

SMITH business

FALL 2004 VOLUME 6 NUMBER 1



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Robert H. Smith: Investing in Potential

The builder/developer and philanthropist talks about the school that bears his name.

Journey Through Time

Come for a walk

SPECIAL INTEREST

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If you would like to comment on one of the articles in this issue, share a memory from your own days at the school, or ask a question, send a letter to the editor at:

*Letters to the Editor
3570D Van Munching Hall
University of*



*down memory lane
as we explore the
school's history.*

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**Business
Intelligence:
The Brain
Behind
Enterprise
Performance
Management**

*Alum Adi Padha '96
explains what a
business intelligence
platform can do for
your organization.*



*Not satisfied with the merely excellent,
Dean Howard Frank is determined to
take the Robert H. Smith School of
Business to the top ranks of top-tier
business schools. And he believes the
school is uniquely prepared to equip
executives to succeed in the technology-
driven environment of the 21st century
business.*

IS THE ROBERT H. SMITH SCHOOL OF BUSINESS
DESTINED *for*
GREATNESS?

**Leaders for the Digital Economy The
Smith School's Vision for Business
Education in the Netcentric World Leaders for the Digital
Economy The Smith School's Vision for Business
Education in the Netcentric World**

No matter where you look, technology is changing business in ways we are only beginning to see," says Dean Howard Frank. Here's an example: tonight, when darkness falls on Boston, almost all the radiology functions of Massachusetts General Hospital will be performed in India.

While MGH's American radiologists are home for the night, their Indian counterparts will be evaluating X-rays from their facility across the planet. It is easier and cheaper for the hospital to get radiologists in India during India's daylight hours than at nighttime in Boston, explains Frank.

New challenges come up in the business world all the time, but never before have they come so quickly. Ten years ago, no one could have imagined a radiologist in Boston competing for jobs with radiologists in Indiana, let alone India. The tremendous pace of technological innovation is driving constant change in the way business is done.

The Smith School is creating leaders who are prepared to manage, anticipate and create those changes. The school has built an outstanding research faculty, a rigorous, focused curriculum and a high-tech facility to equip tomorrow's leaders with the tools they need to handle the rapid flow of information so vital to our digital economy. All these changes have happened in just seven years' time, in an explosion of growth unprecedented in the school's history.

“We’re one of the few places where this could occur,” says Frank. “Over the last seven years we’ve changed dramatically.”

The Road to Greatness

In 1997, the University of Maryland Business School was a reputable institution, with a solid foundation of core competencies and a well-structured MBA program. The curriculum was diverse and incorporated many approaches to business education including cases, teamwork and experiential modules.

But it wasn’t truly distinctive. And it wasn’t yet great. Frank and the faculty believed the school could become truly exceptional, but it required a compelling vision that faculty, students, staff, and alumni could rally behind. Frank’s vision was clear: he wanted Smith to become the top tech-oriented business school in the world, creating leaders who were adept at engaging technology and releasing its power to transform business.

Changes began immediately, with content innovations to the school’s curriculum and a new netcentric research agenda. The size of the school’s physical plant was doubled, and a technology infrastructure installed that was not just wireless, but state-of-the-art. A concerted effort was made to hire the best new faculty and faculty salaries were made competitive with those of other top business schools. “Our tag line, leaders for the digital economy, is not just a hypothetical statement or a promise of the way things will be someday. Our curriculum is different, our research agendas are different, our laboratory infrastructure is different, the content of courses and course delivery is different,” says Frank. “When you put it all together, there are very few schools on earth that are actually preparing students for leadership in the digital economy in the way that we are.”

From Excellence to Greatness

Smith has joined an elite group of distinguished business schools since it took those first steps on a journey toward greatness. But, says Frank, the school shouldn't rest on its laurels. "It's not like a road race, where you pass a mile- very competitive, and every very good school wants to be a top-tier school. We have to keep moving." In order to continue the Smith School's ascent to the top, Frank has identified the following strategic priorities for 2004–2008:

Refining Academic Program Distinctions
Students who come to the Smith School expect an excellent return on their investment—and Smith delivers. Innovative coursework integrates the traditional pillars of management education with the latest and greatest technological tools to produce leaders who are able to hit the ground running out in the real world. The use and management of information technology (IT) will continue to be a core competency, helping tomorrow's leaders become highly adaptive and receptive to new and complex information.

On a graduate level, Smith will expand services for part-time MBA students and strengthen MBA communications mastery skills, which are so vital to leadership. Executive education programs in the U.S., Asia and Central Europe will expand the school's influence around the world and make Smith a significant player on the international stage (see sidebar, page 11.)

First in Research

Several other leading schools are focusing their efforts on the convergence of business and technology. But no one can match Smith in the area of research production. Our thought leaders are changing the way the world thinks about

7 Fast Facts About Smith

1 The average SAT score for an entering Smith freshman in 2003 was 1360, the highest of any college in the University of Maryland.

2 In 2003, the school had 2,580 undergraduates, of whom 43% were women, 22% Asian American, 7% African American, and 3% Latino.

3 The MBA program has tripled in size over the last decade.

4 Every student admitted to the PhD program receives full financial support in the form of a graduate assistantship or fellowship.

5 Smith is the only school in the Baltimore-Washington area with top-ranked undergraduate and graduate business programs.

6 In addition to offering top-ranked academic programs, the Smith School provides services directly to the Maryland/Washington, D.C./Northern Virginia corporate and government communities, including consulting, research and executive education.

7 Smith has a biweekly segment on the Maryland Public Television program *Business Connection* called "Smith Business Close-Up." (Check out the clips online at <http://www.rhsmith.umd.edu/mpt/archives.html>.)

everything from health technology to high finance. Because of our exceptional research, Smith is having a real impact on a global scale.

Smith's world-renowned faculty—brilliant, original, creative—provide the impetus for the school's prodigious research output. They are superstars in their fields, academic innovators who are advancing business thinking and education for the netcentric era. These men and women aren't just teaching about business tools—they're creating them.

Smith faculty have become so respected and their research so valued that they are a frequent target of raiding by other top business schools. To continue on our quest for greatness, the Smith School must retain top tenure-track faculty and continue to attract the best in the business. The school has a very competitive salary profile but needs additional endowed positions to compete with the academically elite private business schools for future top level recruiting.

Improving Resource and Infrastructure Support

As the number of faculty grows, the need for space also grows. The super-wired, super-modern Van Munching Hall has helped the Smith School differentiate itself as much as its innovative curriculum and phenomenal faculty. "Every person who walks in the door of Van Munching Hall becomes a convert," says Frank. "It's like wearing a really nice suit to give a speech instead of jeans. This building is a really nice suit."

Frank doesn't want the lack of physical space to stand in the way of the school's ascent to greatness. "My goal is to set the record at the University for putting up a building. In two and a half years I'd like to see the Smith School put up another 30,000 square foot facility. That would allow us to give our faculty and students access to more space and more cutting-edge technology."

Establishing Smith's Identity

Building the Smith School's global brand began with the adoption of the tag line "Leaders for the Digital Economy" in 2003. The school is developing materials to help students, recruiters and alumni translate the school's unique approach to business education, as encapsulated by that tag line, into clearly understood

career benefits. Holding high-visibility symposia and conferences at the school will help educate the general public to the breadth and quality of research taking place at Smith. These marketing efforts will increase the value of a Smith education and help the school compete for the best students and attract the best faculty.

Building the Smith Community

Smith wants to build a lifetime alumni community that is the equal of alumni networks at schools such as Kellogg, Michigan or Stanford. Finding ways to connect Smith's nearly 40,000 living alumni to each other and the school is a high priority on the dean's to-do list. "The difference between a good school and a great school is an engaged alumni community," says Frank. "We are in the process of building such a community. The Smith School has a huge alumni base in all walks of life. We want to do a better job of creating partnerships with them, to get them engaged and involved."

The school's alumni—by any measure a powerful, diverse and international group—have been a tremendous resource to the school. Smith is planning new programs, tools and services that will help unite and strengthen this influential community, so alumni can network effectively with the Smith School and each other. (see article, page 14.)

From Excellence to Greatness

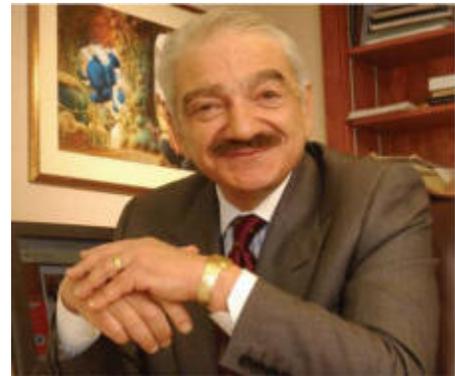
The Smith School is determined to achieve greatness, and it has the ability to do so. So what does it take to move from excellence to greatness? Focus on the strategic priorities, says Frank, continue to be excellent in every area, and greatness is just a matter of time. "There are very few schools on earth that are actually preparing students for leadership in the digital economy," says Frank.

"We've been working at it for seven years now. We are certainly one of the top two or three schools in the world when it comes to the convergence of business and technology. And if we're not number one, I don't know who is." 

Destined for Greatness

If you're a regular reader of *SMITHbusiness*, you learn a lot about the strides of the Robert H. Smith School of Business in this column. I like to talk about the great things that are happening here. But how did we get to this place of excellence, earning a spot among an elite group of business schools? And how can we move next to a place of greatness?

The driving factor has been and will continue to be the Smith School's concentration on research and teaching that focuses on the integration of business and technology. In the new economy, information technology is the driving force in business. The Smith School must continue to provide leadership in advancing business knowledge and thinking for this digital economy. And we must continue to provide students with the technical knowledge and skills they need to adapt and prosper in markets that we cannot predict.



In this special issue of *SMITHbusiness*, we take an in-depth look at what it means to be an institution identified by the phrase "leaders for the digital economy," the tag line adopted by the Smith School in 2003. And we explore the school's vision, which is to become a model for business education and knowledge advancement for the 21st century.

The Smith School's ascent to a position of leadership relies, in large part, on the support of alumni, corporations and other friends of the Smith School. Many of the school's accomplishments in recent years would not have been possible without the generous support of Robert H. Smith, a 1950 graduate of the school. In this special issue, the Washington, D.C.-area real estate developer shares his thoughts on business in the 21st century, leadership, giving, and of course the school that bears his name. We also walk back in time, charting the school's

course from the very beginning. If you are an alumnus, this historical timeline is sure to bring back some fantastic memories. For me, it is was an opportunity to once again marvel at the pace at which this young school has advanced.

Today Smith attracts the very best students, boasts a world-class faculty, and is housed in one of the most advanced research and learning spaces anywhere. Can we do better? Absolutely. Greatness is on the horizon. **Sb**

Smith School of Business Announces Key Appointments at Dingman Center for Entrepreneurship

Effective June 1, Scott Koerwer became acting executive director and Asher Epstein became managing director of the school's Dingman Center for Entrepreneurship. The appointments follow the retirement of Don Spero, the center's director since 2000.

Koerwer has been with the Smith School since 2001 and will continue to serve as associate dean for executive education and marketing communications. Epstein is a 2004 MBA graduate of the Smith School, where he was an MBA Scholar with the Dingman Center, president of the Graduate Entrepreneurship Club, and an associate with the New Markets Growth Fund, a \$20-million venture capital fund that was initiated through the Dingman Center. Charlie Heller, chairman of the Dingman Center's advisory board and former director of the center, and John LaPides, president of Snow Valley Inc., have been named Dingman Center entrepreneurs-in-residence. Mark Grovic, formerly deputy director of the Dingman Center, became the Smith School's first venture capitalist-in-residence and maintains his positions as an adjunct faculty member and managing director of the New Markets Growth Fund. Rudy Lamone, founder of the Dingman Center and former Smith School dean, will continue to represent the center and play an active role as an entrepreneurship mentor. 

Coach Gary Williams Speaks At Commencement



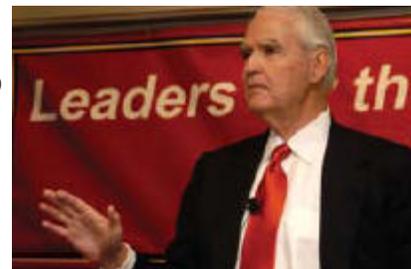
The Smith School welcomed Gary Williams '68, head coach of the University of Maryland men's basketball team, as the keynote speaker for its 2004 commencement ceremony. Williams, who proved one of Smith's most popular speakers at a graduation ceremony, spoke to a packed Comcast Center on May 21, 2004.

Williams was a marketing major at Smith and a basketball player for the University of Maryland, and upon graduation had to decide which to pursue as a career. Williams spoke of taking advantage of opportunities, trusting your instincts, and having a vision. He remembered those individuals who gave him his first opportunity at coaching and assured graduates that “if you can find that one person to give you an opportunity, then it’s up to you to make it happen.” In his address, Williams also applauded Smith faculty, comparing them to coaches, who also need an ability to teach.

Coach Williams said that Smith and the University of Maryland have proven that “we can compete with anyone in the country academically.” He left graduates with the confidence that they have been “part of a great school and a great university.” **Sb**

FDIC Chairman Don Powell Inspires Smith Students

Donald E. Powell, chairman of the Federal Deposit Insurance Corporation (FDIC), delivered an address to Smith students on April 28, 2004 titled “Leadership, Ethics and the Free Market.” “Leadership also means developing good relationships and getting along with people,” Powell said. “It’s critical to learn how to give and take. You may have an impressive academic background and great professional credentials, but if you can’t get along with your fellow man, you won’t get hired.”



Powell also challenged students to develop strong moral principles and conduct their business activities in accordance with the dictates of their consciences. “What’s important to you? What do you want to be remembered by? Money is not more important than your principles, so be clear about them and know your values,” said Powell. **Sb**

Senator Paul Sarbanes Talks Ethics with Graduating MBA Students



Senator Paul Sarbanes (D-Maryland) spoke about business ethics, corporate governance and the progress made since the

Sarbanes-Oxley Act of 2002 in an address to second-year MBA students on May 7, 2004. Sarbanes commended the efforts of the Smith School to provide its students with the study of ethics beyond the classroom. "Enron was the canary in the mine shaft," said Sarbanes. The ramifications of the Enron scandal opened the door to serious scrutiny of business processes, checks and balances. Sarbanes viewed Enron as an indicator of a more widespread breakdown in corporate governance. He named inadequate disclosure provisions, lack of effective auditing and inadequate funding of the Securities Exchange Commission (SEC) as reasons for the breakdown. The Sarbanes-Oxley Act, written by Sarbanes and Michael G. Oxley (R-Ohio), addressed these and other issues that contributed to the blurring line between tactical business maneuvers and ethical decisionmaking. The goal, Sarbanes said, is to create and bolster "a system that ensures that honest, transparent and ethical practices will take place in U.S. capital markets." 

Faculty Awards and Honors

- Gordon M. Phillips, professor of finance, has been appointed an associate editor of a new journal, *Annals of Finance*. The first issue will be published in spring 2005.
- Roland T. Rust, holder of the David Bruce Smith Chair in Marketing, director of the Center for Excellence in Service, and chair of the marketing department, was named to the program committee of the Eighth Annual International Research Seminar in Service Management, held in La Londe les Maures, France.
- Debra L. Shapiro, professor of management organization, and Anil K. Gupta, Ralph J. Tyser Professor of Strategy and Organization and chair of the department of management and organization, have been invited to join the editorial board of the *Academy of Management Journal*.
- Katherine Stewart, assistant professor of management science, recently received a \$500,000 Faculty Early Career Development (CAREER) Program Award from the National Science Foundation (NSF). The award will enable Stewart to examine factors that influence successful uses and applications of Open Source Software (OSS). The most commonly known OSS is Linux, the operating system that is considered a competitor to Microsoft Windows.
- Alexander Triantis, associate professor of finance, has been appointed a senior editor for the journal *Production and Operations Management*.
- Hugh S. Turner, teaching professor of transportation and logistics, won the 2003 TPUG Dissertation Award for his paper, "Infrastructure Productivity in the North American Containerport System: A Longitudinal Study (1984–1997)." The award acknowledges the outstanding contributions of scholars in the transportation and public utilities fields. TPUG (Transportation and Public Utilities Group) is an international forum for researchers and practitioners interested in the economics and public policies of the transportation and public utilities.

Alumni News

NEW! Career Services for Alumni

Looking for a new job? Ready for a career change? We now provide our alumni with free access to CareerTools™/ExecuPlanet, a complete virtual career service. This great toolbox of online resources includes résumé templates, an index of job sites, career assessment tools, research resources, a career “wizard,” networking resources, “Ask a Coach” Q&A, and much more. For a nominal charge, Smith alumni may upgrade to premium services, including access to more than 2,500 key trade publications, business and popular magazines, newsletters, newswires, newspapers, and analyst reports. The upgrade also gives you access to a continuously updated database of more than 1.2 million public and privately held U.S. companies, which you can use to create a personalized target company list for your job search. Check out CareerTools™ on our [Web site](#).

MBA Alumni Mentor Program

The original Mentor is a character from Homer’s epic The Odyssey. When Odysseus went to fight in the Trojan War, he entrusted the care of his household to Mentor, who served as teacher and advisor to Odysseus’ son Telemachus for many years. Over time, the word mentor came to describe a wise and trusted advisor or teacher.

At the Smith School of Business, we are tapping into the wisdom of our alumni to advise, instruct and teach our current MBA students. We are building meaningful interaction between our alumni and students, which is critical for building a world-class reputation. The MBA Alumni Mentor program functions with three levels in a cluster format. Senior-level mentors provide their time and experience to assist four to five young alumni mentors. The young alumni mentors in turn offer their experiences in developing the skills of current MBA students. This arrangement allows for relationship-building that can continue throughout and beyond a

student's time at the Smith School. Mentors are encouraged to share information and advice about their chosen career field, as well as general information regarding their organization and industry trends which might be helpful to their protégés.

Participating in the Alumni Mentor Program is an excellent way to give back and stay involved with the Smith School. We are currently recruiting new members and would love to have your involvement! If you are interested in participating as a mentor, please contact Francena Phillips Jackson at 301.405.9461 or e-mail mentorpro@rhsmith.umd.edu.

Dargeelyn Loftin

Dargeelyn Loftin (Finance '80, MBA '90) is ready to hit the ground running as the newest president of Smith's Alumni Chapter Board. Loftin was in her second year on the Alumni Chapter Board when the opportunity arose to serve as president, allowing her to marry her two loves, the University of Maryland and giving. "My hometown in North Carolina was smaller than the university; being here opened so many doors for me," says Loftin. "Thinking about my time here always puts a smile on my face. I want to give back."

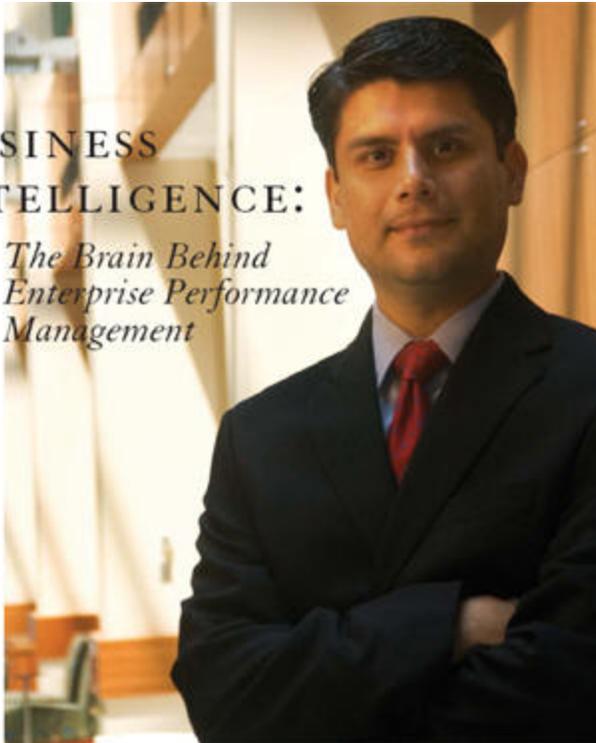


Loftin's education opened doors for her that she never expected. She worked for GE before starting her own consulting firm, Loftin Management Consulting Inc., which she ran for 10 years. Today she is the vice president of marketing and strategy at The Baldwin Group, a strategic change management consulting agency helping companies understand where business processes, technology and people come together. "It's easy to come up with new plans, but harder to get people to see the value in them," says Loftin. She would like to see more alumni become involved during the school year. "We see a lot of people who come back at homecoming, but one of the goals of Smith's Alumni Chapter Board is to help the school create diverse and meaningful experiences to engage alumni throughout the year," says Loftin. "I'd like alumni to be more accessible to current students. The mentoring program is a great way to help students become

more effective business leaders when they graduate. Alumni events are also great opportunities to network.”

BUSINESS INTELLIGENCE:

The Brain Behind Enterprise Performance Management



By Aditya Padha '96

One of the most important responsibilities a corporate executive has today is to use his or her insight to improve the performance of his or her business. Many people have written books sharing their philosophies about achieving excellence. After reading such a book, executives will often try to emulate the best practices of other organizations, with varying degrees of success. The problem is that achieving excellence in one's business is not as simple as,

say, baking a cake. To bake a successful cake, one simply needs to read the cookbook and follow the directions. Achieving excellence in one's business is not so simple; there is no one strategy, no simple cookbook of directions, which provides the right solutions for every business.

Organizations in pursuit of excellence need to measure and manage performance in order to define and meet their goals. Information technology can (and should) provide your business with important tools to make this task simpler and more effective. Businesses today often end up measuring and managing performance in a piecemeal fashion via a myriad of disparate business applications. More often than not, they fail to meet their goals since performance is usually being measured after the fact. In today's digital economy, businesses need to ensure that the entire organization is aligned with its strategic goals, while departments manage their goals at a tactical level. This is best achieved through a holistic corporate management approach called "enterprise performance management."

Enterprise performance management, or EPM, is a strategic approach to answering the fundamental business question, "What is the state of my business

“Business intelligence platforms are expensive but well worth the investment...”

today?” EPM aligns business intelligence, metrics and initiatives to optimize business processes. It emphasizes the use of metrics and business intelligence reporting to monitor and manage business executives from the executive to individual contributor level. You can use EPM strategies across departments by connecting goals to metrics to people.

Here’s how EPM works: during the budgeting and goal-setting cycle, high-level financial goals are set, and those goals are efficiently cascaded down the organization. All parts of the organization must work effectively in tandem to achieve their corporate goals. In the past decade, many businesses have begun using EPM to better integrate their financial planning, reporting and management functions. This ensures coordinated, seamless and resultsoriented management across all of an organization’s operating divisions. It is a proactive rather than reactive way to manage, and gives managers time to adjust their department’s activities to meet problems head-on. It is crucial to have a robust business intelligence platform to provide the decision support and reporting capabilities needed for a single enterprise view—a dashboard view, if you will—of your organization. Business intelligence platforms are expensive but well worth the investment because of the benefits they provide. These benefits include:

- *Improved reporting and analysis—a robust reporting solution provides dynamic reporting to support better resource allocation and decisionmaking.*
- *More accurate and timely decision making, by putting information into the hands of employees who can increase the company’s profits when and where they need it.*
- *Smarter operational plans, because the underlying information is accurate and easily accessible.*
- *Faster and more cross-functional decisionmaking, because actionable information is available enterprise-wide, allowing for a greater level of precision.*
- *Accurate measures of profitability —more important now than ever—at a transaction level by such very specific measures as product, customer, channel, route, or sales executive.*

- *The ability to react quickly to changes in performance metrics, allowing executives to effectively manage at both macro- and microlevels.*
- *Reduced costs, improved processes, better reporting capabilities and improved customer service.*

Achieving corporate excellence requires a precise understanding of the interaction between different departments within an organization. By having a robust business intelligence solution that provides a “single enterprise view,” organizations can dynamically adapt to changing business models and improve their own performances through an efficient collaboration of people, process and technology. **Sb**

Adi Padha is a chief technology officer in BearingPoint’s (formerly KPMG Consulting) health services sector. In his present role, as the Chief Technology Officer for one of the largest federal sectors, he is responsible for introducing programs, IT models and methods to reengineer and reposition existing processes, enhance systems and align human resources to accelerate growth within target markets. He is also responsible for servicing and managing clients in the healthcare sector on large technology initiatives. Padha has over 13 years of experience in management, strategy and decision support consulting. He has significant industry knowledge and client delivery experience in enterprise application integration (EAI), data warehousing/ metadata and repository management, and knowledge management (KM).

