** in September chaired the Ninth Annual AMA Frontiers in Services Conference at Owen, which drew almost 200 people from 22 countries. He co-edited a special issue of *Production and Operations Management* on the topic of

“Service Marketing and Service Operations.” He coauthored two other articles, one that was published in a special issue of the *Journal of Marketing* and another that appeared in *Interfaces*. His recent research on customer satisfaction was summarized in *Scientific American*. He has been named to advisory boards at the Graduate School of Management and Leadership in Monterrey, Mexico, and QUIS 7, the International Research Symposium on Service Quality to be held in Karlstad, Sweden.

Professor **Gary Scudder** and Acting Dean **Joe Blackburn** presented “Channel Management Challenge” at the recent meeting of the Novartis Produce Industry Advisory Panel. The presentation looked at the challenges of managing critical control points in the fresh produce supply chain, from grower to consumer.

## NEW faculty

Seven new faces, five of them visitors, joined the faculty this past fall.

● **Bart Victor**, the first Cal Turner Professor of Moral Leadership, previously served as professor and director of the program for executive development at the Institute for Management Development at Lausanne, Switzerland. He received his Ph.D., master’s and undergraduate degrees from the University of North Carolina, the Bank Street College of Education, and the University of California at Berkeley, respectively.

● **James Hill**, assistant professor, teaches in the operations area. A Ph.D. graduate of Ohio State University, he received an M.B.A. from Case Western Reserve University and his undergraduate degree

from the University of Dayton.

● **David Dilts**, visiting professor, also in the operations area, comes to Owen from the University of Waterloo in Waterloo, Ontario, where he has served as professor and associate chair of management sciences since 1996. His Ph.D. and M.B.A. degrees are from the University of Oregon, and his undergraduate degree from California Polytechnic State University.

● **Randall Chapman**, visiting professor in marketing, is a principal of Chapman and Associates and has taught in a variety of capacities since 1973. Chapman’s Ph.D. and master’s degrees are from Carnegie-Mellon University, and his undergraduate degree from the University of Alberta.

● **Samit Soni**, visiting assistant professor,

teaches in the telecommunications area. Soni has Ph.D. and master’s degrees from the University of Texas at Dallas and Ohio State University, and an undergraduate degree from the University of Poona in Poona, India.

● **Brooks Holtom**, a visiting professor in human resources and organizational studies, received a Ph.D. from the University of Washington, and undergraduate and master’s degrees from Brigham Young University.

● **Kirk Philipich**, visiting assistant professor in accounting, has Ph.D. and M.B.A. degrees from Indiana University and an undergraduate degree from Saint Louis University.



# REUNION '99

**Re.un.ion** (re-yoon-yun) *noun* 1) A gathering of those who have been separated; 2) A time to come together again; 3) A joyful celebration of Owen alumni.

Alums ate, drank, and were merry October 8 and 9 during Reunion Weekend, which honored the classes ending in 4 and 9.

A big thank you to those who served as party hosts (Mickey Wilson, E'84; Ann Tull Mosley, E'89; Drew Herzog, '94; and Mike Blackburn, E'94) and to those serving as Reunion class chairs (Stephen Mathews, '74; Debora Guthrie and Charles Wright, '79; Nedda Pollack, E'84; Robert Morgan, '84; Dale Mayo, E'89; Renee Franklin, '89; Michael Blackburn, E'94; and Cara and Edgar Heilmann, '94) who helped raise a whopping \$380,000 through the Reunion Giving Program! PHOTOS BY DAVID CRENSHAW

Mike, E'94, and Bunny Blackburn cut a rug at the dinner/dance on Saturday night.



Waxing nostalgic, alumni related their favorite memory from school. 1) Amelia Strobel, '94: "serving on the case competition marketing team that went to Wake Forest, and throwing a huge party my first year for both Owen classes and one Nursing class"; 2) Charles Albright, E'94: "the relationships formed at Owen"; 3) Bob Day, '74: "the international students and international flavor of the School"; 4) Steve Curtiss, '84: "hanging out with people and commiserating about tests and classes"; and 5) Bill Bryant, E'84: "watching Mark's frozen hair thaw during class on cold days."



Elizabeth, '94, and Clark Akers share family photos with Professor Dewey Daane at the brunch on Saturday morning.



Acting Dean Joe Blackburn, center, chats with Peter Oetker, '89, and Jeff Kudlata, E'96, at the cocktail reception.



Leslie Wolfgang, Jennifer Johnsrud, and Cara Heilmann sample the goodies at the '94 party.



Scott Andrews, Renee Franklin, and Torgeir Stensaker at the '89 party at the Boundry Restaurant.

## class ACTS

### '71

**Stanley F. Rose**, an attorney in Naples, Florida, specializes in aspects of U.S. income, estate, and gift tax, which relate to foreign investment in the U.S., and foreign trade and transactions. In addition, he advises American and foreign businesses on international business and investment. Rose formerly was a tax advisor in Peru, a lawyer in Venezuela, and an international lawyer for Warner Lambert Company for Central and South America, Canada, Europe, Africa, Asia, and the Middle East.

### '73

**Ann J. Olsen**, of Nashville, recently joined Columbia/HCA as director of the Security Competency Center. She and Mark Alan Burnett married on May 30.

### '75

**Robert S. Oliver** is a partner with Vestor Partners, L.P., a private equity fund, in Santa Fe.

### '78

**Eric J. Hall**, of San Francisco, is president of Audiocafe.com, a provider of content, commerce, and community for audio equipment.

### '81

**Tracie Jensen Jacquemin**, of McLean, Virginia, is a stay-at-home mom and substitute Montessori teacher. Her third child, Marissa Kristina, was born March 19, 1998.

**Judith Kraft**, of Ridgewood, New Jersey, is senior analyst/programmer for Merck

MedcoManaged Care, LLC. Her son, John, recently married a Chinese woman, and "the whole family traveled to China for three weeks to celebrate!" she reports.

### '82

**Stanley G. David**, EMBA, president of PFEX in Largo, Florida, set up an MBO for two divisions of a major corporation and serves as president and COB for the two companies formed. "Hans, the real estate book worked," he writes.

**David Geller** is president and CEO of Home Health Corporation of America, Inc. He and his wife, Carol, live in Lancaster, Pennsylvania, with their two children, Michael, 11, and Stephanie, 9.

### '83

**Mary H. Rankin**, EMBA, is president of GE Power Systems Licensing, Inc., in Greenville, South Carolina. She and husband, Norman, have two children: Rankin, 7, and John, 5.

**Rebecca Weller Holderread** is CFO for Quincy's Restaurants, Inc.; Mick's Restaurants, Inc.; and The Peasant Restaurants, Inc. She and husband, Barry, have one child, Emma, 3, and one on the way.

**Marcy Seligman Roberts** is a college counselor at the University School of NSU in Fort Lauderdale, Florida. She and husband, Michael, have three sons: Josh, 11, and twins Benjy and David, 7. She recently visited Owen and was

"delighted to see the showcase from the GM marketing competition on the third floor!"

### '84

**Penelope J. Boeckmann** has moved back to her hometown of Horse Cave, Kentucky, and is the district finance officer at The Caverna Board of Education. She teaches aerobics and says small town life is great. "I can be at work in five minutes and a traffic jam usually involves a tractor. After seven years at a large law firm, this is great!"

**Andrew Lobsenz** and wife, Susan, of Round Rock, Texas, have two children, Sarah, 3, and Michael, born in May. He is a software development engineer for Solectron Texas.

### '85

**Cathleen K. Brannen** is vice president of administration and

finance for Metropolitan State University in St. Paul, Minnesota.

**Bruce Lynskey**, of Lexington, Massachusetts, is vice president/marketing for Vigilant Networks that was launched in February. The company has next-generation data networking monitoring software and hardware for "enabling non-stop e-business networks," he says.

**Robert Misy, Monica Misy, '88**, and their four children moved to Milwaukee where Rob is an international tax attorney with Reinhart, Boerner, Van Deuren, and Norris. "In addition to returning to Milwaukee to practice law, we have purchased my parents' home and are excited about raising our family a block away from Lake Michigan," Rob writes.



Randy Raggio, '97, a native of New Orleans, achieved a lifelong dream last May when he swam across Lake Pontchartrain, a distance of 24 miles. He began his swim at 10 p.m. Friday, May 28, and almost 14 hours later, despite rough water, arrived unharmed and hungry on the opposite shore. A boatful of friends and family followed him the entire time. His swim is only the third documented swim across the lake, he says. Raggio, marketing director for Kidpower, a Brentwood, Tennessee, toy company, also spends time doing community service work. Just five days after his swim, he left for a two-month project in India that involved building a school for children in slums in Mumbai (formerly known as Bombay). In Nashville, he is helping to develop a combination daycare and tutoring program designed to help underprivileged children attain a better life.



**R. Neely Moore**, and his wife, Katy, live in Nashville and have a son, Elliott, born on February 3, 1998. Moore is team leader for information systems at Willis Corroon and is responsible for the general ledger worldwide.

## '86

**John Rovani** is vice president of Internet products and services for Micros Systems, Inc., in Beltsville, Maryland, a company that provides point-of-sales technology to restaurants and hotel chains.

## '87

**Jerry Clark**, EMBA, of Englewood, Colorado, recently changed companies without changing his job or office. After 19 years, he retired from Nissan North America and is now manager of technical support for IBM Global Services. "Nissan outsourced all of its information systems work in the USA and Canada to IBM, so I just changed hats from Nissan to IBM. Even my office is the same one I had at Nissan!"

**Albert Bates** is a partner in the litigation section of Reed Smith Shaw & McClay in

Pittsburgh, Pennsylvania. He focuses his practice on complex environmental, construction, and commercial litigation and arbitration matters. He and his wife, Leslie, had their third child in February.

**Jane Hatley**, of Asheville, North Carolina, has started a company, NewEraCom, that uses radio waves to provide high speed access to the Internet. Her company targets small markets that are not well served with cable TV.

**Michele Noe Thomas** is president of Consumer Insights in St. Louis and works as a marketing research consultant. Key clients include Ralston Purina, Protein Technologies, Inc., and Earthgrains.

## '88

**Louis Jordan**, EMBA, is senior director of information services for Dollar General Corporation in Nashville.

**W. Neal McAtee**, a managing director of Morgan Keegan in Memphis and a chartered financial analyst, placed fifth among 30 industry analysts for estimate accuracy in the most

recent *Wall Street Journal* All-Star Analysts Survey. He also ranked fifth among 29 oil-service analysts for stock picking. He has been named an All-Star three consecutive years.

**Monica Misey** and **Robert Misey**, '85, and their four children moved to Milwaukee where Rob is an international tax attorney with Reinhart, Boerner, Van Deuren, and Norris. "In addition to returning to Milwaukee to practice law, we have purchased my parents' home and are excited about raising our family a block away from Lake Michigan," Rob writes.

**Jan Moorad**, of Newport Beach, California, is a full-time homemaker and raising two young sons, aged 3 and 5. She serves as a board member of the Orange County Children's Museum and a member of the Young President's Organization, among other activities.

**Marie Munsch** works in the communications department for the Medicare Peer Review Organization in Florida. "I have learned a lot about healthcare and elderly people," she writes. "I also lost my mom last year, which was very difficult."

**Amanda Ryden**, of St. Louis, is an emergency medicine resident at Washington University Barnes-Jewish Hospital.

## '89

**Ed Foy**, CFO/COO with eBet Limited, recently moved his family (wife Robin and three sons) from Carlsbad, California, to Sydney, Australia, where eBet Limited is headquartered. He has worked with the interactive and Internet software industry since 1994

and helped take eBet public on the Australian Stock Exchange.

**James F. McCreary**, of Atlanta, is a senior vice president group executive of Wachovia Corporate Services Inc. and serves as a group manager in the U.S. Corporate Finance division.

**John Sokol** and his wife, Liz, announce the birth of their daughter, Grayson Elizabeth, on July 7. Sokol is president of Bancinsurance Corporation in Columbus, Ohio.

## '90

**Whitley Bush** and wife, Shannon, and sons Bill, 4, and Weston, 1, are enjoying living in San Antonio, where he is director of marketing for Boral Material Technologies Inc.

**Tim Dolan**, president of Intergro, Inc., in Clearwater, Florida, has spent the last 10 years working in Latin America. He currently imports and exports agricultural products between Central America and Florida.

**James Jensen**, AVP of National City Corporation in Cleveland, Ohio, in October 1998 married Jixing Cheng, a citizen of the People's Republic of China.

## '91

**Virginia (Ginger) Barnes**, EMBA, Boeing International Space Station Chief of Staff, received the 1999 Women in Aerospace Outstanding International Award. From 1995 to 1999, she led the international multi-contractor industry team that designed, developed, manufactured, and launched NASA's first element of the International Space

*Continued on page 28*



*Amy Jorgensen Conlee met with first-year students at an orientation dinner in August.*

PHOTO BY DAVID CRENSHAW

**L**earn business concepts well and invest in friendships are two of the pointers Amy Jorgensen Conlee, '77, managing director of Greenbrier Associates in Atlanta, offered first-year students at an orientation dinner held August 26 at the Stadium Club.

"Obtaining an MBA is a huge investment when you consider the cost of tuition, time commitment, and cost of earnings and career progress forgone," she said. "Four things can help you get the greatest return from this investment.

"Learn the concepts and skills the courses are designed to teach. Some in my class felt that important skills had to be learned on the job, but I took the courses seriously. This

helped me immensely a few months into my first job at Morgan Stanley, when I found myself leading a discussion with people many years my senior as to the appropriate discount rate to use in making a tender offer for bonds.

"Secondly, your Owen years give you an incredible opportunity to practice the things you will do the rest of your business life. Use this time as an athlete would prepare for a tournament or a musician for a concert. Practice having high standards for your work product, working well with your peers, making difficult decisions, and communicating effectively at every opportunity.

"Spend time on friendships. The people sitting around you tonight will

have a significant influence on your life for a long time. A woman I met my first day at Owen is still my closest friend, and we talk weekly. I have enjoyed keeping up with other classmates and watching their families grow over 24 years.

"Lastly, spend time knowing yourself and your opportunities. Take notes of tasks, projects, and subjects, large and small, that excite you or bring you satisfaction. Learn more about what career paths are available and the requirements of those careers. If you know yourself and what you like, and have a clear picture of the opportunities available, making a match will be easy. And believe me, loving your job is the most important determinant of success."

## ONLINE ALUMNI DIRECTORY

Current home and business addresses, phone numbers, email addresses, and other information for thousands of alumni are available to you online as an Owen alumnus. You can search by name, class year, academic concentration, geographic location, or employer. Contact the School to receive your password. Simply call 615/322-3653 or email us at [alum@owen.vanderbilt.edu](mailto:alum@owen.vanderbilt.edu), and we'll get you online.

Get back in touch  
**TODAY!**



Station, the Russian-built Zarya module. A safe, reliable, and maintainable ISS was her top priority, and she says she remains committed to the dream of astronauts living for extended periods on the ISS.

**Nimalan Chinniah** has been appointed assistant vice chancellor for administration at Vanderbilt.

**Sue** and **Steve Dyke** had their second child, Erin Nicole, born December 20, 1998. She joins her brother Ryan, 2. Steve is vice president of JD Ford & Co. in Denver.

**W. Doug King Jr.**, of Charlotte, North Carolina, is vice president of syndicated finance for Banc of America Securities. He and wife, Leigh Anne, have two children, William, 2, and Mary, 1.

**Becky Sharpe** is vice president of sales and marketing of Optimum Solutions, Inc., a company recently recognized as one of the fastest growing in the U.S. (By *INC* magazine) and voted one of Nashville's Future 50 for the second year in a row.

**Scott Taylor**, of Wichita, Kansas, is program administrator for a new endeavor called childspot!, an early childhood program for children ages six weeks to five years.

## '92

**John Fisher** has been promoted to product manager at Emerson Electric's Therm-O-Disc Division in Mansfield, Ohio.

**Kevin Horsley** is associate partner of AMVESCAP, Pic., the parent company of the

INVESCO and AIM funds management groups and PRIMCO Capital Management. He also is a senior research analyst for PRIMCO in Louisville, Kentucky, where he focuses on analysis of structured securities and other segments of the fixed income market. He and his wife, Carolyn, announce the birth of their first child, a daughter, Morgan, on August 6.

**David Macaione**, of Los Angeles, is corporate vice president and vice president of business and legal affairs for Paxson Entertainment Group. Previously, he was vice president of business affairs for The Odyssey Channel.

**Dixie** and **Robert, '93, Ross**, of Austin, Texas, had a second daughter, Abigail Watson, born on June 16. Their other daughter, Rachel, was born in 1997. Ross is a project consultant with Dell Computer Corporation.

**Cheryl Vowels** and husband, Robert, announce the birth of their first child, Robert Clifford III, on February 23, 1999. Vowels is director of sales/carrier packet solutions supporting the Ameritech account for Nortel Networks.

**David C. Williams** and his wife, Karen, and daughters Veronica and Alexandra have relocated to Reno, Nevada, where David is now COO with Palms Resort & Casinos. He most recently was with Harrah's.

## '93

**Lori** and **Ric Mayfield** recently celebrated their fifth wedding anniversary and bought a new home in Chastain Park in

Atlanta, which "greatly improves their commutes," she says. Lori is finance project manager for MCIWorldCom in Atlanta, and Ric is portfolio manager for SunTrust Bank.

**Mark J. Romanchuk** is general manager of PR Machine Works, Inc., in Mansfield, Ohio. In 1998, the Weatherhead School of Management at Case Western University cited the company as the 11th out of 100 fastest growing companies in Northeastern Ohio.

**Robert** and **Dixie, '92, Ross**, of Round Rock, Texas, had a second daughter, Abigail Watson, born on June 16. Their other daughter, Rachel, was born in 1997. Ross is a project consultant with Dell Computer Corporation.

**Paul Todd** and wife, Hayley, of Columbus, Georgia, have two young children, Connor and Eliza. Todd is assistant vice president/finance for Total System Service, Inc.

**Smoke Wallin** is founder and CEO of e-commerce start-up eSkye, which has launched an online ordering system for the beverage alcohol vertical market. eSkye plans to seamlessly connect retailers, distributors, and suppliers within the existing regulatory environment.

## '94

**Douglas L. Col**, a vice president and trucking industry analyst for Morgan Keegan in Memphis, placed fourth out of 11 trucking analysts for estimate accuracy and for stock picking in the most recent *Wall Street Journal* All-Star Analysts Survey.

**Jeff Joyce**, of New York City, left Towers Perrin in August to join SCA Consulting, an international management consulting firm focusing in the area of value creation and performance management. He and his wife, Linda, had a daughter, Abigail Maye, born on August 28.

**Rico Vitale** and wife, Marie, adopted a second son from South Korea, Nathaniel, born last March. He joins older brother, Kevin, 3.

**Brad Williams** has been promoted to vice president of private equity products at Goldman Sachs & Company. He represents strategies to high net worth and institutional clients.

## '95

**Thomas Radgowski**, EMBA, of Orlando, is project director at the advanced distributed simulation group of SAIC.

**Daniel Greden** is a product planner for Microsoft in Redmond, Washington.

**Marc Hansberger** and wife, Angela, have a son, Benjamin, born on October 8, 1998. Hansberger is senior associate at Valuemetrics, Inc., in Decatur, Georgia.

**Carol Kennemore**, product manager of ClickChoice, an Internet software firm in Atlanta, develops online advertising and targeted marketing programs.

**Noel Kesterman** and wife, Devon, are the parents of a daughter, Drew Olivia, born October 1, 1998. He is manager of corporate real estate for U.S. Airways, Inc., in Arlington, Virginia.

**Fred C. Martin Jr.**, of Collierville, Tennessee, and Cosandra Thomas married in April and honeymooned on a cruise to the Caribbean Islands. He is a financial analyst for Federal Express Corporation.

**William M. Mitchell** is vice president of loan syndications for First Union Capital Markets in Charlotte, North Carolina. On May 20, he and wife, Barbara, celebrated the birth of their first child, Jackson William.

**Eleonora Odio**, of Atlanta, is director of market research, analysis, and segmentation in BellSouth telecommunications consumer marketing division. Previously, she spent two years in Sao Paulo, Brazil, building BellSouth's wireless startup affiliate in that market.

**Sumiko Hirotani Swanson** and husband, Neil, live in Tokyo with daughter, Remiko, born October 13, 1997.

**Donald C. (Bo) Young**, of Tampa, Florida, is third vice president of marketing for Tabacalera, inventor of the modern cigar. He is responsible for overseeing all marketing, advertising, and promotion of new products, including Romeo y Julieta, Saint Luis Rey, Quintero, VegaFina, and VegaFina Natural. Young previously worked for Wendy's, Checker's, M&M, Mars, and Nabisco. He and wife, Anna, recently had a second child, Mollie Wilkerson.

## '96

**Curtis Finn**, EMBA, and wife, Alice, had a son, Chapman Davis, born on August 7. He is CFO for EdgeNet Media in Brentwood, Tennessee.

**Judith** and **Michael Blade** worked for two years at law firms in Washington, D.C., and recently moved back to Nashville and had their first child in January. She is an attorney at Bass Berry & Sims law firm, and he is an attorney with Tuke, Yopp & Sweeny.

**Chad Boggan** is a senior marketing financial analyst for the Hewlett-Packard Company in Mountain View, California. On July 31, he married Deandre S. Labelle in Richmond, Vermont.

**Jeani Boots** is vice president of strategic marketing for a startup company, 2WAY Corp., in Seattle that creates web-based, enterprise software. She spearheads all strategic marketing efforts, including building brand equity, creating strategic business alliances, and interfacing with analysts and industry pundits.

**John Dolan** is product manager for *Washington Post-Newsweek Interactive* in Arlington, Virginia.

**Sara Gates** recently accepted a position with Microsoft in their new Internet commerce business. She is based in Texas.

**Sherie Bess Pizzo**, of Fremont, California, and husband Ken announce the birth of their first child, Collin Andrew, on September 9. Pizzo recently returned to work as operations manager for BEA Systems in San Jose.

**Roland Seidel**, of Munich, Germany, is manager of Arthur D. Little, services industries practice/aviation.

**Liz** and **Rob Shults**, of Atlanta, had a daughter, Grace

Elizabeth, born July 29. Liz is owner of Le Chateau, and Rob is president of Honours Golf.

## '97

**Julia Topping**, EMBA, married Gordon Moreau in May. She is practice administrator for The Heart Group in Nashville.

**Michelle H. Chow** and Mark Agee, of Dallas, married in October. She is an associate in the private client services group at Goldman, Sachs & Co.

**Christine Overgard**, of Kansas City, Missouri, has been promoted to marketing manager for new card programs at Hallmark Cards, Inc.

**Dave Power** is vice president of marketing for J.C. Bradford & Co. in Nashville.

**Ron Runyan**, of Portland, Oregon, is marketing director of HTF Solutions, a Web site development company.

**Stein Soelberg** left Netscape/AOL and is product manager for RealNames.com, a private Internet company in San Carlos, California, "that will reshape the way you navigate the Web," he says.

**D. Clay Wallin** is vice president of operations with eSkye.com, Inc., based in Indianapolis.

**Len White** is online marketing strategist for Hallmark.com in Kansas City, Missouri.

**Courtney Zwart** is director of business development for mySimon.com in New York City.

## '98

**Donn Bullock** and his wife,

### SAVE THE DATE!

Mark your calendars now for **REUNION '00**

on **October 20-21**.

Honored classes are

**1975, 1980, 1985,**

**1990, and 1995.** Don't

miss this opportunity to catch up with

classmates and

professors. The events

are sure to please!

Nikki, are expecting their first child in March. After a brief tenure at Compaq, Bullock is now director of eBusiness with Internet start-up SmartOnline.com in North Carolina's Research Triangle Park. He can be reached at donn@us.smartonline.com.

**Anne Breinig** and **Donald Gilmour**, of Milwaukee, married June 26 in Nashville. Several Owen classmates attended the ceremony including Sheila Sullivan, Phil Hollrah, Thomas Barr, Leslie Ip, Dave Horst, Jayson Ward, and Meredith Ashley. Anne is an account manager with Kaztex Energy Management. Don is with SC Johnson Wax.

**Cary Patterson** and wife, Jeannie, of San Antonio, celebrated the birth of their first child, Alexandra, on April 13. He is a process manager with Alcoa.

## '99

**Catherine Tanelli** is director of e-commerce institutional business at MetLife in New York City.



# Big Business Meets the e-World

**Sears? Whirlpool?** Now even these guys want to create e-businesses. It's weird, it's awkward, but it's also absolutely necessary.

This is the story of two companies trying to figure it (e-commerce) out. Whirlpool and Sears have taken very different approaches to the business of going online. Sears is keeping its efforts close to home, bringing in a crowd of strategically focused e-executives to create what is in essence a new division. Whirlpool has a great Internet idea, and to get the most out of it the company

has created a startup called brandwise and set it free in Manhattan's Silicon Alley, far from corporate headquarters in Benton Harbor, Michigan. Whether either effort will succeed remains to be seen. But executives at both outfits think they have the potential to make a splash.

Taking the first step is not always easy. Sears CEO Arthur C. Martinez is a latecomer to the revolution, someone who was not inclined, initially, to give the Net a go. "I was a serious skeptic for a long time," he says. "I saw this as the domain of fanatics." Sears is not, shall we say, a hotbed of new ideas. Founded in 1886 as a catalog-sales company, it had revenues of \$41 billion in 1998, mostly coming from the company's 2,950 stores. The

company has made its money by selling clothes, tools, appliances. Stuff. Year after year after year.

But Sears is in some trouble these days. Martinez is credited with rescuing the company from the brink of bankruptcy in 1992, but the revival was short-lived.

This article featuring alumna Alice Peterson, '81, vice president and general manager of Sears Online, appeared in the November 8 issue of *Fortune* magazine. The portion of the article highlighting Sears is reprinted here with permission. ©1999 Time Inc. All rights reserved.

Stagnant sales and declining profit margins have led to the departure of several key executives in the past year. Sears has been losing some market share to competitors like Home Depot, Lowe's, and Circuit City. Discounters like Old Navy, Target, and even Wal-Mart have chipped away at Sears's apparel business by targeting a younger, hipper crowd. Says Richard Church, an analyst for Salomon Smith Barney, "It's been a middlemarket squeeze for Sears—from department stores on one side and value-oriented business on the other." The company hasn't helped itself by missing some big trends like targeting young teenagers.

The Internet is a much bigger trend. As Martinez tries to turn things around for the second time in his seven years at Sears, he knows that the company can't afford to miss this one.

So if you walk to the end of a long corridor in a new building at Sears's sprawling, gleaming campus in Hoffman Estates, Illinois, you'll find

*Sears CEO Arthur Martinez once saw the Net as "the domain of fanatics." Now he wants Alice Peterson to make Sears the online site for the home.*

PHOTO BY MICHAEL O'NEILL

a small Internet division. Some 50 people are setting up shop there. Cubicles are going up, and boxes lie everywhere. In an open area near the hallway, there's some mismatched furniture, pilfered from the Sears Tower in Chicago. The fridge is packed with cans of Pepsi One and Mountain Dew. "It's what you'd see in any e-commerce business," says Alice Peterson, who is heading the Internet group. "It's a good thing those couches are there. We had two nights last week when some guys didn't make it home."

According to Peterson, the group is out to make Sears the "definitive online source for the home." The

**Blending old business and e-business—"clicks-and mortar" as some call it—is for the most part a difficult, awkward process.**

company plans to start by selling appliances, parts, and tools on its site. The appliance area, in fact, has been up and running since May, and Peterson says sales are ahead of forecasts. A new and improved tool marketplace called the Tool Territory is set to launch in time for the holiday season, in conjunction with the debut of Tool Territory departments in some Sears stores.

Eventually, Sears.com will also sell lawn and garden accessories, home furnishings, and more, and let customers arrange for repair service. About 85 percent of the company's online budget (which Martinez hints may be as much as \$100 million a year) is supporting these areas, which have been relatively stable businesses for Sears. "We chose to go where our strengths are," says Rich Srednicki,

president of home services. Sears's apparel business, on the other hand, had plenty of ups and downs, so the company has no plans to sell clothes online anytime soon.

There's nothing all that revolutionary about this. But for a sometimes hidebound company where some managers measure success by the size of an office, Sears.com represents a radical departure. Peterson, who used to be treasurer of Sears, now works out of a standard-issue cube. ("It's painful," she sighs.) She and Martinez say they aren't even going to think about profitability until 2001. That, too, is not standard thinking at Sears.

Sears.com people who joined from within Sears seem to thrive on being out of the corporate clutch. Andy Wetmore, who heads Tool Territory online, is an avid Net surfer who actually quit Sears in 1998 to start an Internet café in Batavia, Illinois. He returned when friends told him about the new division and says it's like working for a different company. "The thing I like is the freedom," he says. "This is the most non-Sears in Sears I've ever seen. Sears is all about meetings and status reports. This is a refreshing change."

That freshness makes it possible for Sears to woo new-economy people from the outside, like project manager Jim Tuchler, who used to be an e-consultant in Chicago, and vice president of relationship marketing Joe Charno, who co-founded

Internet startup Surplus Direct, which was purchased by Egghead.com. "In Sears," says Tuchler, "I saw a company with a great deal of potential that had some catching up to do, and had said as much. It was a great opportunity." Charno says, "I view Sears as a startup with all this behind it," as he leans back in a conference chair toward a window opening onto the gigantic campus. "I'm in a position now where I don't want to take huge risks," he adds, explaining that he has a 7-month-old baby.

Tuchler and Charno would like to bring in more of their Web-headed friends. But don't Net types find a place like Sears kind of uncool? "My wife thinks I'm cool," jokes Tuchler, clutching his sip-top cup of Starbucks coffee. "Seriously, telling people you work at Sears doesn't elicit oohs and ahhs. But online gets you somewhere."

Nevertheless, blending old business and e-business—"clicks-and mortar" as some call it—is for the most part a difficult, awkward process. The disparity between e-commerce and Sears commerce necessitates careful consideration of detail after detail. Take tracking customer data. By having an online site, Sears can get much more info about its customers than when they just walk into a store, buy something, and leave. But applying that info to the business means running new kinds of software, which often do not integrate easily into a company's legacy systems. "Taking the processes we have now in the physical world doesn't tell me how to go online,"





PEYTON HOGE

Alice Peterson participated in a panel discussion during the 1998 Financial Markets Conference at Owen.

admits Peterson.

In e-commerce, you get the right software or you get out of the business. Sears recently tossed an IBM package in favor of BroadVision software that was designed specifically for e-commerce. The transition will take months, given that the new software will work best only when integrated with Sears's in-store systems. There's also the fact that while Sears has competed for years with the likes of Home Depot and Wal-Mart, it has very little idea what those competitors will be like online; they, too, are fixing up their online business.

Finally, Sears must address the spinoff issue. Many businesses spin off their Net operations into separate companies: Bank One with Wingspan; Honeywell, which is spinning off myplant.com; and European cosmetics retailer Sephora, to name just a few. An obvious reason this helps is that it lets the new company attract e-types with stock options. "It's really the only

way to go if you want to aggressively build an Internet business," says Tuck Rickards, the lead Internet headhunter at placement firm Russell Reynolds in Boston. "Often

**Peterson and Martinez are not even going to think about profitability until 2001. That is not standard thinking at Sears.**

big companies can't attract the right kinds of people. But with spinoffs everything changes."

Martinez demurs. "This spinoff-with-a-separate-equity-deal thing is the fad du jour," he says. "I don't believe that the only way you can get people is with special equity at Internet Multiples." But he won't totally discount the idea. Martinez says Sears.com could become what he calls an internal carve-out. "You'll have separate compensation and separate equity," he says. "Maybe it will be some kind of phantom equity mirroring the marketplace. I'm noodling the idea around."

You see, for folks like Martinez and Peterson (as well for those

involved in e-business at Whirlpool), the Internet puts everything up for grabs. No truism holds—startups aren't necessarily cooler than old companies. Cannibalization is terrifying, but not necessarily bad. Career tracks change. Strategy, finance, human resources—everything needs rethinking.

Even competition—that's changed too. For decades, Whirlpool has been one of Sears's trusted suppliers. The Benton Harbor company first began building washing machines for Sears in 1916; today Sears is its biggest customer, buying some \$2 billion of Whirlpool and Kenmore appliances from the manufacturer each year. Whirlpool itself is not planning to compete head-on with Sears by selling

directly to customers (remember that stuff about the value of the channel?) But its offspring, brandwise.com, clearly offers an outlet for customers who might otherwise go directly to Sears.com.

So what's a traditional CEO to do? Get over it! Arthur Martinez has decided that Sears will sign on—and fork over—to be a brandwise retailer. "It's another way to compete," he says. "To not be on brandwise would deny us a chance to reach customers. We went through tortured conversations about it. Would this hurt the appliance portion of Sears.com? But I think the artificial walls, over time, will come down."

Spoken like a true believer.



The Class of 1994 at Reunion partied like it was 1999.

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