



Rob Louv, MBA'97

## Bridge to Success

Long and Louv Enterprise Fund paves the way for entrepreneurs

### REAL DEAL

Real Estate Capstone course provides hands-on experience for students

### NEW DYNAMIC

The marketing revolution at Owen



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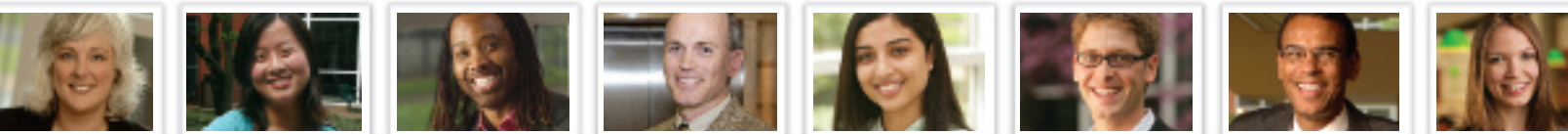
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Fall 2009

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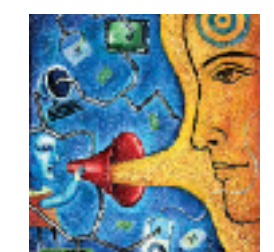
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The marketing revolution at Owen





**I**N *MONEYBALL*, MICHAEL LEWIS' bestselling book about the Oakland A's, there is a passage in which J.P. Ricciardi, the General Manager of the Toronto Blue Jays, talks with an unnamed baseball agent. That agent, it turns out, is Owen alumnus James "Bo" McKinnis, the President of McKinnis Sports Management in Nashville. Unlike some in his line of work, McKinnis does not mind going unnoticed. In fact, that is exactly how he likes it.

"From day one I've wanted my players to be the stars. That's the way it's supposed to be," he explains. "When I meet folks and tell them what I do, they're a little surprised. That just shows that I'm doing my business the right way."

While McKinnis enjoys anonymity outside the game, his name is well-regarded within it. Over the course of his career he has represented 89 major leaguers, including David Price, the former Vanderbilt pitcher and No. 1 pick of the Tampa Bay Rays. That success, he says, can be attributed to a piece of advice that pitcher Jeff Brantley offered him when first starting out: "Don't contact the players. If you do a good job, they will come to you."

As counterintuitive as that sounds, the strategy has worked because, as McKinnis puts it, "The best scouts are a player's teammates." He adds, "That's why I let my players bring clients to me. They know what I'm looking for and who will represent me well."

McKinnis admits he never intended to become an agent. His very first client—a player on the Mississippi State baseball team that he helped manage as an undergrad—had to talk him into the idea. Even years later when he was at Owen, he seemed set on pursuing a career on Wall Street. The game, however, never loosened its grip on him. The skills that he honed while earning an MBA—negotiating, accounting and entrepreneurship, among others—ended up laying the foundation for what he does today.

"God gave me two loves—business and baseball—and I've been able to put them together," he says. "It's the best of both worlds."

**VB**

STEVE GREEN

## Ballpark Figure

*Bo McKinnis, MBA'91, goes to bat for his big leaguers*

By SETH ROBERTSON

Baseball agent Bo McKinnis has represented 89 major leaguers, including former Vanderbilt pitcher David Price.



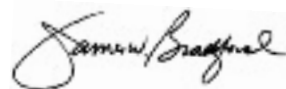
Friends and colleagues,

What is really important in life? Most of us would initially list our family and friends above all else. On deeper reflection we might add our religious beliefs, freedom, our love of nature and perhaps the values we share with many others. As Seth suggests in his editor's memo, it is very easy during these difficult economic times to overstate the crisis we currently face, to feel this is indeed the end of our comfortable life as we know it. We fail to recognize the sacrifices that previous generations have made on our behalf.

Personally I think back to my own grandparents who lost children to disease and war and whose depression-era experience stamped their lives with an imprint of frugality they never lost. College was unknown to them, and the simple things of life were a privilege, not an entitlement. They imparted to my parents, who in turn imparted to me, the value of a strong work ethic, perseverance, faith and a basic belief in giving back—of philanthropy.

Chancellor Zeppos likes to remind us that universities are among the lasting and great institutions of life and that Vanderbilt will carry on long after we are gone. It will do so *in part* because of what we do, of the sacrifices we make and of the commitment we have to leave this place better than we found it. "To whom much is given, much is expected" is a phrase I grew up hearing. As members of the Owen community, we are among the most economically privileged people in the world. We do have a duty to keep. I trust and challenge us all to be good stewards of the future.

Respectfully yours,



James W. Bradford  
Dean, Vanderbilt Owen Graduate  
School of Management  
Ralph Owen Professor of Management



DANIEL DUBOIS

FALL 2009

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# 'Great' Expectations

A writer's view of the recession

By SETH ROBERTSON

IN SEVENTH GRADE I LEARNED TO AVOID using the word "great" whenever possible in writing. My English teacher argued that it was a trite adjective. Of course she was thinking more of its popular usage (as in "he's great at tennis"), but even in its formal sense the word has lost some luster through the years. In a way it's ironic: A word, which by its very definition should be reserved only for the rarest of occasions, has been used so often that its meaning is now diluted.

Why the English lesson, you may ask? When the recession struck in 2008 and references to our so-called "Great Recession" became commonplace, I began to wonder about the implications of tacking that word onto the front of our economic problems. I'll grant that it's a clever turn of phrase—one that stands out in this age of sound bites by recalling the Great Depression. Yet I can't help but feel as though we're being premature, as well as a bit presumptuous, in likening this downturn to what happened 80 years ago.

As unprecedented as this recession is in terms of its scope and complexity, the Great Depression stands alone in severity. No turn of phrase, regardless of how catchy it is, should imply otherwise. During the Depression the Dow dropped almost 90 percent over a three-year period, and unemployment reached an astonishing 25 percent. By comparison our downturn has resulted in a 50 percent drop in the stock market (which has since rebounded considerably) and just under 10 percent unemployment.

Numbers tell just one part of the story, though. To get an idea of how difficult it



was then, I only have to look to my own family. During the 1930s my great-grandparents were among the hundreds of thousands who migrated to California in search of work. For the better part of a decade they went from one backbreaking job to another, and their home was often a dirt-floor tent. My grandfather's stories about his childhood were like something straight out of *The Grapes of Wrath*.

It's little wonder why we refer to these individuals as the Greatest Generation. Even if you disregard World War II, the Depression was more than enough to earn them that nickname. Perhaps our desire for a similar distinction explains why we've latched on to calling this the Great Recession. Whether we admit to it or not, we all have high expectations for our lives and wish to be part of something historic, even if it comes about through hardship.

Ralph Waldo Emerson once wrote, "To be great is to be misunderstood." Those words still ring true today, but not just in the way he intended them. Somehow we have misinterpreted the true meaning of greatness. Applying that label correctly requires perspective—something we are in short supply of these days. We ourselves can't say if we're living in great times. That's for a future generation to decide.

VB



# I N S I D E O W E N

CONFERENCE *Volcker and Kohn discuss crisis* | TECHNOLOGY *New recruiting Web site* | LEADERSHIP *Bradford appointment* | PROGRAMS *Accelerator helps Kix Brooks* | IN MEMORIAM *Remembering Chancellor Heard* | STUDENTS *Students test elevator pitches*

**CONFERENCE**

## Volcker and Kohn discuss economic crisis

LEADING ECONOMIC THINKERS, INCLUDING President Obama's Senior Economic Advisor Paul Volcker and Vice Chairman of the Federal Reserve Donald Kohn, came together this spring at the Owen School to talk about the current financial crisis for the 22nd annual Financial Markets Research Center Conference.

In his remarks, Volcker, who was Chairman of the U.S. Federal Reserve from 1979 to 1987, said that the United States' economic recovery would be a "long slog" but that the rate of decline should slow. He added that the country was not in another depression, but "in a great recession for sure." He also talked about the outlook for the Federal Reserve's role as a regulator of financial markets and accounting standards. (You can watch Volcker's full speech at [www.youtube.com/Vanderbilt](http://www.youtube.com/Vanderbilt).)

Kohn said that the federal government's heavy financial bailout of banks and other businesses would help the stock market and was "necessary, safe and effective." Kohn also talked about the impact of the central bank's emergency lending programs on taxpayers, credit market capital allocation, the stress tests of U.S. banks and the outlook for the U.S. economy.



Volcker (back row, center) and other economic and political heavyweights came to Owen for the 22nd annual Financial Markets Research Center Conference.

Kohn and Volcker had a lively back-and-forth following Kohn's speech when Volcker questioned statements he made about a 2 percent inflation rate being appropriate for the economy in the long term. (The exchange and Kohn's full speech are on Vanderbilt's YouTube page.)

Volcker, Kohn and dozens of current and former members of the Federal Reserve, along with other economic and political heavyweights, came to Owen to honor Dewey Daane, Frank K. Houston Professor of Finance, Emeritus, and former Governor of the Federal Reserve Board, for his 90th birthday. Many of

the economic leaders have lectured in Daane's seminar on monetary and fiscal policy. The seminar has been in continuous operation since Daane joined the Owen faculty in 1974.

**TECHNOLOGY**

## New Owen recruiting Web site unveiled

IN THIS DAY AND AGE, SEARCHING FOR THE right job entails a lot more than just sending out resumes. And in this tight

economy, it is not always possible for companies to send out recruiters. In light of this, the Owen School is taking a new approach to promoting its students and enticing recruiters through a new Web site: [RecruitAtOwen.com](http://RecruitAtOwen.com).

The site highlights some of Owen's best and brightest in the Student Spotlight section. It also links to more information about Owen's graduate degrees, including the MBA, MS Finance, Master of Accountancy and Health Care MBA.

[RecruitAtOwen.com](http://RecruitAtOwen.com) allows recruiters to post jobs and order student resumes easily. The site also offers a Recruiter's Toolkit section, featuring an on-campus recruiting checklist, recruiting calendar, guidelines for job offers, information on hiring international students, employment reports, ways to connect with student organizations, contact information for the Owen Career Management Center team and more.

"Our goal was to create a Web site that would answer all of the recruiter's questions in a well-organized format," says Joyce Rothenberg, Director of Owen's Career Management Center. "Business recruiters I've talked to love that everything they need is just one or two clicks away."

Rothenberg says the site is also helping Owen to be more environmentally responsible by dramatically cutting the amount of paper the school prints

and mails out. Recruiters say it is much easier to find information on-line instead of having to store and file printed materials.

**LEADERSHIP**

## Bradford appointed to GMAC board of directors

DEAN JIM BRADFORD HAS BEEN NAMED TO the board of directors of the Graduate Management Admission Council, the association of leading graduate business schools worldwide. Bradford is serving a one-year term on the board of the nonprofit organization, which is dedicated to creating access to and advancing graduate management education. Representing academia and industry, GMAC also owns the GMAT exam, which is used by more than 4,600 business programs worldwide as a key part of the admissions process.

"I am honored by this appointment and look forward to working with my colleagues to underscore the essential role of business education, particularly in periods of great economic flux as we're experiencing now," says Bradford, who is also the Ralph Owen Professor of Management. "As business school educators, we are charged with grounding tomorrow's industry leaders with sound management practices, judgment and values, and fostering a sense of responsibility to contribute to the greater good of society."



[RecruitAtOwen.com](http://RecruitAtOwen.com) allows recruiters to post jobs and order student resumes.







Bradford

Since his appointment as Dean in 2005, Bradford has spearheaded the launch of several market-driven and immersion-based programs, including a Health Care MBA, master's degrees in finance and accounting, and Accelerator, a month-long summer intensive program for high-performing undergraduates. Previously Bradford served as President and CEO of United Glass Corporation and AFG Industries Inc., North America's largest vertically integrated glass manufacturing and fabrication company. He currently serves on the boards of Clarcor Corporation, Genesco and Granite Construction, and the Harpeth Capital Investment Banking Advisory Board. He is a graduate of the University of Florida and Vanderbilt Law School, and has completed the Advanced Management Program at Harvard Business School.

"Jim's role as Dean and his significant corporate experience give him an unusual perspective and make him a most welcome addition to our accomplished board," says David A. Wilson, President and CEO of GMAC. "We look forward to tapping his expertise in the months ahead amid a continually changing landscape for management education."

## PROGRAMS

## Accelerator teams up with Kix Brooks

**COUNTRY MUSIC SINGER AND ENTREPRENEUR** Kix Brooks of Brooks & Dunn has an issue most businesses would love to have. His Nashville-area winery, Arrington Vineyards and Winery, is so popular that it is considering growing to accommodate more events.

Brooks took a unique approach to this expansion. He turned to students from the Vanderbilt Accelerator Summer Business Institute to create a physical space plan and operating plan that would produce new earnings streams without jeopardizing the integrity and mission of the vineyard and winery.

The Accelerator Summer Business Institute is an intense monthlong business boot camp run by the Owen School. In the program, college students and recent graduates from across the country are immersed in a competitive business



Kix Brooks (inset) turned to Accelerator to help him expand his Nashville-area winery.

environment, working to create the winning solution to real challenges from top local and national companies. The students hone essential skills in marketing, sales, finance, real estate, research and corporate strategy, while participating companies receive the brain power, creativity and proposals of at least eight teams of highly motivated millennials.

Other 2009 Accelerator projects included:

**Sony Music Nashville:** aiding Sony Music to further develop the 360-degree concept of building artists' brands

**Coca-Cola Enterprises:** creating marketing ideas to help promote Coca-Cola's corporate responsibility and sustainability (CRS) goals

**BlueCross BlueShield of Tennessee:** creating a social network for BCBST and its subsidiary Gordian that links people with similar illnesses, interests and wellness goals

**Nashville Area Chamber of Commerce:** helping rebrand the city as an entrepreneurial hotbed, while respecting the "music city" brand

DANIEL DUBOIS

**Cisco & Presidio:** creating a marketing message and go-to-market program on the intersection of WebEx and TelePresence technology.

## IN MEMORIAM

## Remembering Chancellor Alexander Heard

ALEXANDER HEARD, AN ADVISER TO THREE U.S. presidents who, as Vanderbilt's fifth Chancellor, guided the university smoothly through the stormy period of the 1960s and 1970s without the unrest and violence that afflicted many college campuses, died July 24 at his home after a long illness. He was 92.

"For more than 40 years, Alex Heard was a powerful presence at Vanderbilt University," Chancellor Nicholas S. Zeppos says. "Through his intellect and calm demeanor, he raised Vanderbilt's stature on the national stage during his 20-year administration. And even after he stepped down as Chancellor he graciously made himself available to his successors for advice and guidance. I was gratefully one of the beneficiaries of his wisdom, and his loss is one I feel deeply."

Under Heard's direction, Vanderbilt grew and prospered, adding three schools to the seven it already contained, including the Owen School. "Chancellor Heard was a builder, someone who understood the value of all of the elements of a great university," says Dean Jim Bradford. "Under his leadership, the Owen Graduate School was founded and took its early steps toward becoming one of America's leading graduate schools of business. We strive to

## STUDENTS TO TEST ELEVATOR PITCHES

AS ANY SUCCESSFUL SALES OR MARKETING professional knows, first impressions make all the difference in business relationships. Having a clear, concise elevator pitch that encapsulates one's resume and goals is often the key to securing a job. Not everyone, though, is capable of articulating that message and delivering it in the right way.

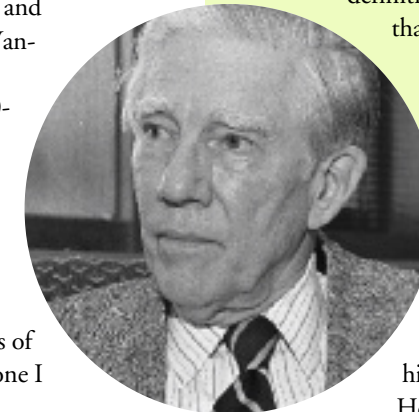
That is why CEO and Owen alumnus Tom Truitt, EMBA'97, decided to start YourElevatorPitch Inc., an innovative career management company based in Nashville. YourElevatorPitch works one-on-one with clients to create and execute a high-definition video presentation

that best represents their accomplishments and helps them stand out in a crowd. Truitt and his team assist with

scriptwriting, presentation coaching and image consulting. The clients then are filmed in a professional green-screen studio, and the video is deployed to a targeted audience via a proprietary software platform.

The Owen School is currently working with YourElevatorPitch on a pilot program to develop a new approach to the online resume book. Students participating in the school's Board of Visitors mentorship program are the initial test group. Joyce Rothenberg, Director of the Career Management Center, says, "Tom is committed to helping students put their strongest presentation in front of hiring managers. We're excited to see how recruiters react to this new technology."

YourElevatorPitch is also offering special pricing for all Owen alumni. For more information about the company and the different packages available, visit [www.yourelevatorpitch.net](http://www.yourelevatorpitch.net).



perpetuate and improve the legacy of his vision and wisdom." Heard had been serving

as Dean of the Graduate School at the University of North Carolina when Vanderbilt tapped him for its top job in 1963, succeeding Harvie Branscomb. A giant in the field of political science, Heard was the recipient of 27 honorary degrees from various colleges and universities over the years and published numerous books on the presidential election process.

Heard is survived by his wife, Jean Keller Heard, and four children: Stephen, a

Nashville attorney; Christopher, an acknowledgements coordinator for Vanderbilt's development office; Frank, BA'75, MBA'80, a Florida businessman; and Cornelia Heard, Valere Blair Potter Professor of Violin at Vanderbilt's Blair School of Music; and two grandchildren: Alexander Michael Heard of Boca Raton, Fla., and George Alexander Meyer of Nashville.

A memorial service was held on July 29 in Benton Chapel on Vanderbilt's campus. Donations may be made to the Alexander Heard Memorial Fund at Vanderbilt. By arrangement with the university, Heard's ashes were interred at Benton Chapel.



## A Word from the Sponsored

*My nonprofit management sponsorship  
through the Owen School*

By MICHAEL MCSURDY, EMBA'09

WHEN I FIRST LEARNED ABOUT THE POSSIBILITY of earning a sponsorship to the Vanderbilt Executive MBA program, I was intrigued. The Owen School and the Center for Nonprofit Management in Nashville had just launched an initiative offering full tuition for one nonprofit executive a year. As Vice President for Programs at Oasis Center—a nonprofit that helps Nashville youth overcome challenges such as homelessness, violence and depression—I was eligible for the sponsorship but wondered whether I'd be a better administrator with those letters following my name. I already had a graduate degree and was doing just fine, I thought. However, my wife—an MBA herself—and my boss both encouraged me to give it a shot.

I took the first step and completed the online application. I then had a follow-up interview with Tami Fassinger, Associate Dean of Executive Education at Owen. Although Tami was charming, she was not one to sugarcoat the process. I quickly realized that if I were going to make even a halfhearted attempt at this, I actually would have to study for the GMAT—something I hadn't done since taking the GRE years before when No. 2 pencils were still used.

I started giving up my evenings and weekends to pour over *The Official Guide for GMAT Review*. I also attended an open house for nonprofit candidates and then

.....  
MICHAEL MCSURDY earned his Executive MBA from Vanderbilt in 2009. He is the Vice President for Programs at Oasis Center in Nashville.



DANIEL DUBOIS

**McSurdy earned his Executive MBA while working at Oasis Center, a nonprofit that helps Nashville youth overcome challenges such as homelessness, violence and depression.**

ventured into the deep waters at a preview day for general candidates—people with “real” business experience. It was a little intimidating, but I left feeling confident that I could succeed at Owen. I went back to my studies, and finally the day of the test arrived. Then came the waiting.

Several weeks later I received a call from Tami saying I had been accepted to the Executive MBA program. It was a great feeling to know that I had made the cut, but for me that was not enough. I had to get the sponsorship before I could even consider attending Owen. Unlike other students I would not see large raises

in my future even with an MBA, and my employer had no funds to offset the expense of my tuition. Finally in May 2007 I got another call from Tami. I had been awarded the sponsorship! I accepted, of course, and soon hit the ground running.

The first hurdle, called Math Camp, came during the middle of that summer. Designed as a refresher course for those of us who were a little rusty with basic computations, Math Camp was a sobering prelude to first semester. I started to wonder what I had committed myself to, but with the gracious support and guidance

of Rita Sowell, the instructor, I made it through.

From Math Camp it was on to the Week-in-Residence at New Harmony, Ind., where I was introduced to my group—Jason Gunderson, Jarod Scott, Navin Karwande and Kenn Gindin (all EMBA '09)—four classmates who would be my lifelines, my colleagues and my friends over the next two years (and beyond). New Harmony also marked the beginning of the first semester, which placed an emphasis on quantitative coursework.

That first semester I spent night after precious night trying to bend my mind around stats, economics, finance and accounting. For someone used to offering support to others, I was unaccustomed to relying continually on the assistance of the members of my group and Isaac Rogers, BA'02, MBA'08, a gifted stats tutor. I began to wonder if I'd ever get past the first semester. And of course I did.

During the second semester I found the qualitative classes to be more in my comfort zone. I was able to offer the members of my group a little wisdom, and I felt like I was carrying my weight more than I had before. The coursework was tiring nonetheless, and by the end of two semesters, I wondered if May would ever arrive. And of course it did.

Over the summer I reconnected with my family and dug back into work. There was no Math Camp or Week-in-Residence in New Harmony to worry about. I only had to look forward to the second year, which I anticipated with much less trepidation as I knew what to expect. Just like the summer before, I wondered if fall would ever come. And of course it did.

Upon returning to Owen as a second-year student, I found myself giving advice

to Mark McCaw, the new recipient of the Executive MBA/Center for Nonprofit Management sponsorship. “You will get through this,” I told him. Meanwhile I was as busy as ever. My strategy and finance classes were all-consuming, and the changing economy and a relocation for Oasis Center were making my job more demanding. At this point, though, I had my feet solidly beneath me. Somehow I had survived accounting, economics, finance and statistics, and was actually putting what I had learned to work. In my third finance class it became clear that concepts and theory were of greater importance to me, and I was able to track

*I always introduced myself as the “nonprofit guy” somehow separating myself from the “real” businesspeople. Now I know I am a real businessperson. I'm just in a different kind of business. —Michael McSurdy*

what we were discussing and actively participate. Had I actually learned something about finance?

This third semester was also the proving ground for my group. By this point we had formed a good team. Each member knew the others' strengths and needs, and we respected and supported each other. We began to think ahead to our strategy project in semester four. We had moved from focusing on our classes to focusing on how we could use the total of what we had learned to accomplish a more complex goal—creating a viable strategy for a real company. At times my group and I wondered if we would get it all done. And of course we did.

  
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During the final semester everything really came together. Each of my classes relied on what I had learned in all the others. The whole was becoming greater than the sum of its parts. The journey ended with a successful strategy presentation and the international residency, and much celebration. That final semester is still a blur.

Since receiving my diploma from Dean Bradford under the tent on Magnolia Lawn, I have had some time to think and reflect, and I have even used a few things I learned at Owen—like strategies for depreciation and maximizing human capital. Who knew this stuff was really applicable to the nonprofit world? After four semesters and some reflection, I realize I made the right decision to pursue an MBA. Up to this point I always introduced myself as the “nonprofit guy” somehow separating myself from the “real” businesspeople. Now I know I *am* a real businessperson. I'm just in a different kind of business.

As I look back with great pride and accomplishment, I am immensely grateful. I am grateful for my classmates who grew with me and supported my growth. I am thankful for the staff and professors who saw the potential in me. I owe a huge debt of gratitude to my employer, staff and board who have all supported me and cheered me on through the past two years. And I appreciate so much the great opportunity that Owen and the Center for Nonprofit Management gave me in awarding me the sponsorship.

Lastly and most important, this journey was made all the richer because of my family. To my wife, Cecily, and my children, Michael, Harriet and Eloise, I say thank you. I appreciate so much the sacrifices you have made and the love and support you have given me over the past two years.

**VB**



## Faculty Appointments and Accolades

### New Faculty Appointments

#### Jeff Dotson

Assistant Professor of Marketing

Jeff Dotson is an expert on marketing research and theory. His research focuses on the development and application of Bayesian statistics to a variety of marketing problems, including linking customer satisfaction to firm financial performance and developing more accurate models of consumer decision making. He joined Owen after completing his Ph.D. in marketing at the Fisher College of Business at The Ohio State University, where he taught marketing research and served as a Teaching Assistant for courses in Bayesian statistics and marketing.



Dotson

His research has been published or accepted for publication by such journals as *Quantitative Marketing and Economics* and *Marketing Science*, and he has presented his work at leading academic institutions including Brigham Young University, Harvard Business School, University of Iowa, University of Southern California, and INSEAD. In addition Dotson is actively involved in the marketing research practitioner community. He presented papers at the

American Marketing Association's Advanced Research Techniques (ART) Forum in 2007 and 2009, where he was runner-up (2007) and winner (2009) of the award for best presentation.

In 2007 and 2008 Dotson was honored as a Haring Symposium Fellow. He was also an INFORMS Doctoral Consortium Fellow in 2006. From 2005 to 2009 he was the recipient of the Davidson Doctoral Fellowship from the Fisher College of Business, and is currently a member of INFORMS, the American Marketing Association and the American Statistical Association.

Prior to his academic career, Dotson worked as a Category Manager and Senior Analyst for a national consumer packaged goods firm. He also has extensive professional experience in retail banking and recently completed a three-year term as Vice Chairman of the board of directors for a regional credit union.

#### Miguel Palacios

Assistant Professor of Finance

Miguel Palacios' primary research interests are in the areas of asset pricing and labor economics, particularly as they relate to human capital. He joined Owen after completing his Ph.D. in finance at the University of California, Berkeley, where



Palacios

he served as a Graduate Instructor for several finance courses and received numerous fellowships and awards, including the Dean Witter Fellowship and the Outstanding Graduate Instructor Award.

He is the author of *Investing in Human Capital: A Capital Market's Approach to Student Funding* (Cambridge University Press) and co-author of the monograph *Investing in Emerging Markets* (Research Foundation of AIMR).

Palacios has presented at conferences at universities and private and government organizations such as the World Bank, International Finance Corporation, University of Virginia, Libertad y Desarrollo (Santiago, Chile) and the Korean Education Ministry. He has also served as a Referee for *The Economic Journal* and *Management Science*.

In 2001 Palacios co-founded Lumni Inc., which structures and manages innovative investment vehicles for financing education in which students agree to pay a percentage of their future income in exchange for financing of their education costs. He has also worked as a Summer Associate at ValuePartners LLC and an Economic Studies Analyst at Sigma S.A. He began his academic career by teaching physics at Colegio Los Nogales in Bogotá, Colombia.

Palacios is an instrument-rated pilot and has been a member of Colombia's water-skiing team. He recently ranked third (2006) and fourth (2008) on the West Coast in Men's II Trick Water Skiing.

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### ACCOUNTING

## Everything That Rises Must Converge

By SETH ROBERTSON

IF ACCOUNTING IS THE LANGUAGE OF business, then it might come as a surprise just how much is lost in translation from one country to the next. For years countries have been following their own reporting standards, making it difficult for accountants and investors in one part of the world to understand the financial statements of companies in another.

All of that is changing, though. There is a movement underway called the Global Convergence of Accounting Standards, which aims to unify reporting standards under one set of rules—the International Financial Reporting Standards (IFRS). Richard Willis, Anne Marie and Thomas B. Walker Jr. Associate Professor of Accounting, is making sure that his students are prepared for these coming changes.

"It's an interesting time to be in this field," Willis says. "I see accountants becoming more mobile geographically. To think that we can teach someone the principles of accounting here at Owen, and then that person can practice elsewhere in the world is really exciting."

Since companies are afforded more discretion under IFRS, Willis expects there to be a rise in accounting scandals—and, consequently, an increased need for capable accountants. "Accounting discretion helps managers provide information to investors in the most meaningful way, but the flip side is that managers can misuse discretion to obscure the truth," he says. "Auditing and enforcement will continue to play an important role, and I expect accountants to be even more in demand."

Willis has studied the effect of investor sophistication in interpreting analysts' stock recommendations, among other topics.



**Mark Ratchford**  
*Assistant Professor of Marketing*

Mark Ratchford is an expert in consumer behavior and game-theory-based models of marketing strategy. He joined Owen after completing his Ph.D. in marketing at the Leeds School of Business at the University of Colorado, where he taught marketing research and consumer behavior and was awarded the Gerald Hart Research Fellowship and the University Fellowship.



**Ratchford**

His primary research interests include the impact of social networks on coalitions among firms, perceptions of firm fairness and the optimal strategic marketing mix for branded input products. He has also conducted behavioral research on the impact of goal setting and self-regulatory resource depletion of subsequent task performance.

Ratchford has presented his work at several major conferences, including the Association for Consumer Research Conference and INFORMS Marketing Science Conference. In 2006 he was an invited speaker at the Robert Mittelstaedt Marketing Doctoral Symposium in Lincoln, Neb., and was honored with the Best Paper Award at the American Marketing Association Winter Educators Conference. He is an AMA-Sheth Doc-

toral Consortium Fellow and serves as a Conference Referee for the Association for Consumer Research.

Earlier in his career Ratchford held analyst roles for ATX Telecommunications, Boat America Corporation, Teligent Inc. and PacifiCorp. He also served as Director of Industry Affairs for the Wireless Communications Association International in Washington, D.C.

Ratchford is affiliated with several other professional organizations, including the American Marketing Association, Association for Consumer Research, Society for Consumer Psychology and INFORMS, and is a member of the professional business fraternity Alpha Kappa Psi.

**Other Appointments**

**Jim Bradford**, Dean and Ralph Owen Professor of Management, has been appointed to the board of directors of the Graduate Management Admission Council (GMAC), the association of leading graduate business schools worldwide.

**William (Bill) Frist**, former U.S. Senate Majority Leader, has been named University Distinguished Professor in Health Care. At Owen he is leading a first-of-its-kind academic experience for Health Care MBA students, having created a unique class that combines business students with fourth-year medical students to examine the financing, delivery and quality of health care.

**Chad Holliday**, a nationally renowned business leader who has been championing the business case for sustainable development and corporate responsibility, has been named Executive in Residence. Holliday serves on the boards of directors at DuPont (Chairman) and Deere & Co., and has led numerous collaborations focused on harnessing business for social good.

**Dawn Iacobucci**, E. Bronson Ingram Professor of Marketing, has been named Associate Dean for Faculty Development. In this role she is responsible for all faculty evaluation, promotion and tenure recommendations and collaborates with directors of the school's degree programs on curriculum development.

**Brian McCann** has been named Visiting Lecturer in Strategy after serving as Adjunct Professor of Management at Owen since 2005. His areas of expertise span strategic management and entrepreneurship. He is the co-author (with Luke Froeb, William C. Oehmig Associate Professor in Entrepreneurship and Free Enterprise) of the leading textbook *Managerial Economics: A Problem-Solving Approach*.

**David Owens**, Clinical Professor of Business Strategy and Innovation, has been named Faculty Director of the Vanderbilt Executive Development Institute. In this role Owens oversees the curriculum for and delivery of all nondegree professional development offerings and works to

*Continued on page 53*

**SOCIAL ENTREPRENEURSHIP**

**The Business of a Better World**

BY SETH ROBERTSON



DANIEL DUBOIS

DANIEL DUBOIS

JIM SCHORR'S FIRST YEAR AS AN MBA student was a transformative one. He had enrolled at the Kellogg School of Management at Northwestern University expecting to pursue a career in international business, but a class called Business & Its Environment and guest lectures by a couple of dynamic social entrepreneurs—Ben Cohen, Co-founder of Ben & Jerry's, and Anita Roddick, Founder of the Body Shop—pointed him in a new direction.

"The combination of the class and those guest speakers introduced me to the idea that business could be a powerful force for social impact and injected a greater sense of purpose into my career path," says Schorr, Clinical Professor of Management.

This newfound inspiration led Schorr to co-found Students for Responsible Business, which later evolved into Net Impact, an international nonprofit organization that educates and equips students to create a more socially and environmentally sustainable world through business. Owen hosted Net Impact's annual conference in 2007, attracting more than 1,800 MBAs from all over the world. Schorr continues to play a key role in the organization's success, serving as Board Chair.

At Owen, Schorr is working toward launching the Vanderbilt Center for Business & Society, which echoes his previous work at University of California, Berkeley's Center for Responsible Business. The objective of the center is to enrich the student experience by developing courses, programs, events and other content in three areas: corporate responsibility, sustainability and social entrepreneurship.

"My role here is to build on what Jim Bradford, Bart Victor and others have been doing at Owen for years," Schorr says. "As enthusiastic as I am about this new initiative, I know that it wouldn't be possible without their groundwork."

Schorr is planning to launch the Vanderbilt Center for Business & Society, which will promote corporate responsibility, sustainability and social entrepreneurship.



## Iceland Meltdown

*The origins and aftermath of the Icelandic banking crisis*

By ÓLAFUR ARNARSON, MBA '96

**I**N A MATTER OF 10 DAYS IN OCTOBER 2008, Iceland's banking system completely collapsed, sending a shock wave through the small island country in the North Atlantic. Yet as fast as the collapse occurred, it should not have come as a surprise to anyone. Its origins were a long time in the making.

There is no simple way to explain the Icelandic banking collapse, but a good starting point is the country's long-standing support of free trade. Iceland's economy has always been export-driven, and as such, the government there has promoted free international trade for quite some time. Iceland became a member of the European Free Trade Association (EFTA) in 1970 and a member of the European Economic Area (EEA) in 1994. The EEA allows EFTA countries, like Iceland, to participate in the European single market without joining the European Union.

One of Iceland's obligations in becoming a member of the EEA was to relinquish state ownership of its banks—no small task as the state owned and controlled two-thirds of the banking sector. The timing of this bank privatization, however, was unfortunate. In the wake of 9/11 and the uncertain financial markets that followed, international banks were not about to invest in state-owned banks in little Iceland. Instead of turning to these international banks, as originally



Once regarded as a model of economic success, Iceland suffered a complete banking collapse in October 2008.

planned, the government decided to sell the stakes to Icelandic investors. In late 2002 and early 2003, controlling interests in two major commercial banks were sold to two groups of Icelandic investors.

These transactions would turn out to be a big mistake because the investors had no background in banking and finance. They were simply investors—and speculative ones at that. They soon turned the former state banks, which for some reason still enjoyed strong ratings from the major rating agencies, into their own private financing and co-investing vehicles.

The 9/11 tragedy would continue to

impact the Icelandic banking sector even further. The Federal Reserve of the United States and other central banks had responded to the crisis and uncertainties by driving interest rates down to their lowest level in a century and printing money to stave off recession. The Fed was very successful—too successful, many would argue—as the easing policies following 9/11 paved the way for the housing bubble and subsequent liquidity crisis in capital markets that still haunts us.

The Icelandic banks, meanwhile, were rated as if they were still backed by the government, and cheap money was flow-

ing all around. Big banks, like Deutsche Bank, Morgan Stanley and many others, were practically begging the Icelandic banks and their owners to borrow money. In 2002 the size of the Icelandic banking system was less than Iceland's GDP. By 2008, shortly before the collapse, it had grown to 12 times the country's GDP.

In the years leading up to 2008, Icelandic banks opened offices and branches abroad. London, Luxembourg, Geneva, New York, Stockholm, Helsinki, Copenhagen—in fact, the whole world—became their playground. The banks acquired banks in other countries and funded acquisitions for Icelandic and international companies, mainly on “High Street” in the United Kingdom (or “Main Street,” as it is known in the United States), but also in Scandinavia and elsewhere. Due to the ready avail-

*In 2002 the size of the Icelandic banking system was less than Iceland's GDP. By 2008, shortly before the collapse, it had grown to 12 times the country's GDP.*

ability of funds there was an equity price bubble in the making on High Street, and Icelandic investors often turned out to be the highest bidders. This scenario was fine as long as the bubble lasted, but once the bubble started leaking air, it turned out to be a curse.

Funding of the Icelandic banks was thin and highly dependent on wholesale. As a result, two of the banks introduced online deposit accounts in major markets (the U.K., the Netherlands, Germany

and elsewhere) and were very successful in attracting depositors. Landsbanki operated its Icesave accounts in branches in the U.K. and the Netherlands, while Kaupthing Bank operated its Edge accounts in the U.K. through a subsidiary.

The distinction between branches and subsidiaries became very important in the aftermath of the banking collapse, as subsidiaries are regulated by the host country and thus covered by deposit insurance schemes in the host country. Branches, however, are regulated by the Icelandic Financial Supervisory Authority (FSA) and covered by the Icelandic deposit insurance scheme. The cost of the Icesave deposit insurance alone could end up bankrupting the Icelandic state, as cost per capita could reach \$20,000.

Glitnir, the third bank, did not introduce deposit accounts internationally.

This meant that Glitnir felt the liquidity squeeze in international capital markets much sooner than the others. Glitnir was facing a refinancing of almost \$1 billion in mid-October 2008. After the collapse of Lehman Brothers on Sept. 15, 2008, confidence in financial markets evaporated. Banks stopped doing business with other banks as one could not be certain whether the counterparty would still be around the next day, let alone a month later.

At the end of September, Glitnir went to the Icelandic Central Bank and asked for a loan to cover the refinancing. The Central Bank—against the warning of the whole banking sector, economists and others—refused the loan and recommended instead that the Icelandic government put up the money in exchange for a 75 percent equity stake in Glitnir. The government went with the Central Bank's recommendation.

There was a problem, however, with this approach. Each share of Glitnir stock, which on Friday, Sept. 26, had been trading at ISK 15.5, was valued at approximately ISK 2, thereby destroying any pricing built into the Icelandic stock market. This move put the pricing of other banks listed on the exchange in jeopardy. Also, to make matters worse, the owners of Glitnir had a billion-dollar loan from Landsbanki secured with their Glitnir stock.

The Glitnir nationalization was announced on Monday, Sept. 29. Immediately the rating agencies downgraded all Icelandic banks and Icelandic sovereign debt as well. In the early hours of Oct. 9, Kaupthing Bank became the last of the large Icelandic commercial banks to fall. The banking system officially had collapsed.

Trying to salvage what they could, the Icelandic government and parliament passed an emergency law, which gave the FSA unprecedented powers to take over and manage Icelandic financial institutions. The British government responded by invoking the anti-terrorism legislation

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# INSIDE BUSINESS

Finance *The Dragon by Its Horns* | Leadership *Spy Satellite Office* | Finance *Sudden Death*

## FINANCE

### The Dragon by Its Horns

*Understanding China's new economic growth*

BY JACK ILMONEN, MBA'03

NUMEROUS EXPERTS AND LAYMEN ALIKE expect the Chinese to realign their business operations, financial behavior and cultural ways to resemble those of the West. This attitude is quietly resented by the striving Chinese. It is also dead wrong. The Chinese want to become Westerners as much as Westerners want to become Chinese.

Now that Western companies, capital flows and business cultures have helped revolutionize China, it is China's turn to revolutionize us. High-roller Chinese procurement delegations are flying around the world, signing billion-dollar contracts and purchasing energy resources, raw materials, technologies, intellectual property rights, real estate, and private and public companies. The Chinese have plenty of money to spend on smart acquisitions.

With Chinese ownership comes the increased influence of Chinese business culture. A growing number of businesses in the United States and Europe are subject to direct Chinese management decisions made in the towers of Shanghai and Beijing instead of New York and London. This is why we need to take the dragon by its horns and be proactive in understanding the ways and

perspectives of our friends in China. Western business models will not apply in China as efficiently as some may think.

The business culture in China today is an unprecedented mix of traditional customs—hierarchical behavior, close family relationships and established power networks—and new Western concepts. Some of these new concepts include:

- **unforeseen collective acceptance and support for getting wealthy**  
Over 1.3 billion Chinese citizens are more or less free to chase their material dreams as they see fit. The success of many encourages others to work

hard, creating significant macroeconomic growth.

- **unprecedented urbanization**  
According to the McKinsey Global Institute (Shanghai), 350 million rural Chinese will move to cities during the next 15 years, creating new jobs, spending power and huge demand for infrastructure and other support systems.



RICK NEASE/ACT

DEAN DIXON

- **new flexibility in attitudes**  
Different opinions and perspectives are more welcome today. New ideas are subject to constructive curiosity, instead of immediate rejection.
- **ferocious striving for better living standards**  
Our Chinese friends are setting up new businesses, educating themselves and their children, looking for tools to get ahead in life, and creating huge economic value driving forces.
- **proactive internationalization and global networking**  
Chinese delegations around the world are even more common these days than the Japanese delegations were after World War II. China sells itself in many clever ways and is eager to establish friendly trading relationships all around the world.

Despite many problems in their society, like human rights violations, environmental issues and widespread poverty, the Chinese have been quick to develop innovative solutions to many other challenges. It is mind-blowing to consider what they have achieved in only the last fifteen years, even if it has been partly accomplished with foreign advice and capital.

Like it or not, the Chinese economy will probably grow quickly over the next three decades, creating future shocks in every industry. Those of us who take a proactive role in understanding China will have a better chance to emerge as winners in this new economic era. Those who resent change, on the other hand,

will be left behind. The West must leap out of its comfort zone, embrace this situation and join—not fight—the economic evolution.

JACK ILMONEN earned his MBA from Vanderbilt in 2003. A former Fulbright Scholar, he is the Founder and Managing Director of Fidens Private Equity Co., a consultancy for private equity investors in Hong Kong and mainland China.

## LEADERSHIP

### Spy Satellite Office

*Managing organizational change in the intelligence community*

BY FRANCIS "LUKE" LUKENBILL AND JULIANE GALLINA

Presiding over a multibillion-dollar spy satellite program for the U.S. government is difficult enough without having to endure the strain of shrinking budgets, engineering problems, schedule delays and balkanized customer relationships. However, those are exactly the problems that our team, the Space Systems Group at the National Reconnaissance Office, faced in 2006. They are also the reason why we sought the expertise of the Vanderbilt Executive Development Institute at the Owen School.

The three-day Executive Leadership course led by Dick Daft, Brownlee O. Currey Jr. Professor of Management, was the catalyst for an astonishing transformation in the culture and productivity of our team of roughly 250 government and

contractor personnel. Daft reinforced a simple yet profound leadership principle: Leaders must connect teams to an ideal. In our case that meant delivering perfect reconnaissance systems to protect those serving in the military and the intelligence community.

Although working on a spy satellite program has exciting moments, the enterprise shares similar challenges to businesses across the country. Our group was an acquisition organization sequestered in a comfortable office park in Northern Virginia. It was easy for employees to forget their customers and slip into the daily grind of a federal bureaucracy, keeping busy with staff meetings, budget battles and paperwork.

We combated this complacency by putting our vision statement—"We



Daft

understand and appreciate the greater mission"—at the forefront of everything we did. This statement galvanized our team of engineers, program managers, financial analysts, contract specialists and technical advisors. It connected us to our customers—the men and women in harm's way—and to the intelligence imperative of the Global War on Terror. Over the next two years we blitzed our group, and anyone else who would listen, with our vision.

More important, though, we lived this vision as well. We took our team on an overnight trip to the aircraft carrier USS



*Eisenhower*, one of the ships we were entrusted to protect. It was a rare and riveting experience for the engineers, controllers and security specialists to stand shoulder-to-shoulder with the 3,000 crew members for a 9/11 commemoration ceremony rededicating us to the mission. In the following months we also visited the submarine *USS Boise* and invited Iraq War veterans to speak to our group about the challenges and spirit of America's fighting forces.

The effects of our efforts were transformative. The vision statement helped us eliminate competition for limited budget and human capital resources by clarifying our priorities and acquisition plan. With a defined strategy we obtained resounding support from congressional oversight committees and unprecedented plus-ups in our appropriations. We also set a baseline for new programs and delivered a perfect satellite to orbit.

There is compelling quantitative evidence to back up this transformation. In 2007 our group participated in a team climate survey, which used data from three decades and 2 million respondents to define performance benchmarks for high-performing teams. Our team had participated in the same survey in 2000 and 2004 with fairly good results, showing that we had begun to eliminate negative behaviors such as competitiveness and power struggles. The 2007 data, however, surprised everyone. In 27 of 35 categories our team surpassed the benchmarks for A+ organizations.

In fact the data was so remarkable that the survey



results were run again to be sure there was no error. The scope and magnitude of climate change was unprecedented. The Space Systems Group had connected to the greater mission and raised the bar for effective and successful organizations.

In a series of return visits to the Owen School, we have provided a living case study that shows how to manage a remarkable organizational transformation despite challenges and setbacks that erode the confidence of most teams. We did it by applying the fundamental lessons of leadership taught by Professor Daft, and our story is not only practical, but inspirational for anyone who wants to "be the change" they wish to see in the world.

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FRANCIS "LUKE" LUKENBILL and JULIANE GALLINA are both graduates of the United States Naval Academy and the Naval Postgraduate School. They are currently working together as Edge Consultants at the National Interest Security Company (NISC), where they provide strategy consulting to executives within the intelligence community and the Department of

Defense.

## FINANCE

### Sudden Death

*Firms lose big when politicians die unexpectedly*

BY AMY WOLF

When a home-grown politician dies suddenly, local companies show the loss of a valuable connection immediately in their share



Parsley

prices, according to research from the Owen School.

Stock prices for companies located where a politician lived or was born declined by an average of nearly 2 percent when the connection was abruptly severed, translating into millions of dollars in lost shareholder equity, says study co-author David Parsley, E. Bronson Ingram Professor in Economics and Finance.

Such connected companies also tended to see a substantial drop in key performance figures. For example, sales growth for the companies studied averaged just over 12 percent during the year prior to a politician's death but dropped to less than 6 percent afterwards.

Parsley's study has found that politically connected firms realize many benefits from their relationships with lawmakers. These include preferential treatment by government-owned agencies or access to credit, relaxed regulatory oversight or stiffer regulatory oversight for rivals, lighter taxation policies, and a greater likelihood of government bailouts in the event of financial distress.

"Losing these benefits when a politician suddenly dies clearly has a signifi-

cant economic impact on the companies and raises serious questions about the broader impact of these connections on long-term economic growth," Parsley says.

The unexpected death of a politician yielded a greater drop (by more than 1 percent) in stock price for family-dominated public companies, which, as prior research indicates, tend to be more poorly managed with less stringent corporate governance, making them likely to rely more heavily on the value of a political connection. Among other key findings:

- Larger companies generally saw less impact, possibly due to a tendency to diversify their political connections.
- Companies with higher market-to-book ratios fell by a greater amount (by about half a percent), consistent with the view that connected companies trade at higher prices.
- The negative impact on stock prices increased by as much as 4 percent for firms in industries in which the politician had direct influence.
- Companies in countries identified as more corrupt by Transparency International's Corruption Perceptions Index took a bigger hit (up to 1.7 percent), presumably due to the greater likelihood of corporate connivance with politicians.
- Companies in democratic countries dropped more (by over 3 percent) than the overall average, which Parsley attributes to generally greater levels of corporate transparency.

On an unconditional basis (before controlling for other factors), the largest



stock declines occurred in companies based in Pakistan and Zimbabwe (more than 10 percent, though there were only a few companies impacted), where previous research shows that ties to an influential politician are worth as much as 10 percent of firm value.

The study examined 122 sudden deaths of politicians from around the world since 1973, for which the politician's city of birth or residence could be identified, and then analyzed the performance of more than 8,000 publicly traded companies based in those cities at the time of death. Only politicians who died unexpectedly—from heart attack, stroke, suicide, assassination or accidents that resulted in death within 24 hours—were included, since financial markets likely anticipated and accounted for deaths from a longer-term chronic illness,

such as cancer.

A politician's city of birth or residence is a novel but logical base for determining corporate political connections, Parsley says. "Politicians systematically favor local enterprises due to their need for election funding, to stimulate job creation, links with family and friends, and a host of other issues," he explains. "Quantifying the value of such political connections has been hard to pinpoint, but our analysis provides perhaps the clearest picture yet of just how much these connections are worth for shareholders."

The study, "Sudden Deaths: Taking Stock of Geographic Ties," appeared in the June issue of the *Journal of Financial and Quantitative Analysis*. It was written with Professor Mara Faccio of Purdue University's Krannert School of Management, and partially funded by the Owen School's



# Bridge to Success

*Long and Louv Enterprise Fund  
paves the way for Owen entrepreneurs*

By JENNIFER JOHNSTON

Photograph by SAUL BROMBERGER AND  
SANDRA HOOVER

**W**hen investment banker Rob Louv, MBA'97, met with a Texas entrepreneur in 2008 about selling a company, neither was aware that they shared an important common link: Both had graduated from the Owen School. The entrepreneur, Jack Long, MBA'83, had contacted Louv's San Francisco firm, Montgomery & Co., on reputation alone, but the coincidence helped him make up his mind about using Louv to shop his company to potential buyers.





After Montgomery & Co. successfully sold 70 percent of the equity in Long's company, Louv and Long sealed a second deal soon thereafter—one that was arguably more significant than the one they had just finished. Together with Long's wife (and fellow Owen graduate) Carolyn, MBA'83, they established the Long and Louv Summer Enterprise Entrepreneurial Fund, which aims to help aspiring entrepreneurs at the Owen School. The fund provides a \$15,000 stipend to students who want to pursue an entrepreneurial idea rather than a traditional corporate internship during the summer between first and second year.

With the help of the fund, Thomas Bernstein and Miguel Coles, BS'02, both MBA candidates for 2010, have established their own marketing company, Great Glass Media LLC ([www.greatglassmedia.com](http://www.greatglassmedia.com)), to launch an iPhone application aimed at young people looking for the perfect nightspot. A third student, Andrew Bouldin, also an MBA candidate for 2010, used the fund over the summer to continue work on his own company, My College Road Trip ([www.mycollegeroadtrip.com](http://www.mycollegeroadtrip.com)), a travel Web site designed for students.

These are just the sort of big ideas that Jack and Carolyn hoped to encourage by

establishing the fund. Giving a leg up to budding Vanderbilt entrepreneurs made perfect sense to the couple, since they themselves had used the skills they learned at Owen to launch two successful companies. Their decision to honor Louv in naming the fund was an easy one as well. After all, he brokered the deal to sell their company. He also was the one who encouraged the Longs to give back to Vanderbilt in the first place.

#### Lone Star Overnight success

Vanderbilt holds a special place in the Longs' hearts. Both of them come from a long Commodore tradition. Carolyn's father, grandfather and great-grandfather all graduated from Vanderbilt, as did Jack's mother and uncles. Jack and Carolyn also owe their marriage to the Owen School. They met as first-year MBA students in 1981 and married four years later.

After graduating from Owen, Jack and Carolyn went to work for Texas Commerce Bank (now part of J.P. Morgan

Chase) in Houston, but Jack knew all along that he wanted to own his own company someday. In 1989 First American Bank recruited Carolyn, and the couple returned to Nashville, living off one salary until Jack came up with a business idea.

"Jack got a little office, his own desk and a nameplate and he sat there like Pooh Bear so he could think, think, think," Carolyn says. "He thought about carpet fiber. He thought about rural post office development. He thought about cattle futures trading. Those were just some of the ideas that didn't work."

In the process of searching for undervalued businesses to acquire, Jack looked at an air-freight company that was for sale in Houston. He realized, though, it was

more of a freight courier, hiring independent contractors to pick up and deliver. "It was a big business, but it wasn't attractive to us because it was basically a brokerage," he says.

That experience started the wheels turning for Long and his business partner Gary Gunter. They were fans of the Southwest Airlines concept of keeping things smaller and cheaper. Long and Gunter decided to start their own business, a package express company serving only the state of Texas. They set up headquarters in Austin, and Lone Star Overnight was launched in 1990. That same year, the Longs' first child, Adam, was born. Within a span of five months, Jack and Carolyn had started a family, started a business, moved to Austin and purchased their first house.

The years that followed were equally busy and exciting for the Longs. Their

daughter, Carlen, was born in 1993, and three years later Lone Star Overnight made the *Inc. 500* list of the fastest-growing privately held companies at No. 331. Carolyn, meanwhile, began fundraising and serving in leadership roles for various Austin nonprofits.

In 1997 the Longs and Gunter sold Lone Star Overnight for a nice sum. Jack, ever the entrepreneur, began looking for ways to invest that money in the next big opportunity. In 2000 he settled on the idea of starting a new company once again.

*When I went into finance, I was always thinking about building a practice. I never thought of myself as a kind of large cap banker on a large platform. I saw myself on the entrepreneurial side. —Rob Louv*

Partnering with Jeff Carpenter, he launched PeopleAdmin, a software technology company aimed at creating tools for human resources at colleges and universities. The company grew quickly. In 2007, with total revenues of \$10 million, it made the *Inc. 500* list at No. 419.

PeopleAdmin had tapped into a very hot area: software as a service. Long began to field dozens of phone calls a week from companies interested in investing or buying. That's when the decision was made to hire a small- to mid-size investment bank focused on emerging-growth technology. After vetting numerous candidates, the Longs went with Rob Louv and Montgomery & Co.

#### The entrepreneurial side of banking

Like the Longs, Louv's connection to Vanderbilt began before he was born. His father, Art Louv, JD'72, graduated from Vanderbilt Law School, and his mother, Barbara, had Rob while she was a student at Peabody College. Although Rob grew up in Florida and attended the University of Florida, his Vanderbilt roots drew him back to Nashville for graduate school.

"When I went to Vanderbilt, my career objective was to go into investment banking. I thought I would end up in the South, but through the alumni network I was able

to set up some interviews in New York," Louv says. Director of Corporate Relations Peter Veruki, then working in the career center, encouraged him to get some internship experience in New York, even though his original plan was to live elsewhere.

"My Citicorp internship was directly linked to an Owen alum going to bat for me," says Louv, who before that summer had never been farther north than Washington, D.C. The internship opened doors for him and led to a career opportunity in investment banking with Chase

Securities, later J.P. Morgan. But Louv, with no signing bonus and no paycheck until he passed the company training course, was cash-strapped.

That was when a favorite professor from Owen, Ron Masulis, stepped in. Masulis, Frank K. Houston Professor of Finance, was starting a mergers and acquisitions course and needed background material—case studies, detailed articles and trend pieces. "It was perfect for me," Louv says. "I got paid a fair hourly wage to do interesting work and used what I learned to better prepare myself for my M&A career."

Masulis says Louv was among his best students at Owen. "I was very pleased to have him help me research potential topics and cases for the new course I was developing," he says. "His research was very solid and led me to use several very interesting cases in the course."

Louv bootstrapped himself through the J.P. Morgan system and became Vice President of Global Mergers and Acquisitions in New York before moving to San Francisco to lead the firm's West Coast merger and acquisition efforts for the information technology services and Internet sectors. With significant M&A deal experience representing \$150 billion in transaction value, he then joined Montgomery & Co. in 2004 as the Co-head of the Technology Banking



Jack and Carolyn Long



SAUL BROMBERG AND SANDRA HOOVER



Rob Louv

ADAM LONG



Group and a member of the firm's Executive Committee.

Recently Louv and several senior partners at Montgomery & Co. split off from the firm to establish a new investment bank called ArchPoint Partners, also based in San Francisco. The separation was amicable, as ArchPoint continues to execute deals that were engaged under the Montgomery platform. Louv and fellow Managing Partner John Cooper are the owners of the new bank. "I am now like my clients—running a startup," Louv says.

Louv sees M&A as the entrepreneurial side of banking—one that doesn't depend on anyone else's balance sheet. "When I went into finance, I was always thinking about building a practice. I never thought of myself as a kind of large cap banker on a large platform. I saw myself on the entrepreneurial side," he says.

#### Culture of giving

The sale of PeopleAdmin "was a long, tedious process," remembers Carolyn Long. Several deals got close and fell apart before an agreement was signed with Summit Partners of Boston in summer 2008. "Rob stuck with them and kept working on all the details," she says. "Throughout this process, Jack and Jeff never got to the point of throwing their hands up because Rob never did either. He kept working on it."

A member of the Owen Alumni Board, Louv saw an opportunity to leverage his hard work in a positive way. Prior to the close of the deal, while hashing out some final fee matters, he approached Jack with a proposition. Louv told him, "Since we know that neither one of us would be here if it weren't for Owen, what if, in addition to compensating Montgomery & Co., you also compensate Owen for the value it added to our lives?"

Long was intrigued by the idea. Between the sale of Lone Star Overnight and the launch of PeopleAdmin, he had been involved in establishing an entrepreneurship program at the University of Texas, but the bureaucracy of the large



From left, Thomas Bernstein, Miguel Coles, Andrew Bouldin and Professor Germain Böer

state school had cramped his style. In 2002 he and a group of professors left the university and formed the Acton School of Business in Austin to teach an entrepreneurship-only program.

The thought of doing something to encourage entrepreneurship at his alma mater was an enticing prospect. He called Carolyn to get her opinion. "Carolyn and I had not been active alumni up to this point," he explains. "But one of our motivations for selling the business was to pur-

*It's been such a pleasure working with three alumni whose culture of giving is obvious, who know how blessed they are and want to give back. These are people whose personal successes and whose value systems are aligned. —Tricia Carswell*

sue some philanthropic objectives while we were still young enough. After I talked to Carolyn, I called Rob back 10 minutes later and said, 'Deal.'

Louv was grateful but surprised when the Longs decided to share credit with him in naming the fund. "That was not expected or requested. I was taken aback," he says. "I give Jack all the credit. It was his generosity as much as mine that really drove the gift to the school."

Jack, though, is just as quick to compli-

ment Louv. "Even though the donation is coming from us, we want it to be more about Rob," he says. Carolyn agrees, adding, "Rob and his team did so much work. He had the idea (to create the fund). He asked for it. It makes perfect sense for us to view it as a joint gift."

Tricia Carswell, Associate Dean of Development and Alumni Relations, acknowledges that the credit should go to all three. "It's been such a pleasure working with three alumni whose culture of giving

is obvious, who know how blessed they are and want to give back," she says. "These are people whose personal successes and whose value systems are aligned. They are true philanthropists, and it was a privilege to be at the table with them."

#### Confidence boost

Louv and the Longs hope other alumni will be inspired to give to the new fund. They also hope the fund will help spark an entrepreneurial focus at Vanderbilt

without eschewing the traditional business curriculum.

"Most important is it adds value for the students," Louv says. "Over time an entrepreneurial bent could differentiate the Owen brand and improve the experience for all of the students."

Most MBA programs are designed to train students going to work for a large *Fortune 500* company, says Germain Böer, Professor of Accounting and Director of the Owen Entrepreneurship Center. "It's not that the content of the courses doesn't fit the needs of an entrepreneur," he says. "You still need to know the same stuff. It's just that the examples all tend to be from big companies. If I could dictate how we'd do it, I'd say every course would have to have a case or two about how to operate a startup company."

The classroom learning experience is bound to be greatly enhanced for students able to kick-start a business with a boost from the Long and Louv Fund, Böer says.

"When you start a business, you have to learn about every piece of the business. It's a really good educational experience to try to put a company together and learn how to motivate people," Böer says. "It's excellent training even if they work on a business idea and they get all the way to the point of launching and find some critical factor that keeps it from working."

Andrew Bouldin, one of the beneficiaries of the summer stipend, has always seen himself as "an entrepreneur-type guy." He grew up in Nashville, running a lawn-care business through high school and college. He also participated in the Accelerator program at Owen and spent another summer working for Silicon Valley-based Uloop.com, a craigslist-type site aimed solely at college students.

While planning a trip with friends a few years ago, he realized "sites like Travelocity or Trip Advisor are oriented toward businesspeople or moms," he says. "I couldn't find anything that would tell me the best restaurant and things to do in an area for a college student."

*Continued on page 52*

## SEEDS TO SOW

*Help us endow the Germain Böer Seed Scholarship in Entrepreneurship*

By ERIC HALL, MBA '78

Professor Germain Böer and I have much in common. We both arrived at Owen in the same year, we both have practiced



accounting, and we both are serial entrepreneurs. This last item is a shared passion of ours. Whether starting his own business before coming to Owen or launching the Center for Entrepreneurship at the school, Germain has always been a champion for those interested in taking a different career path and pursuing the challenge of being an entrepreneur.

Not only have his efforts created careers for Owen students, their startups have created hundreds of jobs for others. Many Owen students and alumni have benefited from the education and experience Germain has provided for the past 30 years. I continue to benefit from Germain's expertise, and I hear firsthand from students about the impact he continues to have, especially from the students he refers to me for advice on being an entrepreneur.

For all that Germain has given to Owen, it is time for the Owen community to give something back. I am leading fundraising efforts to endow the Germain Böer Seed Scholarship in Entrepreneurship. The inclusion of the word "seed" in the name is important. Most entrepreneurs receive seed funding to launch their ventures. It is up to them to take that seed funding and create enough value to raise the next

round of funding. This scholarship, I hope, will provide the seed funding to launch the career of the next Owen entrepreneur. Please join me in making a contribution.

Our goal is to raise enough funds to generate an annual scholarship grant of \$5,000 to an Owen student interested in entrepreneurship. While a \$100,000 bequest has already been committed, the scholarship requires a minimum of \$100,000 in outright gifts to become active. To date, we have more than \$33,000 in outright gifts pledged. Ideally we would like the scholarship fund to grow through continued contributions and earnings so we can increase the scholarship grant or provide more seed scholarships to Owen students.

The giving levels listed below are already in existence through the Owen Circle, but gifts of all sizes are wel-

#### The Owen Circle Levels of Giving

\$25,000 +	Cornelius Vanderbilt Level
\$10,000–\$24,999	Chancellor's Council
\$5,000–\$9,999	Dean's List
\$1,000–\$4,999	Owen Associates

come. Your gift can be in many forms, including cash, securities and planned gifts. There are also ways to honor the legacy of your name within the named scholarship for Germain Böer. If you'd like to make a larger named gift, please contact Marshall Turnbull, Director of Alumni Relations, at (615) 322-9997 or marshall.turnbull@vanderbilt.edu.

I hope that you will choose to unite with me so that the legacy of Germain's impact may continue. Thank you for considering this opportunity.



## Running the Show

Patrick Ilabaca, BA'97, MBA'01, puts Latino athletes in the spotlight at Fox Pan American Sports

By SETH ROBERTSON

**N**OT LONG AFTER STARTING IN THE MEDIA business in 2002, Patrick Ilabaca found out just how creative he was expected to be. As a new Marketing and Communications Manager at Fox Sports International (FSI)—a Los Angeles-based sports programming company owned by Rupert Murdoch's News Corporation—he was caught off guard when his boss walked in one day and placed a blank piece of paper on his desk.

When Ilabaca asked what it was, his boss replied, "That's going to be an awards show." FSI was looking to create a pan-regional, Spanish-language program in the same vein as the ESPYs, the annual sports awards event broadcast by ESPN. Ilabaca was charged with the task.

Given the circumstances, it would be forgivable if Ilabaca had thrown in the towel before even getting started. He had no media experience, after all, and there were no guidelines to follow. When Ilabaca asked his boss a series of follow-up questions, he got the same response each time: "That's *your* job to figure out." He literally was starting from square one.

Ilabaca, however, was not that easily deterred. Drawing upon the skills he had learned at Owen, he researched the market and assembled a detailed business plan and PowerPoint presentation—the



Ilabaca serves as the Executive Director of *Premios Fox Sports*, a pan-regional, Spanish-language sports awards program.

"whole nine yards" as he puts it. If anything, he probably overdid it. "After the presentation they told me, 'Next time just make it a nice memo,'" he laughs. The business plan and presentation had their intended effect, though. FSI gave his idea the greenlight, and the show soon became a reality.

When Ilabaca came on board at FSI, the company had just merged with private equity firm HM Capital Partners to form Fox Pan American Sports (FPAS)—the leading Spanish language sports pay-TV business serving North, South and Central America. *Premios Fox Sports*, as the awards show is called, has since

become an integral part of FPAS's programming.

Now in its seventh year, the show is watched by millions of viewers throughout the Western Hemisphere, and Ilabaca, the Vice President of Event Marketing & Business Development for FPAS, continues to play a role in its success, serving as the Executive Director.

### Rolling up his sleeves

If ever there were an industry made for Ilabaca, it is the one he is in now. The son of Chilean immigrants, he has had an interest in international business—particularly within the Spanish-speaking

world—ever since graduating from Vanderbilt with a bachelor's degree in economics and Spanish in 1997. He also is an avid fan of tennis, soccer, golf and baseball—sports that are the bedrock of FPAS's three television channels.

Yet if someone had told Ilabaca in early 2002 that he would soon work for an international sports media company, he probably would not have believed it. At the time he was paying the rent by cleaning out a storage facility on UCLA's campus in Los Angeles—about as far removed from his dream job as he could get.

How Ilabaca went from earning an MBA to earning barely more than minimum wage is a story in itself. Much of it can be explained as simple bad luck. When he graduated from Owen with a concentration in marketing and e-commerce in 2001, he faced a tough job market. The dot-com bubble had just burst, and Internet startups were disappearing fast. Then came 9/11. Ilabaca happened to be just outside of New York City interviewing for a job when the Twin Towers were attacked. The interview was cut short, and Ilabaca was left stranded in Bridgewater, N.J. "I had no idea what I was going to do at that point. Nothing was panning out," he says.

Ilabaca's luck, however, soon took a turn for the better. After moving to Los Angeles, where his sister was living, he got lost on UCLA's campus and stumbled upon the office of the Southern California Tennis Association (SCTA). Ilabaca introduced himself to the Executive Director and explained that he was looking for employment. The Executive Director, in turn, told him about the tennis stadium storage facility and offered him minimum wage plus a dollar to organize it.

"My ego definitely came into play. I

said to myself, 'What am I doing here? I went to Vanderbilt, I have an MBA, and I'm fluent in Spanish,'" he says. "But I took the job and literally rolled up my sleeves and cleaned it."

As unglamorous as the job was, it did give him an opportunity to network within the SCTA and learn in advance about any job openings. It also gave Ilabaca the chance to familiarize himself with the organization's outdated Web site and put together a compelling argument for improving it. When a low-level position opened up at the SCTA, he seized the opportunity to make his case. "They told me I was overqualified at the interview, but I gave them my analysis of the Web site anyway. It turns out that USTA headquarters was interested in revamping each regional Web site, so they hired me for a completely different position," he says.

Soon after he took the job, fate smiled on Ilabaca once again. While working on the Web site, he saw a list of sponsors for an ATP-sanctioned tennis tournament that the SCTA was hosting. One in particular piqued his interest—Fox Sports International. Ilabaca had a connection to Raúl de Quesada, the Senior Vice President of Marketing at FSI, through a family friend, but it had never materialized beyond an initial phone call several months back. When he asked the Director of Marketing at the SCTA if she knew de Quesada, she told him that indeed she did and that she would be happy to pass along his resume.



During the tennis tournament he met with de Quesada and learned that a marketing position had just opened up at FSI. Ilabaca remembers thinking, "That's *my* job," when he heard the details. The two talked the following week, and de Quesada invited him in for a formal interview. Despite Ilabaca's lack of experience, de Quesada decided to take a chance and hire him. A year after graduating from Owen, Ilabaca finally had the job he had been looking for. "I was very fortunate to get it, especially since the HR department at FSI wanted someone with more of a media background, but that made me all the more determined to prove myself," he says.

A few weeks later when de Quesada put that blank piece of paper on his desk, the newly hired Ilabaca would have an opportunity to do just that.

### The most of every opportunity

It is fitting that Ilabaca and *Premios Fox Sports*, the project he was tasked with developing, have enjoyed similar trajectories of success. As the show has grown in stature over the past seven years, so too has Ilabaca's career. Aside from the third year, when FPAS decided to move *Premios Fox Sports'* executive position to Miami, he has been responsible for the planning and production of every show. Ilabaca was offered the chance to move to Miami and remain in charge, but he declined. His presence was sorely missed at that show, and FPAS approached him again about moving East and resuming his responsibilities. This time he agreed, but only after they granted him VP status and expanded his role within the company.

"I love being in Miami. In California I always felt like I was trying to catch up with our offices on the East

*Continued on page 54*



## Headlines from Around the World

*For Rent: Chief Financial Officer, Lagging Health Care, Antitrust Showdown*

### FOR RENT: CHIEF FINANCIAL OFFICER

Some small-business owners in need of accounting help to balance their books and guide them out of a financial black hole are renting CFOs rather than hiring them. The strategy comes at a time when the deep recession has forced small companies to look for money-saving alternatives that can yield good returns yet avoid substantial overhead costs. **Germain Böer**, Professor of Accounting and Director of the Owen Entrepreneurship Center, says business owners often want such a service when their company's finances are getting more complex and need someone with more financial expertise.

*The Wall Street Journal*, Sept. 22

### HOW TO MANAGE YOUR NEGOTIATING TEAM

**Ray Friedman**, Brownlee O. Currey Professor of Management, co-authored an article in the *Harvard Business Review* that discusses how negotiating teams frequently sabotage their own efforts. Friedman argues that a team must first negotiate internally to align its members' interests and develop a disciplined bargaining strategy.

*Harvard Business Review*, Sept. 9

### DISAPPEARING FOREIGN MBAs

International applications were down at business schools across the country this



year, challenging admissions officers to meet diversity goals and posing questions for the future.

**John Roeder**, Director of Admissions, says the Owen School plans to do more international outreach this fall than ever before.

Owen is unusual in that it had a banner year attracting international students. Roeder expects international enrollment to hit 26 percent this year, up 6 percentage points over last year.

*BusinessWeek*, Aug. 5

### LAGGING HEALTH CARE

A roundup of notable papers and articles includes a brief review of "Why Does the Quality of Health Care Continue to Lag? Insights from Management Research" co-authored by **Rangaraj Ramanujam**, Associate Professor of Management, and published in *Academy of Management Perspectives*.

*The Economist*, June 30

### PAINFUL PAYMENTS

Covering the estimated 46 million people nationwide without medical insurance won't come cheap. One recent analysis puts the cost at \$1.5 trillion over 10 years. **Larry Van Horn**, Associate Professor of Health Care Management, says taxing all health care benefits would save the government about \$250 billion a year. "Just as importantly, it will result in changes to the design of health plans

and reduction in demand for health care services," he says. "At the end of the day, we can't afford what we're consuming now, so we need to consume less."

*The Tennessean*, June 15

### ANTITRUST SHOWDOWN

A merger between concert promoters Ticketmaster and Live Nation awaits approval by federal antitrust regulators. Critics say the merger could lead to a monopoly within the entertainment industry; proponents say it would enable greater efficiencies. What's there to like about this merger? The combined company will effectively cut out middlemen, such as independent concert promoters, business managers, lawyers, agents and venue owners who want a piece of the pie, and allow artists to deliver services "quicker, faster, better and cheaper" to their fans, says **Luke Froeb**, William C. Oehmig Associate Professor in Entrepreneurship and Free Enterprise.

*Time*, June 10

### AN UNCERTAIN FUTURE

Individual investors are rapidly losing sources of analysis and advice, as money set aside for independent research dries up and Wall Street firms slash budgets. "When [people] have to start paying for equity research, [they] could come to the conclusion it's not worth all that much to them at the margins," says **Craig Lewis**, Madison S. Wigginton Professor of Management in Finance.

*Newsweek*, May 5

RIC THORNTON, MCT

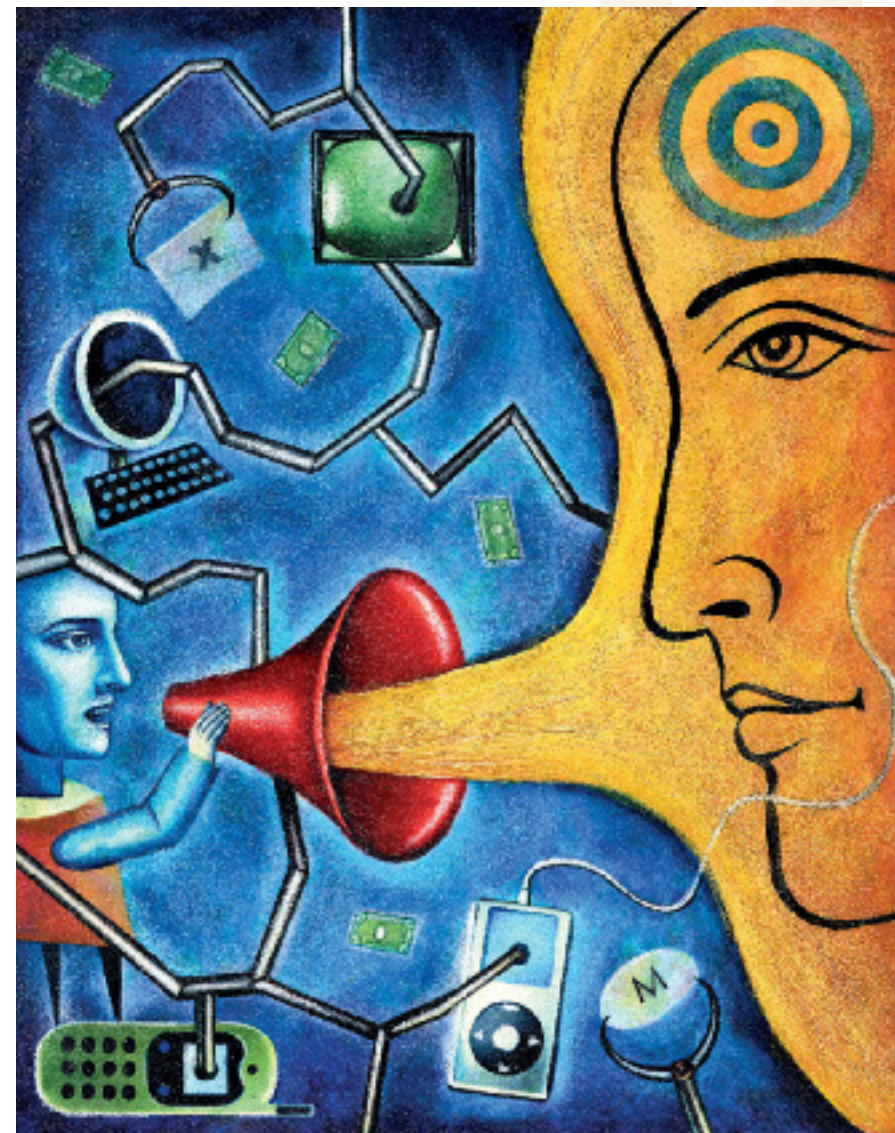
# NEW DYNAMIC

The marketing revolution at Owen

By ROB SIMBECK

Like information and technology, marketing is undergoing a continuing revolution. The needs and interests of consumers and corporations are evolving, and the means of informing them about products and services are changing dramatically.

Owen has met this revolution with one of its own. The school's marketing department is essentially a new entity, bridging the gap between the quantitative and behavioral, presenting a cutting-edge synthesis to a new generation of students. As those students apply classroom lessons, and as alumni meet the business world's present-day challenges, this energized Owen team is helping to reinvent marketing in a digital age and bolster the school's reputation on the national and international scene.



Photography by DANIEL DUBOIS, JOHN RUSSELL AND STEVE GREEN





DAWN IACOBUCCI

STEVE GREEN

## Guiding Text

If one person could be said to embody the transition from the foundational strengths of 20th century marketing to the new realities of the 21st, it would be Dawn Iacobucci, E. Bronson Ingram Professor in Marketing. Highly awarded for her work at Kellogg and then Wharton, she is a widely regarded expert on networks and quantitative psychological research who has published in the top journals and worked alongside marketing luminaries Philip Kotler and Gil Churchill.

If there is a guiding text for Owen's marketing revolution, it may well be her new book, *MM: Marketing Management*. Practical, colorful and highly accessible, it is an introduction that brings nuance and application to the basics, swapping the stodgy for the downright sexy. It is—in layout, design, writing style, even price—

the perfect example of what modern marketing can and must be. In taking for granted global business and the digital age, the book is as cutting-edge as her work and as the department's faculty and direction—both of which she leads with what Dean Bradford calls "a commitment to a shared vision of elevating our standard in the eyes of the university, the academy and the business community."

Iacobucci says, "Our faculty is comprised of extremely talented marketing people who genuinely care about the student experience. We are devoted to building Owen and taking care of the students. We're looking to get the word out that, with the people and programs we have in place, our marketing MBA students are among the best anywhere."

JOHN RUSSELL

## Consumer Behavior

One of the clearest proofs of Owen's ability to draw top talent and foster in it both vision and cohesion lies in the behavioral side of its marketing department. The teamwork is epitomized in the Consumer Behavior class taught by Jennifer Escalas, Steve Hoeffler and Steve Posavac, along with Dawn Iacobucci.

"Consumer behavior is the foundation for managerial judgment in marketing," Posavac says. "Each of us carved out a quarter of the class in line with our unique specialties."

Escalas, Associate Professor in Marketing, who runs a company with her husband making and marketing customized swimsuits, is an expert on brands, identification and culture. Hoeffler, Associate Professor in Marketing, has a background in consulting for P&G and IBM, and research interests that include consumer behavior and radically new products. Posavac, E. Bronson Ingram Professor in Marketing, who previously taught and served as

Associate Dean at the University of Rochester, cites a long-term interest in "how managers use what we know about people to make better decisions."

The application of their varied research interests to their individual classroom work gives students a broad knowledge of technique and application. Their investment in the Owen community does the rest.

"We get to know students on a one-to-one basis," says Hoeffler, "so we can work from what they're interested in and where they're going."

As for the bottom line, Escalas says, "Hire the best faculty members you can, teach both the basics and the cutting-edge aspects of the field, give students some immersion in the real world, and you'll do well."



From left, STEVE POSAVAC, JENNIFER ESCALAS AND STEVE HOEFFLER





From left, MARK RATCHFORD and JEFF DOTSON

DANIEL DUBOIS

## Quantitative Approach

Jeff Dotson and Mark Ratchford, both Assistant Professors of Marketing, are the department's young guns on the quantitative side. Dotson says he was drawn by the fact that Owen has an environment where people enjoy working together and get along. Ratchford heard good things about Owen from Steve Posavac, whom he had met while at the University of Rochester.

Dotson's work employs statistical techniques in marketing. "Companies are drowning in data but starving for knowledge," he says. "Being able to take information and turn it into actionable insights is a huge challenge, and anyone who does analytical marketing is really in demand now."

Ratchford's work "has to do with how people relate to one another with social networks, with the interactions among companies and people," particularly the way companies form coalitions and achieve synergy in developing products. He is teaching courses

on new products and marketing strategy this year.

Both are pleased with the department's approach and their roles within it.

"This is an amazing group in the sense that everyone is new," Dotson says. "It's really unusual for a marketing department."

Ratchford adds, "I think even among the quantitative types, the kind of work Jeff and I are doing is a bit unique. My work uses cooperative game theory, which nobody in marketing does. I kind of knew that only places with more of a cutting-edge vision would be interested in me."

Iacobucci agrees on both counts. She describes both as "nice guys who are super-smart," adding, "Since we're a small group, it would have been safer just to go traditional, but that would be boring, no?"

DANIEL DUBOIS

## Resume Building

Five Owen marketing students took their classroom knowledge into the business world last semester in a pilot program that brought the immersion concept to the department. Phoebe Zhang, Cara Trageiler, Shashi Shanbhag, Patrick Phillippi and Allison Earnhart, all MBA candidates for 2010, spent 11 weeks together under Yvonne Martin-Kidd, Executive Director of Marketing & Communications and Adjunct Professor of Marketing. Together they served as a consulting team on a rebranding and marketing project for a worldwide telecommunications software firm.

"I probably learned more about marketing and brand management from that one project than from any single class I'll take," Phillippi says.

The Brand Group met weekly with Martin-Kidd, who Zhang says, "gave us the tools and great advice, drawing on her marketing background, and then she let us run with it."

Phillippi adds, "The great thing about Owen, is that it's a small

school so you know everyone, but people have worked in all kinds of industries."

Following interviews with senior management, employees and customers, the team made recommendations for everything from logo redesign to improved product bundling. "We couldn't have asked for a better demonstration of the strength of Owen students," Shanbhag says, "or our ability to do the job of high-priced consultants."

All are excited about the future of such ventures. "This pilot program was a great addition to the marketing curriculum," Trageiler says. "I was excited to see they're planning to expand the Brand Group into a Capstone project and to add a Brand Week between mods 1 and 2."

Earnhart, who, with her colleagues, represents the face of the department's continuing revolution, adds, "The marketing curriculum is definitely taking huge steps forward."



From left, SHASHI SHANBHAG, CARA TRAGEILER, PATRICK PHILLIPPI, PHOEBE ZHANG and ALLISON EARNHART



## Investment Opportunities

It may specialize in investor relations, but as a firm in the business of presenting other companies, Corporate Communications Inc. is a hub of strategic marketing. In producing, among other things, quarterly and annual reports for a variety of small- and mid-cap publicly held companies, it makes financial data useful to investors, analysts, the press and public. Doing so draws heavily on what Gil Fuqua calls the cross-training he and fellow Senior Vice Presidents Dru Anderson and Pat Watson received at Owen.

"We are in the communications business," Fuqua says, "but what we do is largely based on a thorough and relatable understanding of a company's financial picture. Our Owen training in finance and accounting provided the right base of knowledge."

"We always say we are marketing companies as investment opportunities to a Wall Street audience," Anderson says.

As in so many firms, theirs is a mixture of business basics and ever-changing technology. "The information we deliver to the market is the same as it was 25 years ago," Watson says. "The real difference is that instead of faxing or mailing it to a couple of hundred people, you're posting it online to countless people, and it's almost instantaneous."

All have kept a close watch on Owen's continuing transformation. "I'm very positive about the changes Owen has made in its marketing department," Fuqua says. "What has too often been left out and what Owen is addressing is that once you've got the information, how you communicate it is just as important. Owen students learn both skills."

From left, GIL FUQUA, BA'73, MBA'75, DRU ANDERSON, BA'80, EMBA'89, and PAT WATSON, EMBA'83



DANIEL DUBOIS

DANIEL DUBOIS



JILL AUSTIN, MBA'88

## Patients' Needs

The marketing challenges Jill Austin, the Chief Marketing Officer at Vanderbilt University Medical Center, and her team faced with the \$64 million rollout of Vanderbilt Health at One Hundred Oaks were both sweeping and intricate. They had to (1) reassure neighbors, (2) form alliances with physicians, the city and merchants, (3) inform the media, and (4) bring patients to 22 planned clinics and additional offices.

Their playbook contained everything from community meetings to Twitter, reflecting the desire of the VUMC marketing team "to communicate with people in all the ways they want to be communicated with," Austin says.

The marketing process has been as much about listening as speaking. "One of my favorite quotes was from a focus group on our Web site: 'Please make this more about us than about you,'

which is so great," she says. "That became a philosophy that pervades our work."

Cyril Stewart, the Senior Director of Facility Resource Strategy and Management at VUMC, says, "I think that Jill's careful crafting of the One Hundred Oaks focus group sessions is what turned the tide on the project." Austin, however, is quick to share the credit, saying, "We couldn't do what we do in marketing if it weren't for our colleagues in other areas, including news and public affairs, community outreach and physician liaison service. We are all part of the communications channel."

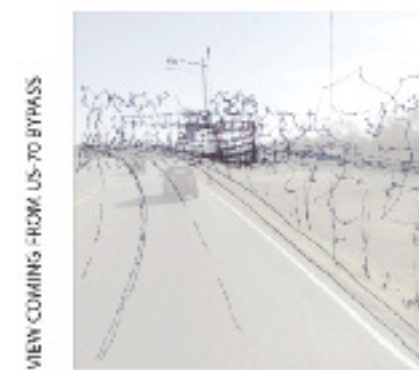
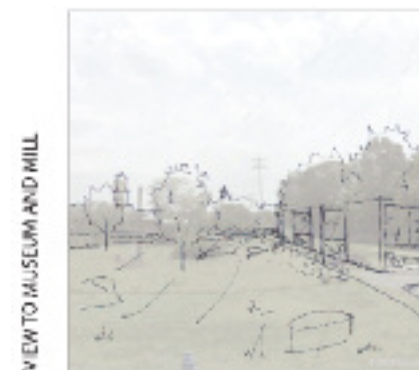
And for Austin, the end is clear. "It's not about selling us," she says. "It's about understanding the needs of our patients, families and neighbors, and then working to best serve those needs."



# REAL DEAL

## REAL ESTATE

Capstone course provides hands-on experience for Owen students



By WILLIAM WILLIAMS

Academics often like to talk about providing “real-world experience” for their students, but the real estate program at the Owen School has ventured beyond the standard rhetoric.

During the 2009 spring semester, a group of 10 second-year students took part in the inaugural Real Estate Capstone course that saw them devise a long-term growth plan for downtown Lebanon, Tenn., a city just east of Nashville. The specific thrust involved transit-oriented development. The course was led by Jacob Sagi, Vanderbilt Financial Markets Research Center Associate Professor of Finance, and Thomas McDaniel, MBA’02, Adjunct Professor in Real Estate Finance and Partner with Boyle Investment Co., a

real estate investment firm with offices in Nashville and Memphis, Tenn. “The motivation for the course,” Sagi says, “is to challenge the students with realistic development projects with tough issues—from working with professionals in diverse and often very different fields to trying to balance the value added to developers and communities.” The Owen students teamed with 16 advanced urban design students led by Associate Professor T.K. Davis from the University of Tennessee’s College of Architecture and Design. Working in a

MONSTER, ISTOCKPHOTO.COM, COMPOSITE ILLUSTRATION, MIKE SMELTZER



truly collaborative process, the Owen and UT students devoted the semester to identifying four potential infill development sites within a half-mile radius of Lebanon's Music City Star commuter rail transit stop. The stop is located near several key attractions—the historic town square, a greenway, a 200,000-square-foot retail facility, and Cumberland University—all potential drivers of future development.

While the UT students handled the design aspect of the project, the Vanderbilt team conducted a market analysis, developed marketing strategies and detailed pro forma financial analyses of the four sites, and researched legal implications and potential public/private partnership strategies to make the development projects feasible. The process was very practical, Sagi says, as the students earned hands-on experience, interacted with a variety of respected officials and—perhaps most important—made potential professional contacts and friendships that could prove invaluable.

At the semester's end the Owen and UT students presented their proposals at the Nashville Civic Design Center to an audience of about 100, including many from the Nashville chapter of the Urban Land Institute. ULI members critiqued the student recommendations for the four sites, and the proposals were exhibited at the design center.

*There are few programs in the country that offer such an opportunity to their MBA students. We're hoping to continue and improve on our experience this year, and hopefully create a sustainable model for such a course that would be the envy of other schools. —Jacob Sagi*

"Our final presentation at the Civic Design Center was very well-received," says Shelby Pool, MBA'09, who graduated in May with an emphasis in real estate and finance. "As a group, we presented many well-researched projects and were able to touch on both the positives and negatives of the various proposals."

Pool describes the Capstone course as "real world-based." She says, "There was a lot of room to think outside of the box and present creative ideas and solutions."

### Building a program

Sagi says the course took the students beyond academia to help prepare them for working within a challenging economy. Real estate development focuses on uncovering opportunities and minimizing risk in a highly complex environment with various stakeholders whose interests often conflict, he adds.

"It is hard to appreciate this from a completely theoretical or traditional case-based academic approach," Sagi says. "There are few programs in the country that offer such an opportunity to their MBA students. We're hoping to continue and improve on our experience this year, and hopefully create a sustainable model for such a course that would be the envy of other schools."

Sagi says the idea for the program stemmed from his interactions with colleagues in the real estate program at the Haas School of Business at the University of California, Berkeley. Haas stresses an interdisciplinary experience of real estate development and investment. The program interacts with the UC schools of architecture, urban planning, law, and construction engineering.

At the time, Sagi foresaw Owen as allowing for a different model, but one that could take cues from Haas. "Because we do not have access to such a diverse set of schools at Vanderbilt, I floated the idea of collaborating with the UT architecture students to T.K. Davis (then Design Director of the Nashville Civic Design Center). He was very excited about the idea, and the rest was

simply a matter of coordination."

Still, a star was needed since Sagi admits he has little expertise in development. To fill this role he tabbed Thomas McDaniel, a fellow professor at Owen. "Thomas is truly the brain and brawn behind it, and the course could not have been managed without him," Sagi says. "While I tried to keep abreast of the progress of the course during the semester, in the end my contribution to the whole thing was minimal."

Sagi's modesty aside, his visionary move resulted in an important learning experience, according to Owen students who participated in the course.

Matthew Treble, MBA'09, says the academic experience helped him better understand the challenges developers face in a tough economic climate. Those challenges were amplified by the architecture students, who approached the effort more from a creative perspective.

"The UT students were immensely talented and did great work," says Treble, who graduated with an emphasis in real estate and finance. "However, many of the designs were not economically feasible, and it was difficult to rein in their vision for each site's end product. I found that to be the most interesting part of the course."

Treble says McDaniel helped the students model the project by effectively defining the parameters of each site and the projected elements expected to yield success for those sites. "We were also forced to research different sources of funding, public and private, in order to make many of the site plans feasible," Treble adds.

Pool says the course provided substantial experience for those students wanting full-time jobs in commercial real estate. "Many students already had some prior real estate experience," she says. "But for those who may have just worked on the finance side in the past, this course gave them the opportunity to dig into, say, the construction and/or development side of the industry."

## LONG-TERM BET

*Kevin Kaseff, MBA'89, says Owen set tone for real estate career*

By WILLIAM WILLIAMS

Twenty years can create some distance between a university and one of its graduates. Not so for Kevin Kaseff. A member of the Class of 1989, Kaseff fondly recalls both the friends he made at Owen and his academic experience. "I loved the school and the experience," he says. "I've maintained those friendships the past 20 years."



Kaseff

Even though Owen offered no real estate courses at the time, Kaseff credits the school with putting him on the fast track in his real estate career. Today he is the Co-founder and Managing Partner of Titan Real Estate Investment Group Inc., a national commercial real estate investment firm with offices both in Southern California and on the East Coast.

"My career success can be directly attributed to my time at Owen," he says. "I chose to pursue an MBA because I had reached a point where I felt I was stagnating in my career, and I wanted new challenges."

The contrast between his studies at Owen and his work in Los Angeles—one of the nation's most dynamic real estate markets—provides the businessman with an interesting perspective.

"My view of the financial world was a 45-degree angle, and I wanted the full 180-degree perspective," he recalls of his academic career. "And clearly, Owen did that for me. Investing in real estate is about making

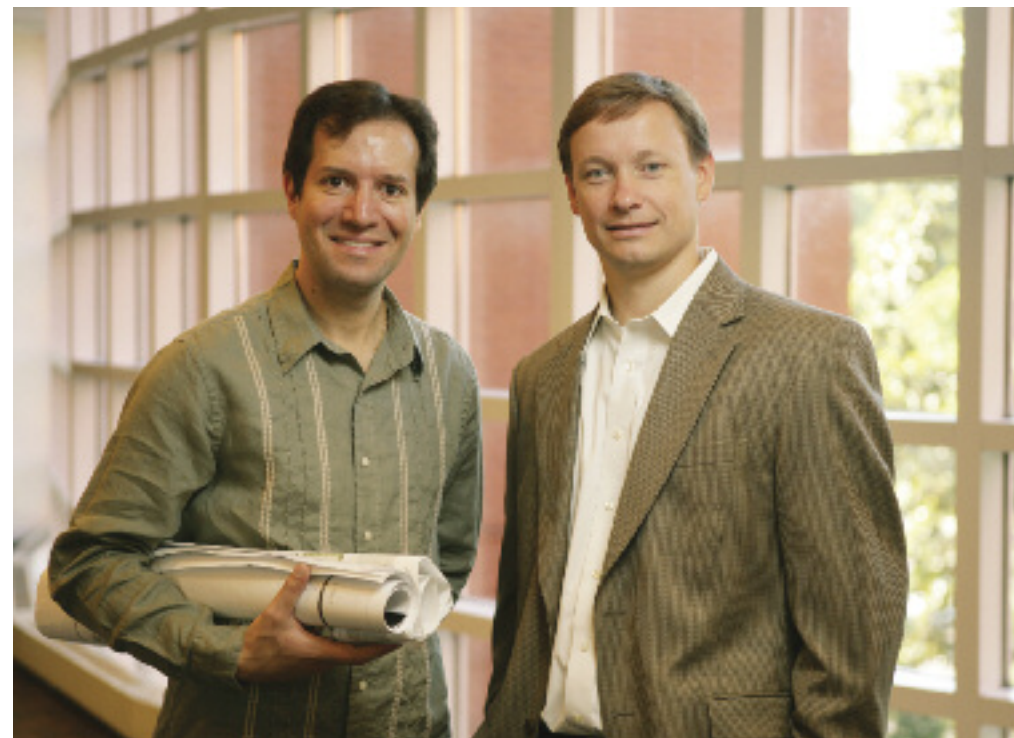
long-term bets. These are not liquid assets, so having an MBA and knowledge of the financial markets, operations, accounting and human resources is critical."

A native of the San Francisco area, Kaseff says he is moderately familiar with the Middle Tennessee commercial real estate market. "We recently sold several apartment complexes in the Nashville area," he says. "Nashville is a strong warehouse distribution market but a relatively small office market."

The broader issues and trends facing the commercial real estate industry, Kaseff says, are those most businesses must address: reduced demand and a lack of credit. As to Titan specifically, the company is stable. "We are fortunate during this capital markets meltdown that our properties are well-leased," Kaseff says. "We have avoided using high leverage and have been fairly conservative in our underwriting."

Kaseff foresees a redefining of an industry that has taken a bruising with the country's economic slump. "As we come out of this recession," he says, "there will be more of an emphasis on knowing real estate operations from leasing and management and less on pure financial engineering."

As for Owen and its own long-term bet in a real estate program, Kaseff is optimistic. "There are only a few graduate business programs around the country that have a real estate focus," he says. "I believe that Owen can compete to attract students with this emphasis. We need more Owen alums in our industry."



From left, Professors Jacob Sagi and Thomas McDaniel



Pool believes the program is a benefit not only to the students but also, potentially, to would-be employers. “The Capstone course is a great addition to Owen’s growing real estate program,” she says. “I think it will help local developers become more aware of the talent at Owen and [their] growing interest in local real estate opportunities.”

McDaniel shares Pool’s enthusiasm for the course’s long-term potential. He and Sagi continue to meet to discuss feedback. The duo wants to refine the two introductory courses: Real Estate Finance & Capital Markets and Real Estate Investment & Development. “Our new initiative is to further strengthen the school ties with real estate alumni, perhaps the one last missing link,” McDaniel says.

Creating that linkage is a worthy goal, one from which the graduate program could benefit. Given his career in the commercial real estate industry, McDaniel seems suited for the task. The adjunct instructor says Vanderbilt has made a concerted effort to ramp up its real estate course offerings. That work has resulted, he believes, in the program’s competitiveness with those at other top-tier graduate business schools.

“We want the real estate program specifically to hold its own with the top programs,” McDaniel says, recalling the creation of a formal Owen real estate program two years ago. Today Owen students can take courses within the real estate MBA emphasis (one of four emphases and eight concentrations). The real estate emphasis comprises three required courses (Real Estate Financial Analysis, Real Estate Investment & Development, and Real Estate Finance & Capital Markets) of two credits each. At least two additional hours of course work are required from six elective courses (Urban Transportation Planning, Construction Project Management, Construction Estimation, Construction Planning, Property Law for Business

Students, and Commercial Real Estate Transactions). The first four courses listed are four credits each, with the latter two being one credit apiece. The Real Estate Capstone course can be taken for four elective credits.

“We are competitive with other top-level MBA programs that offer a concentration in real estate,” says McDaniel, who graduated from Owen himself in 2002.

He describes the Capstone course as the equivalent of a thesis project: “It’s intended to be a culmination and summation of all the tools the students were equipped with during their two years at Owen.”

Ryan Seibels, MBA’09, who recently obtained his MBA from Vanderbilt with an emphasis in real estate and finance, says he feels the real estate pro-

*The Capstone course is a great addition to Owen’s growing real estate program. I think it will help local developers become more aware of the talent at Owen and [their] growing interest in local real estate opportunities. —Shelby Pool*

gram holds its own with any other similar graduate program in the nation. He says the curriculum prepared him well for a difficult economy.

“The challenge now is growing the number of students who are interested in pursuing a career in real estate,” Seibels says. “If that number can continue to increase and those alumni are willing to give back to the school, then the real estate alumni network will only grow. That’s how the top-tier real estate schools excel.”

#### Future developments

Seibels describes the partnership with the UT architecture students as unique. He also says interacting with Lebanon officials and community members—and assessing how the Music City Star transit stop could one day greatly benefit the town as a mixed-use node—proved interesting. “It greatly helped shape the developments that we proposed at the

end of the course,” Seibels says.

However, such a major academic undertaking does not come without its difficulties, he adds. “The logistics alone made the course somewhat challenging,” he says. “While working with UT students provided great benefits for us, it was difficult because we could not just call or e-mail them and set up a meeting to really dive into their designs. Instead we were left to assemble about once a month to hear new ideas and designs and to try to solve problems and discuss all issues.”

Sagi says the concept for the project course was very fluid and experimental. He and McDaniel anticipated the challenge—and, at times, difficulty—in coordinating between the UT and the Owen students. Lebanon officials helped ease the occasional stress.

“I think we were all pleasantly surprised by the interest paid to the endeavor from the community in Lebanon,” Sagi says. “There was significant participation in the various meetings held, and it was important for our students to see how the planning process unfolds and experience the potential excitement and tension associated with a mixed-use urban revitalization project.”

Magi Tilton, Planning Director for the City of Lebanon, served as the local coordinator for meetings and public input. She praises the Owen students’ work, which included potential lease rates, rate of return on investment and analysis of potential project phasing. Though her contact with the Owen students was minimal, Tilton came away impressed with their presentations and professionalism.

“The feedback I received from residents and business owners was that they

were excited about the possibilities that were presented,” she says. “This was an educational experience for our citizens to learn about development and design opportunities. The City of Lebanon Planning Department plans to build on this work by keeping the communication lines open and continuing to provide information regarding alternative design and funding options.”

As to what the Owen students’ proposals might one day render, Tilton is optimistic. “I hope the ideas and information presented by the Vanderbilt and UT students will spark an interest and lead property owners and developers to build on the student projects in their plans for development here in Lebanon,” she says.

Time will tell if the Owen students’ analyses and recommendations actually will be realized. However, UT’s Davis, one of the state’s most respected architects/planners, says the Owen students did a “fantastic” job of learning how to balance design, construction and city planning with the art of real estate deals and the often arcane elements of the industry.

“I was very impressed with the Vanderbilt students, and I would say things went as well as could be expected given the logistical challenges,” he says. “In some ways we simulated the real world of design and development, where the client investor may be based in one city and the design team in another, with periodic face-to-face meetings supplemented by telephone and Internet communication.”

Davis says the students’ work revealed that transit-oriented development of a very high quality could be profitable for a developer if the existing Music City Star Lebanon station site (which is controlled by the Nashville-based Regional Transit Authority) could be either purchased or leased for development.

“This would be a win-win for the city and for ridership on the Music City



From left, Ryan Seibels and Matthew Treble

Star,” Davis says, adding that about 250 dwelling units could yield as many as 375 daily commuters on the train.

The three other sites within a 2,500-foot walking radius of the station did not project to be profitable for high-quality development without the use of tax increment financing, he says. Tax increment financing uses future gains in taxes to finance current improvements. It is the primary urban redevelopment tool in use today in the United States.

“With the designation of an urban revitalization area in and around the historic town center of Lebanon, tax increment financing could be utilized as a tool to make other sites viable for profitable development,” Davis says.

The Owen students would be pleased to see such a scenario unfold. Actual future development that takes into consideration their financial, market and legal analyses would validate their academic labor.

“We were pretty certain if anything comes out of it, it will be years down the road,” Treble says. “But we’re hoping something happens. We’ve done

most of the heavy lifting, so it would be nice if a developer could hit the ground running in the future. It would add legitimacy to the Owen program and our efforts.”

Regardless, the team benefited greatly from the experience, one that will be repeated in some form as Owen continues to use the Capstone course to elevate its real estate presence.

“The Capstone course is crucial to the real estate experience at Owen,” Sagi says. “After a ‘burning-in’ period in which we learn to maximize the value of the students’ time and how to coordinate between the various disciplines, we’re hoping to also involve at some point—in addition to architecture students—graduate students from the School of Engineering, Peabody College’s Community and Research Action [program], and the Vanderbilt University Law School.

“Yes, we like to dream big. We will have something worthy of national renown in the education of real estate MBA students.”





## Podcast and Videos from the Owen School

To access the following podcasts and videos, please visit [www.owen.vanderbilt.edu](http://www.owen.vanderbilt.edu) or the Owen page on iTunes U ([www.vanderbilt.edu/itunesu/](http://www.vanderbilt.edu/itunesu/)).

### SPECIAL TOPICS AND SPEAKERS

#### Charles Holliday, Chairman of the Board at DuPont (video)

Holliday addresses the Class of 2009 at Commencement.

#### Debora Guthrie, MBA'79, President and CEO of Capital Health Management Corporation (video)

Guthrie speaks at the annual barbecue during Alumni Weekend.

#### Tami Fassinger, Associate Dean of Executive Programs at the Owen School (audio)

Fassinger talks about Owen's decision to transition its Executive MBA program from an alternating Friday-Saturday schedule to an alternating Saturday-only format.

### FEATURED RESEARCH

#### Lobbying expenditures yield big returns (audio)

When it comes to lobbying, more firms are getting into the game. Recent research by **David Parsley**, E. Bronson Ingram Professor in Economics and Finance, provides a picture of just how profitable such activities can be.

### INSIDE QUOTES

I HAVE NEVER SEEN A DECLINE IN ECONOMIC ACTIVITY at the rate of speed that happened after last September in this country. And what made it really unique was that within a few months it became an almost worldwide phenomenon so that the whole industrialized world was in recession.

— Paul Volcker, President Obama's Senior Economic Advisor and former Chairman of the U.S. Federal Reserve, speaking about the current economic crisis at the Financial Markets Research Center Conference

#### Thinking like a CEO (audio)

Leading a company often involves a paradox. The skills that propel a person to the top—whether an entrepreneur building a new business or someone rising through an established program—may not be the skills most essential for guiding the entire enterprise as a chief executive. **Michael Burcham**, Professor for the Practice of Management, **David Furse**, Adjunct Professor of Management, and **Kimberly Pace**, Clinical Assistant Professor of Management, reflect on qualities that characterize how CEOs think and behave.

#### Hiring advice for employers (audio)

Even in a tight job market, high-pressure recruitment tactics can poison the employer-employee relationship. Research by **Ray Friedman**, Brownlee O. Currey Professor of Management, shows that a perceived mistreatment during the recruitment process can prove costly for the employer months or even years down the road.

#### Owen on YouTube

Watch Owen's faculty discuss their areas of expertise:

**Innovation** – David Owens, Clinical Professor of Business Strategy and Innovation

**Process design and improvement** – Nancy Lea Hyer, Associate Professor of Operations Management

**Health care** – Larry Van Horn, Associate Professor of Health Care Management

**Leadership** – Dick Daft, Brownlee O. Currey Jr. Professor of Management

**Marketing** – Dawn Iacobucci, E. Bronson Ingram Professor in Marketing

For more videos check out Owen's channel on YouTube:  
[www.youtube.com/VanderbiltOwen](http://www.youtube.com/VanderbiltOwen)

### INFORMED OPINION

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from 2001 to freeze all assets of Landsbanki in the U.K.

The U.K. authorities also used their powers to bring down Singer & Friedlander, Kaupthing Bank's subsidiary in the U.K., with brute force. This move guaranteed the fall of Kaupthing and was, in the eyes of many, a low blow by the British. On that very same day the British government announced a rescue package for U.K. banks—that is, all banks other than the one owned by an Icelandic bank.

The Icelandic Central Bank failed miserably in maintaining a responsible and stabilizing monetary policy. It

brought interest rates up to 15.5 percent in a fight against imaginary inflation. This policy drove up the value of Iceland's króna, the world's smallest floating currency, and created an opportunity for carry trade, wherein investors borrowed in low interest rate currencies and invested in króna. This further drove up the value of the króna, resulting in a huge trade imbalance, which in the end caused the króna to collapse even before the banks.

When the monetary policy of the Central Bank is viewed in context, it is difficult not to put the brunt of the blame for the meltdown squarely in the lap of its directors. In fact, chances are anyone could have done better than they did. But, of course, the Central Bank was working

under adverse conditions at the time, and it would be unfair to say that one group was more at fault than any other. In reality there was no single, simple reason for the collapse. It was the result of a confluence of unfortunate decisions and circumstances—ones that Icelanders hope will never be duplicated again.

.....  
ÓLAFUR ARNARSON earned his MBA from Vanderbilt in 1996. Since then he has worked extensively with Icelandic companies investing in the U.K. and Scandinavia, including at Lehman Brothers in London. He is also the author of a bestselling book about the Icelandic banking collapse. **VB**

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“CLAS SACTS”

**Please Note:** Class Notes appear only in the printed version of this publication.



DANIEL DUBOIS





STEVE GREEN

JOHN RUSSELL



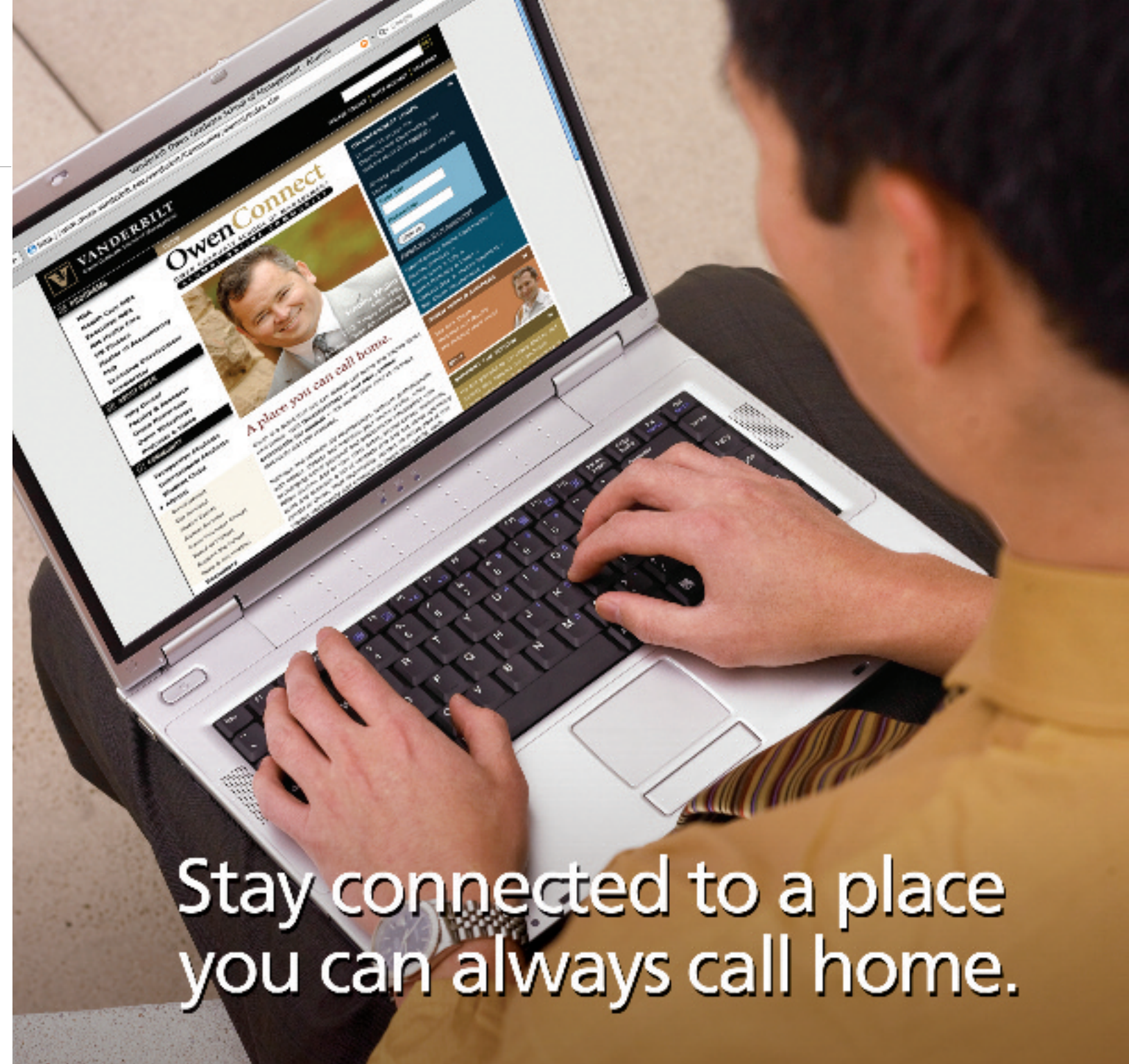
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"CLASS ACTS"



JOHN RUSSELL




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- Discover articles, podcasts, faculty research and current Owen news

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## BRIDGE TO SUCCESS

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Recognizing this market need, he developed a travel site that would appeal to college students and launched it in January 2009 using Vanderbilt as a test school. Immediately 2,000 students signed up. The Long and Louv Fund allowed him to spend the summer focused on the company, building relationships with others in the Web-based travel industry, doing some traveling himself and meeting other students to find out what their specific needs are.

Meanwhile Thomas Bernstein and Miguel Coles, the other recipients of the stipend, spent the summer launching a marketing platform to kick-off their mobile phone application, Nashville Pulse. Their original idea was to install

low-cost digital media screens in residential elevators, but they ultimately redirected their energies toward consumer mobile phones.

Bernstein and Coles hired three Vanderbilt undergraduates—Will Green, Mike Slade and Riley Strong—to help shape an application that delivers event information, including descriptions and coupons, to smart phones using GPS-tagging capabilities. “A student down at Broadway and Fourth leaving a restaurant and looking for a music venue would find out there are 15 bars around playing great music. They could access our tool to see which three have deals. It’s a powerful tool because you’re delivering the message at the moment and location of the sales decision,” Bernstein explains.

Bernstein says more important than the grant money is the confidence boost they

received from their idea being selected for the stipend. “When you’re sitting there with what you feel is a great idea and plan, but with no money to fund it, you can’t help but doubt your ability to make your vision a reality,” he says. Coles adds, “This experience has been much better than any internship I could imagine.”

Testaments like these remind the Longs and Louv why they decided to create the fund in the first place. Just as Owen has left a lasting impact on their own lives, their gift is now doing the same for others. Although it is only in its second year of existence, the stipend program is already putting students on a bridge to entrepreneurial success.

Or as Coles puts it: “It moves us into a different dimension of creating jobs rather than seeking them.” **VB**

## FACULTY IN FOCUS

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expand Owen’s portfolio of programs in key industry sectors such as health care, law and sustainability.

### New Appointments for Endowed Chairs

#### Bruce Barry

*Brownlee O. Currey Jr. Professor of Management*

Barry has conducted vast research and written extensively on social issues in management. He is the author of *Speechless: The Erosion of Free Expression in the American Workplace*, which examines free expression and workplace rights from legal, managerial and ethical perspectives.

#### Paul Chaney

*E. Bronson Ingram Professor in Accounting*

An expert in financial accounting and financial statement analysis, Chaney recently co-authored a landmark study that found a direct correlation between the public perception of an auditor’s reputation and a company’s market value.

#### David Parsley

*E. Bronson Ingram Professor in Economics and Finance*

Parsley’s current research focuses on exchange rates and the integration of goods and services markets, financial markets and labor markets. He has also measured the effects of political connections on firm financial performance.

#### Steve Posavac

*E. Bronson Ingram Professor in Marketing*

Posavac is an expert in the field of consumer judgment and decision processes, including perceptions of value, and advertising and persuasion.

#### Jacob S. Sagi

*Vanderbilt Financial Markets Research Center Associate Professor of Finance*

Sagi, an expert on financial economics and decision theory, has conducted extensive research on asset pricing and decision making under risk and uncertainty.

#### Gary Scudder

*Justin Potter Professor of Operations Management*

Scudder’s research interests include business strategy and operations management. He has consulted with a number of large corporations, primarily in the areas of managing new product development and strategic planning.

#### Richard H. Willis

*Anne Marie and Thomas B. Walker Jr. Associate Professor of Accounting*

Willis has studied the effect of security analysts’ earnings forecasts on analysts’ performance evaluation, the determinants of persistence in analysts’ stock picking ability, and the effect of investor sophistication in interpreting analysts’ stock recommendations, among other topics.

### Faculty Awards and Recognition

**Nick Bollen**, E. Bronson Ingram Professor in Finance, received the Faculty Research Impact Award. One of his early papers, an analysis of the impact of decimal pricing on mutual fund trading costs, proved especially groundbreaking. His most recent work showed that mounting restrictions on hedge fund withdrawals can erode investor value by as much as 15 percent.

**Michael Burcham**, Clinical Professor of Entrepreneurship, was selected by the Executive MBA Class of 2009 to receive

the Executive MBA Outstanding Professor Award.

**Dewey Daane**, Frank K. Houston Professor of Finance, Emeritus, has retired after more than three decades of service to Owen. He was appointed by President John F. Kennedy to the Federal Reserve Board and represented the United States from 1963 to 1974 as one of the two U.S. Deputies of the Group of Ten in their frequent meetings related to the international monetary crises.

**Michael Lapré**, E. Bronson Ingram Associate Professor in Operations Management, received a 2008 *Manufacturing & Service Operations and Management (M&SOM)* Meritorious Service Award for providing timely, unbiased and thoughtful reviews of manuscripts submitted to the journal.

**Craig Lewis**, Madison S. Wigginton Professor of Management in Finance, was selected by the MBA Class of 2009 to receive the James A. Webb Excellence in Teaching Award. Lewis teaches Corporate Valuation, one of the most beloved (and feared) classes in the MBA program.

**Richard Oliver**, Professor of Marketing at Owen since 1990, has been named Professor, Emeritus. A renowned researcher and pioneer in the field of consumer psychology, Oliver received the prestigious 2008 Sheth Foundation/*Journal of Marketing* Award for his work, titled “Whence Consumer Loyalty.”

**Jacob Sagi**, Financial Markets Research Center Associate Professor of Finance, received the Faculty Research Productivity Award for his extensive analyses on financial economics and decision theory.

The Vanderbilt Travel Program and Owen Graduate School of Management invite you to discover the cultural diversity and natural riches of the Rhine Valley by river, rail and road. Join Dean Jim Bradford for Owen’s inaugural travel opportunity:



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## CORPORATE SPOTLIGHT

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Coast and Buenos Aires, which at certain times of the year is six hours ahead,” he says. “Being on the East Coast, I feel like I’m the one setting the pace.”

Ilabaca’s broader role within the organization has allowed him to be involved in business development and rebranding efforts. “I always find new projects. That’s what’s so wonderful about media. It’s always changing,” he says. In 2008–2009 Ilabaca oversaw the launch of the new on-air, off-air and online image packages for each of FPAS’s three television channels: Fox Sports en Español, which serves the U.S. Hispanic market, and the two Fox Sports Latin

America channels that serve Mexico, Central and South America. The three channels have more than 26 million subscribers combined.

*Premios Fox Sports*, however, continues to be Ilabaca’s primary focus. “I’m proud that it remains the only awards show of its kind. There are no other programs around that specifically recognize and celebrate the achievements of Latino athletes the way we do,” he says. The show comprises several different categories that honor Latino athletes in soccer, baseball, tennis, basketball, boxing and motor sports. Each year the scope of the show grows, and new wrinkles are added. In 2008 *Premios Fox Sports* was held outside the United States

for the first time—both in Mexico City and Buenos Aires within a three-week period. This December the show will be produced at Hard Rock Live in Hollywood, Fla.

Yet as the spotlight grows, Ilabaca is careful not to be blinded by it. He has not forgotten how far he has come and what got him there.

“I have an MBA, but it wasn’t beneath me to clean out a storage facility. No matter how entitled you may feel because of your degree or your past experience, you sometimes have to assume a lesser role,” he says. “From there you just have to make the most of every opportunity.” **VB**

## BOTTOM LINE

continued from page 56

The Owen LinkedIn group has more than doubled in size since October 2008: from 800 members to 1,900 members (as of early fall). Here’s how to join:

- Visit [www.linkedin.com](http://www.linkedin.com) and sign up for an account.
- Visit the Social Media page on Owen’s site and click on “Owen on LinkedIn.”
- Click the “Join this Group” button.
- Start networking! LinkedIn can be invaluable for a job search. Try finding other Owen community members who work within your target industry or geographic location.
- Do you have a business question? Post your problem to the discussion board and let other Owen members help you solve it.

### Twitter

Twitter is a way to stay in touch with the world through short messages lim-

ited to 140 characters. Users send messages (“tweets”) to others who have signed up to follow their updates. Owen uses Twitter to send out real-time information about alumni events, such as happy hours hosted by the school in various cities around the country.

Alumni news, like promotions, career changes and new business ventures, are also posted to Twitter.

Here’s how to follow Owen on Twitter:

- Visit [www.twitter.com](http://www.twitter.com) and sign up for an account.
- Visit the Social Media page on Owen’s site and click on “Owen on Twitter.”
- Click the “Follow” button.
- Check your Twitter page regularly for updates from Owen. You can keep up with Twitter online or by using your mobile phone.
- To find other people or organizations to follow on Twitter, click through Owen’s “Following” list.

### Other social media sites

Owen also has a presence on YouTube and iTunes, with school-related videos and podcasts of lectures and campus speakers. To check out these sites, just visit Owen’s Social Media page.

### Dive in!

These various social media sites may seem overwhelming, but don’t be afraid to give them a try. Keeping in touch with the Owen community has never been easier.

.....  
SUZANNE FEINSTEIN earned her Executive MBA from Vanderbilt in 2001. She works as a Senior Marketing Manager at the Owen School. If you have any questions or suggestions regarding social media, please feel free to e-mail her at [suzanne.feinstein@owen.vanderbilt.edu](mailto:suzanne.feinstein@owen.vanderbilt.edu), or contact the Owen School through Facebook or Twitter. **VB**

# “My ability to earn income

is very much a product of having a degree from Owen. I believe I should share a part of that with Vanderbilt.”

—Jackie Shrago, MBA’75



### Nashville entrepreneur Jackie Shrago

has always been a firm believer in giving annually to Owen. When she wanted to increase the impact of her philanthropy, she worked with Vanderbilt’s Planned Giving office to create a charitable remainder trust, which offers the following benefits:

- lifetime payments;
- charitable deduction; and
- avoid upfront capital gains tax when trust is funded with appreciated stock.

Plus, she has the satisfaction of knowing that she created an enduring legacy at Owen.

“This plan is financially advantageous for both me and Vanderbilt,” Jackie says. “If I had known about it, I would’ve done it much earlier.”

To find out how you can create a steady income stream for yourself while supporting Owen, call Vanderbilt’s Planned Giving professionals at (615) 343-3113 or (888) 758-1999, or e-mail [plannedgiving@vanderbilt.edu](mailto:plannedgiving@vanderbilt.edu).



# Social Media 101

Connecting with the Owen community online

By SUZANNE FEINSTEIN, EMBA '01

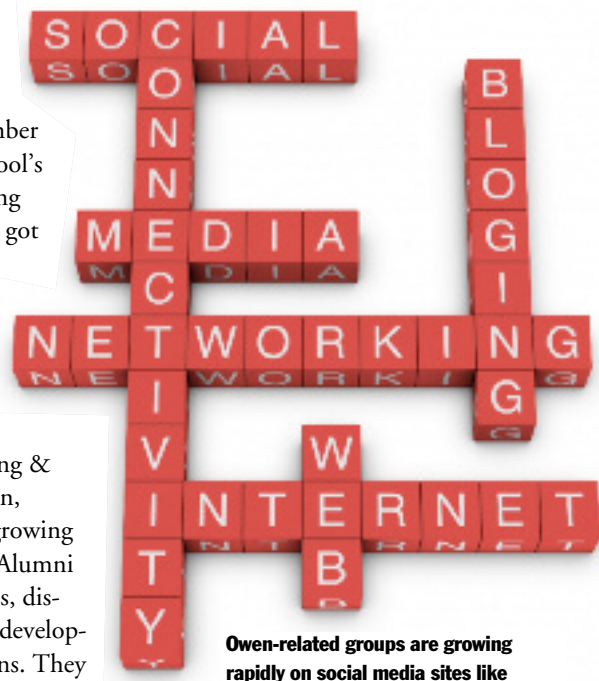
IN FALL 2008 THE ECONOMIC CRISIS SEEMED to fuel a need for connection. At Owen we noticed a large spike in the number of people asking to join the school's group on LinkedIn, a networking Web site for professionals. This got us thinking about Owen's presence on other social media sites, like Facebook and Twitter, and how we might help alumni stay in touch with each other and the school.

With help from the Marketing & Communications office at Owen, school-related groups are now growing rapidly and organically online. Alumni are reconnecting with classmates, discovering job opportunities and developing valuable business connections. They are also receiving the latest news from the school through Twitter feeds, a Facebook fan page, YouTube videos and iTunes lectures.

If you haven't done so already, we encourage you to explore the various social media sites out there. Signing up is easy and free. Here are a few ways to get started:

### Facebook

Facebook is a wildly popular and fun way to keep in touch or reconnect with classmates on a social basis. There are now more than 300 million people around the world who use the site. Facebook allows its users to customize their personal profiles by posting status updates, uploading photos, joining groups and becoming "fans" of just



Owen-related groups are growing rapidly on social media sites like Facebook and LinkedIn.

about anything under the sun, including the Owen School. Users receive updates regarding their friends, groups and fan pages through what is known as the News Feed, which appears on every user's home page.

The Owen Facebook alumni group has nearly tripled in size since October 2008. Here's how to join:

- Sign up for a Facebook account at [www.facebook.com](http://www.facebook.com). Be sure to add Vanderbilt and the year you graduated when creating your profile. This will help you and other classmates find each other.
- Visit the Newsroom page on Owen's Web site and select "Social Media."

- Click "Owen on Facebook" and then "Become a Fan." From time to time, you will receive valuable updates about Owen on your Facebook home page.
- Click "Owen Alumni Group on Facebook" and then "Join Group." By becoming a member, you can connect with other alumni.
- Search for other Owen groups. Try typing "Vanderbilt Owen" in the search box. You will find several "Class of" groups, some of which are more active than others.
- Search for your classmates. Try typing a name within quotes ("First Last"). If you get too many results, or don't recognize your friend from the thumbnail photographs, select "My Networks" from the drop-down box. That may narrow the results enough to reveal a classmate.

### LinkedIn

The LinkedIn networking site is to business what Facebook is to friendship. The site now boasts a membership of more than 43 million business professionals from more than 200 countries and territories. LinkedIn users create profiles summarizing their professional accomplishments and then invite "trusted contacts" to connect with them and their networks. These networks give users the opportunity to search for job openings, collaborate on projects, and gain business insights through discussions.

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## How will you make a difference?

The alumni above have chosen to add value to Owen in meaningful ways that best fit their needs. Whether you choose to help recruit new students, hire Owen graduates, speak to classes, mentor students, lead a local alumni chapter, host an alumni event, support the school financially or attend a class reunion, your active connection to Owen ensures the school's continued success and growth. Learn more about how you can make a difference at [owenalumni.com](http://owenalumni.com).



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See page 27 for more details.