

Quest for the Best

The Owen School Launches a \$60 Million “Human Capital” Campaign

By LISA A. DUBOIS

IN THIS TIME WHEN THE NATION’S ECONOMY HAS BEEN UNCERTAIN, many business people have chosen to sit back and hold off—to hedge their bets and play it safe. In fact, they may find it curious, if not foolhardy, for a university to embark on a \$1.25 billion dollar fundraising campaign—and particularly odd for a business school to try to raise \$60 million to endow new student scholarships and faculty chairs.

David Ingram, ’89, however, just doesn’t see things that way. From his angle, the recent economic conditions present tremendous opportunity in the business world. This period of fiscal caution creates a perfect climate for reassessing and molding the types of business school graduates who will form the next generation of industry leaders. That is why, he says, he agreed to chair Owen’s portion of the \$1.25 billion “Shape the Future” comprehensive campaign that is taking place at Vanderbilt University.

JAMES ENDICOTT



"I'm a big believer in the contrarian way of doing things," Ingram says. "We can make our biggest strides when times are tough, rather than in boom times. And from all indications, the economy is definitely on an upward swing."

Ingram has some experience putting his philosophy to the test. Since 1994, when he became CEO of Ingram Entertainment, he has grown the company into the leading national distributor of home entertainment products, servicing over 10,000 retail accounts and generating net sales in 2003 of \$1.025 billion. Some of his most aggressive—and successful—business deals were made when the video/home entertainment market was straining to regain a foothold in the industry. Given his affinity for challenges, his decision to help his business school alma mater launch a multimillion-dollar campaign made perfect sense.



"If a business is not aspiring to be better, then it's on its way to decline. [Similarly] I'd like to see the Owen School working to get better in all areas. But that requires raising money to get the best students and best faculty."

"Vanderbilt is trying to be a school on the rise, rather than a school on the decline," Ingram says. "You can extend that analogy to business. If a business is not aspiring to be better, then it's on its way to decline. And I'd like to see the Owen School working to get better in all areas. But that requires raising money to get the best students and best faculty."

Owen's campaign is focused on human capital—on offering scholarship money to bring in students whose talents and aspirations can be best honed in Owen's unique environment. It's also an opportunity to reach out to the alumni and supporters to engage them at new levels in Owen's future, and to attract faculty through chairs and research centers in ways that haven't been done in the past.

The first mission of the School is to educate business leaders who will not only be sought after by corporations but who will also be the entrepreneurs and innovators of tomorrow. The second mission is to provide those students with faculty members who can espouse sharp, innovative, ethical business ideas, not just about marketing and finance, but also about strategy, negotiation, leadership, and organizational design.

To achieve these objectives, the School is seeking \$20 million for endowed student scholarships, \$20 million for endowed faculty chairs, and \$15 million for academic programs and centers, including the Financial Markets Research Center, the Sloan Center for Internet Retailing, and the Entrepreneurship Center. Documented bequests are also an important part of the cam-

paign, as is the Annual Fund, which has a \$5 million goal.

Reaching that goal is not going to be easy. The Owen School has several hurdles to jump. First, it's a fairly young player in the MBA game, founded only 36 years ago—a century, for example, after the Harvard MBA program opened its doors. As a result, Owen has 5,800 alumni (compared to Harvard's 110,000), whose average age is only 38. In addition, Owen purposely chooses to remain a relatively small school with a total of 560 first and second year students in the MBA and Executive MBA programs.

Despite these challenges, Owen has distinct advantages. International students, who add an enriching global perspective, make up 25 to 30 percent of the student body. Despite its youth and size, the Owen School frequently ranks in the top 25 among the best business schools in the nation. In the recent *Wall Street Journal* ranking, Owen was rated the 15th best business school in the world.

"We talk a lot about our culture at Owen. It's very collegial. The student-faculty ratio is good. The class sizes are small. It doesn't have the cut-throat competitive atmosphere that some people think of in connection with some other schools," says Beth Harrington, associate dean of Development and Alumni Relations. "There are advantages to being young and small. We are agile and can react to challenges and opportunities more quickly. There's less bureaucracy. A student can present an idea at Owen to the dean or senior administrators, and it may very well be

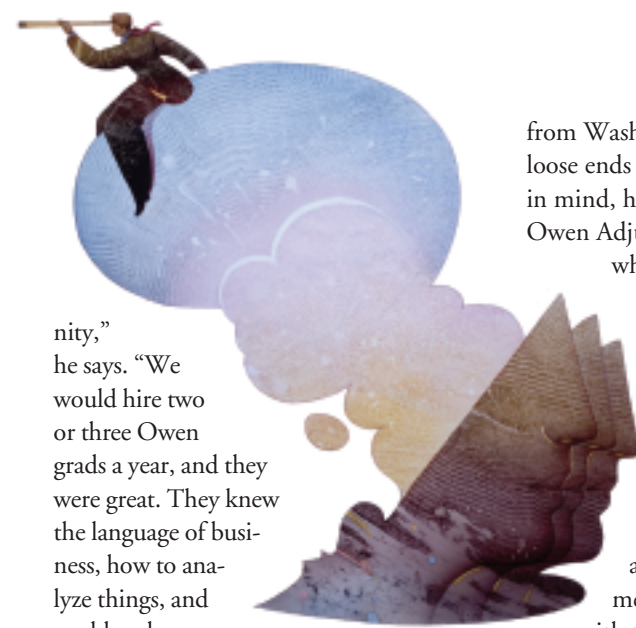
implemented. Owen graduates are smart team players who do well in companies of all sizes and at all levels.

"But," she adds, "when your goal is to try to raise \$60 million, that's a big number for our age and size."

She knows that Owen School fundraisers will have to look towards non-alumni, including business people from outside of Nashville, to make substantial contributions. But those same university outsiders were the very people who founded the School back in 1968. Beginning in the 1950s, business leaders from the Middle Tennessee area began approaching Vanderbilt University about opening a professional business school, recognizing their own need to increase the pool of highly trained, savvy employees in the community. They wanted to beef up their corporations with young graduates ready to assume positions of responsibility. Ten years later their dream finally came to fruition. The business school was worth the wait. Since its early days in an off-campus building that once housed a funeral parlor, it has remained a point of pride of the local business world. Owen moved into its own building in 1983, and from this prime location on campus, MBA students have "transinstitutional" access to students, faculty, and resources in the medical, law, engineering, and divinity school programs.

James C. Bradford Jr., senior managing director of UBS, the largest private bank in the world, headquartered in Zurich, never went to business school. However, back when he was a senior partner of J.C. Bradford & Co. in Nashville, a firm founded by his father, he hired a number of Owen graduates—and he appreciates the contributions they made to his company and the city. For that reason, he is serving on the campaign steering committee.

"Over the years, students have come to Vanderbilt, and then stayed and built businesses, and helped uplift the commu-



nity," he says. "We would hire two or three Owen grads a year, and they were great. They knew the language of business, how to analyze things, and could make things happen faster. You're only as good as the people in your community, and if the people in your community are well-educated, it's better for everybody."

Sometimes it requires a little time and space before business school alumni can truly appreciate their MBA experience. Rush Dickson received his undergraduate degree in European history

from Washington and Lee in 1976. At loose ends and with no particular career in mind, he listened to family friend, Owen Adjunct Professor Webb Follin, who suggested he come to Vanderbilt to get his MBA degree. After two years of classes in the old Alexander Hall funeral home, Dickson entered the family's retail food business, the parent company for the Harris-Teeter grocery chain, as a produce clerk in management training. After 22 years with the same company, Dickson was ready to start his own business.

"I've always had an independent streak in me," he says. "A friend told me that I'm an entrepreneur trapped in a corporate body."

In 2001, he left Harris-Teeter and became an independent contractor for Metro Marketing, a food brokerage business based in Matthews, North Car-

SUPPORTING FMRC

INTERACTIVE BROKERS GROUP LLC has donated a gift of percentage ownership to support Owen's Financial Markets Research Center. Income from the gift, which on December 31 had a book value of \$3 million, will provide permanent support for the center, funding the maintenance of its databases and providing support for faculty research projects in the area of financial markets.

The gift was made in recognition of the center's important contributions to the impartial academic study and evaluation of various market mechanisms, said Thomas Peterffy,

IBG chairman. "We hope that with our contribution of additional resources, the center can continue this work on an expanded scale. We believe that increasing the efficiency of global financial markets may have just as great, if not a greater, impact on the quality of life of people around the world than many more conventional charitable activities." Peterffy is a regular participant in the FMRC annual conferences.

Headquartered in Greenwich, Connecticut, IBG includes electronic brokerage and market making firms at the forefront of the electronic trading industry. The group's consolidated equity capital exceeds \$1.5 billion.

HONORING SAM RICHMOND

JOHAN AND DAVID INGRAM ('86 AND '89) have established two funds to honor the late Dean Emeritus Sam Richmond. The Dean Samuel B. and Evelyn R. Richmond Scholarship(s) will provide funding to deserving merit students. The Dean Samuel B. and Evelyn R. Richmond Chair in Management will endow and support a faculty member at Owen. Preference will be given to a statistician or professor who teaches quantitative methods. Both funds are open-ended so that others may make contributions. If interested, please contact Beth Harrington, associate dean for Development and Alumni Relations, 615.322.0815 or beth.harrington@vanderbilt.edu.

olina. A year ago, he bought the company. Recently, he approached fellow board members of his family's philanthropic organization, the Dickson Foundation, and proposed they fund an endowed scholarship at Owen in memory of his mentor, Follin. The family agreed that such an endowment would reflect the generous spirit of a family friend, who once helped out a young man in need of some gentle guidance and support.

"My Owen education helped me to develop a focus for what I wanted to do with my life and to become conversant in the language of business," Dickson says. "My marketing and strategy courses gave me an appreciation for what business is about. I like that the school is aggressive and open, and looking towards the future."

That future rests upon luring the best and the brightest students. Yet, who are they?

They are people like Peggy Brickman, recipient of both a Dean's Award and the Amy Jorgensen Scholarship. After graduating from Duke University, Brickman accepted a job with Capital One, where she worked for several years



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—PEGGY BRICKMAN

in finance, honing her analytical, quantitative, and team-building skills. Brickman then decided she wanted to become better-rounded as a business leader and narrowed her choices for business school down to the Kellogg School at Northwestern University and Owen.

One trip to Vanderbilt for "Scholars Weekend" sealed the deal. "I was blown away by Owen and decided to come," she says. "Owen has such a close-knit, collaborative environment. Everyone exuded this sense of community and genuineness. I knew I would get a phenomenal education at any of the schools that I applied to, but there was a unique school spirit at Owen that attracted me the most."

She says she made the right choice. Brickman is an elected representative of the Owen Marketing Association and a

member of the 6 Pillars External Marketing Team, whose mission is to help develop the Vanderbilt MBA brand and to position Vanderbilt's MBA program among the top in the nation. "One of the reasons I chose Owen is because of the opportunities for becoming involved in projects where I can learn and make an impact beyond the classroom," she adds.

Brickman is now gravitating towards a new career in brand management. "I want a career that will leverage both the creative and analytical sides of my personality. I believe the project experiences coupled with the academic fundamentals taught at Owen will certainly help me succeed in the business world."

The ambitions of Dean's Scholar Jerome Edwards, '04, also traced exciting new paths after joining Owen. An engineering graduate of the Colorado School of the Mines, Edwards began working for a small company that develops image-guided surgical navigation equipment for hospitals. For years, doctors have performed image-guided surgery on such static organs as the brain, long bones, and vertebral bodies of the spine and sinuses.

Edwards knew there was a niche and an international market, estimated at about \$3 billion, for developing image-guided surgical instruments to be used in such non-static organs as the heart, lung, liver, and kidney. Edwards was confident he could design the technology and came to Owen to learn how to become an entrepreneur. While visiting Vanderbilt during Scholars Weekend, Edwards was introduced to faculty member Bruce Lynskey, clinical profes-

sor of Management and Entrepreneurship, who assured him that Owen's new Entrepreneurship Center was uniquely situated to help him in his venture.

"What I liked about Owen is that it is located next to a great medical center, a great law school, and a great engineering school. Students seem committed to having a free flow of intellectual capital," Edwards says. Receiving a scholarship made his decision to attend that much easier.

During his two years at Owen, Edwards worked non-stop on his student project. With fellow MBA student Evan Austill, '04, a lawyer, he formed and incorporated Veran Technologies, Inc., now listed as a C-Corp. MD/MBA student Ben Heavrin, '04, later joined the group as chief clinical officer. Local doctors have helped the trio develop the necessary technologies and carry out animal studies. Veran Technologies already has received both provisional and full-utility patents for its devices. In the meantime, all three partners took a full load of classes.

"Things have been in fast-forward for us," Edwards admits. "It's been hell, but great. We were able to apply what we learned immediately to what we're trying to accomplish in the business. This is going to be an international business, and, for example, we learned how to hedge foreign currency risk. We wanted to just roll out of business school and go full-time into the company."

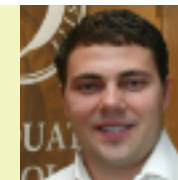
Creating an atmosphere where that kind of no-holds-barred energy is encouraged demands a faculty of the highest quality. Endowed chairs can be a powerful draw for dynamic teachers, who can shape the minds of future business leaders. Enticed in part by an endowed chair, Hans Stoll, Anne Marie and Thomas B. Walker Jr. Professor of Finance, left the Wharton School in 1980 to join the Owen faculty and to later direct the Financial Markets Research Center.

BUILDING FUTURES

SCOTT KUBISZYN, '04, CHOSE TO COME TO OWEN for his MBA degree for a number of reasons, among them the School's ranking, its size, its people, the strength of the finance and entrepreneurship programs, and the collegial environment.

"I wanted to build a network here and refine my skills in some areas I am interested in—particularly entrepreneurship," he says. "I previously worked for Anderson Consulting and then in a venture capital firm for a year. That's where the bug bit me to work with smaller companies early in their lifecycle. Young companies have a lot of challenges, but I enjoy challenges and that draws me to entrepreneurship. I hope to pursue something either on the investment side or the operations side with a fast-growing company."

Kubiszyn received the William C. Oehmig Scholarship, a half-tuition award covering both years at Owen. Kubiszyn made a point to



Scott Kubiszyn

visit and personally thank William Oehmig, an investment banker with the Sterling Group, while in Houston for Vanderbilt's Shape the Future Campaign last fall.

"The scholarship meant a great deal to me," Kubiszyn says. "I had the opportunity to sit down with Mr. Oehmig at his office in Houston to talk about how he's gotten to where he is and for him to share his values with me. We have a lot in common. He puts an emphasis on not so much being an all-A student, but on being a good business person, developing relationships, setting high goals, and doing the things necessary to achieve those goals. Everyone at Owen appreciates Mr. Oehmig's generosity to the School in so many areas."

In addition to the scholarship, Oehmig has endowed the William C. and Margaret W. Oehmig Chair in Entrepreneurship and Free Enterprise, held by Luke Froeb.

— LEW HARRIS

"The primary purpose of a chair is to recruit and retain top faculty members," he says. "Part of our ethos here is that every faculty member contributes in all dimensions, in teaching and in research. It's a competitive business, and we're competing with other top business schools for the best professors."

He adds that endowed chairs have been useful for attracting younger research scholars. "We have offered temporary research chairs, which may, for example, provide a 3-year endowment to promising research faculty, allowing them to reduce their teaching load and

spend time focusing on their areas of interest and expertise."

Unfortunately, in this decade more than any other in recent memory, the reputations of American corporations have taken drastic hits following accusations of high-level corruption at Enron, WorldCom, Tyco, and HealthSouth, to name a few. As a result, this country now more than ever desperately needs young, ethical professionals entering the workforce.

Bart Victor was recruited to Vanderbilt five years ago when offered the

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SITTING IN THE HOT SEAT FOR SCHOLARSHIPS

SCHOLARSHIPS ARE NOT TRIVIAL. Not even ones that sprout from trivial pursuit games. Jennie Godwin Floyd, E'92, of Foster City, California—a freelance singer, writer, and actor—successfully auditioned for the show *Who Wants to be a Millionaire* in February 2003. She told husband Keith McConnell before going on the show that she wanted to donate to Owen a tenth of whatever she won, with the proceeds going towards a scholarship. He was her lifeline for the 11th question (out of 15 for \$1 million): Which language was the 2000 U.S. Census NOT in? Choices were Vietnamese, Korean, Tagalog, and Hindi. McConnell guessed, and Floyd gambled, on Hindi, and won \$64,000. Elated, they used some of the money for a round-the-world trip to Cairo, Dubai, Delhi, Bangkok, and Sydney, and she kept her promise of a gift to Vanderbilt. Her final answer: a gift of \$6500 for the Owen School.

“CLASACTS”

Bruce Heyman '80 *A Passion for People* | Ron Ford E'92 *Giving Back* | Kevin Ogilby '92 *Open to Opportunity* | Jonathan Ishee, Jackson Moore '03 *Starting Out*

A PASSION FOR PEOPLE

'80

BRUCE HEYMAN, '80, HAS a passion for people. Though he's managing director of the Private Wealth Management Group for Goldman Sachs' Midwest region, it's not the numbers of the stock market that bring him to his Chicago office each day.

"This is my second family. I care about the clients personally and professionally, and try to help them in any way I can. That's what keeps me going," he says.

It was this interest in, and involvement with, his private investors that built his clientele of high net-worth individuals into one of the largest groups at Goldman Sachs. "The challenge isn't figuring whether the market is going up or down in the next six months," he explains. "Rather, it's earning your clients' trust by really understanding their risk profile; developing an asset allocation that's appropriate for them, using the best managers in each category; and then constantly monitoring for changes."

Heyman's passion for people extends back to his alma mater. He and

other Owen alums from Goldman Sachs take it upon themselves to help prepare first-year students for careers in the industry. "This year we did a small, group dinner and gave a presentation to the students as if they were a wealthy prospect that we were solicit-



Bruce and Vicki Heyman

ing for their personal business."

He is a past president of the Owen Alumni Association, and wife Vicki, '80, serves on the board of Vanderbilt's Ben Schulman Center for Jewish Life and Vanderbilt's Alumni Association. Both will be general chairs for this fall's Reunion/Homecoming November 5-6. "I hope Owen alums turn out in droves," he says. "It will be a great time to celebrate where Vanderbilt has been and where it is going."

—CAROL WISSMANN

PLEASE NOTE: Class Acts appear only in the printed version of this publication.

DANIEL DUBOIS

DANIEL DUBOIS

GIVING BACK

E'92

RON FORD'S LIFE READS like a Horatio Alger novel. Alger's more than 134 rags-to-riches books usually tell the story of a young teenage boy, from a poor and disadvantaged family, who overcomes numerous obstacles and triumphs to build his own American dream—much as Ford has.

"I grew up with divorced parents," says Ford, E,'92. "My mother had five children, basically a year apart. We were a poor, but loving family. I knew that while I was grateful for my background, there was something I needed to do." And that was to become the first person in his family to attend college.

After graduating from high school in East Tennessee, he worked a 40-hour week at Oak Ridge National Laboratory while attending a community college, later graduating with an accounting degree from the University of Tennessee. In Nashville, he worked for Porcelain Industries, which offered to put him through the Owen School.

"Owen changed my life," claims Ford, who had long considered Vanderbilt the mecca of education. "I wouldn't be where I am today if [the late dean] Marty Geisel hadn't taken a chance on me." His thirst for knowledge didn't stop there, and he went on

to earn a Ph.D. from the Weatherhead School at Case Western.

Throughout his busy career, the now president of Wells DC, and chief financial strategy officer of Wells Real Estate Funds, has taken time to give back to Vanderbilt. He served on the Owen Alumni Board for 11 years, including a stint as president. During that time, he interacted with the Vanderbilt Alumni Board, becoming a member a few years ago. He assumed presidency of that group in October and became a member of the Vanderbilt Board of Trust in April, an honor that he says, "is more than his dream come true."

— LEW HARRIS



Ron Ford

OPEN TO OPPORTUNITY

'92

KEVIN OGILBY ADMITS HE DIDN'T have firm plans when he graduated in 1992 from Vanderbilt with a bachelor's degree in political science. Returning to his hometown of Memphis, he worked in the bond division of National Bank of Commerce. But—as opportunities tend to emerge to those open to them—the chance appeared to start a business-class airline with a high school buddy and his father, a former FAA administrator and then senior VP of airline operations at FedEx. In 1996, Ogilby moved to Dallas as VP of corporate finance for the start-up Legend Airlines out of Love Field.



Kevin Ogilby

The airline ultimately folded in 2001, and he had to regroup. Today he is portfolio manager of Friedman, Billings & Ramsey's Weston Fund at the company's headquarters in Arlington, Virginia.

"I have the great fortune of working with Eric Billings, co-founder of FBR, and one of the smartest people in the financial services industry," says Ogilby. (Billings currently has a son by the same name enrolled in the 3-2 program at VU/Owen.) Billings and Ogilby co-manage the hedge fund. With approximately \$75 million under management, and annualized returns of 23.3 percent over the past ten years, the fund has recently been opened to outside investors.

Always open to the unexpected, Ogilby encourages new graduates to remain flexible. "I don't think anybody coming out of business school should focus solely on how much money they're going to make. Focus rather on how much you'll learn. Ultimately, your earning potential will go up exponentially if you're one of the smartest in your trade."

— CAROL WISSMANN



'03

Jonathan Ishee and Jackson Moore

STARTING OUT

RESEARCHING, PLANNING, AND NETWORKING HELPED JONATHAN ISHEE and Jackson Moore, '03 grads, start their own profitable furniture store in May '03 in Charlotte, North Carolina. But those weren't the sole ingredients for their success.

"We spent our final year at school planning for this," Ishee says. "But the bottom line to our success has been a function of hard work. No amount of planning can substitute for just getting in and getting your hands dirty."

Ishee and Moore have spent countless late nights at their Ashley Furniture HomeStore. Hiring staff, personnel issues, and dealing with expenses all have been challenges faced by the entrepreneurs. But Ishee says that Owen prepared them well to handle the obstacles.

"They can't teach you everything you need to know in school," he admits. "But what Owen did for us was to give us a framework to deal with problems and issues. When you start your own business, the work never seems to end."

Ishee's uncle had a successful furniture business in Mississippi, so they asked him for market advice. They chose the Charlotte area because of its large population, its location in the Southeast, and its marketability.

Help and support from the Vanderbilt community continued even after graduation. Students in a human resources class taught by Neta Moye studied their business and human resource environment, then developed suggestions for benefits and pay scale that would attract the ideal employees.

"It was helpful for the students because it was real world experience and not just theory," Ishee says. "But it helped us too because it's so hard to hire people from scratch. And we had follow-up weekly teleconferences with the students that were invaluable for questions and discussion."

— KELLY NOLAN

'86

DOUG PARKER
DISTINGUISHED ALUMNUS 2004

EVEN IF YOU DON'T KNOW FELLOW ALUM DOUG PARKER, '86, you may know his work—when you fly on America West Airlines and your flight is on time, your baggage is not lost, and you have an overall excellent experience. In 2003, the airline's on-time performance was 86.4 per cent, flights cancelled were only 0.6 percent, mishandled baggage was 2.40 percent, and complaints were a minute 0.71 percent. Currently America West is one of the top three airlines across the board, and in 2003 the company's stock rose a whopping 750 percent, catching the eye of the investment world.



DANIEL DUBOIS

What makes these accomplishments even more astonishing is that Parker became CEO of the airline just 10 days before the events of 9/11. At the time, America West was running a "bad" airline, Parker says, with low ratings in each of the above categories. (See article "America West Manages Smooth Ride" on page 49 for details on how Parker turned the company around.)

For these accomplishments and his support of Owen, the School named him its newest Distinguished Alumnus at a Beta Gamma Sigma banquet on April 15.

"I'm honored to be recognized," Parker says. "Owen has been very important to me by providing a great education, opening doors, and, most importantly, in forming friendships, all of which have served me well over the years."

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Owen Alumni Association

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'84

TAKING GOOGLE PUBLIC

LISE BUYER HAS BEEN GOOGLED IN A BIG WAY. THE 1984 GRADUATE who has served in such positions as vice president at T. Rowe Price Associates and director of the Internet/New Media research team at Credit Suisse First Boston, was named a Fellow of the World Economic Forum, and has been profiled by the likes of *Forbes*, *Fortune*, and the *Wall Street Journal*, is currently serving as the director of Business Optimization at Google and is reportedly on the IPO committee to steer Google through what many are saying is the hottest IPO for years to come. In its SEC filing, Google stated it expects to raise as much as \$2.7 billion, and will conduct the offering through an online auction to make the shares more widely available.

2004 Reunion/Homecoming November 5-6

The more people, the more fun—it's that simple!



Reunion and Homecoming 2004 Weekend is November 5-6, and you are invited to come back to Owen to enjoy all the good times and exciting events that we will pack into one weekend. Be here for the Dean's Cocktail Reception, Back to the Classroom educational events, Reunion gatherings for classes ending in 4s and 9s, the Commodore ReVUe parade for all alumni, a Gator/Commodore battle on the gridiron, and much more....



* Stay Connected

Contact your classmates and tell them to mark their calendars. Use Owen's free online directory (<http://www.owenalumni.com>) to find other alumni and to update your contact information so classmates can find you and keep you posted about Reunion.

* Need a Hotel?

Make a reservation at one of 10 hotels holding blocks of rooms for those attending ExtraVUganza. Go to www.vanderbilt.edu/alumni/reunion.htm and click on Hotels for information. The cut-off for all of the hotel blocks is October 4.

"CLASS ACTS"

QUEST FOR THE BEST

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Owen School's Cal Turner Professorship of Moral Leadership with a joint appointment at the Divinity School. His job is to ensure that every graduate of Owen leaves with a moral imprint about their responsibility to society.

"Business is the single most powerful force in the world today. And people in business can use that power to do great good. Or they can squander the potential

to do great good," Victor insists. "Business is important—it entails creating employment and opportunities for the enhancement of communities. The creation of wealth is good for society."

Owen, he believes, has a moral obligation to graduate men and women who will be able to navigate the dangerous ethical waters of the business world. "We're educating professionals, and that's where scholarships become crucial," he says. "We want our graduates to make decisions in the most morally ambitious way they can. We want the best students, not just those who can afford to come here. If we have the best faculty and the best students and put them together in the best programs, then we can do great things.

"This is a particularly critical time for a university and a business school to be involved in business education, because there are difficult questions afoot. And the quality of the professional education of business people has never mattered more. Both students and faculty must take seriously the consequences, implications, and possibilities of the profession. And that's hard to do. And it takes special students and special faculty to do that."

Viewed in that light, \$60 million looks like a whale of a bargain. VB

STUDENTS HELPING STUDENTS

NOTHING MAKES A STATEMENT LIKE current students helping future students. As of press time, more than 85 percent of the MBA Class of 2004 contributed to their class gift (an all-time high), pledging more than \$162,000 towards facilities improvement and the new branding campaign. David Ingram, '89, has made a generous offer to match all student funds for the projects.

"I am happy that I made the decision to join the Owen MBA community. It has made a lasting impact on me personally and professionally," says '04 member Consuela Sawyers. "I want others to have even better experiences at Owen in the future. That is why I have chosen to make a financial contribution."

The EMBA '04 class is also working on a class gift that will help fund a scholarship for an underrepresented minority student or an applicant from the non-profit sector.

FOR MORE INFORMATION on the campaign and how you can help Owen shape the next generation of business leaders, contact Beth Harrington, associate dean for Development and Alumni Relations, 615.322.0815; beth.harrington@vanderbilt.edu.

SHAPE THE FUTURE



"CLASS ACTS"

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SAM RICHMOND

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munity is going to be obsolete tomorrow. You have to keep changing. We teach people how to handle change.”

Although he achieved success in many endeavors, Richmond “at heart was a teacher—an excellent and exuberant teacher,” says his daughter Phyllis Richmond.

Van Tucker, E’96, of Nashville said, “He was my statistics professor and an extraordinary teacher, but I’m not sure that’s really what I learned from him. Because of his support and compassion, he taught me more about myself than anything else.”

“Sam Richmond came in as dean after my first year at GSM,” says Amy Conlee, ’77. “One would expect a new dean to focus solely on his institutional objectives and other pressing needs, but he also made time for students. I was interested in a career in finance, and in New York City, his former home. Not only did he give me advice, support, and an interview contact at one of the top investment banks, but he bolstered my confidence as I prepared for the challenging investment banking world.”

After retiring as dean in 1986, Richmond returned to teaching as the Ralph Owen Professor of Management. He taught statistics until 1996 in the School’s EMBA program. The year after retiring as dean, he received an award as the EMBA program’s best teacher.

Richmond served as a mentor to many former students who kept in touch with him and came to him for advice

JOHN AND DAVID INGRAM (’86 AND ’89) have established two funds to honor Dean Sam Richmond. For more information, see page 52.

FIVE THINGS YOU MIGHT NOT HAVE KNOWN ABOUT SAM RICHMOND

- 1) He was an avid skier, ballroom dancer, and square dance caller.
- 2) His mottos were “Don’t start vast projects without vast ideas” and “Keep heading north; optimize your life.”
- 3) In building Management Hall, Richmond wanted to have the only restroom in a dean’s office on campus. The blueprints showed the restroom as a closet. Only the architect knew better.
- 4) The big open space in the lobby of Management Hall was designed so he could speak to everyone in the building at the same time if he needed to.
- 5) His academic teaching career began as a student in the Graduate School of Business at Columbia when the instructor in first-year economics recommended that he take over teaching the course. The dean agreed, and Richmond embarked on his long and distinguished career as an educator.

until the end.

“Sam was a long-time board member of Ingram Industries, and a dear friend and mentor to me,” says John Ingram, ’86. “Last fall, I told him that I was waiting for him to get better so I could take him out to see our new company, Lightning Source.”

“In 2002, our class had our 25th reunion, and we had a great turnout,” added Conlee. “Sam stayed with us for hours, talking with each of us about our Vanderbilt and post-Vanderbilt experiences. He had an impact on so many of us, and he will be missed.”

Indeed over the years, Richmond touched faculty, staff, and students with his leadership philosophy summed up in the speech he delivered to the first MBA class that began under his deanship. He promised them “first, an environment that fosters integrity, obedience to all legal rules and restraints, and to the precepts of humanity and decency that we all recognize. Second, social responsibility.... Third, excellence of performance.

The attitude that whatever is worth doing is worth doing well. No, let me go beyond that. Whatever is worth doing is worth doing optimally. That it should be done in the very best possible way that it can be done.”

A native of Boston, Richmond received an undergraduate degree in chemistry from Harvard University, and an MBA and a Ph.D. from the Graduate School of Business at Columbia University.

During his career, he authored three major books: *Operations Research for Management Decisions*, 1968; *Statistical Analysis*, the third edition of which was published in 1997; and *Regulation and Competition in Air Transportation*, 1961. He was a member of various professional societies and boards.

He is survived by his wife of 59 years, Evelyn Ruth Kravitz Richmond of Nashville; daughter Phyllis Richmond of Arlington, Texas; sons Douglas Emerson Richmond of Vernon, Vermont; and Clifford Owen Richmond, ’83, of **VB** Nashville; and one grandchild, Travis

TAKING YOUR COMPANY PRIVATE

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In Ameripath’s case, the board chose as advisors investment bankers who had worked on past company deals. As Carr put it, “We went to the people who knew us best.”

Roberts said Landair, however, because it was dealing with its own management, sought out a greater measure of independence and went through an extensive interview process.

In terms of appointing the special committee, the process is very important and must be fair, said Byrge, because litigation challenging the process’s fairness is common.

Argabrite said three lawsuits were filed against Landair’s board the same

day that the intention to go private was made public. “There is a perception in such a deal that management is taking advantage of minority shareholders,” he said.

Carr said Ameripath actively sought outside offers to avoid the perception that the deal was being cooked up between management and an LBO firm.

Why all the fuss? Because in going private, there is value to be captured, if the plan is well executed.

“An investment company is looking for an internal rate of return over a short timeframe,” Carr said. “Something else [a liquidation event after the buyout] has to happen in three to five years. What, it’s hard to say.”

What is the effect on management after the deal? “The dynamics,” Roberts said, “are very interesting.”

“You can do much more when you are not in the public eye. [Being private] gives you cover,” Carr said.

Still, there is attention. “You go from EPS to EBITDA,” Carr continued, referring to the need for cash flow to service interest payments. “When you are five times leveraged, you are sitting on a burr everyday. And capex becomes a whole new world.”

Management’s relief from getting out from under public scrutiny is replaced with answering to banks. Carr added, “It’s a smaller audience, and one that shares an interest to see the company succeed.”

DAVID EGNER, ’04, is business development manager at Smith & Nephew in Memphis.

INTERNATIONAL STUDENT

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season of the year, but had to go to New Delhi, 1000 miles from his home town and a full day of travel by train. After waiting in line for more than three hours, he had his turn, a grueling interview that had him “sweating bullets.” But this time he was successful. Other students were not. We lost one student from Lebanon, who, although had proof that he was returning to his family company after his MBA, was refused a visa. And two Chinese students, one of whom is the sister of an alumna working in China, were also refused. We sent letters to the U.S. Embassies to no avail. A student from Israel, David Weinstein, came in just under the wire. He got his interview the day the rules were changed in Israel that stipulated a 4-week waiting period for the interview. If he hadn’t made the deadline, he would not have

arrived here in time for classes.

Even students who do get a visa face problems if they leave U.S. territory to go home for vacation or to work in the summer. They have to have their I-20 form signed by a school official and a letter stating that they are still enrolled full time. But this is often not enough. I have heard stories of students about to graduate who traveled home for winter break, but were refused admittance when they tried to come back to the U.S. This has not happened at Owen, and I hope it never does.

Another factor is cost. This year there is a proposed student user fee of \$100 to help defray SEVIS costs. This may not seem like much money, but when added to costs for GMAT and TOEFL tests, plus application fees and travel costs, it makes applying to a U.S. school an expensive undertaking. For many students, funds to undertake

study in the U.S. are simply not available any more as some scholarship programs have cut back funding or ceased to exist due to lack of donors.

For these reasons, U.S. schools are facing stiff competition from schools in Australia, Europe, Asia, and Canada, all of which are much less expensive—and don’t have such restrictive visa entry requirements. Schools from other parts of the globe that never used to actively recruit internationally are now at all the MBA fairs, and foreign national students are seriously considering them.

Maybe this will change, but the fact remains that coming to the U.S. is becoming more and more complicated, and we have to work harder to help our admitted international students arrive on time and provide them the resources they need once they are here. **VB**

BUSINESS CAN BE A LIFESAVER

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percent between 2001 and 2008. And this is an industry that obviously saves lives—in the last 50 years new coronary heart medications have saved approximately 600,000 lives and prevented almost half a million stroke deaths³, and vaccines have helped to virtually eradicate such diseases as polio, smallpox, and diphtheria.

After spending time in the industry, new questions nagged at me, and I wanted to transition my career into one in which I could see the big picture and contribute at a more strategic and executive level. But in order for me to reach senior levels of management and do this, I had a big decision to make: PhD or MBA?

Getting an MBA made sense. You can discover a cure for cancer, but if you cannot manufacture the remedy cheaply, no one will be able to afford it. If you cannot market the therapeutic clearly, no one will understand how to use it. If you cannot raise the funds to develop the technology further, no one will be cured by it. But, you also have to understand the science behind it, or you will never maximize its value. The biotech and pharmaceutical industry is where I can integrate the two worlds and make the largest impact on people's lives.

Vanderbilt's MBA program also made sense. The health care and operations classes allowed me to excel in both of my internships: working on clinical trials at Cumberland Pharmaceuticals and improving Johnson & Johnson's supply chain. One of my primary responsibilities at Cumberland was maintaining communication between the company and trial sites. The trials were conducted remotely at multiple locations. We discovered there is a fine line between too much communication and not enough communication with a hospital team. The

dilemma seemed pulled straight from a "Leading Teams and Organizations" case study. Since I was not able to meet with nurses and doctors on site, telephone conferences, emails, and meeting minutes became an important means of transmitting information. In meetings, tone of voice was critical to communicating goals and motivating others. Comparing patient enrollment numbers between hospitals fostered the competitive nature of each hospital to encourage patient enrollment in our trials. All of these factors played a critical role in the progress of the project, ultimately impacting whether it would succeed or fail.

At Johnson & Johnson (J&J), I worked to improve their supply chain, and concepts learned in "Time Based Competition" and "Managing and Improving Processes" were particularly helpful. J&J is one of the world's largest pharmaceutical companies, and there I learned the importance of decreasing operations costs first. Costs must be controlled in order for pharmaceuticals and biotech to continue to grow. Streamlining operations without sacrificing quality is crucial to earning profits in the future. At Kosan, I was interested in making their processes cheaper, faster, and better. At J&J, availability of product was the key measure of success. One of my major accomplishments involved engineering a real time dynamic inventory tracking tool that drove accountability and clarified responsibility. The tool electronically connects 13 sites across different continents and saved J&J an estimated \$1 million in inventory reduction. The project also decreased non-value-added time and allowed employees to focus more on what is important—delivering the right amount of product at the right time and ensuring availability to the patient in need.

Gaining a business perspective has taught me there are two kinds of people in this industry: those who discover and those who build on those discoveries. I found I am the latter. My favorite projects always involve the goals of making things faster, cheaper, and better. I have also found common ground between business and science. Someone once told me that science is a continual flight from wonder. In operations and strategy, the goals are similar: decrease variability and uncertainty in the process. As with science, operations is also data driven. Unlike science, however, operating results and efficiencies are often clearer cut: If an idea fails, results are immediately reflected financially. There is also more at stake in the business world: If an experiment fails in the lab, the experiment can be redone. Failure on the business side, however, such as not having a product immediately available when needed, can result in patient suffering, and, in some cases, death.

In health care, positive patient outcome is the ultimate metric of success. Understanding that business and science share a complex, symbiotic relationship is essential. This is an exciting industry, where one person can make a real difference. The transition from science to business has not always been easy though. Despite common ground, the two are vastly different, and I would be lying if I said that there are not moments when I miss doing research behind the lab bench. But those moments are becoming rare as I realize how business can positively impact this industry, and that business can also revolve around questions and the quest for more and better ways to save lives. **VB**

1. *Biotechnology Industry Organization*
2. *Kaiser Family Foundation*
3. *American Association of Pharmaceutical Scientists*

HONEYWELL IS IN CONTROL

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bombers, papermaking, and cockpit displays and flight management systems. In the 1960s, Honeywell instruments helped U.S. astronauts Neil Armstrong and Buzz Aldrin land on the moon. Today the Fortune 100 company, with 100,000 employees in nearly 100 countries, has four core businesses: aerospace, automation and control solutions, specialty materials, and transportation and power systems. Their goal is to be not just a supplier, but a partner with customers in designing and delivering new products and services.

The company that is all about control is much less so, however, when it comes to careers. Some equate working at Honeywell to drinking out of a fire hose: A lot comes at you quickly, and you have to learn on your feet and keep an even keel.

Owen grads manage that firehose well. The corporation employs a good



Where it all began:
the thermostat



Craig Emmerich, an electrical engineer at Honeywell, wears a ground soldier's helmet featuring integrated display technology produced by Honeywell's military avionics division. Some defense contractors are retooling their wares toward the fight against urban crime.

handful, including Alexander Del Priore, E'00, director of Six Sigma at headquarters in Morristown, New Jersey, and Aaron Sobel, '99, manager, HR Mergers and Acquisitions, also in Morristown, and campus manager for Owen recruiting. Sobel recruits HR and finance majors for their Pathways rotational program and hopes to soon add other majors as well.

An industrial company like Honeywell struggles to compete in an environment of increasing change and needs bright and creative people to help set the course. "We have to figure out what to continue to do ourselves and what to

outsource to other companies," Sobel says. Aerospace, for example, is moving away from mechanical aircraft to all-electrical aircraft. "We are exploring how we fit into that. Do we have the right products; are we working on the right technology? More importantly, do we have the people with the rights skills to do that?"

Employees who do well in such a dynamic environment are those who are in touch with technology, are effective communicators, and able to lead and accept organizational change, he says. "People who are comfortable with a lack of structure thrive at

Honeywell and can shape an interesting career early."

The Owen HR degree, because it is an MBA, is more appealing to the corporation than HR degrees that many other schools offer, he points out. "Owen grads can be more effective at higher levels of the company, because they speak and understand the language of business."

Honeywell has shown support for Owen by hiring graduates, establishing two partial scholarships, and by becoming lead sponsor for Scholars Weekend, now called Honeywell Scholars Weekend. "These are ways we can both help impact the kind of students that come into Owen and expose them early to Honeywell," he says.

Anne Madden, VP/Corporate Mergers and Acquisitions and campus executive for Owen recruiting, adds that the law and business courses—especially the Mergers and Acquisitions course—give Owen students an added edge in the business world. "It is critical to mergers and acquisitions to understand the legal aspects of deals," she emphasizes.

Madden hopes that more Owen grads take the controls at Honeywell, and that the Owen/Honeywell relationship expands in such ways as having students help on company strategy projects. "Vanderbilt graduates do well here, so we are committed to the program and to doing what we can to keep students interested in us. It benefits us to have them here." All systems go. **VB**

BOTTOM LINE

International Student Enrollment in Peril?

International students face roadblocks in applying to American MBA schools. By CHRISTIE ST-JOHN

ONE OF THE ADVANTAGES OF ATTENDING an MBA program, especially in the U.S, is the opportunity to meet and learn from students from all over the world. Top American MBA programs maintain an international enrollment of approximately 25 percent of their student populations. Last year, however, most schools—not only MBA programs—experienced a drop in international enrollment, as well as a significant drop in international applications for the first time since 1971.

There are many ideas as to why this happened. Obviously, the after-effects of 9/11 caused many international students to fear living in the U.S. This is reflected especially in the drop of applications from Muslim countries, which fell 25 percent overall last year. By contrast, applications from India rose 12 percent and from Korea by 5 percent, but the most startling figure was China, where applications were up only 2 percent. Applications fell from Taiwan (3 percent) and Japan (2 percent).

A questionable economy made some students reconsider the wisdom of leaving their jobs to go back to school. Added to this is the increasing resistance of U.S. companies to hire foreign nationals for jobs in the U.S. because of the requirements of the Patriot Act. We actively encourage recruiters to look at résumés of our international students, but more and more companies simply say “no, our policies have changed

CHRISTIE ST-JOHN is director of International Relations at Owen.



now.” Companies will consider students for positions in their home countries, but one of the perks of coming to the U.S. to study has been to get a chance to work here afterwards, both to help defray tuition debt and to acquire expertise and know-how to take back to their home countries in the future.

Other roadblocks enter into the mix.

The new SEVIS program (Student & Exchange Visitor Information System) instituted last year has caused a huge delay in processing student visas. Schools were not ready, the government was not ready, and students were caught unawares of the new requirements. Students must now travel to cities in their country which house a U.S. Embassy or Consulate for a face-to-face interview. And the interview can only be scheduled after background and security checks have been completed. A student from the Ukraine was told it would take three months to process his visa.

One of our students from India, Sriram Chandrasekaran, had a terrible time obtaining his visa. He had worked in Singapore for several years and had permanent residency status. He went to the U.S. Embassy there to apply for his visa—after he had quit his job. He

was refused. He told me that “being out of a job and getting the visa rejected—I felt like I had nowhere to go for some time.” I encouraged him to go to India and try again. We re-issued his I-20 form with a later entry date and sent it to him via FedEx. He managed to schedule an interview during the busiest

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