Uniting behind Smith’s ambitious $90 million capital campaign

PLUS: Sports Management at Smith ° Eye on Ads ° Lessons from Hollywood
Cover Story

GREAT EXPECTATIONS
The Smith School’s ambitious $90 million capital campaign is an investment in greatness
Getting a Global Perspective

Smith students are producing materials that can help you better understand the issues facing your counterparts around the globe. The Smith School’s Black MBA Association debuted a new resource, the *Africa Economic Review*, in May 2007. The school’s MBA Finance Association produces *Smith Asia Business Review*. Both can be viewed at our Web site.

Avoiding the Hidden Dangers of File-Sharing

If you’re worried about identity theft, then avoid downloading a file-sharing client onto your home computer. The risks of peer to peer file-sharing was one of the presentations at this year’s Fourth Annual Forum on Financial Information Systems & Cybersecurity: A Public Policy Perspective, held on May 23. Read more online.

Beating the Market

Two student-run funds—the Mayer Fund, managed by MBAs, and the Senbet Fund, managed by undergraduates—reported beating Standard & Poor’s 500 Index in their year-end performance presentations. Read more online.

The federal government has mandated that most Americans must have an electronic health record by 2014, with assistance from the Smith School’s Center for Health and Information Decisions Systems (see page 22). Are you confident that privacy concerns will be adequately addressed?

Log on to the Web site and let us know at www.rhsmith.umd.edu/smithbusiness.

**WEB POLL:** The federal government has mandated that most Americans must have an electronic health record by 2014, with assistance from the Smith School’s Center for Health and Information Decisions Systems (see page 22). Are you confident that privacy concerns will be adequately addressed?

YES: 76%  NO: 24%

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A Passion for Entrepreneurship
Shady Grove undergrads organized a top-notch conference with hard work, dedication and a little guerilla marketing.

Entrepreneurs find success by working hard at something they love. This same drive and passion pushed a group of undergraduate students at Smith’s Shady Grove campus to form a club and spend months planning an entrepreneurship conference, held April 14.

The conference, titled “Turning Your Passion Into Profit,” attracted nearly 250 people who took part in presentations and breakout sessions conducted by successful entrepreneurs. Skip Yowell, co-founder of JanSport, delivered the keynote address, sharing how he turned a passion for hiking into the No. 1-selling daypack brand in the world. The event also featured a former Marine with his own career consulting firm, a founder of a private global investment firm, the head of a toy company, and a restaurateur.

“The goal was to get real-world experience,” said conference chair Eric McCoy, now a Smith senior and one of the founding members of the club that planned the event, a chapter of the national Collegiate Entrepreneurs’ Organization (CEO). The club founders are all members of the Entrepreneurship Fellows program of the Smith School’s overarching Undergraduate Fellows Program, designed to give students hands-on co-curricular experiences in specific concentrations.

The Entrepreneurship Fellows each have an eye toward running their own ventures and the CEO members figured setting up a conference with diverse entrepreneurs as speakers was a great way to gain insight into starting a business. They set their sights on organizing the conference almost immediately after forming the club last fall.

“All the members of the club worked so hard – it was really a collaborative effort,” said Laila Wardak, now a senior at Smith, who served as chair of the logistics committee for the conference. The student organizers used their own connections and some Smith School connections to recruit speakers and line up catering and event supplies. They did a lot of guerilla marketing by hanging signs, sending e-mails, even creating FaceBook and MySpace pages about the event. One club member’s sister even designed the conference Web site remotely from Guam. The group also lined up an hour-long stint as in-studio guests on a Washington-area radio program to publicize the event.

“If you watched all our members, it was just an amazing experience. Almost all were working one-on-one with CEOs and negotiating deals,” McCoy said.

He said it was these “real deals” that will really build the resumes of the students and give them a leg up in job interviews. The skills they practiced—networking, closing deals, event planning—will prepare them for the business world. And McCoy said some of their experiences were unforgettable, such as sharing dinner with Yowell of JanSport after the conference.

Associate Dean for Undergraduate Programs Pat Cleveland—along with Luke Glasgow, Smith program director at Shady Grove, Jay Liwanag, assistant director of undergraduate programs at Shady Grove, and Tyser Teaching Fellow Oliver Schlake—championed the club and the conference from the start and helped the students plan and publicize the event.

But Cleveland gives all the credit to the students.

“They’re the ones who have done all the work. ... I just said ‘go, guys, go’ and they really made this all happen,” she said.

Beyond the conference, the CEO club has remained active, helping with entrepreneurship activities at some Montgomery County high schools. And nearly immediately after their first conference success, the group was already talking about planning next spring’s event. –CT

Read more about the Collegiate Entrepreneurs Organization, including a profile of student Eric McCoy, at Smith Business Online.
You’ve heard of turning trash into treasure. Well, some enterprising undergraduates are turning food waste into...dirt. Along the way, they also turned it into a top grade. And with a little luck, they might turn it into a prosperous business as well.

Their story begins with a class assignment for the Quality Enhancement Systems and Teams (QUEST) program, one of the Smith School’s Undergraduate Fellows programs. Each year, sophomores in the QUEST class “Introduction to Design and Quality” work on a project that will allow them to apply what they are learning to a real-world problem. Last year, that project involved participation in the “ecoimagination” challenge co-sponsored by GE and mtvU—MTV’s 24-hour college network—which called upon students to create a process, product or service to make the world a cleaner, greener, more efficient place. The students—Julia Perskie, operations management and information systems; Vighna Rajesh Karyampudi, mechanical engineering; Joel Liebman, finance and economics; Anna Volper, marketing; and W. Nathaniel Brown, aerospace engineering—decided to focus their project on a way to improve the University of Maryland’s composting program.

Composting takes organic waste, such as food and paper products, and accelerates its decomposition into fertile soil rich with organic material. The university composes 90 tons of food, paper and other biodegradable waste each year, but the students found that this was a paltry 10 percent of what the university could compost. That is significant because an effective composting system can save money.

“The university has a per-ton cost to haul away trash, but a significantly reduced per-ton cost to haul away compost,” says Joel Liebman. The composting company will eventually be able to sell the composted soil, so it charges less to haul away compost than to haul away trash.

Clearly it made economic sense to separate compostable materials from plain trash. So what was keeping the university from making the most of this opportunity? The students found that defining the problem was, well, half the problem, and by far the hardest part of their assignment.

Here’s what they discovered: the dish room, where dishes are scraped, is plagued with high staff turnover, making it hard to train workers in proper sorting techniques. And during the dining room’s peak traffic times, there wasn’t enough time to sort compost from plain trash anyway.

After wrestling for a while with these seemingly intractable problems, the group...
had an epiphany: Moving the responsibility for getting compostable material into a compost bin from the workers to the students neatly resolved all those issues.

Of course, that opened up a whole new set of problems. How could the group get their busy and hard-working fellow students to take on extra work, even this tiny bit of extra work? The group spent hours surveying and observing the behavior of freshman and sophomores in the North Campus Diner, trying to figure out what would encourage people to sort their compostable materials from trash.

“We asked ourselves ‘What is the simplest thing that would solve all the problems?’” says Nate Brown. Their answer: the CompoStation™, an eye-catching bin in a movable cart that includes a place to park trays, freeing up your hands to scrape your plate, and a built-in scraping device, making it quick and easy for students to dump their food before taking their trays and dishes to the dishwashing line.

The group started out with much more complicated designs, but after talking with advisor Gerald Suarez, executive director of QUEST, they pared their product down to something that is effective but also cheap enough to produce commercially.

The CompoStation now sits in the North Campus Diner, and Dining Services at the University has asked the group to produce more that can be used at other dining areas on campus. But they can also imagine a customer base that includes other universities, hospitals, and mall food courts.

The Dingman Center for Entrepreneurship has been an important supporter of this nascent venture, providing the group with cash for their initial marketing and educational materials, which the group posted around the Diner to encourage students to use the CompoStation.

These budding entrepreneurs aren’t totally sure where their venture is going—they want to see if the CompoStation can really save the university enough money to be a commercially viable project.

Learn more about the QUEST program and the Undergraduate Fellows program at Smith Business Online.

**WHAT THEY LEARNED**

**Nate Brown:** We found out that the problem was the important part. It took us more time to find the problem in the composting system than it did to create the solution. Once we found the real problem, we could solve it and make a difference.

**Joel Liebman:** We learned a lot about the entrepreneurial spirit and what it takes to start your own business. How many sophomores learn to write a business plan—and not just learn about it, but do it? It was such a real-life, eye-opening experience. I never expected to find something like this in a classroom.

**Rajesh Karyampudi:** We also learned about the true value of networking. We e-mailed, phoned, interviewed, and met with a great number of people for this project.

**Anna Volper:** The experience overall was great. The QUEST program is a great stepping stone, and it was amazing that we came out of it with this product. The whole process of creating something was worthwhile.

**Julia Perskie:** When you are able to identify the problem, it is so much easier to keep going because you know that what you are working on is real. This was more than just a class; it was more than just a grade on a piece of paper. We want to continue with this project because that is what QUEST is all about. –AT
Loosen up the mouse-clicking muscles and rev the mental engine: Twelve teams of students from around the world geared up for the conclusion of the most intense Web-based virtual supply chain game of their lives.

Each team was competing for international glory — the first-place title in the inaugural Global Supply Chain Competition, hosted by the Smith School and partners Delft University of Technology in the Netherlands and Sun Microsystems. The Web-based game is a revolutionary real-time simulation developed by researchers at the Smith School and Delft University of Technology in the Netherlands in which players compete virtually from their home campuses to manage the most efficient supply chain. Each three-member team proudly represented its nation with a portfolio of high-tech products to source and sell for the highest profits and market share.

All the action took place in real time, with teams participating from their home countries across the globe. You could sense the tension—even over the phone and Skype voice over Internet lines connecting the players—as the final moments of the 90-minute game ticked away.

“Players, we’re now entering the final round of competition. Good luck!” announced Alexander Verbraeck, co-developer of the game from Delft. He traveled to College Park with co-developer Stijn-Pieter Van Houten to referee, call the play-by-play and run the technical aspects of the game.

Smith Supply Chain Management Center co-directors and game co-developers Sandor Boyson, research professor, and Thomas Corsi, Michelle E. Smith Professor of Logistics, ran game operations from the sidelines, both anxious for the outcome of the first full-scale global competition of their game, more than five years in the making.

The Smith team worked feverishly, but alas, the sweet taste of victory was not theirs that March 27 morning. Though the home team held the lead for most of the competition, the final frenzied minutes proved too much for the Terps’ risky inventory strategy. In the end, the winner’s podium was dominated by international competitors. The University of Groningen team in the Netherlands went wild, heard cheering and clapping by phone, as Verbraeck announced they’d captured the top spot, as well as portable GPS systems for each team member. Second prize, Apple iPods, went to the team from SooChow University in Taiwan, and third prize, digital cameras, went to Nankai University from China. –CT

Security is a hot topic, but it’s not one that is easy to get your arms around. Our increasingly global and interconnected society is forcing us to think of security, whether of information or infrastructure, in entirely new ways. Scholars and security experts came together to address a wide range of global security concerns at the Global Security and Enterprise Resilience conference sponsored by the Center for International Business and Research (CIBER) at the Smith School on April 12 and 13.

Alfred Berkeley III, chairman and chief executive officer of Pipeline Financial Group, Inc., and Pipeline Trading Systems LLC, and keynote speaker for the conference's Thursday sessions, describes the difficulties faced in protecting the nation’s infrastructure. The problem is complex because 95 percent of the nation’s infrastructure—water and electric utilities, telecommunications companies—are privately owned. These infrastructure companies are interested in competing effectively, and somewhat less interested in cooperating to react quickly and effectively to security threats.

Conference topics focused on a variety of issues related to both global security and enterprise resilience. What are the effects of global terrorism on the corporate world? How does human behavior affect cybersecurity? How can organizations manage risk, in an increasingly smaller and flatter world? How can organizations ensure regulatory compliance in a world of multiple standards, often driven by special interests or specific industry needs? What economic incentives are required to make information sharing desirable?

A complete list of conference presentations is available at www.rhsmith.umd.edu/ciber/globalsecurity/speakers.html. To learn more about CIBER, visit www.rhsmith.umd.edu/ciber/. –RW
Sports Management at Smith

Going the whole nine yards to equip students for the business of sports.

The sports industry is enormous and fast-growing, with the basketball audience in China alone larger than the entire U.S. population. The new Smith Undergraduate Fellows program in Sports Management will introduce students to the business issues and capabilities required to succeed in this complex business arena.

This special academic program is part of the Smith School’s Undergraduate Fellows Program, which allows students to enroll in specialized coursework, and participate in related action learning through internships and co-curricular activities. Designed to deepen student understanding and capabilities and to build community among students, faculty and professionals, the Sports Management Fellows program is a great fit for the Smith School’s large cadre of student athletes as well as undergraduates who are interested in sports industry.

What makes this program unique is its emphasis on the multi-faceted business aspect of sports. Patricia Cleveland, associate dean of undergraduate studies, says, “The Sports Management Fellows program builds on the already solid base of our undergraduate business majors, providing in-depth, specialized education about the business of intercollegiate athletics.

The executive course will be followed by intensive specialized coursework in project/event management, integrated marketing communications with emphasis on sports and athletics, and culminating in an athletics-focused section of the required business capstone course in policy and strategy.

An impressive team of industry leaders is being assembled to provide expert input to students. In addition to Yow, the lineup includes Under Armour’s CEO Kevin Plank ’96, Bill Kraus, senior vice president of marketing, and Lew Strudler, senior director of corporate marketing for Washington Sports & Entertainment (WSE), which manages the Wizards, Capitals and Mystics.

Internships will be offered with WSE, Under Armour and the University of Maryland Athletics Department, which offers paid 10-month post-baccalaureate internships in operations, marketing and compliance for students pursuing professional careers in intercollegiate athletics.

Phil Evers, faculty champion for the Sports Management Fellows program and associate professor of logistics and public policy, notes that this program has been received with enthusiasm from the sports community. “People in industry have been coming to us to get involved. There has been very strong interest, because there is a great need for people with solid business skills in the industry,” says Evers.

Bringing Global Learning to Life
When it comes to a true global education, you have to be there.

Students can learn about the tenets of global business in class, but there’s no substitute for experience. That’s why the Smith School gives all of its Executive MBA and custom MBA students in Asia, Europe and the United States the opportunity for real-life global experiences through the global electives courses offered at Smith learning locations around the world. Each May and November executives from both the United States and China are given the option to take their elective courses in College Park, Beijing or Shanghai.

“You can read about a flat world, but meeting people half-way across the globe, taking a course with them, and exchanging views on common problems helps you really get it,” says Rob Sheehan, Smith academic director of Executive MBA and executive degree programs.

Smith builds a global component into all of its Executive MBA programs. The most recent global elective was offered in May 2007, when participants in Smith’s Executive MBA program in College Park and the Smith-GSBA Global Executive MBA program in Zürich exchanged knowledge and perspective in an advanced strategy course with peers drawn from Smith’s Beijing, Shanghai and Tianjin Executive MBA and custom MBA programs. As part of the course students worked on a “living case study” that explored a real-time problem facing Shui On Development Limited, a major Chinese real-estate development company.

“The course provided me with insight into the perspectives that executives from other parts of the world use to evaluate and analyze business problems and opportunities,” says Bambo Bamgbose, vice president and CFO of e-Management, Inc., who took part in the May 2007 global elective. “It also provided me with an opportunity to see how business is conducted in a country with a different political and economic system.”

For Cahba Kingwood, regional executive with Sun Microsystems, Inc., who took part in a global elective last year, the time spent with his classmates was as important for his education as the academic material being taught. “Because of the interaction I had with the Beijing students who were in my class, I got a good understanding of how Chinese people see business, how they view the U.S. market and what the areas for growth are,” says Kingwood. “We were able to have business conversations; we interacted in team projects in class and had social times such as dinners and sight-seeing trips. I also had the chance to reconnect with some of the students who came to College Park from Shanghai in May 2006.”

If you’re interested in a global elective, Bamgbose and Kingwood have some practical advice. “Students taking a global elective in a location with a time difference of more than eight hours should give themselves sufficient time to adjust in order to be ready to go when the class begins,” says Bamgbose. And plan some extra travel time after your class, adds Kingwood: “You’ll make a lot of new friends during the course who can give you advice on where to go and what to see in the host country. They are brilliant folks, and you can learn a lot from your colleagues in the other cohorts.” –RW
Smith’s First Shanghai EMBA Class Graduates

On April 15, 18 men and women became the first graduates of the Smith School’s Shanghai Executive MBA (EMBA) program. Caps on, gowns pressed, these business executives are well armed for success in the fast-moving global, digital economy.

“I have no doubt that we will continue to hear great things about this group of graduates, particularly as China continues to rise as a major global, economic power,” said Howard Frank, dean of the Smith School. “It’s with great pleasure that I congratulate these executives on their accomplishment and welcome them to the Smith School’s global alumni community.”

The Smith School, with its partner the University of International Business and Economics (UIBE), has offered its Executive MBA and Executive Education programs in China since 2003. The EMBA program is offered in Shanghai and Beijing.

Members of the graduating class included native Chinese citizens and expatriate Americans from a wide range of industries. Chris Brown, country managing director of Jaguar and Land Rover in China, says, “As I moved into general management, I was keen to round out my skills in finance, strategic planning, and managing innovation. The structure of the China program, combined with the curriculum and reputation of the Smith School, offered the best fit for me.”

“All the students in our class are from varied backgrounds. We have people from different walks of life and definitely people from different career paths and experiences,” says Binglai Chen, another student in the Smith School’s Shanghai EMBA program. “When you put everybody together with such an exceptional program, people tend to open up and start sharing. We build upon what we learn in class and really learn from each other,” says Chen, quality manager at Whirlpool Corporation.

Connect with your fellow Smith alumni in the United States and around the world through the eAlumni Network, http://alumninetwork.rhsmith.umd.edu. –AT

Smith School to Deliver Global Consortium MBA Program in India, U.S. and China

Smith School associate dean of professional programs and services V. Scott Koerwer recently traveled to Beijing, China, to announce a new Global Consortium MBA program at a press conference held on April 17 at the University of International Business and Economics (UIBE).

Senior leaders from UIBE, Smith’s partner institution in China, and the Management Development Institute (MDI) in India were present. The two-year, full-time program, set to launch in fall 2008, will be focused on global entrepreneurship and is designed to offer global insight and entrepreneurial experience from within the world’s key markets. Students will complete the first year of the program at their respective home institutions. During the second year they will come together to participate in three modules; the first held at the Smith School in the United States, the second at UIBE in China and the third at MDI in India.

“As the world’s most significant emerging economies, China and India will have a major impact on 21st-century global business,” said Howard Frank, Smith School dean. “The creation of programs that support opportunities for our faculty, students and staff to actively engage internationally represents a vital element of the Smith School’s globalization strategy and support of truly world-leading faculty research and curricula.” –AT
SMITH AT A GLANCE

RANKINGS ROUND-UP

#5 in Research, World
#17 MBA Program, U.S.
#30 MBA Program, World
#5 Public Business School
#2 Value for the Money category (among top-20 U.S. schools)
#2 Placement Rate for the MBA Class of 2006 (among top-20 U.S. schools)

Financial Times, 2007

#25 Full-time MBA Program
#11 Part-time MBA Program
#6 Information Systems
#12 Supply Chain/Logistics
#19 Entrepreneurship
#22 Management
#23 Production/Operations
#25 Marketing


#9 Offering Greatest Opportunity for Minority Students


SMITH BUSINESS • FALL 2007

HOW MANY SCHOLARSHIPS DID THE SMITH SCHOOL GIVE LAST YEAR?

185 total—146 undergraduate scholarships and 39 MBA scholarships.

*These figures reflect the 2006-2007 school year.

SMITH IN THE NEWS

Washington Post – June 4, 2007 – JIE ZHANG, assistant professor of marketing, is quoted in a special report about the connection between teenage shoppers and retail success.

CNN’s Lou Dobbs Tonight – June 3, 2007 – PETER MORICI, professor of international business, is interviewed about the U.S. trade deficit during a democratic presidential debate special.

The New Yorker – May 28, 2007 – Feature fatigue research from ROLAND RUST, holder of the David Bruce Smith Chair in Marketing, REBECCA HAMILTON, associate professor of marketing, and DEBORA VIANA THOMPSON, PHD ’06, is highlighted in a column about the complexity of technology.


CBS Evening News – May 14, 2007 – PETER MORICI, professor of international business, is interviewed in story about the Cerberus deal to buy Chrysler.


Wall Street Journal – April 28, 2007 – ANIL GUPTA, Ralph J. Tyser Professor of Strategy and Organization, and Smith alumna HAIYAN WANG, MBA ’95, contributed a full-page article on how firms can develop successful business strategies for China and India.

Entrepreneur.com – April 18, 2007 – Former Dean RUDY LAMONE talks about the Dingman Center for Entrepreneurship, which he founded in 1986, and its early success in a story about the shift that turned America into a nation of entrepreneurs.
Knowledge Transfer

Breaking into the Big Box

Recent research is changing the way companies compete for shelf space.

At the Smith School, collaboration across functions and disciplines is common, but so is collaboration with business practitioners, who bring real-world problems for real-world solutions. For example, recent research by P.K. Kannan, Harvey Sanders Associate Professor of Marketing, is changing the way at least one manufacturer designs its products.

Kannan, who began his academic career in engineering, partnered with Shapour Azarm, professor of mechanical engineering at the University of Maryland’s A. James Clark School of Engineering, on an initial grant proposal to the National Science Foundation (NSF). The two wanted to look at how manufacturers could design products that had robust engineering performance but were also robust from a marketing performance perspective. The research project was received with enthusiasm, not just from NSF but also from Black & Decker, who provided one-third of the $450,000 that funded the project.

Kannan and his colleagues used a small Black & Decker power tool as the subject of their study, and designed a decision support system to help the company choose which characteristics to include in the product’s design. Black & Decker promptly implemented the decision model once it was finished. But in the process of refining and discussing the data with company leadership, Kannan discovered that Black & Decker executives had a secondary—and equally perplexing—problem. It wasn’t enough to design a tool that met the end-user’s needs if “big box” purveyors like Wal-Mart or Home Depot declined to stock the product. That’s because these large retailers have become increasingly powerful in recent years and are now dominant in many product markets. For example, Home Depot controls 50 percent to 60 percent of the market for the small, hand-held grinder that was the subject of Kannan’s study.

Through this close collaboration with Black & Decker executives, Kannan and his colleagues realized that manufacturers needed to consider the preferences of the retailer as well as the needs of the product’s end user.

Using data taken from the original study, Kannan was then able to springboard into this new research area.

The results were published in Marketing Science last spring. “New Product Development Under Channel Acceptance,” authored by Lan Luo, PhD ’06, University of Southern California, Kannan, and Brian Ratchford of the University of Texas at Dallas, develops an approach to positioning and pricing a new product that directly incorporates retailer’s acceptance criteria into the development process.

Kannan’s model incorporates the retailer’s price assortment and potential reactions of competing manufacturers. That turns out to be an important consideration, because competitors are also reaching the market through the same big box retailer, and a competitor’s moves could affect Black & Decker’s product acceptance. Kannan used elements of game theory in the model to help plan the manufacturer’s moves as well as predict the moves of competitors.

“We are looking at the overall market—end user, big box retailer, potential competitors—and trying to anticipate what competitors might do in response to our product. We take those anticipated responses into account and try to come up with a design that will make maximum profit for the manufacturer and the channel retailer, while still being very useful for the end user,” says Kannan.

The model develops marketing forecasts and profits associated with different design alternatives by using individual-level consumer preferences, the retailer’s existing product assortment, and the retailer’s and competitor’s potential price reactions in response to the entry of the new product. Because of the intense competition new products face when coming to market, this framework could have a significant impact on the decisions manufacturers make when designing new products.

Black & Decker isn’t the only company that will be able to benefit from this research. The framework Kannan developed can be adapted to any industry where products have to pass through a dominant retailer to reach the market, such as electronics or consumer packaged goods.

“New Product Development Under Channel Acceptance” was the lead article in the March 2007 issue of Marketing Science. For more information about this research, contact pkannan@rhsmith.umd.edu. –RW
Eye on Ads

Understanding the effect of five key design elements lets retailers optimize the effectiveness of feature advertisements.

When a large retailer like Safeway or Walgreens puts a circular in your Sunday paper or mailbox, its goal is to increase overall store traffic and sales and enhance their store’s image. These stand-alone circulars are known as feature advertisements, a form of cooperative advertising between retailers and manufacturers. Manufacturers pay retailers to feature their products, while retailers coordinate ad placement and combine the manufacturer’s products with their own private labels and unbranded products. Feature ads often appear in the U.S. as stand-alone mailings or as supplements in the local Sunday newspaper.

Manufacturers and retailers invest significantly in feature ads—about $3 billion in the U.S. in 2003—so maximizing their effectiveness is an important goal for marketers.

Michel Wedel, PepsiCo Professor of Consumer Science, and Jie Zhang, assistant professor of marketing, examine the way that different design characteristics affect consumer attention to feature ads in a recent paper, “Optimal Feature Advertising Design under Competitive Clutter.” The study uses a large-scale dataset of attention to over 1,100 feature ads, provided by Verify International, a research company in the Netherlands.

Consumer attention to the ads was monitored with eye-tracking technology.

Because multiple ads appear in the same space, all competing for viewer attention, feature ads are particularly prone to the negative effects of visual clutter. This paper is the first to quantify—and thus model the effects of—such competitive clutter on feature ads. The authors constructed a model to examine the surface size effects of five design elements—brand, text, pictorial, price, and promotion—and calculated how to maximize the effectiveness of the entire ad display.

One of the problems faced by designers of feature ads is the competing demands of retailers and manufacturers. Manufacturers want the ad for their own product to be most prominent on the page, but retailers have to balance attention to the products of each manufacturer as well as their own unbranded or private label products. Maximizing the total attention to the ad display meets the needs of both retailers and manufacturers, because it leads to higher total attention to all individual ads on the page.

“The ad display should be segmented more effectively,” says Wedel. “You want people to find the ad more quickly and look at it longer.”

The pictorial element is almost always too large relative to the other elements of the ad. Because pictorial has a big impact, it does not need to take much space to be effective. Text should also be given less space in an ad, but for the opposite reason. Wedel and Zhang found that text has little effect in attracting consumer attention, so there is no point in wasting valuable ad space on it.

Reducing the relative size of the pictorial and text elements frees up space in the ad for the elements that need to be larger, like brand, price and discount information.

Wedel and Zhang’s recommendations can be implemented without requiring manufacturers and retailers to spend additional money. They derived the optimal designs with the ad sizes unchanged, so the placement cost of each ad is the same. “Our recommendations can be implemented at no additional costs, so retailers and manufacturers get the benefits without having to pay a penny more,” Zhang says.

Then there is the multi-billion dollar question: do more eyeballs on the page really translate to higher sales in the store? Wedel and Zhang are exploring this question for a future paper. For more information about this research, contact mwedel@rhsmith.umd.edu or jiejie@rhsmith.umd.edu. -RW
Managing Your Money

When investing in mutual funds, beware of blindly following the herd.

It might seem like a safe bet to mimic the trading strategy of mutual funds. But Russ Wermers, associate professor of finance, cautions investors to be wary of blindly following the herd. In a recent study, Wermers and co-authors Nerissa Brown, PhD ’05, and Kelsey Wei, University of Texas at Dallas, analyzed quarterly stock trades by U.S. equity mutual funds following the recommendation revisions of sell-side analysts across all U.S. stocks from 1994 to 2003. They observed that when analysts revised stocks upward, the mutual funds tended to respond by buying in herds—purchasing the same stock during the same calendar quarter more than would be expected by random chance. When stocks were revised downward, funds tended to respond by selling in herds.

The stocks bought by herds had an initial increase in price, but after about six months, the prices of those stocks went into a reversal and dropped sharply. Stocks sold by herds experienced exactly the opposite pattern—first they went down in price, but then they rose again.

This indicated to Brown, Wei and Wermers that mutual fund managers are overreacting to the recommendations of analysts. “This is the first time that anyone has found solid evidence, on a widespread scale, that any type of asset managers destabilize markets through their trades, actually pushing prices around and away from the fundamental prices of the shares,” says Wermers.

Wermers has looked at the way mutual funds affected the market before, in research covering fund trading from 1975 to 1994 and published in the Journal of Finance in 1999. At the time, he found that mutual funds acted as a stabilizing force, driving stocks toward a fair price. Now mutual fund managers are destabilizing the market. So what has changed?

Part of the answer may be that there are so many more mutual funds now. In 1994, mutual funds held 13 percent of all equities. In 2005, they held 22 percent, about double the share of ownership of the entire stock market. Mutual funds also trade more, partly because trading costs have dropped significantly. So, it is likely that far in excess of 22 percent of trading activity can be attributed to mutual funds.

The professors also found that mutual funds that did poorly over the past year were more likely to herd on analysts’ signals, perhaps because managers of losing funds are already at risk of losing their jobs and thus more likely to seek the safety of investing with the crowd. That way, if they continue to perform poorly, at least they will not stand out.

This almost seems to argue for a contrarian investing strategy—watch what the majority of mutual fund managers do, and then do the opposite. But Wermers cautions that individual investors should not take on such a strategy without considering the substantial risks involved: with many stocks, the reversal pattern did not hold, and investors could lose a great deal of money trying to profit on it.

For more information about this research, contact rwermers@rhsmith.umd.edu.
Smith School Ranked Top Five in Research Worldwide

Research has always been an important part of the Smith School’s mission, and we are achieving global recognition for the quality of our thought leadership. In the 2007 Financial Times MBA rankings, the Smith School was ranked #5 in research production in the world, based on the number of faculty research articles published in world’s top academic journals.

“This is a clear testament to the Smith School’s place among a handful of schools worldwide that are truly leading management education, practice and research,” says Dean Howard Frank. “Our faculty sit at the forefront of the reinvention of traditional business models to create knowledge for today’s global, digital economy.”

Smith faculty are not creating this knowledge in a vacuum, however. They are active in the business world as well as the research world, generating ideas and techniques that are being adapted by Fortune 500 companies and reshaping business practices worldwide. (See the article about P.K. Kannan’s recent research in partnership with Black & Decker for a great example of the way Smith research is changing the way people do business).

Alumni can reap the benefits of the Smith School’s research prowess in a number of ways:

• Subscribe to our corporate newsletter for quarterly updates on recent research findings at rhsmith.umd.edu/newsletter/leading.

• Work directly with faculty and students on your company’s real-time business challenges through Smith Advisory and Collaborative Services (SACS). Learn more at rhsmith.umd.edu/sacs.

• Develop your company’s talent through a custom executive education program.

Learn more at rhsmith.umd.edu/execed/custom.html. –RW

How Your Online Customers Choose Products

How can you get, and keep, your customers’ attention when they are cruising your Web site? The answer depends on what stage a customer is at in the purchasing process. In the first stage, consumers are just weeding down their choices. But in the second stage, they are actually choosing which item to purchase. Wendy Moe, assistant professor of marketing at the Smith School, has examined both these stages using data from online purchases of weight loss aids and meal replacements.

Moe found that in stage 1, where consumers are screening the wide choices available to them, they tend to use simpler mental decision rules than in stage 2, where they are making purchase decisions on the narrowed-down choices from stage 1. Price and size tended to be important in the first stage, but flavor tended to be more important in the second stage.

The research findings have strong implications for promotional design and targeting. From a managerial standpoint, it is important to identify which product attributes are being used for screening decisions, for purchasing decisions and for both. This information combined with the knowledge of how a product is performing in the two stages can enable managers to devise better targeting strategies. Also, if consumers show a high preference for variety in stage 1, it possibly indicates greater consumer uncertainty and therefore perhaps a need for more education in the form of product information.

Although these results may be applicable to other products, Moe is quick to point out that her analysis was done on weight loss aids and meal replacements. Thus, it is not entirely certain that analysis of other products will reveal similar results.

An expanded version of this article may be found on the Research@Smith Web site, rhsmith.umd.edu/research/ras/may2007/. –RW
Faculty Awards and Honors

**Michael Ball**, Orkand Professor of Management Science, has been elected vice president of the INFORMS Transportation Science and Logistics Society. He will serve as vice president during the 2007-2008 academic year, and as president during the 2008-2009 academic year. **Ball** co-organized a Symposium in Honor of the 70th Birthday of George Nemhauser, held at Georgia Tech on July 26 and 27.

**Zhi-Long Chen**, associate professor of decision and information technologies, was on the program committee of “The 3rd Multidisciplinary International Conference on Scheduling: Theory and Applications” (MISTA-07) held in Paris, France in August.

**Anil Gupta**, Ralph J. Tyser of Professor of Strategy and Organization, has been appointed as incoming program chair (for 2007-08) of the International Management Division of the Academy of Management. He will become division-chair elect in 2008-09 and division chair in 2009-2010. The IM division has over 2,700 members.

**Mark Loewenstein**, assistant professor of finance was awarded the Smith Breeden Distinguished Paper prize of the *Journal of Finance*.

**Roland Rust**, David Bruce Smith Chair in Marketing, is the 2007 winner of the Distinguished Marketing Educator Award, given by the Academy of Marketing Science. He received the award at the AMS conference in Coral Gables, Florida in May.

Rust helped to launch a new INFORMS section on Services Science. He was also named to the International Panel of MARS, International Monitoring of Activities and Research in Service, sponsored by the Fraunhofer Institute in Germany.

**EDITORIAL APPOINTMENTS**

**Gurdip Bakshi**, Dean's Professor of Finance, and **Dilip Madan**, professor of finance, have become the new editors of the *Review of Derivatives*, a top field journal in the area of derivative securities, which will now be housed at the University of Maryland.

**Wedad Elmaghraby**, assistant professor of decision and information technologies, has been appointed associate editor at *Management Science*.

**Itlr Karaesmen**, assistant professor of management science, has been reappointed as associate editor of the *Journal of Revenue and Pricing Management*. She was appointed to the Editorial Board of *International Journal of Revenue Management*.

**Raghu Raghavan**, associate professor of decision and information technologies, has been appointed Area Editor for Telecommunications and E-Commerce at the INFORMS *Journal on Computing*.

**Rebecca Ratner**, associate professor of marketing, was appointed to the Editorial Board of the *Journal of Consumer Research*, one of the top four journals in marketing.

Smith School Honors Teaching Excellence with Krowe and Legg-Mason Awards

Smith has excellent teaching faculty, but each year the school honors those who go above and beyond the usual standards of excellence to motivate and inspire as well as educate. Smith School congratulates the winners of the 2007 Allen J. Krowe Teaching Awards and Legg-Mason Award.

**Krowe PhD/Adjunct Faculty Awards**

- Eugene Cantor
- Bruce Michelson
- Mike Pfarrer
- James Spina

**Krowe Faculty Awards**

- Anand Anandalingam
- Elinda Kiss
- Joyce Russell
- Erich Studer-Ellis

**Legg-Mason Award**

- Raghu Raghavan

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Smith
Maryland
our world
Transforming
our students
we are rising
this is our time
the moment is here
THE SMITH SCHOOL seeks to raise $90 million in private funding over the next seven years as part of Great Expectations, The Campaign for Maryland. This is a vital part of the school’s strategic mission, because our growth and vision far outstrip any expectation of public funding. In fact, only about 10 percent of the Smith School’s operating funds come from the state of Maryland. The growth Smith has experienced over the past 10 years has been privately funded—by revenue production, as the school has expanded its graduate level and executive education programs, and by the financial support of alumni and friends.

The $90 million goal is ambitious, but so are the Smith School’s expectations: To become one of the top global business schools, as measured by the school’s stature in research and teaching, and the quality and placement of its students. As we look to the next 10 years, it is clear that the Smith School’s rise to greatness depends on recruiting and retaining the best students and the most accomplished faculty. And to do that, we need resources.

State funding is not and will never be sufficient to allow us to compete with the nation’s top private institutions. Private contributions from alumni and friends are not just important, not just necessary; they are crucial.

So far the campaign has raised $43 million and is on track to reach our halfway goal—$45 million—by September 30.

“The Great Expectations campaign will support the Smith School’s transformation from excellence to greatness,” says Dean Howard Frank. “We’re putting a stake in the ground. This is the moment when we say we are changed, we are never going back, and we are going to be one of the world’s greatest business schools. We already have the students, the faculty, the facility, and the leadership.

“In fact, in our pursuit of greatness we have done everything we can to increase all revenue streams, but it now requires significant philanthropic funding to move us to the next level. This campaign and this moment in time sets the stage for the future, and determines whether we can achieve our great expectations,” says Dean Frank.

The Great Expectations campaign will make it possible for the Smith School to achieve its true potential as one of the world’s premier institutions of business education in the 21st century. In order for the Smith School to continue to produce top business professionals for the region, the country and the world, we need you to participate. Be a part of our bright future. We are rising.

Helping Students Reach the Stars

BRINGING THE BEST STUDENTS TO SMITH

We must continue to attract the boldest and brightest young men and women of each new generation. Scholarships allow the Smith School to compete for the best students—and we are competing with the best schools. When students list what schools they are considering along with Smith, the names are impressive: Wharton, Michigan, Duke.

Many people understand the need for undergraduate scholarships. But PhD scholarships have become increasingly important as well. The Smith School has become well-known for producing not just cutting-edge management research, but also cutting-edge researchers. Funding for PhD students allows us to bring into the program men and women who produce ground-breaking research and go on to appointments at top schools in the United States and around the world.

There is also an urgent need for scholarships to support MBA students. We must be able to offer competitive financial aid to attract and keep students who want to attend Smith—and who we’d like to have—but who cannot turn down a greater financial aid offer elsewhere.

“We are losing some terrific potential students...
18

THE ONLY THING SWEETER THAN SUCCESS MAY BE ENCOURAGING THE SUCCESS OF OTHERS.

Milton Matthews ’68, co-chair of the Smith School’s Great Expectations campaign, knows that success is sweet. By his own admission, New Jersey kid Milt Matthews was just average academically in his high school years. But he could run fast, and his fast feet got him a four-year track scholarship to the University of Maryland. Matthews ran with the opportunity, earning both an ACC championship and a marketing degree from the business school. Thirty years later, Matthews is retired from his position of vice president and chief customer officer for The Hershey Company.

Matthews joined Hershey in 1972 after serving five years in the U.S. Marine Corp as a captain/naval aviator. During his tenure with Hershey, he saw the food giant grow from $250 million to $5 billion. After being named VP of sales in 1989, Matthews dedicated himself to developing Hershey’s next generation of leaders. “Developing human capital is one of the key elements that I took away from my business school education,” says Matthews.

“Developing people was a primary goal I tried to accomplish at Hershey. There’s an old Chinese proverb: If you want one year of prosperity, grow wheat; if you want 10 years of prosperity, grow trees; if you want 100 years of prosperity, grow people. I was diligent about growing our employees at Hershey, and am now enthusiastic about the opportunities for growth that can come from a scholarship,” says Matthews.

Matthews and his wife Becky have endowed two scholarships: one to the Smith School, and one to the University of Maryland men’s track program, recognizing the important effect both communities had upon his life. Matthews says that being a Maryland alumnus has given him a sense of family and loyalty, much like his feelings toward the Marine Corps and Hershey.

“Maryland’s education provided me with unbelievable opportunities. Scholarships are there to provide others an opportunity to pursue their own dreams,” says Matthews.

Spotlight: Miguel Dieguez, MBA candidate 2008

Miguel Dieguez is an impressive guy. A lieutenant commander in the U.S. Navy, Dieguez provides leadership and management to a large contingent of Navy engineers. But two years ago he realized that he needed to bring his skills to the next level to be most effective for his team and to position himself for advancement. So he began looking for MBA opportunities in the Washington metropolitan area.

“I selected the Smith School because the faculty and students seemed to have a close relationship, and I knew it was the best business school in the region,” says Dieguez. While his commitment to attending the Smith School was high, the financial aspects were a burden, especially because his wife is currently finishing a law degree. The Navy is paying for part of his degree, but the Milton Matthews Scholarship will allow Dieguez to spend more of his energy on his education and less worrying about his finances.
because of these resources issues, even though for them and for us the Smith School was the best possible fit,” says Dean Frank. “Our MBA programs have risen in the rankings and in respect, but as we rise, the competition gets steeper and we must offer more financial aid that is competitive with other top schools. Financial aid has become a critical piece of the puzzle for us.”

Smith alumni have been generous in their support of scholarship funds, and today 80 named scholarships exist. But the need is still much greater than what can be provided through currently available scholarship funds. That is why building the scholarship program is such a vital part of our Great Expectations campaign.

WHAT WOULD PROFESSOR EDELSON DO?

When you speak to anyone who knew Charles B. Edelson, former professor of accounting, you are painted a portrait of a forthright, intellectually curious, erudite, and remarkably generous person. For 41 years he was an integral part of the University of Maryland’s business school, working tirelessly to improve the lives of students and develop best practices within the university through his leadership roles in the accounting department, University College, and the business school’s first foundation.

His son Allan Edelson, a director with Deutsche Bank Berkshire Mortgage Inc., recently endowed a scholarship in honor of his father’s life and commitment to the school, which has gone from strength to strength in the years since Edelson’s retirement. “I think my dad would be very happy and proud to see how well the school is doing. He was always interested in the entrepreneurial aspects of business, so I think he would also be pleased at what a strong entrepreneurship program the school has developed,” says Allan Edelson.

Charles Edelson helped shape the business aspects of the business school, creating a workable accounting system and serving as assistant dean of administration for a number of years. Edelson shared his professional expertise with colleagues, too. “He freely gave his advice to faculty, and many of us, myself included, had Charlie do our tax returns,” says former dean Rudy Lamone.

And if “Charlie” did your tax returns, you were guaranteed that they would be beyond reproach. Edelson’s commitment to ethics and his reputation for ethical behavior was so well known that one student reported, “When I have a moral dilemma I think to myself ‘What would Professor Edelson do?’”

Lamone remembers that Edelson was very involved with students on a personal level, and they adored him. “He was very respected and loved by his students, because he cared,” says Lamone. “He always had time for his students.”

Some of those students went on to become Smith School faculty, including Gary Bulmash, Tyser Teaching Fellow, and James Bedingfield, professor emeritus of accounting and former chair of the accounting and information assurance department. “I had Charlie for income tax accounting, which was probably my least favorite subject in accounting,” Bedingfield recalls. “But he kept the class interesting by relating the regulations to incidents from the tax problems of entertainment and political figures. He was a great instructor.”

“He was very happy to see students do well,” adds Allan Edelson. “And many of them went on to become partners in the Big Eight accounting firms.”

Allan Edelson never took a class from his father, but he was privileged to see an entirely different side of the Smith School than most students. “The university was such a huge part of my life growing up,” he says. “The faculty here were like my extended family.”

Allan Edelson hopes the Charles B. Edelson Endowed Undergraduate Scholarship will encourage intellectually curious kids to pursue a career in business—whether in accounting, finance or entrepreneurship—that will improve both their lives and society at large.

“Universities are among the most important institutions we go through in our lives, so supporting and strengthening them is important for our children and our society,” he says.
FEW OTHER BUSINESS SCHOOLS CAN MATCH SMITH in the area of research production. In the 2007 Financial Times MBA rankings, the Smith School was ranked No. 5 worldwide in research, a ranking based on the number of faculty research articles published in world’s top academic journals.

But rankings and statistics are a small measure of the impact this research makes on a global scale. Smith research influences everything from the way that the FAA allocates airport runway space to the way eBay aggregates seller reviews. From healthcare technology to high finance, the Smith School is pursuing research that affects the way people live and do business.

The extraordinary scope and scale of this research is driven and fueled by our phenomenal faculty. Brilliant, original and creative, they provide the impetus for the school’s prodigious research output. They are superstars in their fields, academic innovators who are advancing business thinking and education.

Smith faculty are so respected, and their research and teaching skills so valued, that they are a frequent target of raiding by other top business schools. To succeed in its quest for greatness, the Smith School must retain top tenure-track faculty and continue to attract the best in the business. The school has a very competitive salary profile but needs additional endowed positions to compete with the academically elite private business schools, and compensate for the high cost of living in the region, as it pursues future top-level recruiting.
Smith accounting faculty will get to pursue new research thanks to a gift from the Reznick Group. The Reznick Group Faculty Research Fellows program will provide research awards to support the recruitment of new accounting faculty and encourage existing research by current faculty. Reznick’s commitment of $150,000 over five years will strengthen the academic excellence of the accounting and information assurance department in a world where the field of accounting is in a state of continuous change and evolution.

“This gift is part of our commitment not just to the Smith School, but also to the profession of accounting,” says David Kessler ’85, principal with the Reznick Group. Accounting is one of the Smith School’s most popular majors for undergraduates, with 561 students in 2007.

The Reznick Group and the Smith School enjoy a mutually beneficial partnership. Two of the organization’s founders, David Reznick ’59 and Stuart Fedder ’59, graduated from the University of Maryland and remain involved with the campus. The organization was founded in the Washington, D.C., region 30 years ago. Since then the firm has grown to enjoy a national reputation for excellence and integrity. It is now the 17th largest accounting services firm in the United States, with a work force of about 1,300 employees.

The organization recruits heavily at the Smith School. “We benefit from having high-caliber students coming out of the Smith School,” says Kessler. This year the firm hired 45 Maryland graduates for its Baltimore and Bethesda, Md., offices—up to 40 percent of their total hires for both offices. The firm counts 90 alumni among its work force, and 14 of these are principals with the firm.

“Our founders could never have imagined the incredible success we have enjoyed, part of which the Smith School made possible with talent,” says Risa Guber, national principal for human resources. “The school’s blueprint on our landscape is incredible.”

Kessler says it is the Smith School’s combination of rigorous academics, practical experience and active mentoring that makes its accounting graduates such desirable hires. But the Reznick Group also helps shape the new generation of accounting professionals through its involvement with the school’s ethics focus. Leslie Mostow, principal with the Reznick Group, is a frequent speaker at the school’s ethics classes.

Kessler says that supporting the Smith School is one way the Reznick Group enhances the future of accounting, particularly in the mid-Atlantic region. “Ultimately, we are investing in our future when we invest in the Smith School.”
YOU MIGHT BE SURPRISED at the many ways research at a business school can affect people’s lives. Research at the Smith School is changing the way business leaders think and work. But it is also having an impact on the way you travel, the way you shop and the way you manage your health.

The Smith School’s 11 research centers and Netcentric Research Laboratories are tackling the issues that will define the business environment of the future. The Dingman Center for Entrepreneurship is promoting and supporting the ground-breaking ideas and nascent businesses that will provide economic growth and prosperity in the region for years to come. Increased funding for the centers and laboratories will continue to make this possible for years to come.

Learn more about the work going on in the labs and centers at Smith Business Online.

Imagine the day when all of your medical history is digitized, available to you at a moment’s notice from your laptop or cell phone. You will be able to track your own blood pressure, blood sugar and cholesterol—a great motivator to stick to your diet and exercise plan. You will be able to set up e-mail reminders to prompt you to get your annual check-up and refill your prescriptions.

Imagine that you receive a phone call from your elderly mother, who has a question about one of her medications. Because you have been given authorization by your mother to view her health records, you are able to check on the prescription in question. You also see that it is time she visited her cardiologist. You go online to schedule an appointment with your mother’s doctor, and at the moment you set up the appointment, your mother’s insurance company automatically receives a notice to start the referral paperwork.

Digitizing personal health records promises to reduce health care costs, improve patient outcomes and give ordinary people more control over their own personal health management. Digital records can link everything in the world of personal health care, from the medical to the financial.

So what kinds of technologies will make digital health records not just possible, but readily accepted and easy-to-use? What are the other opportunities that information technology offers for improving patient safety and quality of health care, while at the same time reducing costs?

The Smith School’s Center for Health Information and Decision Systems (CHIDS) is addressing this pressing problem in research projects ranging from the investigation of mobile computing in hospitals to legislation related to health IT and its impact on the health care industry. There is a huge range of barriers to digitizing health records, from the purely technological issues that have to do with interoperability, databases and information security to organizational, behavioral and economic issues. Ritu Agarwal, Robert H. Smith Dean’s Chair of Information Systems, and director of CHIDS, is working in the center with a team of faculty and students to explore these issues, which may someday make it easier and more affordable for you to manage your own health.
Creating the Most Advanced Learning Environment

TECHNOLOGY PARTNERSHIPS
Technology is integrated into the fabric of every Smith class throughout the curriculum in a way few other schools are able to achieve. Innovative coursework integrates the traditional pillars of management education with the latest and most advanced technological tools to produce leaders who are able to hit the ground running out in the real world. Through partnerships with leading corporations such as SAP, Reuters, Oracle, and Sprint Nextel, the Smith School enables students to gain hands-on experience with the software applications used by organizations throughout the world. Upon graduation, Smith students are already adept with the software programs they will need in their first jobs. This competitive edge is one of the reasons why Smith grads are so strong in the workplace.

CONSTRUCTION AND RENOVATION
The Smith School’s technologically advanced home in Van Munching Hall has helped the school differentiate itself as much as its innovative curriculum and phenomenal faculty. But space is continually an issue, as the school adds additional faculty and graduate students, and additional executive- and graduate-level programs. With the final stages of North Wing construction now under way, the school anticipates having additional space for undergraduate classes; more and better quality space for faculty and doctoral students; and increased and more flexible space for Executive MBA and custom executive education programs.

The North Wing expansion is predominantly funded by private donations, and in recognition of donors’ generosity, rooms in the North Wing will be named for donors. Naming opportunities still exist, including five classrooms, an executive meeting room, and a conference room. For more information on how your gift can leave a legacy, honor a loved one and contribute to an excellent learning environment at the Smith School please go to www.rhsmith.umd.edu/give.

GOAL:
$40 MILLION
$40 million—$20 million for Van Munching Hall North Wing and building renovation, and $20 million for technology partnerships
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>2006</td>
<td>Executive MS in Accounting program launched</td>
</tr>
<tr>
<td>2007</td>
<td>Global Consortium MBA launched Halfway point reached in Great Expectations campaign</td>
</tr>
<tr>
<td>2008</td>
<td>North Wing construction complete</td>
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**THE SMITH SCHOOL enjoys an enviable position among U.S. business schools,** with academic programs that attract outstanding students, a faculty that is respected worldwide, and a reputation for research and teaching excellence that has inspired business and government partners to invest in Smith programs and people.

But for the Smith School to take the next step—to move from excellence to greatness—additional financial resources will be required. These resources will enable us to recruit and retain world-class faculty who will advance business knowledge in the netcentric era, provide a state-of-the-art facility for 21st century business education and research, and attract and support a diverse student body who will become the next generation of global business leaders.

You can play a key role in Smith’s ascent to greatness. Your contribution to the *Great Expectations* campaign can help the Smith School become one of the world’s great business schools. You can give Smith School faculty and student the ability to better our world.

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**STUDENTS IN THE SMITH SCHOOL’S SUPPLY CHAIN MANAGEMENT PROGRAM ARE GETTING DIRECT HANDS-ON EXPERIENCE WITH SOME SOPHISTICATED SOFTWARE, THANKS TO SMITH PARTNER SAP.**

The company donated the use of its SAP Business Suite, a collection of enterprise software widely used by businesses to forecast demand, optimize inventory, manufacturing resources and scheduling, display key information metrics, and drive business intelligence, to the Smith School. If the Smith School were to purchase this software, the cost would be in excess of $1 million annually. SAP Business Suite is used in both undergraduate and graduate supply chain management classes and is a key part of the Netcentric Supply Chain Laboratory.

Other schools may put up PowerPoint slides of this software in the classroom, but Smith School students actually use the software to solve problems for dummy corporations and practice on simulated supply chains. The supply chain program is built around the software, showing how it is used to drive business decision making—and giving students the chance to use it. It’s an example of the Smith School’s commitment to integrating technology into the classroom in a way few other schools have achieved.

Thomas Corsi, Michelle E. Smith Professor of Logistics and co-director of the Smith School’s Supply Chain Management Center, also appreciates the increased marketability that familiarity with the software brings to students. “Corporations regard experience with this software as a significant advantage for our students in hiring decisions. When corporations hire Smith graduates, they know there will be a very short learning curve. Because our students understand how these programs work, they are able to be effective much more quickly.”

It’s a win-win situation for SAP as well, says Heather Czech Matthews, SAP’s regional director, University Alliances-America. “The big benefit for us is in providing educational value for the communities we do business in, and providing an educated work force to our customers and partners.”
SMITH STUDENTS CAN DO FINANCIAL RESEARCH JUST LIKE THE PROS, USING THE SAME SOFTWARE AS THE PROS, THANKS TO THE SMITH SCHOOL’S PARTNERSHIP WITH REUTERS.

The Smith School provides students and faculty with access to Reuters 3000 XTra, the firm’s premium desktop product, which is used by financial analysts around the globe. For financial professionals who spend their days in cross asset sales trading, the hefty price tag—around $1,400 per person, per month—is justified. The Smith School’s Netcentric Financial Markets Lab is able to use the same software because of the deep discount provided by Reuters.

Reuters 3000 XTra is a very sophisticated, highly configurable tool that is perfect for those doing theoretical or highly analytical financial work, but in consequence users need a fairly thorough understanding of the software in order to use it effectively. The Smith School gives students significant hands-on experience with the software from the start of their business education. “Students use the system right from the first finance course, which is taken by all Smith students,” says Chuck LaHaie, director of finance technology and applications at the Smith School. “They do research on a corporation, using the software to retrieve financial data, history of prices, projected growth rates, stock market indices, and corporate bond data, and then write an analysis of the corporation.”

“The Smith School is the largest academic environment using the software,” says Tom Browder, vice president of Reuters Training. “Other universities with whom we work tend to only have about 10 terminals running the program. The Smith School has 60. It’s the largest Finance Lab I’ve ever seen.”

The partnership has had benefits for Reuters as well as the Smith School. In 2004, school faculty, in partnership with Reuters training staff, developed a Reuters 3000 XTra certification course which was recently expanded into a full-year program. This certification, which is unique to the Smith School, gives finance students an important edge when seeking employment on Wall Street or with financial services firms. Now Reuters is thinking of offering a Smith-Reuters co-branded training program for its clients using the modules developed for the school’s certification course.

“We’ve also been bringing in interns from the school,” says Browder. “It’s the first time Reuters has taken interns in its client training branch. We were so impressed that we just hired one of the interns full-time.”
JOHN BOYLE ’76 was presented the Dean’s Outstanding Alumni Service Award during the Smith School’s 7th Annual Undergraduate Awards Banquet last May. The banquet honors graduating seniors, faculty, alumni, and corporate friends of the Smith School for their accomplishments and achievements.

Boyle received the award, the first of its kind at the Smith School, to honor his longstanding commitment to and involvement with the school, serving on the Board of Visitors and the Robert H. Smith School of Business Foundation.

“I just enjoy being helpful to where I can,” says Boyle, “and I’m proud of the progress the school has made. I had a great experience at the university, and I think it is important for alumni to come back and share their time and contribute to its continued success.”

After graduating from the Smith School, Boyle worked in commercial banking in the Washington, D.C., area before going to New York to pursue an MBA at Columbia University. After a number of years in investment banking, Boyle took up his present position, working with the outsourcing consulting firm EquaTerra Inc. as Managing Director and Financial Services Industry Practice Lead.

His career is busy and demanding, but Boyle needs no coaxing to spend time at Smith. “I enjoy coming down to Board meetings and the Mayer Fund presentations,” says Boyle. “I like the fact that the fund gives students a unique opportunity, something extra that blends their academic lessons with a real-world experience in managing money. The program and the quality of the students are impressive, and it is great to see them go on to successful careers.”

Boyle lives in Tuxedo Park, NY, with his wife Susan ’77 and sons Jack and Connor.

Read more about the 2007 Undergraduate Awards Banquet, including the announcement of the 2007 Smith Leadership and Excellence Award recipients, at www.rhsmith.umd.edu/ugradawardsbanquet/.
Iannaconi Speaks at Commencement

Under the towering ceiling of the Comcast Center, 780 undergraduates, 300 MBA students, 50 EMBA students, and 12 doctoral students received their Smith School degrees on May 21.

Delivering the keynote address was Teresa Iannaconi, MBA ’78, partner with Big Four accounting firm KPMG and member of its Board of Directors. Iannaconi spoke from her extensive experience in regulation and compliance, including nearly 20 years with the Securities and Exchange Commission (SEC).

Iannaconi remembered the gender bias she experienced as a woman in a traditionally male-dominated industry, as well as the difficulty of negotiating the work-life balance “before it was even called the work-life balance.” While employed at the SEC she pursued an MBA, and had actually begun work for a PhD when the opportunity came to live in Italy for a few years, courtesy of her husband’s job. Despite the fact that it derailed her academic career, Iannaconi jumped at the chance to spend some time abroad. “Don’t pass up the opportunity for adventure,” she advised students.

After her return from Italy, Iannaconi used her network to get a job at the SEC again, and went on to hold the highest-ranking accounting position ever held by a woman at the SEC.

Later, at KPMG, Iannaconi became founding chairman of the KPMG Ethics and Compliance Committee, which allowed her to influence the corporate culture of this giant accounting firm on a subject dear to her heart. “Ethics means more to me than job security. Ethics involves doing the right thing, in the right way, at the right time, because I’m a member of a broad community, and I want that community to thrive, and not merely survive.”

No one involved in the recent, highly publicized accounting scandals woke up one morning thinking that today would be the day they’d cook the books or steal corporate funds, said Iannaconi. “The moral of the story is simply don’t start to compromise, even a little. Because once that begins, it is impossible to control.” View the video of Iannaconi’s speech and see photo highlights of commencement on our Web site, www.rhsmith.umd.edu/news/stories/2007/graduation.html.

Ask the OCM

Q: WHAT ARE RECRUITERS’ TOP COMPLAINTS?

A: According to a recent BusinessWeek survey of recruiters from top companies, there are a number of missteps that even well-prepared job-seekers can make to quickly shift the tone of an interview in the wrong direction.

Avoid these interview blunders:

Temptation to ramble. Recruiters are on tight schedules, so let them direct the conversation. If possible, keep your answers under a minute. If the interviewer wants more detail, they will ask for it.

Faking knowledge. Be honest about not knowing the answer. Ask for a minute to think about the question further, or offer to get back to the interviewer via e-mail once you have the opportunity to do your research. Along these lines, don’t paint an exaggerated picture of your talents; they could come back to haunt you later in the interview process.

Using pedestrian self descriptors. Standing out is the name of the game. Nine other candidates may have asserted strong leadership skills. Connect yourself with a vivid example of this trait and you are more likely to be remembered.

Shedding a negative light. It is tempting to negatively describe where you have been (and why you are leaving) in an effort to justify a career or job change. Stay away from anything that could potentially rub someone the wrong way.

Failing to conduct preliminary research. Your interview is the first indicator of how you will perform on the job. Show initiative and smarts by learning as much as you can about the company and the person who is interviewing you before the interview. Prepare original questions and seize the opportunity to have a genuine conversation with the recruiter.

Too much money talk. Even in a strong job market, don’t overemphasize the compensation piece by bringing up salary during an initial meeting. First demonstrate how you can contribute to the company. Once you are desirable, salary can become a tool for bargaining.

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.
Alumni Notes

‘50s
Robert C. Pearson ’57 is senior vice president-investments of RENN Group in Dallas, Texas, and vice-president of the fund.

‘60s
Sandy Bass ’66 has joined Coldwell Banker Griffith and Blair American Home in Topeka, Kan., as a sales associate. Previously, Bass worked for the U.S. Postal Service, retiring in 2004. He has a bachelor's degree in business from the University of Maryland and an MBA from Baker University. He is a specialist in residential real estate sales.

Jay H. Nussbaum ’66 is founder and COO of Agilex Technologies and serves on the board of directors for Victory Acquisition Corporation.

‘70s
Eli Bronstein ’74 is the director of the Office of Budget, Office of Chief Financial Officer, for the U.S. Department of Energy.

Jeffrey W. Church ’79 was appointed CFO of Alba Therapeutics Corporation in Baltimore, Md.

Scott Cunningham ’73 is vice president of investor relations for Edison International, an electric power generator and distributor in southern Calif., and an investor in infrastructure and renewable energy projects with assets totaling more than $36 billion.

Stephen Heise, MBA ’76, has been named vice president of human resources at Foxwoods Resort Casino, Conn.

Thomas V. Inglesby ’79 is senior managing director of GSC Group, Corporate Credit Group and chief executive officer of GSC Investment LLC.

Don Paris ’77 was selected as one of the smartest 50 CPAs in the Washington, D.C., metro area by Washington SmartCEO magazine.

James D. Russo ’73 is founder of Cardinal Financial Corporation, serves on its board and is trustee of TESST College of Technology.

Neal Shear ’76 is co-head of securities sales and trading for Morgan Stanley, taking joint responsibility for all product businesses with the exception of investment banking.

Marc Schneebaum ’76 is currently president and CEO of Sensors for Medicine and Science, Inc. (SMSI), an emerging medical technology company. Previously, he served as senior vice president, finance, business development and administration, and CFO of Genetic Therapy, Inc. (GTI), a biotechnology company.

Robert Turner ’74 has been appointed vice president of the government programs group of Comtech EF Data, which manufactures a broad spectrum of satellite communications products.

‘80s
Andrew Baer ’80 was named CIO for Comcast Cable, the country’s leading provider of cable, entertainment and communications products and services. He lives in Philadelphia, Pa., with his wife.

Richard “Rich” Blankenship ’80, MBA ’89, has acquired the practice of Blankenship & Poppe1, CPAs, in Tallahassee, Fla., primarily serving closely-held businesses and their owners. Blankenship is 2007 president of Tallahassee’s NE Business Association, serves on the FICPA's Federal Taxation Committee for the Florida Institute on Federal Taxation Conference, and is a member of the Tallahassee Regional Estate Planning Council.

Randall B. Ellis ’88 is director of financial reporting for the University of Virginia.

Gregory Guillaume, MBA ’87, is vice president of financial planning and analysis for Atlas Air Worldwide Holdings, Inc., the parent company of Atlas Air, Inc., and Polar Air Cargo, Inc., which together operate the world's largest fleet of Boeing 747 freighter aircraft.

Robert G. Isaman ’85 is president of Terex Construction, a diversified global manufacturer with revenue of $6.4 billion.

Roger Lingle ’87 was named president of QoVox, a subsidiary of Datameg Corporation, which develops network monitoring and fault isolation tools and services for next generation network services.

Jim O’Brien, MBA ’81, was hired as head coach of the Indiana Pacers basketball team.

Max Peterson ’84, MBA ’86, is vice president of the federal civilian sales group for Dell, Inc.

Frank Ruane ’89 was appointed vice president, purchasing and materials management, of Olympic Steel, Inc., a leading U.S. steel service center focused on the direct sale and distribution of large volumes of processed carbon, coated and stainless flat-rolled sheet, coil and plate steel products.

Craig Schwartz ’87 is the Internet Corporation’s Assigned Names and Numbers (ICANN) Chief Generic Top-Level Domain (gTLD) Registry Liaison. In that capacity he leads the team responsible for registry relations. Craig's primary focus is creating the implementation program for the next gTLD deployment project.

‘90s
Jason G. Bernzweig ’95 is vice president of Sun European Partners, LLP, an investment services firm.

John Bocianowski, MBA ’97, and Heidi Keller Bocianowski, MBA ’97, are proud to announce the birth of their third daughter, Charlize Louise Bocianowski, on October 27, 2006. Both work in finance and planning for IBM Global Services. The family lives in New York with daughters Kayla, Jocelyn and Charlize.

Michael T. Ebaugh ’97 joined the firm of Tydings & Rosenberg LLP.

Fred Funk, MBA ’95, is vice president for commercial services, Essex Corporation.

Andrew Glaser ’99 was named a 2006 Rising Star by Federal Computer Week magazine. The award recognizes the outstanding work of younger people in the government information technology community. Glaser, a managing consultant in IBM’s Supply Chain Management Practice, was recognized for his work leading the strategic sourcing development for the Office of the Secretary of Defense, Assistant Deputy Undersecretary of Defense for Strategic Sourcing and Acquisition Processes.

Ron R. Howell ’94 is president and CEO of The Health Network, which recently merged with GTC Telecom Corp, a nationwide provider of wireless, long distance and business process outsourcing services.

John Murcott, MBA ’95, is co-founder of Fatwire Software, a Web Content expert. The company is number 26 on the New York Technology Fast 50.

Beatriz R. Perez ’91 is senior vice president of Integrated Marketing for the North America group of the Coca-Cola Company. She was recently appointed to the board of directors of North America Holdings, Inc.

James M. Rallo, MBA ’95, is CFO and treasurer of Liquidity Services Inc., a leading provider of comprehensive asset recovery services for businesses and the public sector.

Michele Reing ’93 has joined CapStar Hotel Company as CFO.

Quinetta Roberson, PhD ’99, was chosen as an Emerging Scholar by Diverse Issues in Higher Education. She is an associate professor of human resource studies at Cornell University School of Industrial and Labor Relations.

‘00s
Dax Basdeo, PhD ’06, is executive director of the Cayman Islands Investment Bureau, a government agency that focuses on issues relat-
Brad Bondroff, MBA ’02, is president of The Asset Store, a company he co-founded in 2004 with Dan Shuman, JD/MBA ’02.

Maria Chkeri ’03, program specialist with CORT, organized a class reunion of her fellow Shady Grove classmates to celebrate the opening of the third Shady Grove building.

Dominic Crapuchettes, MBA ’04, founder and co-manager of NorthStar Games, was excited to see his popular board game, Wits & Wagers, on sale at Target stores. A digital version of Wits & Wagers was recently released for the Xbox Live Arcade.

Kathy Crosby, MBA ’06, is CEO of Goodwill Industries, Greater Grand Rapids, Mich. “Without the Smith experience,” says Kathy, “I would never have had the courage to pursue this next level in my career.”

Ricardo Cuellar ’02 and Ricardo Kotlik ’03 won the Harvey Russell Award for leadership and contributions in establishing PepsiCo North America’s first Latino Employee Network in the Western region.

Robert W. Deichert Jr., MBA ’06, is vice president of AOL Media Networks Advertiser Operations.

Jeff Dugan ’03 is a tight end with the Minnesota Vikings.

Matt Fleischer, MBA ’05, president and COO of Hook & Ladder beer, announced that his company will purchase and restore an historic fire station in Silver Spring, Md.

Ingar Grev, MBA ’05, is the owner and CEO of the Washington, D.C., Arlington, Va., and Alexandria, Va., offices of The Growth Coach, a leader in small business coaching.

Anu Kumar, MBA ’04, is vice president, product marketing manager, for Bank of America.

Jordan Lichman, MBA ’06, is co-founder of Sunscreen Mist, a unique spray-on sunscreen system, and an exclusive distributor for Sun Treatment Center.

Luis Malave, MBA ’03, was named COO of Insulet Corporation, a developer and manufacturer of an innovative product for the treatment of diabetes.

Laura McGann, MBA ’03, partner at boutique management firm The Clarion Group, was named one of the Top 40 Under Forty in Hartford, Conn., where she lives with her husband and new daughter Mia.

Sowmya Murthy, MBA ’05, is an associate at Bearing Point.

Goozex, Inc., the online video game trading company created by Mark Nebesky, MBA ’06 and Valerio Zanini, MBA ’06, received the Official Honoree Distinction for the 11th Annual Webby Awards, known as the “Oscars of the Internet.”

Zoey Rawlins, MBA ’06, sold SHOP DC, a Washington, D.C., shopping and fashion guide she founded during her time as a Smith student. It was acquired by Washingtonpost.Newsweek Interactive (WPNI) and has been relaunched as “DC Scout.”

John Snead, MBA ’00, recently joined Smith Barney as a financial advisor working out of the Towson, Md., branch. He lives in Baltimore with wife Ginny and sons Jack (4) and Will (2).

The University of Maryland community is mourning the loss of Mike Corvino, president of JanSport and a valued member of the Smith School’s Board of Visitors. Corvino, an avid Terps fan, played football for the University of Maryland from 1979 to 1982. He was killed in a car accident on Saturday, July 14, 2007.

As a board member, Corvino was very involved and committed in his consultative role with the school. Most recently, he helped bring JanSports founder, Skip Yowell, to the Smith CEO Entrepreneurship Conference, which was held in April. (Read more about the conference on page 3). In May 2006 he talked with Smith Business magazine for an article in the fall 2006 issue. A podcast of a portion of the interview is available at Smith Business Online.

Corvino’s charm and infectious enthusiasm—for his work at JanSport, the opportunities of new technology and most especially for Smith students—will be sorely missed.
Please visit www.rhsmith.umd.edu/alumni for the most up-to-date details, including cost and how to register.

**Upcoming Events**

**FALL**

**Alumni Mentor Program Kick-Off Event**
October 6, 2007
Van Munching Hall
The Alumni Mentor Program Kick-Off event pairs mentors and protégés together based on specific career clusters. The event features an overview of the Alumni Mentor Program in addition to discussing the resources provided to the mentors and protégés by various Smith School departments. Following the program, mentors and protégés are invited to meet with their cluster over lunch in the Pownall Atrium.

**M&A Finance Case Competition**
October 11-12, 2007
Van Munching Hall
Teams from top U.S. schools participate in a competition that simulates an actual mergers and acquisitions pitch meeting to Wall Street bankers and corporate executives. The competition will include a networking reception for students to mingle with other schools, judges, and invited guests, while providing recruiting opportunities and prizes for the winning teams.

**Homecoming Weekend**
October 19-21, 2007
University of Maryland
Come back and see what’s new at Van Munching Hall, and tailgate with fellow alumni in front of Van Munching. There will be activities for all – kids included! The Terps football team will take on Virginia at Byrd Stadium.

**NAWMA (National Association of Women MBAs) National Conference and Career Fair**
November 2-3, 2007
Van Munching Hall

**CIO Forum**
November 9, 2007
Van Munching Hall
Annual meeting of top chief information officers, technology strategists, and academic researchers, in mid-Atlantic states. Events are highly interactive and focus on the most important issues confronting technology strategists in the emerging digital economy.

**Baltimore Area Alumni Networking Event**
November 13, 2007
Featuring Robert J. “Bob” Lawless, Chairman of the Board & CEO of McCormick & Company, Inc., the largest spice company in the world and the leader in the manufacture, marketing and distribution of spices, seasonings and flavors to the entire food industry.

**Full-Time MBA Case Competition – Final Round**
January 20, 2008
Van Munching Hall
See the Smith School’s finest MBA students compete for cash prizes and bragging rights in this annual event.

**National Association of Women MBAs**

**The Smith School** will host the 25th Annual National Conference and Career Fair sponsored by the National Association of Women MBAs (NAWMA) on November 2-3, one of the largest such events ever hosted by the school. The event, which is expected to attract up to 1,000 students, recruiters and other professionals from across the country, will feature keynote speakers, opportunities for networking, a case competition, and a career fair. The Smith School was selected as the host site from several Washington, D.C., area business schools, and is being organized by Smith student members of NAWMA. NAWMA is a not-for-profit organization dedicated to empowering women MBAs in order to propel more women into leadership positions in corporate America and enhance the diversity of the nation’s workforce. For more information, visit the conference Web site at www.mbawomen.org.

**First Mergers & Acquisitions Competition at Smith**

This fall, Smith MBA students will get the chance to test their financial mettle in the school’s first-ever Mergers & Acquisitions competition, organized and hosted by the MBA Finance Association and sponsored by Credit Suisse and Lehman Brothers. Teams from top business schools, including Carnegie Mellon University’s Tepper School of Business, Columbia Business School, University of Pennsylvania’s Wharton School, University of Virginia’s Darden School of Business, and Yale School of Management, will compete for $8,500 in prizes. Teams of up to four students will each compete over a two-day period October 11-12 in a competition that will simulate an M&A pitch meeting to Wall Street bankers and corporate executives. Smith School faculty and industry professionals will act as judges.

Alumni are invited to attend the second round presentations on Friday, October 12, in Van Munching Hall. For more information, visit the competition Web site, www.rhsmith.umd.edu/maccompetition/.

Don’t miss our networking events in Seattle and New York this fall! Please visit the Smith Alumni Web site for details, http://www.rhsmith.umd.edu/alumni.
The 27th Annual Doctoral Program Awards Banquet on Thursday, May 10, was an opportunity for the school’s faculty and doctoral students to celebrate the accomplishments of the past year. And what a year it was! Arjang Assad, Dean’s Professor for Extraordinary Service and professor of management science, noted the continued upward trajectory of the Smith School’s doctoral program, as the school produces both excellent research and excellent researchers who go on to placements at some of the world’s best business schools. This year the placement list includes McGill University, University of California at Davis, National University of Singapore, and National Taiwan University.

As the Smith School has become more well known for the quality of its research program, more people have wanted to pursue PhDs here. Alex Triantis, professor of finance and chair of the finance department, reported that the department received 200 applications for just three open doctoral candidate positions this year.

Larry Gordon, Ernst & Young professor of managerial accounting and director of the PhD program, congratulated this year’s Doctoral Award winners:

- **Frank T. Paine Award for Academic Achievement**
  - Corey Angst
  - Tuck Siong Chung
  - Sharon Hill

- **Outstanding Marketing Doctoral Student Award**
  - Tuck Siong Chung

- **The Gerald and Deana Stempler Competition Award (For Research Related to Family Owned/Controlled Businesses)**
  - Vandana Ramachandran

- **Allan N. Nash Outstanding Doctoral Student Award**
  - Animesh Christian Hofer
  - Steven Johnson
  - Shweta Oza

- **Abraham Golub Memorial Dissertation Proposal Prize (Restricted to Management Science)**
  - Si Chen

- **Marvin A. Jolson Outstanding Marketing Doctoral Student Award**
  - Tuck Siong Chung

Many more events are coming your way this fall! Get the latest news on upcoming events at www.rhsmith.umd.edu/alumni/, or call 301-405-5777.
Fundraising Paves the Road to Greatness

There are really only three ways you can get money: You can earn it, someone can give it to you outright, or you can steal it.

Since we are not in the business of stealing money, someone must give to us what we do not earn through our programs. Smith is part of a public institution, so you may wonder why our success depends on giving from our alumni, corporate partners and other friends. Although there was a time when the state provided nearly our entire budget, today we rely on the state for just 10 percent of our funding. So fundraising is essential.

Furthermore, at the upper end of the business school environment – where Smith now stands – there is no significant difference between private institutions and public schools in terms of cost structure. To compete for the best faculty, we must pay them what they could earn at the top private institutions. And it was no less costly to build the North Wing on University of Maryland ground than it would have been on Harvard or Wharton ground. Our competition is made up of the best business schools regardless of their public or private status. Are we competitive? Absolutely, and with the support of our alumni and friends, we can become even more so.

We attract remarkable students, such as those building the university composting center featured in this issue of Smith Business. Our faculty is exceptional – the fifth best of any business school on earth according to the Financial Times. And our facilities are first-rate with the addition of Van Munching Hall’s new North Wing.

I am confident that the momentum we have seen at Smith over the last decade will continue. But fundraising is essential if the Smith School is to realize its destiny as one of the world’s truly great business schools. To provide the most advanced learning environment, we must constantly invest in facilities and new technology. Since I arrived at Smith, we have funded more than $60 million in facilities, so part of our fundraising goal is to pay for those improvements. To attract and retain world-class faculty, we must create endowed chairs and professorships. And to provide the best opportunities for students, we must deliver scholarships and create innovative programs. The school’s new capital campaign touches each of these important areas in a very real way.

This fall, the Great Expectations campaign will reach an important milestone as we mark the halfway point of our $90 million goal. You will be hearing much more about our progress over the next year. I hope you will join me in supporting this effort as we work to earn our place among the world’s great business schools.

Howard Frank, Dean
Smith. Therefore I am leading globally

As head of Verizon Information Services in Asia, Greg Hanifee oversees 300 employees and directs publishing in three languages. His successful career in telecommunications has taken him from Washington, D.C., to Prague and now Shanghai. With a passion for international business and an MBA from the Robert H. Smith School of Business, Greg is leading globally.

Are you ready to take the lead with a Smith MBA?

Applications for the 18-month Smith Executive MBA are now being accepted for November 2007 admission. Contact Sharon Johnson at 301-405-0777.

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Greg Hanifee
GENERAL MANAGER
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  **Your Benefit**
  Control of trust for lifetime; possible estate tax savings

- **Bequest**
  Name the Smith School of Business in your will
  
  **Your Benefit**
  A donation exempt from federal estate tax

- **Retirement Plan Gift**
  Name the Smith School of Business as beneficiary of the remainder of the assets after your lifetime
  
  **Your Benefit**
  Avoidance of heavily taxed gift to heirs, allowing less costly gifts

- **Charitable Lead Trust**
  Create a trust that pays a fixed or variable income to us for a set term, and then passes to heirs
  
  **Your Benefit**
  Reduced size of taxable estate; keeps property in family, often with reduced gift taxes

For more information on the various ways to make a gift to the Smith School of Business, go to

[www.rhsmith.umd.edu/give](http://www.rhsmith.umd.edu/give) or contact:

- Joanne Ferchland Parella, Asst. Dean for External Relations (301-405-9454)
- Elizabeth Mitchell, Director of Development (301-405-8141)
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The University of Maryland’s Robert H. Smith School of Business provides weekly video and audio podcasts featuring the school’s leading-edge business research and other management topics. Users can download five-minute video and audio clips to digital devices, such as iPods, or view the segments online at www.rhsmith.umd.edu/podcast. Smith Podcasts are also available in Mandarin Chinese at the Smith School’s China Web site at www.rhsmith-umd.cn/BI.

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