MANAGING CUSTOMER EQUITY
Smith’s Roland Rust makes the argument for moving customer relationship management to the top of any company’s to-do list.

JIM HOWES ’67, MBA ’69
FLYING HIGH IN BERMUDA
Bermuda’s one and only airport gets the xx from a Smith alumnus.

DEPARTMENTS

2 SMITH BUSINESS ONLINE

3 LEADERS DIGEST
- Smith Technology Integration Initiative puts the newest technologies into the hands of students and educators in innovative ways.
- Cybersecurity Forum explores the far reaches of information security.
- New research center focuses on the IT side of health care.

8 BOOKMARKET

9 SPEAKING OF BUSINESS

10 KNOWLEDGE TRANSFER
- For trauma teams, seconds can make the difference—so the seamless passing of leadership is all the more important.
- Learn how to think like a successful entrepreneur.
- Airport slot auctions may provide a cure for the eternal dilemma of airport congestion.

20 CONNECTIONS

28 LAST WORD
“The press has a hard time with the concept of heteroskedasticity. Reporters will ask me to break the ideas involved down into the simplest terms, so I do: When volatility is low, it is probably going to remain low; when volatility is high, it will probably remain high for a while before it comes down again. And then the reporter looks at me and says ‘You won the Nobel Prize for that?’”

» Robert F. Engle III, 2003 Nobel Prize recipient, speaking at the Smith School as part of the University of Maryland Statistics Consortium’s Statistics Day 2005 program. Engle has found himself spending time answering questions from financial reporters about his work with ARCH models.

» See the progress of new construction and renovations in and around Van Munching Hall.

Adam Lehman, Highly Regarded Investor and Incubator of Start-up Companies, and Dan Goldman, CEO of Zernike, USA, Join Dingman Center for Entrepreneurship

» Smith Honors Marriott, Nextel and CEO of Capital One with Leadership and Excellence Awards

$4,000
The amount four Smith MBAs took home after placing first at the Second Annual Inter-MBA Asset Management Competition, held at the the Zicklin School of Business at Baruch College.

WEB POLL:
Should companies be required by law to ensure a certain level of information security?
YES information security should be regulated by a government agency.
NO companies can and should determine their own level of cybersecurity.

Log on to the Web site and let us know at www.rhsmith.umd.edu/smithbusiness.
Last semester, some Smith students got more than just textbooks as part of their classes—they also got remote controls. The students were provided with “clickers” that allowed them to answer questions asked by their professor, and then see the tabulated answers presented on the classroom’s computer screen. This game-show technology promoted interaction and gave the professor a chance to see how well her students understood the material just moments after she presented it.

The project was part of Smith’s Technology Integration (STI) initiative, which was designed to help the Smith School develop new ways to leverage technology in teaching and research. The program was developed by Arjang Assad, senior associate dean and professor of decision and information technologies, and Ritu Agarwal, Dean’s Chair in Information Systems, and made possible by part of a $3 million gift from Robert H. Smith ’50, chairman of the Charles E. Smith companies, in 2003. The gift was earmarked to build and enhance the school’s technology resources, and to fund a three-year marketing initiative.

“The Smith Technology Integration Initiative helps us build on our technology differentiation and to continue charting a course to advance business thinking and education for the digital economy,” said Howard Frank, dean of the Smith School. “Leaders need to be familiar with and comfortable with today’s technological tools in order to reap strategic advantage from technology. The Smith Technology Integration Initiative puts those tools into the hands of students and faculty as we explore how to make best use of them.”

Smith is not the only school seeking to make sense of the convergence of technology and business practice. Many colleges and universities are trying to leapfrog the competition when it comes to technology and innovation. What makes the STI initiative unique is the way it involves students in the process.

Last year five undergraduates, five MBAs and three PhD students participated in the program as Smith Technology Fellows, partnering with faculty to develop and implement pilot projects.

The program began with the hiring of a technology officer who became the focal resource and liaison with the school’s centralized IT department. Grants to faculty members allowed them to develop a number of projects for the decision and information technologies department, which included developing a database-driven photo gallery, developing Web-based forms for conferences and seminars, and developing an interactive calendar of events, as well as the “clicker” project. These projects were designed to engage new technologies and make them accessible at every level of the educational process.

MBAs worked as technology coaches, managing undergraduate teams, assisting with courses and helping professors devise innovative ways to integrate technology into their coursework and research programs. Undergraduates worked as technology integrators, assisting with technology-intensive class-
Can an individual computer user be held liable for neglecting to update his or her virus protection? How much is enough for a firm to spend on information security? How can individuals, organizations and even nations be encouraged to invest in information security?

These were among the questions explored by a group of scholars from around the world at the Second Annual Forum on Cybersecurity held at the Smith School on May 26, 2005 and organized by three thought leaders in the field: Lawrence A. Gordon, Ernst & Young Alumni Professor of Managerial Accounting, Martin P. Loeb, Deloitte and Touche LLP Faculty Fellow, both of the Smith School’s accounting and information assurance department, and William Lucyshyn, a visiting senior research scholar at the University of Maryland School of Public Policy.

The forum focused on financial information systems, for whom security is an ever-increasing concern. The existing financial services sector information sharing and analysis center (ISAC), which was expanded by a Homeland Security presidential directive after 9/11, now has more than 1,500 members. It gathers threat, risk and vulnerability information about cyber and physical risks faced by the financial sector, and then delivers advisories to help the nation’s financial services avoid those threats.

Information security is becoming more important as society grapples with problems like identity theft and nations work to ensure the safety of their computer networks, which drive so much of modern business, government and military activities. University of Maryland scholars lead the way in this growing field of research.

Their work has been encouraged by Smith School Dean Howard Frank. “This field is close to my highest priority in the area of technology development,” said Frank in his welcoming remarks. As director of the Information Technology Office at the Defense Advanced Research Projects Agency prior to his term at the Smith School, Frank observed to his dismay that little attention had been paid to the possibility of information attacks or intrusion into the network by hostile forces. “The overall information structures of our nation are still vulnerable,” says Frank. “There are grave and dramatic consequences for the neglect of information security.”
$45K CHINA BUSINESS PLAN COMPETITION

The Smith School hosted its first business plan competition in Beijing, China this year with a substantial first-place prize of $25,000. Teams of two to four individuals entered their plans for a business with employees based in China, and products or services to be sold in the China marketplace.

The competition, which awarded a total of $45,000, was organized by the Smith School’s Dingman Center for Entrepreneurship to help promote the development of business opportunities within China, with an emphasis on supporting Chinese entrepreneurship. “The quality of ideas in China is impressive,” said Asher Epstein, managing director of the Dingman Center. “The Smith School has a great deal of success promoting entrepreneurship in the United States and we are extremely pleased to play a role in assisting a future generation of business leaders here in China.”

For the final stage of the competition each finalist will make a 15-minute presentation followed by a 10-minute question and answer session in front of judges. The judges for the final round will include representatives of leading venture capital firms including Mahon China Investment Management Limited, China Equity, Siemens China Investments and Intel Capital.

Read more at the Smith Business Online Web site.

DINGMAN CENTER DIRECTOR ASHER EPSTEIN SPEAKS AT THE SMITH SCHOOL’S FIRST CHINA BUSINESS PLAN COMPETITION.

Smith School and Avaya Expand Research and Development Relationship and Activities

The Smith School and Avaya Inc., a leading global provider of business communications software, systems and services, recently announced an expansion of Smith-Avaya’s research and development relationship and activities. Smith will work with Avaya to create a “virtual community” making it easier for students, faculty and staff members to communicate. Voiceover IP phones were installed in portions of Van Munching Hall this summer as part of the program. The Smith School and Avaya will also build on previous collaborative research to extend communications in radio frequency identification (RFID) sensor networks into supply chain management and healthcare scenarios, and in event-triggered conferencing for crisis situations.--AT

Maryland Day 2005

April showers didn’t dampen the spirits of more than 60,000 visitors who explored the University of Maryland campus last spring at the seventh annual Maryland Day celebration. The Smith School hosted a special breakfast for alumni mentors and held a string of seminars, information sessions, building tours, games, and a raffle. One lucky Terps fan won an Apple iPod!–AAL
Exploring the Business of Health Care

The Smith School’s newest research center, the Center for Health Information and Decision Systems (CHIDS), will focus on the use of advanced information technologies in business processes and management systems within the health care industry.

CHIDS is a collaborative effort drawing on the expertise of the Decision and Information Technologies (D&IT) department at the Smith School, the University of Maryland Medical Center, University Hospital, and other resources in the University of Maryland network. CHIDS will work to improve the delivery of health care with researched solutions that impact safety, quality, access, efficiency, and return on investment.

“The potential savings and other benefits of fully moving the health care industry into the digital age are substantial but so are the challenges,” said Howard Frank, dean of the Smith School. “The Smith School’s Center for Health Information and Decision Systems comes at a critical time and answers significant gaps in current health information technology education and research.”

“Health care is multi-billion dollar industry,” said Ritu Agarwal, director of the center and Dean’s Chair of Information Systems. “There is tremendous potential for improving the efficiency and effectiveness of the health care delivery process through the application of advanced information and decision technologies. CHIDS is currently working on research related to the adoption of electronic medical records, privacy issues and the transformation of physician work practices through mobile technologies.”

Improving health care technology has been a national priority for the Bush Administration, which supports the formation of a national electronic health record system within the next 10 years that would assist in tracking and sharing information on every U.S. citizen. According to the federal Office of the National Coordinator for Health Information Technology, an agency created by President Bush in April 2004, such a system would produce efficiencies saving $140 billion a year.

For more information, visit the Smith Business Online Web site.

Smith Students Meet Billionaire Warren Buffett

Finance guru Warren Buffett, the world’s second wealthiest man, met with Smith students on May 22 as part of a trip organized by the Finance, Banking and Investment Society, an undergraduate student group. Buffett answered questions for several hours at his office in Nebraska.

“Warren Buffett provided some great insights to the students about to embark on their professional careers,” said Asher Epstein, managing director of the Dingman Center for Entrepreneurship, who accompanied the students. “‘Get on the right train early,’ Buffett said. ‘Don’t go into the buggy whip business.’ He encouraged students to show passion for their work and stressed the importance of desire, energy and integrity to be a success,” said Epstein.

Senior Wins National Scholarship

Smith senior Anna Kroupnik was a recipient of the R. Gene Richter Scholarship for 2005, a $5,000 award from the Institute for Supply Chain Management. It is the only national award in this field. Kroupnik, who is majoring in both international business and logistics, feels the two are a natural fit. “Much of logistics is international, especially with recent increases in globalization and outsourcing,” she says. “Logistics becomes even more exciting when it mixes into the international arena.”
Smith students who are pursuing the Global EMBA degree, offered in partnership with the Graduate School of Business Administration in Zürich, Switzerland, benefit from GSBA’s unique method of helping students connect theory to practice. GSBA Dean Albert Stahli explains the Living Case Study™.

Dr. Franken, chief information officer of the Zürich Retail Bank (SRB)* was giving a presentation on the strategic challenges of his company. The question he posed was one which his company was currently deliberating: How can SRB Bank make its mortgage business more profitable? His presentation was not to a business club in London or a group of consultants, but to a class of executive MBA students at the Graduate School of Business Administration Zürich (GSBA Zürich), the European partner of the Smith School in offering a global executive MBA. His presentation was part of a “living case,” a unique methodological approach GSBA Zürich developed over 20 years ago to allow EMBA students to apply what they learn in class to a real live problem faced by a real live company.

Unlike traditional case studies, living cases are real company situations that are actually happening and the concepts for solving these problems are made by faculty and students. News and market developments have to be taken into consideration in real time.

Students may come to class in the morning and find news effecting the SRB situation: a takeover, a change in the lending rate, a market study about the structure and patterns in the Swiss mortgage market. In historical cases, these bits of information would be of academic interest—good to know.

But for the real-time living case, late-breaking news may change the whole strategy of one or more of the groups working competitively on case solutions. Those changes must be taken into account even if it is the day before they give their final presentations.

Students must agree on a solution and translate it into reality. Should SRB close expensive branches and handle the mortgage application process via an Internet platform? How could this work and what would it cost? What would this save the bank the first year, next year, in five years? Setting the strategy is already difficult but doing the research and crunching the numbers is tedious.

And just when the strategy is set and everyone has his or her task, students learn something new in class the next day that gives them a new perspective or a new tool to produce an even better solution. Back to the drawing board.

Working on a living case is always a challenge, but it gives executive MBA students an invaluable lesson in real-life, real-time problem-solving.

Dr. Albert Stahli is dean of the Graduate School of Business Administration in Zürich, Switzerland, which has partnered with the Smith School to offer the Global EMBA degree. For more information, visit our Web site, www.rhsmith.umd.edu/emba/global.

* Name changed for confidentiality.
Modern bank managers need to protect their assets from both traditional security threats but also from cybersecurity threats. Information security isn’t a problem solely for banks, however—in this age of digital information and interconnected networks, every organization needs to be concerned with cybersecurity.

Lawrence Gordon, Ernst & Young Alumni Professor of Managerial Accounting and Information Assurance, and Martin Loeb, professor of accounting and information assurance and Deloitte & Touche LLP Faculty Fellow, address the economics and financial management of cybersecurity resources in a new book, *Managing Cybersecurity Resources: A Cost-Benefit Analysis*. The book deals with the crucial role economics and financial management issues play in helping to secure cyberspace.

“Many ‘techies’ with little or no business or economics training find themselves managing their organization’s cybersecurity activities,” says Loeb. “Our book gives these managers the necessary economic understanding and financial tools to compete effectively for their organization’s resources.”

Gordon and Loeb debunk common myths about cybersecurity, including the myth that cybersecurity activities do not lend themselves to cost-benefit analysis.

“Managers take the attitude, ‘Information security is so important, we should just be given the funds,’” says Gordon. “But companies have finite resources, so any resources given to cybersecurity are in effect taken away from other departments within the company. Our book helps managers who are responsible for securing and allocating cybersecurity funds understand how to make the business case for resources, and then how to use those resources most effectively.”

In a chapter devoted specifically to the business case for cybersecurity, Gordon and Loeb consider the costs as well as the benefits of information security measures.

Gordon and Loeb present an economic framework that helps managers evaluate the right amount of resources to expend on information security. This is an immensely practical issue. “If there were no limit to how much a company could spend, everyone would have near-perfect security,” says Gordon. “Using an economic framework helps people determine the point at which the cost of security measures—putting in firewalls, for example—equals the benefits. You don’t want to spend beyond that point.”

Surprisingly, the authors have found that many security breaches have little real economic impact on firms. Security breaches that involve denial of service, for example, are irritating for both customers and companies, but don’t have a huge economic impact. Security breaches that involve confidential customer information, on the other hand, can result in short-term loss of income and long-term loss of customer trust—far more costly in the long run. Gordon and Loeb recommend that firms first focus their resources where the payoff is largest before spending money on preventing other kinds of security breaches.

The book also discusses cybersecurity’s role in national security, cybersecurity auditing and risk management.

Gordon and Loeb have played a pioneering role in the developing field of cybersecurity economics (see the article about Smith’s Cybersecurity Forum in this issue, page 4.) Much of the information in the book is based on their research at the Smith School.

*Managing Cybersecurity Resources: A Cost-Benefit Analysis* is published by McGraw-Hill and will be in bookstores this fall.
“I’ve had a talk with women students about what [golf] can provide at senior levels or even middle management. I didn’t start playing golf until rather later in my corporate career. I don’t think it advanced me, but it puts you in the scene . . . that is where trust is built. The trust that provides you with the foundation to make deals or agreements.”

Janet Richert, managing director of the office of career management, explains the career advantages of playing golf in an article that explores the connection between golf, networking and getting ahead in business.


“This shows that when you go after a CEO, they can put forth the best possible presumption of innocence, and there are times that defense will work. You don’t get to be a CEO without understanding the ability to charm.”

Joshua Newberg, associate professor of law and business ethics, discusses the acquittal of Richard Scrushy in the $2.7 billion accounting fraud at HealthSouth Corp.

*CNN/Money. April 20, 2005*

“Organizations that wish to have their employees wholeheartedly embrace new technologies should act quickly in order to make them more accessible, for example providing them immediately after an employee has entered a new job or started a new project.”

Susan Taylor, Dean’s Professor of Human Resources. *Information Week’s Mobile Pipeline, August 12, 2005*

“In recent years, executives have taken companies into Chapter 11 ‘protection’ as a strategic imperative. This is particularly true in highly competitive ‘infrastructure’ industries such as telecommunications and the airline industry.”

G. Anandalingam, chair of the decision and information technologies department, comments on the rising instances of corporate bankruptcies and the reasons why.

*The Economic Times. May 30, 2005*

“The perception, perhaps fair or unfair, is that Wal-Mart’s appeal is mostly to blue collar customers while it’s the yuppies that shop at Target.”

Janet Wagner, associate chair of the marketing department, offers insight about why Target has successfully avoided many of the criticisms of Wal-Mart despite the two companies’ many similarities.

*CNN/Money. April 20, 2005*

“The fall of the dollar against the euro and yen since January 2002 has failed to reduce the trade deficit. Americans continue to buy Japanese, Korean and German cars in large numbers and more consumer goods from Asia, in addition to more expensive crude oil and refined petroleum products from abroad.”

Peter Morici, business professor, comments as an expert economist on the U.S. trade deficit.

New Lessons about Leadership from Trauma Teams

“GSW TO THE LEFT LEG. BP 132 OVER 82. PULSE 110,” SAYS THE PARAMEDIC AS HE RUSHES A PATIENT WITH A GUNSHOT WOUND THROUGH THE DOORS OF THE TRAUMA CENTER. WHAT MAY SEEM LIKE A CHAOTIC SCENE TO THE CASUAL OBSERVER IS ACTUALLY THE SEAMLESS EXCHANGE OF VITAL INFORMATION AND MIXING AND MATCHING OF TRAUMA TEAM MEMBERS—AS EXPERTISE DICTATES—IN A DISPLAY OF COORDINATION UNLIKE ANY OTHER WORKPLACE ON EARTH.

“When dealing with critically injured patients, you have only a narrow window of time to stabilize the patient before the body goes into shock and shuts down,” says Samer Faraj, associate professor of information systems at Smith. “Time is of the essence and coordination among the trauma team is very important.”

Faraj defines expertise coordination as the way in which information and skill interdependencies are managed. To a spectator of a trauma team in action, it might seem like everyone knows what to do and when to do it. In reality, the process is highly uncertain. The extent of a patient’s injury and medical history is often unknown. Trauma centers—like other high reliability organizations (air traffic control centers, nuclear power plants)—rely on very specific protocols to ensure that each patient receives the best treatment.

With two grants from the National Science Foundation totaling $700,000, Faraj has been studying coordination in trauma centers since 1999. “I went into the project aiming to study coordination failures,” says Faraj. “I thought there would be errors, but it turns out I was asking the wrong questions. A nurse once told me, ’we don’t have coordination failures; we don’t allow it.’ That is when I decided to focus on the coordination practices that reduce failure.”

R. Adams Cowley Shock Trauma Center at the University of Maryland in Baltimore, Md., is the oldest of three stand-alone trauma centers in the U.S., and often called the best trauma center in the world. Faraj and his team spent 18 months there studying coordination practices. Working with Seokhwa Yun, PhD 2001, they conducted interviews, observed patient admissions and operations, and shadowed key personnel.

“The paradox of the trauma center is that there is tremendous freedom and constraint at the same time. It is a totally different setting than a hospital,” says Faraj. “Besides the time pressure, the decisions are all negotiated around what is best for each patient. For example, if the anesthesiologist doesn’t feel like the patient can be anesthetized, he/she can override the desire of the surgeon to operate. If the nurse feels like a patient is in danger, he/she can refuse to obey orders. That is at the heart of a high reliability culture,” explains Faraj.

There is a fine line to be walked between empowering the front line caregivers and retaining control over the care being provided. “You must empower the front line, but if you do, lives could be lost because some hot shot surgeon wants to push the envelope,” says Faraj. “On the other hand, rules are limiting as you cannot pre-specify every action. That is where expertise coordination practices—or ‘dialectical coordination’—come into play. In an effective high-liability organization, practitioners develop specific practices and workarounds that balance between the protocols in place and what expert judgment requires one to do in order to save the patient.”

Read more about this research at Smith Business Online. –AAL
Do Entrepreneurs Really Think Differently?

The ground is littered with the ashes of failed start-ups. J. Robert Baum, associate professor of entrepreneurship, is tracking the trials and travails of 122 entrepreneurs over four years until they either start their dream company or quit, interviewing them every six months along the way. Some patterns have emerged through content analysis and direct evaluation by three experts that distinguish those who are successful from those who are not.

Specific, Challenging Visions
The first thing that stands out is the scale and detail of the visions of the more successful entrepreneurs. “Some people say ‘let’s open a bar.’ It’s the people who say ‘I want to have five bars and I want them to have a special theme’ who tend to be successful,” says Baum. “In short, those with clear, challenging, stable visions did better.” What Baum learned from this as a teacher, he said, was how important it is to help students develop and organize their dreams.

Relevant Automatic Compressed Experience
Automatic compressed experience is tacit knowledge based on experience. Relevant experience for successful entrepreneurs appears to be venturing and industry-technical experience. Successful entrepreneurs apply that experience on the fly to solve problems quickly.

Ability and Inclination to Borrow Financial and Human Resources
Resource acquisition turned out to be a key factor. Surprisingly, successful entrepreneurs didn’t just get money from their supporters—they also solicited expert advice and guidance from others who could help. Baum found that there is a strong relationship between a challenging vision and the ability to acquire financial and human resources.

Willingness to Adapt Goals to Manage Emerging Problems and Opportunities
Almost as vital as the initial goal-setting in terms of a detailed vision, was the successful entrepreneur’s willingness to change goals when necessary.

Willingness to Experiment
“When confronting barriers, we saw that successful start-ups took small steps to see if an alternate strategy might prove successful,” says Baum. Baum cites the example of a man who started a leather business making high-design belts. He tried to sell the belts in custom shops without success, and then tried consignment shops, also without success. Finally he convinced a Crate and Barrel type chain store to take a small display of belts, and used the name of that store to place displays in other venues. This entrepreneur was successful because he tried over and over to find the right market, and didn’t give up until he succeeded.

Learn more about what makes a successful entrepreneur! Visit the Smith Business Online Web site to view an interview with Baum on streaming video.–RW

Underpricing is common in initial public offerings. But some firms consistently sell new stock issues at a much greater discount than others. Is this phenomenon driven by purely competitive forces, or by a system that does not adequately protect IPO issuers from predatory underwriting practices?

Gerard Hoberg, assistant professor of finance, is one of many academians exploring the lines between ethical and unethical conduct in the wake of the spectacular corporate scandals of recent times. His research indicates that some underwriters may use underpricing as a profit-maximizing strategy, to the detriment of the issuers, average investors and the engine that drives business development. “Institutional underwriters persistently underprice because it is profitable for them,” says Hoberg bluntly. “They would say that they choose the investors whose hands are the strongest, to build a stable investment base for the issuer. But these same institutional investors often sell their shares within days of the IPO, while the average investor holds on to stocks for a long time.”

The practice of persistently discounting stock prices in IPOs has a distinct downside. “There are two effective losers—the issuers and society,” says Hoberg. “The issuers lose because they realize less capital on their IPO when their stock is under-priced. But society loses too, because of the wealth loss involved when that issuing company isn’t able to grow as fast and create as many new jobs.” Average investors also lose out when stocks are highly discounted, simply because they are unable to get shares in an oversubscribed offering.

Random allocation, Hoberg believes, would make it much less profitable for underwriters to persistently underprice. “If you take away an underwriter’s ability to profit from allocation, then they would be relying simply on commission for profit. And competition will drive commissions to the right level.”

Read more about Hoberg’s research at www.rhsmith.umd.edu/smithbusiness.
Reducing Airport Congestion

Airport congestion is a difficult problem, and the set-up of the current system of airport slot allocation only makes the problem worse. If airline A acts responsibly and reduces its schedule at a congested airport, it gives its competitors the opportunity to schedule more flights at that airport. If one of those competitors decides to increase its schedule, airline A may lose market share. The risk of permanently reduced market share keeps airlines over-scheduled at congested airports like Chicago’s O’Hare and New York’s LaGuardia.

Michael Ball, Orkand Corporation Professor of Management Science in Smith’s department of decision and information technologies, thinks that a market-driven approach to slot allocation might prove to be the solution. In a recent paper Ball examines the possibilities of using auctions to allocate national airspace resources and control congestion.

Ball argues that a market-based allocation system, such as auctions, would be more efficient than the current administrative allocation system, maximizing the benefits to the consumer and the economy by allocating the slots to airlines that can generate the greatest benefit from their use. The transparency of an auction process also renders it less open to legal challenge.

Airlines have objected to auctions on the grounds that they would impose a new financial burden on airlines at a time when most are in financial distress. Ball argues that careful auction design could choose objectives that encourage new market entries and discourage monopolistic control over markets, rather than maximizing revenue. Auction revenues could be used to offset existing fees paid by the airlines and passengers, and any excess revenues could be used to enhance airspace capacity.

Although the FAA “owns” the airspace immediately above the runways and so has the authority to allocate the use of that airspace, any auction must take into account the physical necessities—gates, baggage terminals—which are owned by the airport and which often have been developed at the expense of a particular airline. The distribution of aircraft types using the slots also impacts the capacity of the system, so the number of arrival slots to be auctioned may vary depending on the type of aircraft that would use them. Property rights must also be carefully specified in an auction.

Ball recommends a transition period that moves the airline industry from an administrative process to a market-clearing process, starting with the nation’s most congested airports, like LaGuardia, during its most congested time periods. The implicit property rights of incumbents could be taken into account through a system of vouchers or through an allocation of limited term leases during a transition period. Although it might be appropriate to reduce flight operations to reduce delays, the number of passengers serviced during these time periods may remain the same or even increase, because airlines will choose to use larger aircraft with a greater number of seats. Similarly, less in-demand flights will likely move to alternate time periods where it makes sense to have smaller planes taking off and landing.

More information about this research is available at the Smith Business Online Web site.
Faculty Awards and Honors

Ritu Agarwal, Robert H. Smith Dean’s Chair of Information Systems, and Anil Gupta, Ralph J. Tyser Professor of Strategy and Organization, chair of the management and organization department, and research director for the Dingman Center for Entrepreneurship, are serving as guest editors for a special issue of Information Systems Research focusing on the topic of “Interplay Between Digital and Social Networks.”

G. Anandalingam, Ralph J. Tyser Professor of Management Science and chair of the decision and information technologies department, has been appointed as co-program chair for the Annual Conference of the Operations Research Society of India.

Gurdip Bakshi, Dean’s Professor of Finance, has received an FDIC grant to study recovery rates in default. He will be designated an FDIC fellow for 2005-2006.

Kay Bartol, Robert H. Smith Professor of Management and Organization, is now serving her third year as the Dean of the Academy of Management Fellows Group. Bartol was elected dean by her peers in the Fellows Group, comprised of approximately 150 top scholars in the management field.

Zhi-long Chen, associate professor of management science, served on the program committee for The Second Multidisciplinary International Conference on Scheduling, held at the Stern School of Business, NYU, July 18-21, 2005. He also served on the program and organizing committees for the Sixth Scheduling Conference of China held in Shanghai, China, in August.

Samer Faraj, associate professor of information systems, has received a Fulbright Scholarship.

Lawrence Gordon, Ernst & Young Alumni Professor of Managerial Accounting & Information Assurance, has been asked to serve on a National Infrastructure Advisory Council (NIAC) Work Group concerned with risk management. Through the Secretary of the Department of Homeland Security, the group provides President Bush with advice on the security, including cybersecurity, of information systems for critical infrastructure protection.

Anil Gupta and Ken Smith, professor of management and organization, are serving as guest editors for a special issue of Academy of Management Journal focusing on the topic of “Managing Exploration and Exploitation” with Chris Shalley of Georgia Tech.

Anil Gupta, Susan Taylor, Dean’s Professor of Human Resources and director of the Center for Human Capital, Innovation and Technology (HCIT), and Paul Tesluk, associate professor of management and organization and associate director of HCIT, are serving as guest editors for a special issue of Organization Science focusing on the topic of “Innovation at and across Multiple Levels of Analysis.”

James Peters, assistant professor of accounting and information assurance, was awarded an Outstanding Faculty Service Award by the University’s Student Honor Council.

Violina Rindova, associate professor of management and organization, has been invited to join the senior editorial team at Academy of Management Review (AMR). She will be one of the six associate editors working with the incoming editor, Martin Kilduff.

Louiga Raschid, professor of information systems, received a $150,000 planning grant from the National Science Foundation to work with colleagues in Sri Lanka on data management challenges of disaster information management within the context of a National Data Center (NDC) for Sri Lanka. Raschid has also traveled to Sri Lanka to provide technical advice and help on site.

Brian Ratchford, Pepsico Chair in Consumer Research, was named associate editor of the Journal of Consumer Research effective July 2005. His paper “CHAN4CAST: A Multi-Channel Multi Region Forecasting Model and Decision Support System for Consumer Packaged Goods,” with Suresh Divaka and Venkatesh Shankar, was accepted for publication in Marketing Science.

Roland Rust, holder of the David Bruce Smith Chair in Marketing, chair of the marketing department and executive director of the Center for Excellence in Service, was awarded the 2005 Distinguished Marketing Scholar Award for “exceptional scholarly achievements” by the Society for Marketing Advances, 2005. The award will be presented at the annual SMA meeting in November, at which Rust will present an honorary keynote address.

Lemma Senbet, William E. Mayer Chair in Finance and chair of the finance department, received an honorary degree from his alma mater, Addis Ababa University (AAU) on July 23, 2005. The award recognizes Senbet’s contribution to the field of finance and financial planning and policy issues in Ethiopia and more broadly in Africa. AAU is Ethiopia’s flagship university.

Myeong-Gu Seo, assistant professor of management and organization, Susan Taylor and Paul Tesluk, received a research grant from the National Science Foundation for $273,175 for research on “Managing Radical Organizational Change: The Role of Leadership and Affective Experience.”

Galit Shmueli, assistant professor of management science and statistics, and Wolfgang Jank, assistant professor of management science and statistics, received a grant from the National Science Foundation to fund a conference on Statistical Challenges and Opportunities in e-Commerce Research, which was held at the Smith School in May 2005. They will be guest editors for a special issue of the journal Statistical Science on the same subject.

Ian Williamson, assistant professor of management and organization, has won the 2005 Academy of Management Mentoring Best Practices Award. This award recognizes individuals who have excelled in providing mentoring to Academy of Management members. Williamson has been invited to join the editorial board of Academy of Management Journal.

The finance team received the 2005 University of Maryland Award for Innovation in Teaching with Technology in recognition of the educational programs they developed for use in the financial markets lab targeting K-12, undergraduate and graduate students.

TEACHING AWARDS
Smith is committed to promoting excellence in teaching at all levels. Krowe Teaching Excellence Awards for 2005 were presented to the following at the spring Undergraduate Awards Banquet:
J. Robert Baum, associate professor of management and organization
Judy K. Freis, Executive Education Fellow
James Peters, assistant professor of accounting and information assurance
Galit Shmueli, assistant professor of management science and statistics
Kathy Boyle, adjunct professor of marketing
William McClenahan, adjunct professor of logistics, business and public policy
Rebecca Hamilton, assistant professor of marketing, received the Legg Mason Teaching Innovation award.
Information technology has irrevocably changed the shape of the business world. Take the frequent shopper card at your favorite grocery store as an example. Swipe your card and a computer tracks your purchases, not just that day but every time you come in, so the managers know whether you like to purchase pesticide-free organic vegetables or whether you tend more toward disgustedly decadent, twilight-of-Rome desserts. That information is like gold to managers, who want to know how many people are purchasing apple juice and which brand they prefer.

Using the information gathered about you, the store managers can craft an individual offer based directly on your preferences, even printing out coupons at the register for goods you purchase frequently, or goods you might like based on the things you already purchase. This highly personalized form of marketing is part of your grocery store’s strategy to secure your loyalty and retain you as a customer. Grocery A and Grocery B may have equal market share, but the store which does a better job attracting and retaining customers will be the market winner in the long run.

Almost every industry is undergoing a shift from a goods economy and product-based thinking to a service economy and customer-based thinking. Customers are part of a company’s assets (equity), and effective business leaders understand how important it is to hear and understand what their customers are saying. It’s not enough just to make a good product, price it fairly and sell it with flair. In a service-based economy, the ability to keep customers for the long term will determine which companies succeed and which companies fail.
In his book “Driving Customer Equity,” Roland Rust, David Bruce Smith Chair of Marketing at the Smith School, chair of the marketing department and executive director of the Center for Excellence in Service, with co-authors Valarie Zeithaml (a Smith doctoral alumnus) and Katherine Lemon, shows how companies can make savvy decisions about their customer equity by determining which of three key factors—value, brand or relationship equity—are most important to driving customer equity in their industry and their firm. The customer equity framework is effective because it bases marketing strategies and tactics on what is important to the customer.

“The biggest mistake firms make is not thinking about customer equity. A lot of firms have a brand focus or a product focus that effectively makes the customer second,” says Rust.

Three Keys to Customer Equity
Customer equity is driven by three key factors: value equity, brand equity and relationship equity. Value equity is the customer's objective perception of the worth of a company's products and offerings, and includes such things as quality, price and convenience. Brand equity is the customer's subjective and emotional perception about the brand, above and beyond the value of the products and offerings of the company. Relationship equity is the tendency of customers to stick with a brand and a company above and beyond its value equity and brand equity; it focuses on the customer's relationship with the firm based on the actions taken by the firm and by the customer to build and maintain that relationship.

The customer equity framework lets you put a dollar value to the measures companies take to retain customers, making marketing financially accountable in a way that was almost impossible in the past. “One of the big problems with marketing was how very difficult it was to figure out what return on investment companies were getting from their expenditures. In other areas there is a clear relationship between investment and profit—if you build this plant, or cut these costs, the company knows what sort of return will result,” says Rust. “In marketing, we spend some money over here and eventually see some sales over there, but too often the linkage is unclear.”

Rust's customer equity model involves a statistical linkage of marketing expenditures to changes in perception, to changes in brand switching, to customer lifetime value and customer equity. “Then you begin to get a handle on return on investment, because you have a chain of effects from the expenditure to the behavioral result and the profitability that comes from it,” says Rust. “We can project the return on investment before the company spends, and we can then measure the effectiveness of the expenditure after the fact.”

The customer equity model is used to measure the effects of marketing efforts and maximize the ROI on marketing initiatives. Survey instruments are used to discover customer perceptions, which are combined with the evidence of their purchasing behavior; these data are then fed into the model, which uses complex statistical calculations to give companies an accurate assessment of which marketing efforts really affect customer behavior in a profitable manner.

At least three of the top 10 Fortune 500 companies (and several more Fortune 500 companies that are not in the top 10) rely on the customer equity model to assess their marketing efforts. Rust and his co-authors work directly with companies through their consulting firm, but they are not the only ones applying this academic work in the business world. If imitation is the sincerest form of flattery, Rust should be deeply flattered: a number of other consulting groups around the world also use the model based on information available in Rust’s academic papers. “Though they don’t always apply it in the way I would,” Rust comments wryly.

Playing the High-Service Game
Perhaps the biggest impact the customer equity model has is that it allows companies a way to justify the costs of increasing and improving service to customers by linking those costs and resulting revenues to customer equity. Most CEOs try to cut costs to improve profits because that is where they are able to see a financial return. “There are tremendous opportunities for companies that look at it from the other direction,” says Rust. “Companies that decide to
increase service and go out of their way to provide better service to their customers will do really well, because chances are that their competitors are just cutting cost, and you can only cut costs so far.” The customer equity model provides business leaders with a way to quantify the results of their marketing efforts, and thus justify the service increase in terms of improved profits.

The ability to see the financial impact of increased services on value perception, brand perception and relationships will allow firms to play what Rust describes as the “high-service game,” as opposed to the cost-cutting game. Hotels are already in the high-service game, attempting to woo and win consumers with frequency clubs which provide special services and perks to those who stay often.

“The industry where that should be happening more, and isn’t, is the airline industry,” says Rust. “The legacy airlines—Delta, United, American—are trying to make themselves just like Southwest, but they don’t have the cost structure of Southwest. They should be trying to compete on quality rather than cost. That is a potentially winning strategy for somebody. But for CEOs, it comes down to being able to quantify the financial accountability for actually increasing services.”

The Future of Marketing

When Rust looks ahead, he sees a future of increasingly targeted brands focused on increasingly narrow markets. Information technology has fragmented the mass media market, making it impossible to really reach large groups of people anymore (with the exception, he concedes, of Super Bowl Sunday). But what technology takes away with one hand, it gives back with the other: the astonishing amount of data available about individual consumers makes it more and more possible to customize and personalize marketing efforts—and do it in real time. Ultimately, Rust believes that in the future business world, all the value-added will be in services tailored specifically for individual consumers.

Television is a good example of this evolution. Fifty years ago, everyone watched the same three channels, providing a near-captive audience for marketing efforts. Today hundreds of channels are available. In the future, television may become an Internet-based pay-per-view experience. You may be able to choose
programs in real time over the Internet, allowing you to select just the programs you want to watch, just when you want to watch them, paying a little bit for every program you watch.

Technology would also allow you to construct programs tailored specifically to your tastes. You could see the Nationals game from behind home plate, or from right field. Your customized news program could include the local news from Shanghai, the stock prices in Singapore, and the weather report for Los Angeles.

Such a world is better and better for the consumer, but it will prove more profitable for companies as well. Personalized services also allow for personalized pricing, because each consumer is offered a product unique to himself. “That will result in monopoly pricing,” says Rust. “And people will be happy to pay it, because they are getting a better product. Monopoly pricing is also higher than free-market competitive pricing, making it most profitable for companies to try to offer the greatest personalization to their customers. The key is to build the relationship over time, so the customer will stay loyal to you.”

Training Tomorrow’s Leaders

Rust writes about customer equity both in sophisticated academic journals as well as articles aimed toward the business practitioner, in magazines like the Harvard Business Review.

“A professor can’t write important, influential work without having one leg in the business world,” Rust says. “Business is an applied field; it’s important that the work we produce has relevance to the real world. I want to be able to talk to companies and affect what they do. And it’s a two way street—I get ideas from the companies I work with. They make it clear what the key issues are, and what they’re really worried about. Then I can bring that into my writing and my teaching.”

Rust’s very modern view of marketing is folded throughout the marketing curriculum, not just in the classes Rust teaches. The marketing core course for MBA students, for example, presents a very modern take on the idea of marketing, exploiting the power of information technology. Smith students are being exposed to these ideas in their formative years.

Rust’s potent combination of business acumen and teaching excellence will influence the thinking of tomorrow’s business leaders for years to come. Rust says, “Teachers can teach better if they know what is going on in the business world. And if they can drive change in the business world, that’s even better. Then you are on the forefront, and you can train your students to be on the forefront.” –RW

WHAT IF I OWN A SMALL BUSINESS?

The customer equity model is a great tool for large firms, but if you run a family restaurant or own a dry cleaning company you may not need such complex statistical calculations. Instead, Rust suggests a benchmarking exercise for small business owners.

Find answers to the following three questions:

1. Understand your customer’s connections to your company. What is the most critical connection: value equity, brand equity or relationship equity? That will allow you to focus your marketing efforts on the connection that is most effective for your firm.

2. Consider what is most important to your customer in each of these equity areas. Value equity, for example: what are you doing that affects your customers’ perceptions of your quality, price and convenience? Knowing what action items influence each type of equity will let you develop specific strategies to strengthen brand impact, value impact and relationship impact.

3. Take a look at your competitors and benchmark your firm’s position relative to others in your marketplace.

Based on the results of your studies, invest your marketing dollars in key areas where customers care the most, and improving vs. competitors is most opportunistic. Understanding what drives customers to do business with you will allow you to allocate resources in the brand, product or service, or customer program that will maximize your customer equity.

Hearing and responding to the voice of your customer, whether you’re an Internet start-up or a family-run grocery store, will allow you to take quick, decisive action to drive customer equity.
The Smith School’s marketing department is making a name for itself through cutting-edge research on some of the most compelling issues in the digital economy. The department offers an active PhD program as well as numerous classes at the MBA and undergraduate levels. The MBA program in marketing has been cited by both Business Week Online and US News & World Report as one of the nation’s top marketing programs. Supporting the department’s customer focus, the department sponsors the Center for Excellence in Service, the annual AMA Frontiers in Service Conference, the Journal of Service Research, and the first MBA course in e-service. The department also has a global focus, as seen from the department’s sponsorship of the Center for Global Business.

In July 2006, the Smith School will have the honor of hosting the American Marketing Association’s Doctoral Consortium, at which distinguished faculty from around the world, along with the best and brightest doctoral students, gather for an exchange of ideas.

MARKETING DEPARTMENT FACULTY

- Gabriel Biehal
  PhD Stanford University
- Rosellina Ferraro
  PhD Duke University
- Natasha Zhang Foutz
  PhD Cornell University
- Rebecca Hamilton
  PhD Massachusetts Institute of Technology
- Sanjay Jain
  PhD University of Arizona
- P.K. Kannan
  PhD Purdue University
- Robert Krapfel
  PhD Michigan State University
- Wendy Moe
  PhD University of Pennsylvania
- Brian Ratchford
  PhD University of Rochester
- Roland Rust
  PhD University of North Carolina, Chapel Hill
- Joydeep Srivastata
  PhD University of Arizona
- Janet Wagner
  PhD Kansas State University

EMERITUS PROFESSORS
- Thomas Greer
  PhD University of Texas, Austin
- William Nickels
  PhD Ohio State University

VISITING PROFESSORS
- Rebecca Ratner
  PhD Princeton University
- R. Sukumar
  PhD University of Pittsburgh

TEACHING PROFESSORS
- Hank Boyd
  PhD Duke University
- Roxanne Lefkoff
  PhD University of North Carolina, Chapel Hill
- Diane Whitney
  PhD University of Maryland
This is a family story, so let’s start by getting the family straight. Once upon a time there were three brothers: Norman, Bernard and Stanley Bennett. The three of them grew up in Washington, D.C., and one of their fond memories was of being taken by their mother in the early 1930’s to the University of Maryland’s famous Dairy for ice cream and fresh milk. Norman, the eldest, went to the Naval Academy and then founded one of the area’s first discount furniture and design companies. Bernard also went to the Naval Academy and went on to become an Indiana Jones-type entrepreneur, banker and mercury mine owner in Mexico.

Stanley went to the University of Maryland and studied at the College of Business and Public Administration, fore-runner of the Smith School. After graduating in 1951 he became a stockbroker and worked at A.G. Edwards for more than 30 years. Stanley was a quiet man who kept to himself, living modestly in his small apartment in the District. But he never forgot his time at the University of Maryland, and he never lost his appreciation for the impact the university had made on his own life.

Meanwhile, Norman married and had a family. His sons Alan ’69 and Millard ’71 also attended the university’s business school. And in time, Millard’s son Stephen came to the Smith School to receive his own education. Stephen received a $2,500 alumni scholarship and was a member of the Smith Undergraduate Fellows program. Stephen found the program rewarding, and a third generation of Bennetts left the university’s business school pleased with the education he had received.

Then, in September 2003, Stanley Bennett passed away. And in the process of administering his estate, his nephew Millard Bennett discovered that his uncle had left a sizable bequest to the Smith School.

The $150,000 bequest was a surprise even to Stanley’s family. “I think my uncle realized that without his experience at the University of Maryland business school he would not have had the ability to pursue his business career,” said Millard Bennett, Stephen Bennett’s father. “He took the opportunity to give back to the school something which would allow future generations of students to maximize their education.”

In honor of this generous gift, Room 2511 in Van Munching Hall has been named the Stanley Bennett classroom. His generous bequest will also be used to continue and expand the undergraduate fellows program, ensuring that many other students will enjoy the benefits of a Maryland education for years to come.
Smith Students Among Beneficiaries of $2 Million Gift From Chevy Chase Bank

Thanks to Chevy Chase Bank, a long-time supporter of the University of Maryland and the Smith School, a number of Smith students will be able to obtain an education and opportunities that otherwise might not be within reach. Chevy Chase Bank has generously provided a $2 million gift to create annual scholarships and support internship programs starting this fall.

The scholarships will be targeted toward students with demonstrated financial need and good academic standing that have transferred from Montgomery College. A quarter, or $500,000, of Chevy Chase Bank’s gift will support the Chevy Chase Leadership Interns Program, a joint program and course offering from the University of Maryland Career Center and the Office of Campus Programs that focuses on personal development and understanding organizations and complex systems to prepare students for leadership in the work force.

“This gift will help the University of Maryland realize two key goals,” said Maryland President C.D. Mote Jr. “One is to continue to improve financial assistance for students who need it. The second is to improve access to university programs for students from Montgomery County. We are very grateful to Chevy Chase Bank for its leadership.”

“Chevy Chase Bank was founded, and is headquartered in Montgomery County. Our gift is part of an ongoing mission to support the residents of Montgomery County – and that includes helping members of our community gain access to the best educational and career opportunities possible,” said B. Francis Saul II, chief executive officer of Chevy Chase Bank.

Chevy Chase Bank has a long history of support and involvement with both the Smith School and the University of Maryland. A previous gift of $500,000 to the Smith School in 1998 went to the creation of the Chevy Chase Bank MBA Fellowship.–AT

Ask the OCM

Q: HOW CAN I BUILD MY NETWORK?

A: Building your network is a key part of succeeding in the business world. Here are some networking do’s and don’ts:

DO:
• Say you went to the Smith School, no matter what the school was called when you graduated. Just note that it was formerly known as the Maryland Business School (from 1995 to 1997), the College of Business and Management (between 1973 and 1995), or the College of Business and Public Administration (between 1947 and 1973), depending on your year of graduation.
• Keep in touch with your professors, all of whom have great contacts in the business world.
• Offer and ask for help from fellow alumni. Smith’s eAlumni Network at www.alumninet-work.rhsmith.umd.edu is a great place to find online networking opportunities, meet-and-greets, and other ways to connect with Smith School grads. Smith also has alumni networking events around the country to help you meet Smith grads in your region.
• Make sure your Smith e-mail address is updated and forwarded correctly to your personal account so people can contact you.
• Keep abreast of Smith accomplishments and accolades (e.g., rankings, endowments, awards, etc.). Smith’s reputation is part of the value of your degree.

DON’T
• Include an unprofessional e-mail address (e.g., cutiepie@yahoo.com) in correspondence with your professional contacts.
• Underestimate the value of connecting with more junior Smith alumni and current students who could become valuable contacts.
• Miss an opportunity to attend an alumni event.
• Miss out on interviewing and acquiring Smith talent for your organization.

The Smith School’s Office of Career Management (OCM) offers career assistance to alumni as well as current students. Have a question for the OCM? Submit it via e-mail to editor@rhsmith.umd.edu.


On May 22 Kevin Plank ’96, founder and CEO of Under Armour Performance Apparel, addressed 770 undergraduate, 300 MBA/MS, 25 executive MBA, and 10 PhD Smith School degree recipients at the school’s spring commencement ceremony.

“I’m appreciative of the life and business skills that UM taught me,” said Plank. Drawing on his experience as a football player at Maryland and his keen entrepreneurial instinct, Plank recounted his vision and roadmap to “creating the world’s greatest football undershirt.”

Watch the video and read more at:

UNDER ARMOUR FOUNDER KEVIN PLANK ’96 DELIVERS SPRING COMMENCEMENT ADDRESS

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• Make sure your Smith e-mail address is updated and forwarded correctly to your personal account so people can contact you.
• Keep abreast of Smith accomplishments and accolades (e.g., rankings, endowments, awards, etc.). Smith’s reputation is part of the value of your degree.

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Watch the video and read more at:
ALUMNI MENTOR PROGRAM

One of the most meaningful contributions an alumnus can make to the Smith School is the gift of time and expertise through the MBA Alumni Mentor Program.

The program gives MBA students the opportunity to obtain practical career guidance from talented professionals who share personal and professional insights into their fields and provide information about career opportunities. Throughout the year the Smith School provides opportunities for mentors and students to connect at networking and social events. Levels of involvement are flexible, for the convenience of mentors.

Smith has created a multi-level program that makes the most of the varying levels of experience of our younger and older alumni. MBA students connect with recent alumni mentors. These young professionals are in turn mentored by more experienced alumni. This arrangement allows for relationship-building that continues during a student’s business education and beyond.

Through Smith’s Alumni Mentor Program, alumni are building a community of encouragement and support that challenges both recent and more established Smith grads to reach for their goals. If you are interested in becoming an Alumni Mentor, please contact Pamela Ezzat at 301.405.0161, or e-mail mentorpro@rhsmith.umd.edu.

16th Annual Alumni Golf Tournament

Monday, September 26
Take a day away from your desk this month to enjoy the 16th Annual Alumni Golf Tournament. Instead of answering e-mails, spend the day on Maryland’s beautiful golf course driving and chipping for a good cause—all proceeds support Smith scholarships and student and alumni programs. After 18 challenging holes you’ll be more than ready for our silent auction, live auction and raffle. We’ll feed you lunch and dinner—you just concentrate on fixing that slice, and on enjoying the company of fellow alumni from around the region, as well as faculty, staff and friends of the Smith School. Whether you’re a duffer or a scratch golfer, you’ll have a great time. We promise that the weather will be beautiful and no one’s putt will finish short. (Okay, so we can’t promise clear skies and perfect putting...just an enjoyable time with friends.) To register for the 16th Annual Alumni Golf Tournament on Monday, September 26, contact Susan Fuller at sfuller@rhsmith.umd.edu.

Conference: The Role of Leadership in Organizational Change

Friday, September 30
Organizations managing the change process can adapt and thrive, or they can flounder and sink. What should management do? Find out at the Smith School’s Center for Human Capital, Innovation, and Technology (HCIT) conference, “The Role of Leadership in Organizational Change.”

This one-day conference will help senior level executives learn how to form transition teams, and how to set, monitor and correct the transition agenda. Special attention will be given to senior executives working with middle managers and front line supervisors in ways that help them communicate the change agenda and alter their management styles in ways that enhance employee support and innovation into work process and processes. Check the Web site or call Susan Fuller, 301.405.9460, for more information.

Homecoming

Saturday, October 1
Join us for Homecoming on October 1 and catch up with old friends at your alma mater! Whether it’s been a few years or a few weeks since you’ve been on campus, make plans now to travel back to College Park on Saturday, October 1 to reconnect with classmates and see the Maryland Terrapins take on the Virginia Cavaliers.

The Smith School of Business will be hosting a tailgate reception at Van Munching Hall for our alumni and their families three hours prior to the start of the game. Tickets are available; visit www.rhsmith.umd.edu for more information and to register for tailgate reception tickets.

Alumni Mentor Program Kick-Off

Saturday, October 1
The Alumni Mentor Program begins the new academic year with a fun kick-off meeting to introduce mentors to their protégés. Make plans to join us before the Homecoming tailgate reception on October 1; check the Web site for times. Mentors and protégés can pick up their tickets to the tailgate reception and football game at the kick-off meeting. For more information, call Pamela Ezzat at 301.405.0161 or e-mail mentorpro@rhsmith.umd.edu.

MBA Business Plan Competition

October 17-19, 2005
Join your fellow alumni for an afternoon of networking and see Smith’s best and brightest MBA students vie for prizes and recognition at this year’s MBA Business Plan Competition, sponsored by Air Products, Marriott and Citigroup. The competition will be held from October 17 to 19 in Van Munching Hall. Don’t miss the final presentations on October 19, followed by a reception in the Grand Atrium. Check the Web site for more information or to RSVP for this free event.

CIO Forum

November 18, 2005
Network with thought leaders and share your knowledge with peers as you join top information technology professionals from around the region at this year’s CIO Forum. The conference is titled “Dealing with Disruptive Technologies in Turbulent Times” and is presented by the Smith School’s Center for Electronic Markets and Enterprises. To register, contact Susan Feller at 301.405.9460 or visit our Web site at www.rhsmith.umd.edu/ciofo- rum.
FIVE SMITH ALUMNI ENTER UNIVERSITY OF MARYLAND ALUMNI HALL OF FAME

Five Smith School alumni joined the University of Maryland Hall of Fame on Saturday, June 4. Inductees were Robert H. Smith ’50, real estate developer and longtime supporter of the Smith School; Thomas V. Miller ’64, ’67 (Law), member of the Maryland State Senate; Gary Williams ’68, championship-winning coach of the Terps men’s basketball team; Larry David ’70, creator of the television series “Seinfeld;” and Carly Fiorina, MBA ’80, trailblazing technology executive.

The Hall of Fame ceremony is held only once every five years and represents a tremendous honor for the alumni involved. The third Hall of Fame class was inducted in the beautiful new Riggs Alumni Center.

You can see photos of past and present Alumni Hall of Fame honorees online or in person at the new Riggs Alumni Center.

GERALD STEMPLER ’53 has learned about leadership in family businesses from every angle, both in theory and in practice. Stempler worked with his father in their textile leasing business, and later went on to become its CEO. When he went to get his MBA and PhD, he was able to expand and reflect upon what he had learned from his work experiences. “For me, theory came from practice, not the other way around,” says Stempler.

Stempler says there are some unique challenges and constraints that come from working with family. “My father and I were a perfect match. People didn’t even notice the transition when my father retired because our management styles were so similar. But we were not a perfect match for my brother-in-law,” says Stempler. “He eventually separated from our business because of the difference in our leadership styles. But he is still in business with his two sons because he and they are a good match.”

Family-owned businesses around the world have been the beneficiary of Stempler’s expertise. He spent one year living and working in Switzerland at the International Management Institute, developing a family business program. Stempler also joined forces with one of his daughters in a consulting practice focused on family businesses. He likens the experience to that of a doctor delivering an unwelcome diagnosis.

“Some people are willing to go through the pain to make the necessary changes, and some aren’t,” Stempler says. “If we could keep our family life separate from business, and hire family members who fit our personality and our business, then family businesses wouldn’t have the problems they do. Most people don’t have the discipline to do that.”

Stempler got his first taste of the difficult decisions that come with leadership as the president of his fraternity, Sigma Alpha Mu. “It was my first occasion to be a manager,” he says, “and I had to fire our cook. It was the worst experience I had ever had. I still dislike having to fire people.”

Stempler and his wife Deana work together in their foundation, the Stempler Family Foundation. Much of their grant-making is focused on Jewish charities, but they also give to educational institutions. Many of the gifts are endowments, which allow the recipient to use the interest as part of their operating budget on a continuing basis “Both my wife and I feel that we’re fortunate to have money to give, so we feel obligated to give to those who don’t have it,” says Stempler.

Stempler lives in the metropolitan Washington, D.C., area with his wife Deana. He has one son and three daughters.

60 SECONDS WITH…

www.thesmithstore.com
'50s
Thomas N. Conrad ‘56, MBA ’61, joined the Board of Directors of NeoGenomics, Inc. He is president of Financial Management Corporation, which acts as the general partner for Competitive Capital Partners, LP, a Naples, FL-based hedge fund.

'60s
Mark Nash ’65 is president of Builders Design and Leasing, Inc. in Gaithersburg, MD.

'70s
Arthur N. Dubin ’74 is chief executive of Zalco’s Residential Services Division, which manages one of the largest and most-significant Washington-area portfolios of condominiums, homeowner associations, apartments, and cooperatives.

Maurice I. Long ’70 is chief executive officer of the MIL Corporation, which provides professional IT, financial management/systems and e-business services to federal agencies and private sector clients.

Ron Meliker ’74 is chief operating officer of the Kane Company. He is also a director of the Howard County, MD, Chamber of Commerce.

Robert Basham ’70 resigned from his position as chief operating officer of Outback Steakhouse but will remain as co-chairman of the board.

Steve Rehm, MBA ’74, joined RBS Greenwich Capital, a leading institutional fixed income firm, as managing director and head of North American Financial Institutions Relationship Management.

'80s
Bruce Arbit ’86 was named vice president for development of Lighthouse International, a nonprofit organization which helps people who are blind or partially sighted overcome the challenges of vision loss.

Tom Groom ’88 joined Steward Realty Solutions as vice president of technology development.

Hakam Kanafani ’89 is CEO of Jawwal, the only Palestinian mobile-phone operator.

Sally Martin ’86 was named vice president of procurement for Avendra, overseeing the entire range of Avendra’s Operating Supplies division.

Lawrence Twelle ’89 was recently hired as the director for the Carroll County Department of Economic Development. He is responsible for fostering the economic health of Carroll County by building a positive climate to advance business expansion and new business development. The department offers a marketable supply of industrial buildings and land, provides customized research, financing and regulatory assistance as well as workforce development, training and business advocacy.

'90s
James Feldman ’90 is president of FORMost Graphic Communications in Rockville, MD.

John P. Giere, MBA ’98, was appointed chief marketing officer of Lucent Technologies, which designs and delivers the systems, services and software that drive next-generation communications networks.

Ronald Holtz, MBA ’92, joined MaxCyte, Inc., a clinical stage therapeutic company and pioneer in clinical scale, non-viral cell loading systems, as chief financial officer.

Joshua Prangley ’99 is engaged to marry Karen Ottens. Prangley is a consultant in southern Maryland.


Warner Sterling ’94 is engaged to Jennifer Skeen. Sterling is a systems engineer for SRA International.

Gary Richardson, MBA ’97, was promoted to regional finance director of Europe, Middle East and Africa of Acterna World Holdings. He is currently managing director and living with his family in Reutlingen, Germany.

Randy Elliot, MBA ’90, is a captain on the B737 for AirTran Airways.

Trevor F. Lauer, MBA ’94, has been named vice president of retail marketing for DTE Energy’s regulated subsidiaries, Detroit Edison and MichCon. He will lead the subsidiaries’ marketing and sales organizations.

'00s
Allison Bunge ’01 is engaged to Henrik Pettersson. Bunge is a consultant in southern Maryland.

Jason Cohen ’01 is engaged to marry Carly Michelle Bashkin. Cohen is a manager with the Thomson Financial Capital Markets Intelligence Group in New York City, NY.

Matthew Hussin ’00 is engaged to Heidi Downing. Hussin is a financial analyst for Ryan Homes in West Chester, PA.

Jill Kaminsky ’02 is engaged to Adam Washecka. Kaminsky is the operations coordinator for the Avon Walk for Breast Cancer in Washington, D.C.

Marc Miranian ’01 is engaged to Cheryl Raab. Miranian is an account executive for Enterprise Leasing Company.

Kaushik Mukerjee, MBA ’02, joined Federal Sources (FSI) in McLean, VA, in 2003 as a Consulting Manager, responsible for market research and strategic consulting engagements on the federal information technology market. He married in May 2004 in Washington, D.C.

Alison Otis, MBA ’02, married Frederic Heuber in May 2005. Otis is a manager at Deloitte Consulting LLP in Washington, D.C.

David S. Rosen ’01 joined the Litigation Practice Group of Ulman, Pessin and Katz, PA.

Todd Atkinson, MBA ’02, recently joined the staff of U.S. Senator Barack Obama (D-IL) as legislative assistant for the Senate Environment and Public Works Committee. He oversees federal policy on agriculture, energy, interior, environment, public works, and transportation. Prior to joining this staff, Todd served as legislative assistant to U.S. Senator Carol Moseley-Braun (D-IL) and U.S. Senator Alan J. Dixon (D-IL).

Joseph Pendry, MBA ’03, accepted a position as account director with O’Keefe and Company, a marketing firm specializing in information technology and telecommunications.

Daniel R. Stuart, MBA ’04, was named vice president of information technology at Williams Scotsman, a national provider of mobile and modular building solutions. Stuart will oversee global IT operations including strategic planning and implementation, investments and budgets, security policies, and results-driven technology programs.

Michael J. Neches ’01 is engaged to be married to Randi Beth Horstein. Neches is a portfolio analyst at ProFund Advisors in Bethesda, MD.

Ryan M. Thomas ’02 is engaged to be married to Shannon Kathleen Babe. Thomas is a senior consultant for Deloitte in Washington, D.C.

Information for Alumni News and Notes may be sent to editor@rhsmith.umd.edu or Editor, 3570D Van Munching Hall, University of Maryland, College Park, MD, 20742-1815.

You can view even more information about your fellow alumni at the eAlumni Network. Update your information and enter to win a suite for 16 at the Comcast Center during an ACC men’s Terps basketball game this season!
2004-2005

Smith’s Honor Roll

Innovative teaching.
Ground-breaking research.
Life-changing scholarships.
All made possible by the generosity of our alumni and friends.
The Ernst & Young Foundation presented a matching gifts check for $37,073 to Dean Howard Frank on May 5, 2005 for the Robert H. Smith School of Business on behalf of University of Maryland alumni partners, retirees and staff. Of the total amount, $28,323 is designated for the Ernst & Young Education Excellence Fund, $7,500 to the Dando Scholarship Fund and $1,250 to the Lamone Fund. When combined with individual alumni contributions, the check from the Ernst & Young Foundation brings the organization’s total gifts to the Smith School over the past year to $71,446.

Warm regards,
Joanne Ferchland-Parella
Assistant Dean for External Relations
**Honor Roll**

**Gifts from Corporations**

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<td>Chevy Chase Bank</td>
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<td>Marriott International, Inc.</td>
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<td>May Department Stores Company Foundation</td>
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<td>National Association of Securities Dealers, Inc.</td>
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The **Clocktower Club** is a community of alumni and friends, recognized for their contributions of $1,000 or greater to the Robert H. Smith School of Business. Last year, Clocktower Club members provided scholarships to deserving and gifted students, supported faculty development and research, continued to renew technology and equipment, and expanded programs and offerings for students and alumni. Please join this exclusive community by contacting Heather O’Malley, 301.405.9457, for more information.
## Honor Roll

### Gifts from Individuals

### $1 Million and above
- Eric F. Billings ’77
- Robert H. Smith ’50
- Robert H. Smith ’50

### $100,000 - $999,999
- Michael D. Dingman ’55
- Robert L. ’39 and Gertrude Edwards
- Howard and Jane Frank
- Richard E. and Nancy P. Marriott
- Harvey L. Sanders ’72
- Leo Van Munching, Jr. ’50
- Gary B. Williams ’68

### $25,000 - $99,999
- Stanley H. Bennett ’51
- David A. Covington ’73
- William A. Millichap ’65
- Edward J. Quinn, Jr.

### $10,000 - $24,999
- H. Kent Baker ’69
- Robert A. Bedingfield ’70
- Steven M. ’86 and Elaine K. Bergida ’86
- Phil Bundy, Ill ’89
- Robert E. Butman ’77
- Louis T. Donatelli
- A. Cary Hawthorne, Jr. ’51
- Robert David Kashan ’76
- Albert M. Krall ’81
- Allen J. Krowe ’54
- John M. Lapides
- Milton T. ’68 and Rebecca M. Matthews
- John A. Moore, Jr. ’79
- James A. Poulos ’70
- Warren K. Reed ’49
- Robert G. and Melanie R. Sabelhaus
- James S. Tighe ’73
- Joseph ’39 and Madeline Wikler

### $5,000 - $9,999
- Kimberly A. Boulmetis ’92
- John ’76 and Susan Boyle ’77
- David Buchanan ’67
- William E. Cole, Jr. ’71
- Francis A. Contino ’68
- Kevin P. Donoghue ’84
- Kevin C. Fallon ’93
- James A. Flick ’62
- Thomas J. Healy ’79
- Zev Evan Kaplan ’74
- Robert Thomas Kern, Jr. ’75
- Christopher E. Kubasik ’83
- Joseph G. ’58 and Olivia C. Mattingly
- Howard L. Ruddell ’78
- Richard L. Vogel ’72

### $2,500 - $4,999
- Ronald ’69 and Rosemary T. ’76 Blunck
- Richard C. Brustein ’77
- Waldo H. ’49 and Jean Burnside ’50
- Barry and Phyllis Caldwell ’81
- Joanne Foltz Casey ’74
- Chee W. and Po C. Chan
- Robert E. Creager ’71
- Richard B. Edelman ’68
- Allan M. Edelson ’81
- Thomas Paul Gaske ’76
- LeRoy J. Herbert, Jr. ’50
- Diane P. Hemdon ’77
- William E. King, Jr. ’49
- Philip B. Livingston ’79
- E. Judson Millsapau ’78
- David J. Piper ’78
- James G. Reilly ’87
- Daniel F. Rice ’91
- Edward W. ’89 and Pamela J. Rose ’90
- Jeff M. Seal, Ill ’76
- James Stradtner ’58
- George A. Suter ’54
- Michael Warsaw ’88
- Thomas E. Willich ’62

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- Arjang A. Assad ’78
- Richard W. Averill ’55
- Joseph P. Bailey
- Fred W. Bargar ’77
- J. Robert Baum ’94
- Alan W. Bieler ’84
- Timothy J. Blanchfield ’98
- Thomas A. Bradley ’80
- Espey T. Browning ’74
- Michael D. Bulger ’93
- Terrence Butler ’93
- Charles Carr ’85
- John E. Chickering ’85
- Stewart K. Cho ’02
- S. Mark Christmas ’74
- Edward T. Collins, Jr. ’67
- Charles M. Corcoran ’84
- B. Gary ’64 and Marilyn Dando ’64
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- Kevin F. Donohue ’75
- Charles E. Drimal, Jr. ’67
- Charles M. Doran ’87
- William B. Dudley, Jr. ’69
- Jayne W. Edge ’76
- Alan R. Einhorn ’76
- Jack A. ’78 and Jo Anne Faer
- A. Thomas Finnell, Jr. ’76
- Joanne Fertland-Parella
- Terry ’75 and Carol Fitzpatrick
- Robert S. Franco ’74
- Stephen R. Fred
- Scott W. Frew ’77
- Lawrence A. Friend
- Robert L. Gable ’52
- Stephen A. Gaines ’91
- Catherine E. Galgano ’83
- John L. Gates, Jr. ’73
- Harry L. Geller ’81
- James M. Gantomenico ’80
- Robert F. ’73 and Anita L. Glickert
- Mrs. Abraham Golub
- Dan M. Goodman ’87
- Lawrence A. Gordon
- Neil and Karen Greenbaum
- Arnold and Patricia A. Grubel
- Dennis M. ’68 and Carolyn S. Gurtz ’70
- Chris Hackett
- Jeffery W. Hale ’78
- Charlie Heller
- David J. Hirshfeld ’77
- Bruce S. Hoffberger ’71
- Thomas Horton ’78
- Teresa Iannaconi ’78
- Ibolya Ignat ’96
- Edward J. Kallas ’73
- Christi M. Kasler ’76
- John Joseph Keenan ’75
- John B. Kincaid, C.P.A. ’65
- Eleanor D. Kleinman ’00
- Bruce M. Lafferman ’71
- Anthony Lam ’95
- Rudolph P. and Linda H. Lamone ’70
- Adam Lehman
- Mark K. ’87 and Donna K. Lewis ’86
- Tom Liu ’83 and Noriko Ellen Okamoto
- Martin P. Loeb
- William A. Longbrake ’76
- William P. Loomis ’76
- Kyle D. Lorton ’80
GEICO Scholarship

Smith School senior John Kim and sophomore Mary Rosa Connolly received scholarships from the GEICO 2004 Achievement Awards. Shannon Hatfield, GEICO college relations manager, presented the oversize checks for $500 to the delighted students.

Kim and Connolly were chosen to receive the awards based on their outstanding academic records, their contributions to the community and recommendations from faculty. The awards’ objectives are to encourage student achievement in major fields related to the operations of an insurance company, and help students recognize GEICO as an employer of choice for post-graduation career opportunities.

Both students are involved in QUEST, a joint program between the Smith School and the A. James Clark School of Engineering, which gives talented undergraduates a chance to work in a team-based environment focused on quality management issues.

Honor Roll

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Gifts from Individuals

Robert K. Miller ’80
Fernando Murias ’81
Paul R. Murphy, Jr. ’79
Christopher E. Needham ’79
David B. Nemschoff ’78
Charles H. Nobs ’73
Lt. General Emmett Paige, Jr., USA, Ret. ’72
Jay E. Ricks ’56
Robert S. Roath ’66
Lee R. Rock ’76
Marilyn H. Rose ’58
David Rudbart ’79
Nick Sample
Kevin M. Scallan ’01
John H. and Elisabeth S. Schmidt
William L. Shaw ’76
Robert M. Sheehan, Jr. and Julie M. Scofield
Todd A. Sickles
Alan N. Siegfried ’77
Philip N. Smith, Jr. ’64
Steven O. Smith ’68
James R. Stolarski
Robert S. Strickland ’69
Oliver S. Travers ’49
Mark Walsh
Robert J. Walters ’74
Richard T. Wheeler
Philip J. and Sharon M. Wimbish ’77
Dennis R. Wraase ’66
Nicholas ’76 and Janet S. Yakubik

Denis O’Connor ’78
Morton H. Offit ’49
Heather Lyn O’Malley
David ’59 and Sandra B. Reznick ’70
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Stephen J. Sweeney ’86
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Michael E. Tascher ’89
Susan C. Toder ’83
Adam I. Wolf ’83

For a complete list visit our Web site, www.rhsmith.umd.edu/alumni
How do you get from College Park to Bermuda? Take a plane, of course. And when you do, you’ll be landing at the Bermuda International Airport, run by Jim Howes ’67, MBA ’69. Howes has been the top executive at the tiny island nation’s one and only airport since 2001, when he was recruited by the government of Bermuda to direct the country’s air service development.

“Being an island, they’re very dependent on air transportation, and the government was interested in expanding airline service to new destinations. Bermuda is a very nice place to live, so I couldn’t turn them down,” says Howes, a Towson, Md., native.

Howes has a long career in aviation management. As an undergraduate at the University of Maryland, Howes studied transportation and was a cadet in the university’s Air Force ROTC program. After receiving his MBA in 1969, he went on to serve as a captain in the United States Air Force for three years, and then pursued management positions at various airports. He has worked as a manager at Baltimore/ Washington International Airport (BWI) as well as airports in New York and Florida.

Being an airport’s general manager involves overseeing operations such as flight safety and security, engineering, facilities development and finances. But it also involves developing good relations with the travel industry. And for Howes, marketing the appeal of the airport and the country of Bermuda is also a vital part of his work.

I’ve been fortunate to have professors that made an impression on me and helped me develop in my professional career.”

IF IT’S TUESDAY, IT MUST BE MILAN...

Howes’ work takes him around the world to market Bermuda and entice airlines to open up routes to the island. It is not unusual for him to have a work-week that involves several countries and continents. Recently he spent Monday holding in London, England meeting with British Airways; traveled to Milan, Italy, on Tuesday convincing an Italian airline to plan direct flights from Milan to Bermuda; went to Toronto, Canada, on Wednesday to hold meetings about expanding air service to Bermuda; and wound up the week with meetings in Baltimore, Md.

Like many current Smith students, Howes stays connected with his ever-present BlackBerry wireless device. “It’s an addiction, I think,” Howes admits ruefully. “Recently I was in Milan. We had just finished a day of meetings and as I was standing in line to see Da Vinci’s masterpiece “The Last Supper” I was sending and receiving e-mails from Bermuda and the States.”

As well as taking him to interesting places, the aviation industry has placed Howes in interesting situations over the years. “No two days are alike in the airport business,” says Howes. “And it’s always interesting when the president of the United States lands in your airport and Air Force One parks outside your office window.”

Howes has met all the presidents of recent years, as well as many heads of state. He remembers Margaret Thatcher, the former Prime Minister of Great Britain, leaving her limousine parked on the tarmac to greet well-wishers at the fence on the runway. He once flew the mayor of Leningrad from Tampa to Miami in his own private plane when the man found himself stranded in Tampa due to schedule complications. When Ronald Reagan, then governor of California, was running for president in 1980, Howes met him at the airport and said “Governor Reagan, I sure hope when you get to Washington, D.C., you’ll straighten out that mess with the FAA.” The future president responded, “We’ll straighten out a lot of things in Washington.”

Over the years, Howes has kept connected to his Smith School professors, finding them to be invaluable contacts in the professional world. “I knew Dean (Rudy) Lamone quite well. Professor Stanley Hille really developed my understanding of and love for the field,” says Howes. “I’ve stayed in touch with him over the years. I’ve been fortunate to have professors that made an impression on me and helped me develop in my professional career.”

Howes feels that the unique opportunities he had as a student have helped drive his career. As an undergraduate, he served as an intern on Capitol Hill for Senator Joseph Tydings (D-MD) for two years, an opportunity made possible by the university’s proximity to and connection with Washington, D.C. Tydings, who was also a Terp, made a point of working with Maryland undergrads when possible. Howes appreciates the school’s strong connections with such influential alumni.

“My education prepared me for my career very well, with classes in marketing and speech as well as transportation. Over the years I realized more and more how much I owe to having a quality university education, for which I will always be grateful to the University of Maryland,” says Howes.
Are You Prepared to Lead in a Flat World?

Like many of you, I took time over the summer to read a few good books. Among my favorites was Thomas Friedman’s *The World is Flat: A Brief History of the Twenty-First Century* (Farrar, Straus and Giroux, 2005). Friedman explains how the global economic playing field has been leveled in the digital age and what this “flattening” means for companies, nations and individuals. And he perfectly articulates many of the drivers behind the Smith School’s strategy and its vision of becoming a model for business education and research for the digital economy. Friedman outlines 10 forces—from the Internet and Netscape Web browser, to advances in workflow software and supply chain management—that he says have converged to create a “new global playing field for multiple forms of collaboration.”

“[…] we are entering a phase where we are going to see the digitization, virtualization, and automation of almost everything. The gains in productivity will be staggering for those countries, companies, and individuals who can absorb the new technological tools.”

The Smith School has been at the forefront in preparing business leaders and organizations to “absorb the new technological tools” and reap the gains that Friedman now describes. Eight years ago, we moved to advance business thinking and education for the digital economy, transforming our research and curriculum by integrating the foundational business disciplines with cross-functional e-business concentrations. Today, the Smith School is firmly dedicated to this mission. Our faculty research drives business change for the new, networked world. And our teaching provides students and corporate partners with the tools they need to adapt in markets that we cannot predict. Friedman puts the significance of this in perspective.

“[…] the experiences of the high-tech companies in the last few decades who failed to navigate the rapid changes brought about in their marketplace by these types of forces may be a warning to all the businesses, institutions, and nation-states that are now facing these inevitable, even predictable, changes but lack the leadership, flexibility, and imagination to adapt […]”

With its continued focus on technology, entrepreneurship and globalization, the Smith School is answering the challenges presented in the new economic order. Like Friedman, we understand that the technological and business transformation of the last two decades was just the beginning.

“The last twenty years were just about forging, sharpening, and distributing all the new tools with which to collaborate and connect. Now the real IT revolution is about to begin, as all the complementarities between these tools start to really work together to level the playing field.”

Whether you’re the CEO of Fortune 500 firm or an emerging entrepreneur, you must recognize that this transformation is real, it is pervasive, and it will continue. Those who understand how to use the tools of information technology to manage assets across the globe are the new barons of industry. *The World is Flat* is a good read for anyone seeking to better understand this new business environment, and for anyone seeking to better understand the Smith School’s focus.

Howard Frank, Dean