

Good Medicine for Health Care

How Business Can Help Mend an Ailing Giant

By JOANNE LAMPHERE BECKHAM

Broken System

Health care in the United States is reaching a critical state, according to many experts. Consider these facts:

- Health care spending eats up 16 percent of the U.S. gross domestic product. That's \$2 trillion annually or \$6,697 for every man, woman and child.
- By 2016, it is expected to reach 20 percent of GDP and cost \$4.1 trillion annually.
- Approximately 46 million Americans, or 15.7 percent, were without health insurance in 2004 (the latest government data available). About 8.3 million were children.
- The United States spends nearly \$100 billion per year to provide uninsured residents with health services. Preventive care and/or earlier diagnoses would have cost much less, says the Institute of Medicine.
- Every 30 seconds someone files for bankruptcy after a serious health problem, according to a study by Harvard researchers.
- The first baby-boomers will be eligible for Medicare in less than four years, creating "a tsunami of spending that could sink the ship of state," says David M. Walker, controller general of the United States.

While the challenges are great, so are the opportunities. Health care is the single largest industry in the U.S. One of

every 12 Americans works directly in the health care industry today, and health care jobs are expected to increase more than 25 percent by 2010, according to the U.S. Department of Labor.

"Health care at its core makes the world a better place," says Tom Cigarran, chairman of Healthways, a disease management firm. "But it is also an industry that has to change in almost every aspect. There's a need for leaders who can create and drive this change. The opportunities are essentially unlimited."

To help meet those challenges, take advantage of the opportunities, and help shape the future of this vital industry, Vanderbilt recently established a two-year, immersion-based MBA program taught by faculty from Owen and other Vanderbilt schools and by industry executives.

"The key to change," Bradford says, "is equipping tomorrow's leaders with a comprehensive understanding of the health care system combined with a solid foundation of business basics."

Why Vanderbilt

Vanderbilt is not alone in establishing a health care MBA. Five to seven of the top 30 business schools offer an MBA in health care, says Associate Professor of Management Larry Van Horn, who directs the Owen program. They include Wharton, Duke, Kellogg and Simon.

So why would a student choose

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hen Hwee Chong left the health care industry to enroll at Owen, returning to work in what she calls "that broken system" was the last thing she wanted to do. So why, with myriad job offers, did Chong go to work for a disease management company after receiving her MBA in May 2007?

"I fell in love with health care technology," she says. "It provides tremendous opportunities to innovate."

Chong learned a lot about the potential impact of technology on health care by taking courses in Vanderbilt's new Health Care MBA program, which began in the fall of 2005. About 16 students graduated from the program in May 2007.

Approximately 25 percent of the first-year, full-time MBA class is enrolled in health care, and applications continue to increase each year, according to Jon Lehman, associate dean of students and associate dean for health care.

"The Vanderbilt Health Care MBA is a signature program and strategic priority for the Owen School," says Jim Bradford, dean and Ralph Owen Professor of the Practice of Management. "It is an experiential, university-wide, community-supported opportunity focused on producing graduates with the knowledge, skills, and resources to revolutionize the health care system."



CORBIS

C. U. P. L. E. R.

Owen instead of one of those? According to some observers, the Owen program offers several advantages:

- A nationally ranked business school
- Vanderbilt's renowned medical center
- Nashville, generally recognized as "the Silicon Valley of health care."

"We looked at the other programs and determined there was a gap in the market for a rigorous, broad-based health care MBA program," Lehman says. "Our faculty initially designed the program, and then we asked 40 health care executives to help refine the design. No other program has our depth of content. We look at all the major sectors of the health care industry."

The program leverages Vanderbilt's strengths and those of the Nashville health care community.

"Vanderbilt is uniquely positioned to do this for several reasons," says Dr. Harry Jacobson, vice chancellor for health affairs. "The business school and

the medical school are located very close to each other on the same campus, and the leadership of both schools are very interested in collaborating on a new kind of education for a health care MBA. And Vanderbilt is situated in Nashville where there are so many health care companies, that there are wonderful opportunities to be mentored, to be taught, and to have immersion experiences within the health care industry."

Nashville is home to 270 privately held medical firms, 18 publicly traded health care companies, and more than 250 professional service organizations supporting the industry. It is arguably the leading center of for-profit health care in the United States, with firms such as Hospital Corporation of America (HCA), CareMark, and Healthways headquartered here.

"I believe there is no better place for a health care MBA student than right here in Nashville, at Vanderbilt," says A.J.

Kazimi, MBA '84, founder and CEO of Cumberland Pharmaceuticals and a member of the Health Care MBA advisory board.

"Here they can be exposed to recognized leaders in this field and become intimately involved in this industry, its challenges and opportunities."

Looking for solutions

"Health care is wonderful in that there are complex challenges, but not a lot of great answers and solutions to the industry's vexing problems," says Van Horn, who came to Vanderbilt from the University of Rochester's William E. Simon Graduate School of Business in 2006.

"We want to teach students how to think, not what to think about. And hopefully, by getting the broad-based exposure not only to the business disciplines but also the application to health care, students can be part of organizations that are leading some of the creative solutions coming forward."

The Health Care MBA program starts with core business courses and electives in each student's chosen concentration: finance, operations, strategy, information technology, human and organizational performance or marketing. Faculty from Vanderbilt's medical and law schools are brought into the Owen classrooms, and students have an immersion experience at the Vanderbilt University Medical Center.



During the first year, students spend full shifts in hospital units, treatment centers and provider offices to learn firsthand how care is delivered, decisions are made, and processes either facilitate or impede delivery of quality health care.

In the second year, students help develop strategy with health care executives and gain extraordinary exposure to the complex challenges of the industry. They learn health care policy from a U.S. congressman, finance from a Wall Street analyst and entrepreneurship from the founders of well-known health care companies.

"This program spends a lot of time with the student inside the business community, the hospital, the third-party payer's company, the physician's office (and elsewhere) inside the health care industry," Bradford says. "That experiential base, combined with a combination of business faculty from Vanderbilt, faculty from the medical center, and clinical practitioners in the field, provides our students a very unique education."

The seven-week modular curriculum allows students to prepare for careers in many different health care sectors such as medical equipment, biotech, consulting, pharmaceuticals or managed care.

"The term 'Health Care MBA' evokes a picture of a hospital administrator," says Van Horn. "The interface between

the patient and the provider is one component. But it's also supported by a financing system which enables all of those individuals to provide the care and develop the technology to provide the care. And then finally, the technology side itself, which includes pharmaceutical, biotech and medical device manufacturers, round out the complement of firms and industry space that we think of as being health care."

Profound Immersion Experiences

Students report that the immersion experiences—for example, doing a night shift in the pediatric intensive care unit (PICU) at the Vanderbilt's Children's Hospital—have a profound impact on them.

"They get a much more complicated understanding of what's going on," says David Owens, clinical professor of management. "It sounds easy from the outside to say, 'Oh, let's just cut costs. Let's reduce the waiting times. Let's put technology in.' But as students begin to see how hard the job is, how complex it is, how information processing happens or doesn't happen, how emergencies erupt—it's very difficult."

"Coming out of an experience like that, the students have a much deeper sense of how hard the problem is and what an important job they have to do and how important it is to go back into this world and make a difference there."

During her immersion experience in Vanderbilt's PICU, first-year student Heather Kagin gained insight into problems of health-care financing while interviewing the mother of a six-month-old heart patient.

"By the time her baby was six weeks old, she had a \$700,000 hospital bill," Kagin observed. "It raised questions for me about insurance issues, reimbursement, and how hospitals make decisions about expensive treatments."

Kagin also learned about scheduling beds, admissions and the logistics behind intensive care units. She spoke with nurses, residents, fellows and physicians and learned how hard they all work.

"We saw how all the things we were learning in the classroom came into play in a real hospital. What technologies were being used, which medical devices, about medical records, and how the staff communicated with the doctors through light boards to see when a certain procedure was scheduled. It was fascinating."

The students also have immersion experiences with local health care companies. Working in small teams, they analyze Nashville hospitals and companies from a business perspective and recommend whether the organizations should implement certain medical services or not. Those research projects also provide the students with networking contacts.

Students sing the praises of the Health Care MBA program, despite its being rigorous and time-consuming.

"I love the program," says Tyler Richardson, BA '02, who majored in neuroscience as a Vanderbilt undergraduate and also earned an M.S. degree in bioengineering.

"I enjoy learning about the complicated health care system. There are no right or wrong answers, but lots of potential solutions."

Alumni Support

Another strength of the program is the support it receives from the 10 percent of Owen alumni who work in the industry. A very active health care alumni club meets monthly at the school. Its members act as mentors for current students and help with recruitment. Working with industry leaders also helps students form career goals and forge important networking relationships.

One alumnus, Frank Grant, BA '82, EMBA '91, co-leads Connected Health Care, Cisco Systems' first U.S. vertical. Started in August 2005, the vertical is

ALUMNI FORM HEALTH CARE ASSOCIATION

More than 600 Owen alumni work in health care across the U.S., with many residing in Middle Tennessee. Owen alumni in the health care industry have created an association to advance the Vanderbilt Health Care MBA. Members of the association are using their expertise to assist in areas such as placement, admissions and curriculum enhancement. The association also is coordinating with Owen to build a database of health care alumni resumes.

"Business-related innovations in health care will improve the health care system in the United States," says David Frederiksen, MBA '96, current president of the association. "Vanderbilt's Health Care MBA pro-

gram is producing graduates ready to rethink and revolutionize the challenges that lie ahead."

Members of the 2006–07 Vanderbilt MBA Health Care Alumni Association include:

April Aden, BA '92, MBA '05, Fident Consulting

Oliver Banks, MBA '07

Dan Beuerlein, EMBA '03, Symbion Healthcare

Chip Blaufuss, MBA '95, Saint Thomas Health Services

Kay Ferrell, MBA '95, Carnahan Group

Paul Frankenberg, EMBA '03, Kraft Search Associates

David Frederiksen, MBA '96, Insight Healthcare Financial, Inc.

Vic Gatto, MBA '02, Massey Burch Capital Corp.

Jennifer Gower, EMBA '03, Emdeon

Robert E. Henry, EMBA '05, American Endoscopy Services, Inc.

Greg Kunst, MBA '06, KCI

Rusty Miller, MBA '05, Bank of America

Maren W. Scoggins, BE '94, MBA '05, BH1

Chad Upjohn, MBA '04, Healthways

on track to double health care sales in two years, Grant says.

Connected Healthcare includes complete wireless coverage that allows clinicians to receive real-time information by voice, video and waveform data wherever they may be located. Such innovations are found at the intersections between clinical care, financing and technology.

"A lot of the most interesting things coming in the future are at the intersections of those spaces," Van Horn says. "For example, disease management firms are at the intersection of both financing and service management.

SELLING IN A COMPLEX BUSINESS

Cisco Connected Health Care's co-director Frank Grant and his partner, Dr. Jeffrey Rideout, are sending leaders of their 65-member team through a special program on health care developed by the Vanderbilt Executive Development Institute.

"Our team members understand business, but we can't teach them health care," Grant says. "There's a reason physicians spend four years in medical school. Health care is so complex and has a whole different terminology than business. We want our people to learn what works and what doesn't work in health care, and understand the needs of clinicians and patients and how to serve them."

The customized program consists of a series of two-day workshops taught by Owen faculty members Jon Lehman, associate dean for health care, and David Owens, clinical professor of management. Sessions are also taught by other Vanderbilt fac-

ulty members and adjunct professors from the health care industry. The workshops take place at Vanderbilt's Center for Better Health on West End Ave.

"This program is specially designed to teach Cisco salesmen how to better sell their products to hospitals," says Tim Pierce, director of executive programs. Workshop sessions include subjects like "Advanced Hospital Selling" and "Hot Issues in Health Care," as well as hospital marketing and finance.

Participants meet with executives from several large health care organizations. They also learn the current state of hospital technology from Dr. Mark Frisse, professor of Biomedical Informatics at Vanderbilt University Medical Center.

Owen is developing similar programs for other companies. If you're interested in a custom program designed for your business, contact Tim Pierce at 615-343-9551 or tim.pierce@vanderbilt.edu.

It's those boundary-spanning organizations that are going to be some of the more creative and interesting firms going forward."

Chong would agree. After spending two-months researching ParadigmHealth for an independent study project, she became fascinated by innovations like "bringing health care to the home and providing patients and their families access to personal health care records."

The fact that her family lives halfway around the world in Malaysia also motivated Chong to choose a career in health care. "It means a lot to me that someday

I will be able to check on my mother's health any time I want through personal health records and home health technology," she says.

After weighing myriad job offers, Chong accepted a product development position at ParadigmHealth, whose president is Michael Burcham, adjunct professor of management. Burcham also teaches a course in health care innovation at Owen.

Chong says working with ParadigmHealth "enables me to do what I've always wanted—impact people through technology."

"I love this company. We provide integrated care to the sickest people and neonates in the country through our integrated care management technology," she says.

"Technology that connects physicians, hospitals, health plans and patients fills my brain."

Other Owen Innovations

The Health Care MBA is the first of several innovations that the Owen School is implementing. In addition to its traditional MBA program, the school currently offers a one-year master of science degree in finance and a master's degree in accountancy. Also under discussion is a one-year master's degree in medical management. The latter would benefit "hospital administrators, department chairs, nurse practitioners and directors of laboratories, for example," Van Horn says.

"But the Health Care MBA is centerpiece of Owen's innovative plans for the future. What we do here is something other business schools will have a hard time duplicating. The future looks bright."

For more information about the Vanderbilt Health Care MBA, please go to www.owen.vanderbilt.edu/vanderbilt/Programs/healthcaremba/index.cfm. **VB**

HIGH-TECH, HIGH-TOUCH

Of all the courses at Owen in Mod III last year, Michael Burcham's class in Health Care Innovation received the highest scores in student evaluations. But even higher praise than students' words may have been their actions. Though the class met at 8 a.m. on Friday mornings—an hour that might tempt students who had worked late on projects the night before or who wanted to get an early start on their weekends to skip—attendance was always high. And afterwards there was always a line of students waiting to ask questions.

Burcham, who serves as adjunct professor of management, is new to Owen this year but a familiar face at Vanderbilt. Since 2003, he has taught entrepreneurship to undergraduates as a member of the university's faculty. "So it was such a no-brainer for me," he says, when Owen Dean Jim Bradford and Jon Lehman, associate dean for health care, approached Burcham about adding a course at Owen to his teaching responsibilities.

It was perhaps even more of a no-brainer for Owen, since it would be difficult to find someone better suited than Burcham to guide students into the swirling world of health care innovation—a dynamic field that includes everything from medical devices, high-tech imaging systems, software and new drugs. As a health care entrepreneur and CEO of Paradigm Health, a New Jersey-based disease management company, Burcham is thoroughly immersed in that world.

"There are companies that can provide 24/7 biomonitoring of patients in their homes," says Burcham, who left Hospital Corporation of America in



Michael Burcham

1992 to launch his own firm. "You can submit samples of your DNA to the Mayo Clinic and have a complete profile done without ever having to go there yourself. On the horizon are synthetic organs infused with a transplant recipient's DNA so the body doesn't reject them. Health care

today is the most exciting field I can imagine. I just have a passion for it."

Despite the glowing reviews, Burcham is modest about his contributions in the classroom. "I'm a very practical instructor," he says. "What I really do is help students on a practical level. I help them see where money is entering health care and creating new businesses, such as biometrics or artificial intelligence in genomics, so they can see themselves in the picture. They gain a point of reference by studying real companies that got funded. When graduate students get that vision, they can do anything."

As a health care CEO whose own company is funded by venture capital, with five of the funders on his board of directors, Burcham gives his students access to a wealth of contacts and information. "You know the CEOs and the companies and concepts that are getting funded," he says, "but you won't read about it in the journals for three to five years."

By that time, he suggests, it's too late for students who want to help build a company from the foundation. "These are companies that have business plans and capital and are trying to put in the people and processes," Burcham says. "If students can get connected at that level, the world is their oyster."

The ability to be immersed in

everything at once also made Burcham a natural to direct Accelerator-Vanderbilt Summer Business Institute at Owen—a four-week program designed for undergraduates and recent grads that provides what some have called a "business immersion on steroids." For more information about the Accelerator program, please visit <http://accelerator.vanderbilt.edu/>.

"When I was asked to take this on," says Burcham, "I looked at student testimonials from the past two years. I was struck by the number who said that Accelerator was life-changing for them. It gave them a sense of what is possible. It stretches people in ways they've never been stretched, and because they're in a peer group, it creates a unique dynamic. The immersion and entrepreneurial flavor excited me."

Immersion, of course, creates a demanding schedule. Each Tuesday evening, Burcham travels to New Jersey, where he handles the business of ParadigmHealth that can't be managed from his Brentwood, Tenn. home. Then he's back every Friday to teach at Vanderbilt.

In between, he makes plenty of time for his 18-year-old son and 16-year-old daughter. He collects art. He relaxes by studying history—or, as he puts it, "the mistakes of the past." And he raises Tennessee Walking Horses for fun and for competitions.

But when you ask him about what he likes to do most, he talks first about teaching and working with students. Perhaps that "high touch" sensibility is a common thread running through a career that began as a physical therapist. "I think our society prospers when people are connected to others," he says. "This is a way I get to contribute."

—Randy Horick

Friends Like These

*B-School isn't just about building a career.
It's about making a life.*

By DAVID HORNSBY, MBA '86

Owen promises to “shape your world.” That sounds a little audacious, but as an alum I can offer proof that it's not just a catchy slogan.

I graduated from this place 21 years ago. I can still vividly remember my first day at Owen, sitting in the auditorium for orientation in the fall of 1984.

I stay in touch with several friends from high school, and a lot of my fraternity brothers from undergraduate school—but easily my tightest group of friends are my Owen buddies. Even though we're scattered all over the country, we stay in close contact. It's rare that a week goes by when someone doesn't start a flurry of e-mails. Once they start, everyone jumps in, even CEOs in the middle of a huge deal.



I'll start with Tripp Pilgrim. Tripp is the CEO of Baptist Health Systems, where he runs a chain of acute care hospitals and specialty treatment centers in Texas and Arizona.

Tripp is also a primary reason why Executive Travel & Parking—the business I own—serves as travel agent for Baptist Health Systems. The Owen Connection really does count. Tripp and his wife, Gill, live in San Antonio with their two children.

Then there's Geoff Andrews from Nassau, the Bahamas. Our highly creative nickname for Geoff is "Bahamas." Geoff is an accountant with Deloitte & Touche in Nassau, where he lives with his wife, Lynn, and two daughters. They have a gorgeous house right on the water in Nassau.

My friends Steve Belcher and Cara Lilly Belcher met at Owen, and were married a couple of years later. To my knowledge, Cara was the first graduate of our class to become CEO of a company, and she had a very successful career before deciding to become a full-time mom to their two sons.



Steve sits on the Board of Directors of Trammell Crow & Co., as Regional Director with responsibility for all west coast operations. Steve and Cara make their home in Manhattan Beach, just outside L.A.

Jim Loftin is a serious piece of work. Jim was a rising star with American Airlines in the early 90s. He was promoted to general manager at Washington National before age 30, and was a big favorite of former American chairman Bob Crandall.

Jim became disillusioned with the airline industry when he was not allowed to fire union employees who were caught red-handed, on videotape, stealing jewelry out of luggage. He moved back to his hometown of Dothan, Alabama, where he started, built and sold an interstate trucking operation.

More recently he has been very successful buying and selling real estate on the Florida Panhandle. Last year he called me to book travel for a bunch of Arena League football coaches. It seems that Jim had been recruited to help produce a reality TV series based on football tryouts in several Arena League cities. Jim also does a

really hokey local TV sports show in Dothan, where he lives with his wife Amy and their two daughters.

When Jim was at Owen he roomed with Andy McCain. Andy and his wife, Lucy, now live in Phoenix, where Andy is the chief financial officer of the fifth-largest Budweiser distributor in the country. That's a scary thought for me, remembering that 20 years ago Andy could kill four beer bongs in less than a minute and hardly bat an eye.

The distributorship is a family business of his stepmom, who is married to Andy's father, Arizona Senator John McCain. Andy now runs marathons and plays a lot of golf.

Andy's best friend in Phoenix is my old roommate from Owen, Doug Parker. Doug became chairman and CEO of America West Airlines on September 1, 2001, just ten days before the terrorists struck the twin towers. We watched Doug testify before Congress on CSPAN in his first month on the job.

He's now THE "IT" guy in the airline industry after the merger with U.S. Airways, and he recently made a well publicized run at acquiring Delta. The stock has surged from a post-9/11 low of \$1.80. The stock is down a bit this year, but still closed over \$45 a share, or 25 times the level in Doug's first month.

Doug, his wife Gwen, and their three children live in the Phoenix suburb of Paradise Valley. Doug, Andy and Jimbo all started at American Airlines together in 1986. They used their airline perks to start going to just about every Super Bowl. They made the trip again to Miami a couple of months ago.

Vance Wheeler was a star high school athlete in Nashville. He played basketball at the University of Alabama, and he helped our Owen teams win or come close to winning just about every intramural championship on this campus for two years.

Vance has made a very successful

career selling bonds and mortgage packages to large institutional buyers. He started as a bond trader with First Boston and later NationsBank in the 90s. Most recently, he helped start up a new division to package and sell mortgages to institutional buyers for Washington Mutual.

Vance and his wife, Susan, who was a varsity tennis player at Alabama, have three children and currently live in Seattle. Vance told me in Cabo that his dream was to retire before the age of 50, and he recently fulfilled that dream. The Wheelers will be moving back home to Nashville this summer. We had dinner while they were in town house hunting, and Vance plans to spend a good bit of his time coaching his son Trey who will be a ninth-grader at Brentwood Academy next fall.

Chris Knisley is managing director for a real estate development firm in Providence, Rhode Island. Chris and his wife, Julie, met as undergrads at Vanderbilt,

The common denominator for this group is that we shared a very special two years together, more than 20 years ago, at a very special place that truly did help shape our world.

and they now have four children.

Jim Hamilton and Debbie Bober Hamilton also met at Owen and married two years after we graduated. The Hamiltons both work in accounting and finance in Chicago, where they live with their two children.

Even though our group is spread from L.A. to Seattle to Providence to Nassau, we have managed to get together on a pretty regular basis over the years. In the first few years after we graduated, the occasion was usually a wedding.

Several of the gang made it to Charlotte for Jim and Debbie's wedding in 1988, and my favorite, the Andrews' wedding in 1991. Several couples spent a long weekend in Nassau, a very cool place to hold a wedding.

When the weddings tapered off, rather than wait five years till our next reunion, we started creating reasons to get together. Several of us would meet at nearby beaches. And babies started entering the equation.

That didn't slow us down. In 1997, we put together a golf outing in Andy's and Doug's home city of Phoenix. Then we took the families for a group vacation in San Diego in 2000. The number of kids had multiplied by 2000, and they all loved the San Diego Zoo.

Our next outing was a boys' trip to Las Vegas in 2003. We had a great time, but I looked, and I even called several of the gang—no pictures. It's true—it really



Social skills are an important part of the business world, especially in managing a company. Some of the most successful alums from our class were also the most social.

Despite being scattered all over the country, we have remained lifelong friends.

They're not just leaders who have been very successful in business—they are successful in life. They are all active in their communities. Every one of them is in a long-term marriage of at least 15 years. They have great kids and great families, and that's a big part of why it's so much fun to vacation with this group.

The common denominator for this group is that we shared a very special two years together, more than 20 years ago, at a very special place that truly did help shape our world.

We worked hard at Owen but also found a great social atmosphere. This is a place with a great faculty and a lot of stability. At Owen you make incredible friendships and build a great foundation for a successful career—and more importantly, a successful life. **VB**

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DAVID HORNSBY, MBA '86, lives in Nashville with his wife, Rachel. He is the owner of Executive Travel & Parking. This article has been adapted from a presentation he made to prospective Owen students on April 21.

“CLASST”

Richard Burns MBA '91 *In Search of Secret Sauce* | Bill Broyles EMBA '91 *The Mark of an Entrepreneur* | Matt Gelfand MBA '92 *Safety in a Post-9/11 World* | Zahra MirAfzali MBA '05 *From Benchside to Business*

IN SEARCH OF SECRET SAUCE

'91

SOMETIMES BEING BIG IS BETTER, says Richard Burns, MBA '91, president of Network Services for Cingular Wireless, the new AT&T. “We have 51 million customers, so our size and scale help us bring new products to market faster and to a bigger, broader market,” he explains. “Think of us as the architects and the smaller companies we partner with as the builders of the technology we bring to market.”



Richard Burns

It's a symbiosis of sorts, he explains. “We ask our partners ‘how can we deliver this solution given our network capabilities?’” says Burns who joined AT&T's forebear, South Central Bell, in 1976. “We're always looking for the intersection of what customers want and what we can support.”

With a master's in engineering, Burns says the challenge for him is balancing his knowledge of how a technology works with the nuances and vagaries of marketing, corporate finance, branding and the strategic power of pricing. “The average engineering education doesn't prepare you for that side of business,” he says.

A Louisville, Ky. native who is responsible for AT&T's wireless network, including 46,000 cell sites and voice and data services, Burns acknowledges the speed with which new technology is emerging is the X-factor in his business. “In the future,

the prize will go to the company that can successfully and seamlessly deliver communication and video to multiple devices,” he explains. “Customers want information delivered when they want it and on the screen they want it.”

“People multi-task more and more,” says Burns. “Eighty percent of the market has a cell or Blackberry. In Europe and Asia, penetration is 176 percent with some people having three devices. When it comes to launching products, at any given time, we have 100 choices. Finding the right ones at the right time is where the judgment and risk are and it's also the secret sauce that drives our business.”

—MARDY FONES

Class Notes not available in online version.

THE MARK OF AN ENTREPRENEUR

'91

OPPORTUNITIES OFTEN PRESENT THEMSELVES as problems, so most people don't recognize them, says Bill Broyles, EMBA '91. A residential real estate developer from Shreveport, La., who dabbled in hotel management and oil and gas development in the 1980s, Broyles says the mark of an entrepreneur is the ability to spot a problem and find a way to turn it into an advantage.



Bill Broyles

Today, his company, the Broyles Group, is an umbrella entity for a range of small to mid-sized businesses. It includes 25 convenience stores under the Pell State Oil brand

as well as interrelated businesses including a warehouse, fuel hauling and tire and retread companies.

For Broyles, his passion for doing deals pushed him toward a mid-life MBA at Vanderbilt. “I was 35, had a family and was starting my business

life over,” Broyles recalls. “Craig Lewis one day in class was talking about the value of money and ways to analyze cash flow and rates of return. It was like someone flipped the light switch in my head and I thought, ‘I need to pay attention. This is a big part of doing deals.’”

“To get where I wanted to be professionally, I needed more advanced techniques for analyzing deals,” says Broyles. “I needed to be able to show my investors, who may be measuring my deal against other opportunities, why my offering makes more sense.”

On the other side of the coin is keeping the customers of Broyles Group companies satisfied, he says. “We want to be part of the solution. I've learned that means getting the right people on board the bus and into the right seats,” he says. “When you do that, they'll figure out how to drive the bus. Having the right people in place and solving customers' problems is fundamentally what really matters and gets results.”

—MARDY FONES

SAFETY IN A POST-9/11 WORLD

'92

PREVENTING DISASTER IS **MATT GELFAND'S BUSINESS.** A veteran volunteer fireman on Long Island, Gelfand, BA '88, MBA '92, is employing his first-hand experiences with safety barriers at railroad crossings and his years on Wall Street to change the way safety is defined and implemented.

"Today, safety is a new market, one where there is an ever-growing understanding of the threat," says the president of Universal Safety Response Inc. (USR). The company sells reduced risk barriers, related products, training and project management. "Prior to 9/11, people didn't believe there were threats inside the U.S. Ultimately, that led to tragedy, but it turned the focus on a new market and the ways we secure our lives."

In the 1990s, Gelfand used a grant from the New York Metropolitan Transit Authority to develop so-called

reduced-risk barrier systems. USR barriers interrupt the motion of an oncoming vehicle without destroying the barrier, injuring bystanders or seriously damaging the attacking vehicle. Automation of USR barriers eliminates the need for barriers to be raised and lowered manually and enables them to be moved or reset quickly.

Ninety percent of the company's customers are government, corporate or military facilities. USR technology is in place in Iraq.

"When it comes to security and barriers, the trend is toward mobile and



Matt Gelfand

flexible, not fixed," says Gelfand. "But a barrier or a camera or a fence isn't enough. You need a fully integrated solution that can respond to a broader threat." Standardization of security measures across industries and locations is another trend which USR is capitalizing on.

R&D drives much of USR's work. By listening to what customers want, the company customizes

delivery solutions that fit with the threat, says Gelfand, adding, "It's an ever-evolving market. That means we have to be creative and think beyond the threats today," he says.

—MARDY FONES

DANIEL DUBOIS

DANIEL DUBOIS

'05

FROM BENCHSIDE TO BUSINESS

THERE'S A METAPHORICAL **DEATH VALLEY** between cutting-edge scientific discoveries and the marketplace. The reason, says Zahra MirAfzali, MBA '05, is scientists don't know how to commercialize their work and business people don't understand their discoveries or how to market them.

MirAfzali crossed that science-to-service-and-sales desert by combining her PhDs in chemistry and biochemistry and her MBA and launching Encapsula NanoSciences. Encapsula designs and manufactures nano-sized particles called liposomes. A type of artificial cell, liposomes are hollow spheres made from the same type of molecules that comprise cell membranes. Medical and food manufacturing companies use them to deliver molecule-sized compounds ranging from DNA to medications to anti-microbials. Encapsula customers include the National Institutes of Health, the Saulk Institute and Schering-Plough.

"I used liposomes in my doctorate research at Michigan State," says MirAfzali. "At that time, I'd searched the Internet for manufactur-

ers but there were none." And training lab staff to make liposomes isn't feasible, she says. Filling that gap

between what companies need and the supply of customized liposomes is the niche into which Encapsula was born.

Despite the allure of venture capital, MirAfzali underwrote Encapsula with her own dollars. "When investors don't understand a business, they send someone to bug you every minute," says

MirAfzali. "Funding Encapsula myself made sense because we're selling a service, not perfecting a technology and trying to commercialize it."

An Iranian native and the third generation of her family to earn a doctorate, MirAfzali says topping off her education with an MBA baffled her family whose roots are firmly planted in academia. "My mother wasn't happy. She thought I should settle down with my doctorates," she recalls. "I explained to her I needed the MBA to expand my professional horizons and make the most of my education. Now that my company is successful, she understands."

—MARDY FONES



Zahra MirAfzali

BOTTOM LINE
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improved the students' opportunities, and kept the alums involved." All told, the MBA Class of 2006 pledged over \$126,000, with 75 percent participation.

With the funding in place, OwenConnect soon began to take shape. Over a period of several months, Harris Connect worked closely with the school in designing the site and implementing the suggestions of the task force. When it was completed in September 2007, there was an initial "soft launch" to a handful of alumni, who were instructed to provide feedback about the site's functionality. Their comments were then taken into consideration for the more public launch that followed a month later.

On October 16, Jim Bradford introduced the initiative to all alumni via a broadcast e-mail, inviting them to visit OwenConnect and update their contact information. Those who accepted his invitation logged on to a site markedly different from the one that came before

it. Replete with new features, it immediately got alumni talking. "I think OwenConnect provides an excellent foundation for maintaining and extending relationships among classmates and the entire alumni population. What impresses me most is its system flexibility, which should allow alumni to define how the site evolves and grows as time goes on," comments Paul Frankenberg, EMBA '03.

The cornerstone of OwenConnect is an updated directory that lets users customize their searches by selecting from any number of fields and then sorting the results. Users can also personalize their profiles by uploading resumes and photos of themselves. Outside of the directory, there are other tools available as well, which are designed to make it easier for alumni to stay connected and informed. Among these are a career center component with job links, individual pages for city clubs and affinity groups, a class notes section, an alumni events calendar, and a permanent e-mail forward-

ing service. Plans are also underway to add a career advisory network, which will give alumni the opportunity to mentor students.

But as impressive as all of these new features are, OwenConnect would fall short of its intended purpose were it not for the participation of the alumni themselves. The strength of the site lies in the fact that Owen alumni genuinely want to stay in touch with the school and with each other. And it is this enthusiasm that Jim Bradford recognized when he first started asking how things could be improved. He knew that if the school lived up to its promise of being a place that they could call home, people would come. It was all just a matter of putting out the welcome mat.

.....
For those of you who have not yet visited OwenConnect, we encourage you to sign in at www.OwenConnect.com and take a look around. And while you are at it, please leave us a class note. Your news is important to us. **VB**

MORE THAN SKIN DEEP
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summer internship program where I could gain experience, one that would allow me to stay in Nashville after graduation. By the end of Mod III, I accepted a job offer from Dollar General, turning down a couple others. I think I have found what I wanted, where I wanted it.

When I returned from Ecuador to Nashville after December's break, I had a weird feeling. Somehow I felt that I was coming back home. I already have a life here, filled with school activities and the time I share with my fiancé. Still, during the first three Mods, I flew back to Ecuador five times. And when I wake up in the morning here in Nashville, before picking up the *Wall Street Jour-*

nal I read the Ecuadorian newspapers on the Web. Though I know it will take a long while before the region achieves political stability, I have not forgotten my dream of helping my people.

I believe that before being able to help others, one first has to help oneself, and I am in the first stage now. I am learning to fly, and one day I will go back and teach others how to do it



As Miss Ecuador, Jacome dedicated herself to education and social outreach.

as well. Meanwhile I will enjoy what is left from this incredible learning process at Owen as I explore my new home, Nashville.

VB

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A Place to Call Home

OwenConnect Brings Alums Together

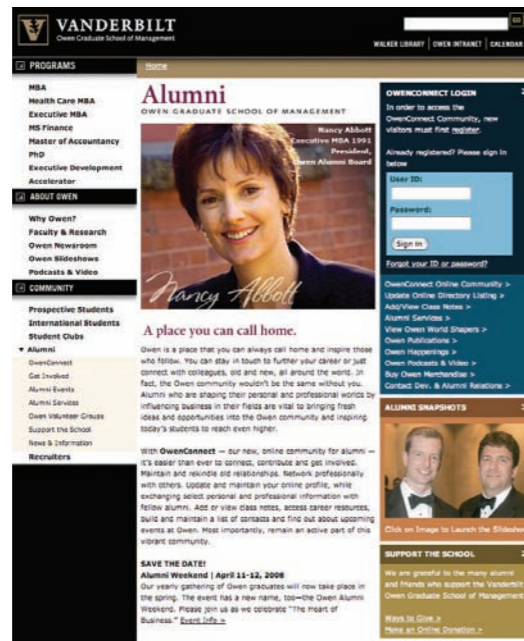
Better Than Ever Before

By SETH ROBERTSON

IT IS NO SECRET THAT ONE OF THE PRIORITIES at Owen in recent months has been “alumni connectivity.” Chances are you have read about it in this magazine or in other communications from the school. Or perhaps you have even heard it in person at one of the many “Meet the Dean” events that take place around the country. It is all for a good reason, of course. Business schools depend upon their alumni for success more than any other professional or graduate school. “Alumni are the most valuable asset Owen has,” notes Tricia Carswell, associate dean of development and alumni relations. “Beyond their gifts of time and dollars to the school, they can have a profound impact through referrals and placement opportunities.”

Yet it is one thing for a B-school like Owen to reach out to its alumni, and quite another for those alumni to reach out to the school or even to each other. In its “promise,” or mission statement, Owen refers to itself as a place that alumni can call home, but fostering that sense of community is not an easy task, especially when graduates are scattered around the globe.

When Jim Bradford became dean in early 2005, he wanted to make good on that promise. At every opportunity, he asked them what they wanted most from the school and how things could be done differently. “What I heard more than anything else was that they wanted a better



Connecting with fellow alums has never been easier.

way to stay in touch with each other and with the faculty and staff here at Owen. And that starts with the online alumni directory,” says Bradford.

In the fall of 2005, amid a larger effort to examine the state of alumni relations, Bradford assembled a task force to determine how the directory could be improved. The task force was chaired by Yvonne Martin-Kidd, executive director of marketing and communications, and comprised faculty and staff from the school’s different departments as well as alumni. Their responsibilities included conducting a survey of Owen graduates, performing a competitive audit of other schools’ directories, and interviewing prospective vendors that offer online directory services.

In March 2006, the group presented its findings to the school. They offered various recommendations for improvements to the directory, such as more robust “search and sort” capabilities, more current and comprehensive information, and more personalized touches like individually assigned preferences. Of all the vendors interviewed, Harris Connect presented what was deemed to be the best solution—a redesigned site encompassing not only an improved directory but also other tools to help alumni stay connected. The task force recommended that Owen enter into an agreement with Harris Connect and hire a staff member to manage the newly envisioned site, which would come to be called “OwenConnect.”

Meanwhile, the MBA Class of 2006 was doing its part to ensure that the site became a reality. Recognizing the need for a better networking tool, they decided to make fundraising for OwenConnect the goal of their giving campaign. “Many of us were interested in companies that did not have relationships with the Career Management Center, so we had to rely on the support and contacts of Owen alums. Without an effective, updated resource to put us in touch with those alums, we were left working triple time,” explains Katie Wernert, MBA ’06, one of the three campaign chairs. “We felt a new alumni site would benefit not only our class but everyone associated with Owen. We wanted our legacy to be something that increased the school’s resources,

Continued on page 62

Stay Connected to a Place You Can Always Call Home

Owen is a place that you can always call home and inspire those who follow. With **OwenConnect** — our new, online community for alumni — it’s easier than ever to connect, contribute and get involved. Maintain and rekindle old relationships. Network professionally with others. Update and maintain your online directory profile. Add or view class notes, access career resources, build and maintain a list of contacts and find out about upcoming events at Owen. Explore for yourself at **owenconnect.com**. While you’re there, be sure to update your directory profile, submit a class note and explore the site’s new search functionality. Most importantly, remain an active part of this vibrant community and be sure to come back home often.

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