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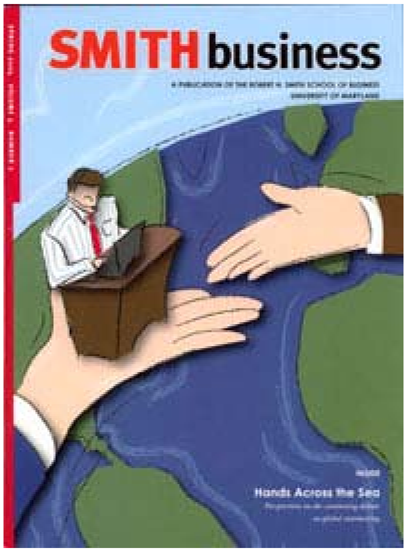


Hands Across the Sea

Is offshoring a bad thing? Some Smith School faculty members offer their perspectives on the continuing debate.

Dean's Column

Our Community of Leaders

Connections

A new model for executive education makes the Smith School and its clients true partners.

Academic Focus

The Smith School's Supply Chain Management Teaching Laboratory delivers hands-on learning.

Faculty Up Front

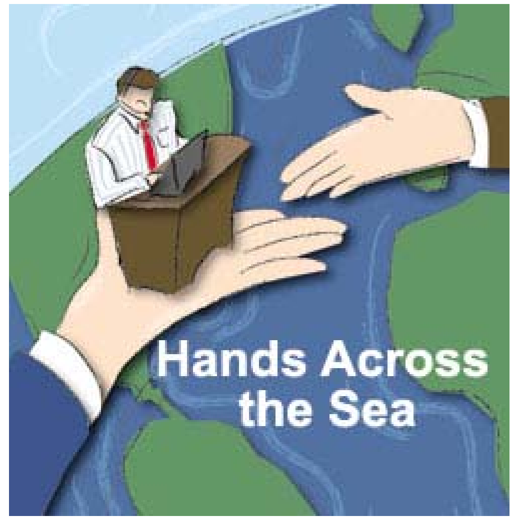
Professors explore the benefits of corporate stardom.

Alumni News

Rain fails to dampen alumni spirits at the annual golf tournament.

Is the increase in global outsourcing by U.S. firms cause for alarm?

By Rosemary Faya Prola



Depending on your perspective, global outsourcing can be viewed as the inevitable consequence of the globalization of business, a boon to worldwide economic development, or an unprecedented threat to the welfare of U.S. workers.

In global outsourcing, also known as offshoring, a company farms out a specific task or series of tasks related to one or more of its business functions to a vendor located beyond national borders. Global outsourcing contracts cover the spectrum of business functional areas: administration, finance, accounting, human resources (HR), sales and marketing (including customer service), supply chain management, and information technology (IT). Business Process Outsourcing (BPO) describes a relationship in which many or all of the tasks in an area are performed by a firm outside the company, either stateside or offshore.

While a popular topic for sound bites in an election year, global outsourcing is not a new phenomenon. Technology companies have been engaged in offshoring since the mid-1970s. However, in the past three to five years, the amount of work that has been outsourced overseas has increased dramatically, and the types of outsourced jobs have changed. According to Information Week, global outsourcing of services by U.S. companies grew from $7.9 billion in 2002 to $77.4 billion in 2003. And, while most of the work performed still is "back office" routine, such as billing, loan processing, and customer care, a growing number of outsourcing arrangements are related to enterprise functions such as research and development (R&D) and strategic analysis.

"The factors driving global outsourcing are increased competition and the relentless pressure to be accountable to stockholders," states Anil K. Gupta, Ralph J. Tyser Professor of Strategy and Organization and chair of the management and organization department at the Smith School. These two factors send companies in search of ways to cut operating costs and meet Wall Street expectations.

The corporate benefits of outsourcing are varied, and may include gains in productivity, a greater ability to focus on core business, and improved quality and efficiency of products or services at lower cost, all of which translate to an improved bottom line.

More than 90 percent of the Fortune 100 senior executives in a study by Ritu Agarwal of the Smith School and Erran Carmel of American University's Kogod School of Business said they were engaged in global IT outsourcing, at least in part, to save money. Seventy percent said it was the sole or key reason. Estimates of potential cost savings depend upon the work being outsourced. In software development, for example, a conservative estimate would be 20 percent.

Agarwal, Ralph J. Tyser Professor of Information Systems, notes, "Now, all companies are trying to take advantage of the global IT labor pool and the relative cost advantage of going offshore." She cites as an example, a $1-million, three-person firm in Chicago that has all its IT work done in Europe.

"It's the idea of working on your core competence and getting partners that do the supporting functions, such as customer care, very well," Agarwal explains. "These partnerships are facilitated by communications and coordination technologies."

Early entrants into the outsourcing industry include companies based in India, Ireland, and Israel. Now, it takes a world map to plot the locations, which include Mexico, Canada, Japan, Singapore, the Philippines, Brazil, and countries in the European Union and Eastern Europe.

And, it's not only non-U.S. firms that are getting part of the offshoring action. An increasing number of U.S. service providers are setting up offshore companies. Some stateside firms are also building offshore IT units. Leading the charge is General Electric, which has a large R&D center in Bangalore, India. The Fortune 100 company is one of many leveraging two of India's attributes: an abundance of engineering talent and small paychecks (compared to U.S. knowledge workers).

This illustrates a point that Gupta makes about global outsourcing. He notes, "It's not just because of cost reasons (that companies outsource), there are also quality reasons." Gupta cites as an example Massachusetts General Hospital, which relies on an Indian partner to read X-rays and CAT scans after hours. "Global outsourcing means that you can provide services 24/7," he says, "and the experience base of doctors in India is arguably much better than that of Boston interns on the night shift."

Anand Gopal, assistant professor of information systems at the Smith School, notes that the kind of IT projects outsourced to India have changed since he began studying the phenomenon eight years ago. "When you looked at the range of projects, it was really boring, low-end work," Gopal states. "Now, the projects shipped out are more interesting and higher value. Companies there are doing R&D. This is true in Ireland, too." He says that most of the IT offshoring arrangements in India today are joint ventures or are performed by Indian subsidiaries of North American firms. Taking over much of the low-end IT work are companies in Russia, China, Eastern Europe, Malaysia, and the Philippines.

At Smith, Gopal teaches an advanced MBA course, IT and Corporate Transformation, which explores IT-enabled transformations in the economy, from changes in business processes to changes in industries. The professor devotes two sessions to offshore outsourcing.

“Through case studies and readings, students gain a strong understanding of the transformational forces of technology and how they can react to them strategically as corporate leaders,” Gopal explains. “In the end, business is all about strategy and economics.”

And global outsourcing is all about business, first and foremost. “Global sourcing is almost a natural outcome of globalization, so it’s difficult to come out against it,” Ritu Agarwal states. “You can’t say that you’re for global markets for the sale of products and not for the factors of production, including intellectual capital.”

Because cost structures are high in the U.S., Agarwal says, offshoring can help make U.S. firms more globally competitive. “And, from the consumer’s perspective, you could argue that it is a net benefit, because they get the product at a lower cost.”

However, the potential loss in U.S. jobs caused by global outsourcing, while in some cases exaggerated, is an obvious concern.

“It’s a controversial subject for many people,” acknowledges Anil Gupta. “Most economists hold that in any kind of transformation, like the shift in textiles or footwear manufacturing, there is pain, as industry workers are affected. But, at the same time, there are many spillover benefits to the economy,” he says. “For example, if you improve quality and reduce costs by outsourcing radiology work, the potential lower cost of health care services benefits American consumers at large.”

“If, in the short run, some jobs are lost because they go offshore,” Agarwal states, “in the long run, there will be a redefinition of the work that gets done here.” This “follows the lessons of history,” she says. “For example, manufacturing in the U.S. evolved more toward product design.” In the current marketplace, Agarwal notes, stateside call center workers can be retrained to provide higher-touch customer interactions. She cautions, however, that the displacement of labor also has to be offset by the development of new industries.

Noting the flurry of proposed federal legislation, Anand Gopal comments, “Bans on global outsourcing by U.S. firms are really not sustainable. Companies are only intelligently trying to compete.” He calls on the federal government to “come up with a bill that’s pro-active and forward thinking” on global outsourcing.

Business leaders, politicians, and editorial writers have offered their solutions for keeping U.S. workers employed while maintaining global competitiveness. Most plans call for an increased investment in science and engineering and more funding for R&D, among other initiatives.

Observers may be experiencing a certain déja vu at the current state of affairs. As HP CEO Carly Fiorina, MBA ‘80, noted in a Commentary in the February 13, 2004 issue of The Wall Street Journal, in the mid-1980s, the Presidential Commission on Industrial Competitiveness called on the public and private sectors to take similar steps in response to the growing economic power of Japan and neighboring countries. The result of this strategy, Fiorina noted, was “35 million new jobs and …the longest period of economic expansion in our history.”

While protectionism is part of the national heritage of the United States of America, so are optimism, risk taking, and a can-do spirit. Instead of a threat, might global outsourcing be a call to greater innovation and progress?

Stages of Maturity in Offshore IT Outsourcing

In their study, Ritu Agarwal and Erran Carmel identified four stages of IT outsourcing by U.S. companies.* The same pattern may be observed in companies outsourcing other business tasks or processes.

1. Offshore Bystander - No offshore sourcing; domestic sourcing only.
2. Offshore Experimenter - Experiments with offshore sourcing on an ad-hoc basis.
3. Proactive Cost Focus - Sourcing of non-core work is encouraged at offshore centers, with the goal of cutting costs; offshore management mechanisms emerge.
4. Proactive Strategic Focus - Core IT work is sourced to offshore centers, with the goal of achieving competitive advantage; distance management mechanisms are mature.

*Carmel, Erran and Ritu Agarwal, “The Maturation of Offshore Sourcing of Information ology Work.” MIS Quarterly Executive, Vol. 1, No. 2 (June 2002): p.p. 65-76.

Dean’s Column

Our Community of Leaders

by Dean Howard Frank

Superior leadership is illustrated in many ways, whether it’s a CEO orchestrating the biggest computer industry merger in history, or a basketball coach building a national championship team. I see these types of leaders within the Smith School community, and I see them actively participating.

Last October, I was thrilled to welcome back Smith School alumna, CEO of Hewlett-Packard, Carly Fiorina, MBA ‘80, who gave the keynote address at the CIO Forum. In May, I will have the pleasure of sharing the Comcast Center stage with University of Maryland men’s basketball coach Gary Williams ‘68, as he delivers the keynote address at commencement.

At a time when the face of corporate America is tarnished by the actions of a few, the school’s illustrious graduates continue to inspire us. In her talk, Carly reminded the audience that leadership is not about how much money you make, or the title you hold, but is instead about making a positive impact. I agree.

Smith School leaders are making a positive impact everywhere. Profiled in this issue of SMITHbusiness is Linda Fitzgerald, MBA ‘86, deputy director of the John S. and James E. Knight Foundation’s Community Partners Program, which works to improve the quality of life for individuals
in 26 U.S. communities.

We also note the accomplishments of three of our graduates who were honored recently at the university’s 5th Annual Alumni Association Awards Gala: Dave Goldfarb ‘79, managing director and CFO of Lehman Brothers Holdings Inc., named the Smith School’s Distinguished Alumnus of the Year; Kevin Plank ‘97, the founder and CEO of Under Armour, recipient of the Outstanding Young Alumnus Award; and Edward Downey ‘52, CEO of Downey Communications Inc., awarded the Ralph J. Tyser Medallion for significant service to the university.

We also count as leaders members of Smith’s world-class faculty who are making important contributions to management knowledge and practice. You’ll read about some of their work later in this issue.

I cannot fail to mention our leaders-in-training: Smith students. Our students are among the most talented anywhere. Hundreds of Smith’s part-time students demonstrated their exceptional business skills in January at the school’s first Part-Time MBA Case Competition, as we note in this issue.

From the inspiring words of one of the best-known women in business today, to the hard work of some of the best students in the world, the vitality of the Smith School community of leaders is something to celebrate.

Executive Education, Rewired

By Rosemary Faya Prola

The old model for executive education is a familiar one: a faculty expert stands in front of a group of upper-level managers, shares his or her wisdom for a few hours, and then goes away.

The new model is quite different, notes Scott Koerwer, associate dean for executive education and marketing communications at the Robert H. Smith School of Business.

“Now the standard for executive education programs delivered by top business schools internationally is more about applying course content to the work of the company,” Koerwer says. “So far, the schools doing this are relatively few, but we have the capability at Smith and have made this the model for all of our executive education.”

The new paradigm, described as “consultative education,” relies on the willingness of faculty members, corporate clients, and executive education leadership to work as partners in the learning process. Having a proven track record of successful programs facilitates the relationship. The TOBE Program (pronounced “to be”), developed by the Smith School and Black & Decker, is an example.

The evolution of TOBE (Technical, Operations, and Business Education) represents the evolution of executive education at Smith. In the mid-90s, the program was delivered in six half-day sessions covering six management topics. Among the faculty presenters were Arjang Assad (decision and information technologies), Robert Krapfel (marketing), Lawrence A. Gordon (accounting), and Anil Gupta (management and organization). Many of them are still actively involved in the program. In 2001, TOBE was delivered in 12 half-day sessions: six were seminars led by Smith faculty and six were issues-oriented sessions which teamed faculty experts with company executives from the matching functional area of Black & Decker.

“Then we asked ourselves, ‘How do we integrate all of this?’,” says Bill DeWitt, Smith School teaching professor and academic coordinator of the TOBE program. “That’s when we incorporated an ‘action learning project’ into the program.” The project requires students to analyze an issue or challenge identified by the company and to present their recommendations to a panel composed of Black & Decker executives and Smith faculty.

“Course development becomes more of an engagement between faculty and corporate executives,” DeWitt notes. “And the emphasis on applying new knowledge to real data also results in a much more robust learning curve for the students.”

“The TOBE program contributes in a real way to the goals of Black & Decker,” states Robert B. Schwarz, corporate vice president and vice president, manufacturing for the DeWalt Professional Products, Power Tools and Accessories Group.

“We want to generate more cash and be #1 or #2 in certain industries. TOBE gives our managers in engineering, supply chain, manufacturing, and other areas a broader view, enabling them to contribute much better to the entire business.” In addition, Schwarz says, the class action learning project “fosters working across the organization, something that we want to get better at all the time.”

The action learning project in fall 2003 was focused on improving productivity at one of Black & Decker’s U.S. manufacturing plants. The company gave the students wide access to data and the highest levels of management, as well as the time to dedicate to the effort. The class decided on its own to complete the project as a group of complementary teams tackling different aspects of the challenge rather than as separate (and competing) teams. They wowed the panel at the final presentation in mid-December.

“What they presented was a new and different way of looking at the shop,” Schwarz says. “They uncovered some things we hadn’t even realized.” The students’ recommendations became the work plan for the plant’s new manager, Irv Bohr, who had served as the Black & Decker liaison for the TOBE program.

“If we pull it off, we can improve costs at that plant to the tune of five percent, about half-a-million dollars,” states Schwarz. “And the benefit on top of that is, as a result of the program, our young people are in a position to apply their new knowledge and cross-functional skills to advance the company in the future.”

“The success of the TOBE program depends on our good working relationship with the guys at Maryland,” he comments. “It’s a success because they listen and try to understand our perspective. Working together is something I enjoy.”

“The level we reach depends on the engagement of the client,” says Steven Feld, executive director of the Office of Executive Education at Smith. “Black & Decker’s leadership shows its dedication to employee development, openness to innovation, and commitment to applicable learning.”

The Smith School’s Office of Executive Education also has growing relationships with Hughes Network Systems, Entergy, Nextel Communications, the U.S. Army Corps of Engineers, Northrop Grumman, and other organizations.

Armed and Ready

By Lisa Gregory

Delivering the knowledge and skills key to success in a networked world has placed the Robert H. Smith School of Business at the forefront of global business schools. A visible example of this leadership is the school's new Supply Chain Management Teaching Laboratory, located in the new wing of Van Munching Hall.

Professor Tom Corsi and students in the Netcentric Supply Chain Management Teaching Laboratory.

"Today, the world of supply chain management is oriented toward the use of technology," states Thomas Corsi, co-director of the Smith School's Supply Chain Management Center (SCMC) and the Michele Smith Professor of Logistics. Through the Supply Chain Management Teaching Laboratory, the school is making certain that its students have hands-on experience with the tools that power the e-supply chain.

The teaching laboratory, part of the Supply Chain Management Center's Netcentricity Laboratory, is arguably the first of its kind anywhere. "The process to integrate complex supply chain applications into a classroom environment is unprecedented," says Corsi. "No other business school has achieved anywhere close to the level of integration achieved by the Supply Chain Management Center."

Corsi notes that the business world is moving to a real-time portal to manage all supply chain relationships, including partnerships with suppliers and customer relationship management. Students in the Supply Chain Management Teaching Laboratory work with the same commercial software used in managing the supply chains of leading Fortune 500 companies. These include e-supply chain applications from Oracle and Caps Logistics. Current plans call for the inclusion of additional applications in the future, including the SAP e-supply chain application.

"The reason no other school has something like this is because it's hard to put together," says Curt Grimm, Dean's Professor of Supply Chain and Strategy and former chair of the logistics, business and public policy department. "But we have the whole package right here," Grimm notes. "SCMC partnerships with software companies; funding from the school; a commitment by our faculty to incorporate the software in their courses; the support of the Smith School's Office of Information Technology, and, most importantly, someone like Tom Corsi, who provided outstanding leadership."

MBA student Bonnie Glick participated in a class in the lab last fall. She’s now enrolled in an advanced course that utilizes the facility. “The lab and the available programs are valuable tools for students to get a real feel for how the supply chain works and what factors influence it,” states Glick, who also works as a senior strategist in business consulting services at IBM.

“The knowledge and hands-on experience gained in the lab will have tremendous benefits for students, making them more marketable,” asserts Grimm.

According to Corsi, this is already happening. “Employers and students are responding very favorably to the learning environment created with the supply chain teaching lab,” he says. “Students report significant employer interest in their knowledge and experience with the technology currently used to manage supply chains around the world.”

For further information on the Netcentricity teaching and research laboratories, visit www.rhsmith.umd.edu/netcentricity/.

Celebrity Firms Benefit From Star Status

by Alissa Arford-Leyl

Are an eccentric management team and a skilled public relations executive more important to a firm than a solid business foundation? Can a “celebrity firm” without a proven track record compete with established companies boasting unquestionable reputations?

As strategy research is increasingly focused on intangible assets, Smith Professors Violina Rindova and Timothy Pollock theorize that in the short run firm celebrity provides the same benefits as reputation without the demands of a history of performance. They view firm celebrity as a distinct intangible asset created by dramatized media coverage of a firm’s behavior that deviates from some industry norms.

In their forthcoming Academy of Management Review article, “Celebrity Firms: The Social Construction of Market Popularity,” Rindova and Pollock define “celebrity firms” as companies that “attract a high level of public attention and generate positive emotional responses from stakeholder audiences.”

They suggest, “Both under- and over-conforming firm behaviors, if positively evaluated, lead to the construction of a firm as a celebrity. The reason for this is that non-conforming behaviors are more likely to attract media attention…” Examples of non-conforming companies include Southwest Airlines, which tries to serve cost-conscious travelers by under-conforming to airline industry norms regarding seat assignments, food availability, and flight routing. Ritz-Carlton, on the other hand, over-conforms to hotel industry norms by providing high-end service and amenities.

“Celebrity is more likely to materialize in industries with high levels of uncertainty, such as industries undergoing technological shifts,” says Rindova.

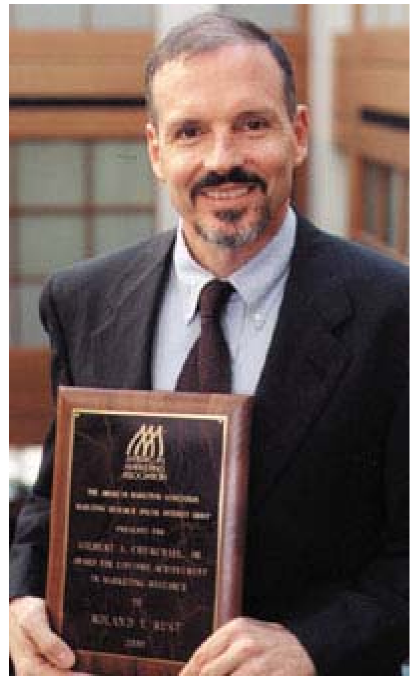
Rindova cites Yahoo! as an example of a company that effectively used its celebrity status to become an established media power. Yahoo!’s celebrity in the mid-1990s provided the firm with access to top managerial talent despite its lack of a clear money-making business model or proven record of performance. “Now Yahoo! is not a rebel, but a member of the establishment, and it won the portal wars,” says Rindova.

Celebrity, like other intangible assets, evolves over time with the firm’s strategy. A rebel firm may modify its non-conforming behaviors to be closer to the norm; be imitated by competitors, changing the industry norms; or increase the degree of its non-conformity. Enron provides an example of a rebel turned outlaw, as over time the firm took its non-conformist behaviors in an increasingly extreme direction with devastating results.

“Celebrity is a double-edged sword. It creates opportunities but also leads to problems,” says Pollock. “When celebrity becomes an end unto itself, it generally becomes problematic. It is not a substitute for reputation.”

For more information, send e-mail to vrindova@rhsmith.umd.edu.

Return on Marketing



The groundbreaking work of a Smith School professor enables executives to choose between possible marketing initiatives based on long-term ROI.

Roland Rust, holder of the David Bruce Smith Chair in Marketing, director of the Center for Excellence in Service, and chair of the marketing department at the Robert H. Smith School of Business, is a renowned expert on customer-focused marketing. Rust, with Valarie A. Zeithaml (Smith School Ph.D. ‘80) of the University of North Carolina at Chapel Hill, and Katherine N. Lemon of Boston College, developed the Customer Equity Model, a framework every business can employ to develop appropriate marketing strategies that increase customer equity (the total lifetime value of an organization’s customer base).

In 2000, the scholars published a book on the managerial issues related to this concept: Driving Customer Equity (The Free Press). Widely hailed, the book received the 2002 Berry-American Marketing Association Book Prize for the Best Book in Marketing.

Their new work offers a broad framework for analyzing the impact of expenditures on different customer equity “drivers,” such as pricing, product improvements, and advertising, and for projecting the return on investment (ROI) that will result.

“It is the first model that makes all marketing initiatives financially accountable,” Rust says. And as such, it has caused quite a stir. An early version of their paper* received the 2003 Robert D. Buzzell Best Paper Award from the Marketing Science Institute for its “significant contribution to marketing practice and thought.” Already, major corporations such as IBM, Sears, General Motors, and Chevron/Texaco have utilized
the model.

Several characteristics set this model apart from others that measure ROI in marketing. Previous models focused on general classes of expenditures and did not compare the impact of any set of competing marketing expenditures. Further, this framework considers the effects of competitor actions and of brand switching on customer lifetime value.

Rust, Zeithaml, and Lemon illustrate their model's capabilities with data from the airline industry. In one example, they calculate the ROI of a $70-million investment in product quality by American Airlines-adding more legroom in coach class. With a 1.39 percent improvement in customer equity, the researchers projected the airline's ROI at 44.7 percent, more than enough to justify the expenditure.

The framework developed by Rust and his colleagues is an example of some of the important research in service conducted at the Smith School. Recently, the school's Center for e-Service was renamed the Center for Excellence in Service, an accurate reflection of the center's broadened research agenda.

For more information, visit the center's Web site: www.rhsmith.umd.edu/ces/.

*"Return on Marketing: Using Customer Equity to Focus Marketing Strategy," Journal of Marketing. Vol. 68 (January 2004), 109-127.

A Business Graduate Changes Course

Linda Fitzgerald, MBA ‘86

Linda Fitzgerald has spent her career in international business. But, last year, when she had the opportunity to join the John S. and James L. Knight Foundation as deputy director of its Community Partners Program, the Smith School alumna followed her convictions.

“The leap from international business development services to a community-based program at a large U.S. foundation was not a strictly logical one,” Fitzgerald admits. However, she says, “I wanted to work closer to the decision-making end of supporting social programs.” The Community Partners Program oversees long-term investments in the vitality of 26 communities throughout the United States. Fitzgerald is involved in administration of the program, including budgeting and grant monitoring.

As an undergraduate at George Washington University, Fitzgerald majored in French and Spanish with dreams of working for the United Nations. But, she says, she soon realized she had chosen “a less-than-practical route that might prevent me from ever supporting myself.”

Fitzgerald switched her major to economics, and after graduation, came to the Smith School to study international business as an MBA student. “I was fascinated by the challenges of conducting business across cultural, linguistic, and geographical barriers,” she says.

After receiving her MBA in 1986, Fitzgerald became director of operations for a start-up company developing business opportunities for U.S. firms in what was then Yugoslavia. She later moved into international economic development, working in the Brazilian subsidiary of an American consulting firm. The firm was interested in studying best practices in the use of vouchers as a tool for building sustainable business development services for microentrepreneurs. Fitzgerald visited training programs from Cordoba, Argentina, to the Cape Verde Islands, and even interviewed microentrepreneurs in a Bolivian jail outside Cochabamba.

Upon returning to the United States, Fitzgerald was drawn to the Knight Foundation, headquartered in Miami (www.knightfdn.org). “My background in international development made me realize that the most rewarding work involves giving a hand up to those less fortunate,” she says.

Stay tuned to what’s happening with Smith alumni at www.rhsmith. umd.edu/alumni/.

2003 Homecoming Tailgate Party

The calendar said November 1, but the weather felt more like September as the Smith School welcomed alumni from all over the country to Ludwig Field for the annual Homecoming Festival and Tailgate Party. Alumni mingled with current students, faculty, and Smith School friends while enjoying exceptional tailgate fare provided by Chuck Corcoran ‘81 of Corcoran Caterers. As young guests played with balloons and maracas, their parents were reunited with friends from their college days. The fun did not end there, as many alumni headed over to Byrd Stadium to watch the Maryland Terps squash the North Carolina Tar Heels, 59-21, with tickets to the game compliments of the Smith School Alumni Chapter. It was a great day all around.

Homecoming is a great way to introduce kids to Terp traditions (above).

Smith School alumni enjoy summer-like weather at the Homecoming Tailgate before the November 1 Terps-Tarheels football game (left).

Weather Cancels 2003 Tournament but not Alumni Spirit

After Hurricane Isabel wiped out the 14th Annual Robert H. Smith School of Business Alumni Chapter Golf Tournament September 18, 32 teams of golfers were looking forward to the November 6 rain date. As luck would have it, a tornado swept through the area the day before, and overnight storms had golfers bracing themselves for a wet day on the links.

Joe Scolaro ‘85, of Santos, Postal & Company, watched the sky all morning: After playing in 12 consecutive Smith alumni golf tournaments, Scolaro wasn’t about to sit this one out. But heavy morning rains forced the superintendent of the University of Maryland Golf Course to call off the tournament before the scheduled noon start.

The rain failed to dampen the enthusiasm of most of the Smith School teams, however, as more than 100 golfers showed up in November ready to play under any conditions. Although the golf portion of the event was cancelled, the day was not a total washout. Golfers enjoyed a gourmet lunch courtesy of Chuck Corcoran ‘81 of Corcoran Caterers, and participated in a raffle and silent auction to support alumni programs and scholarships. The auction topped last year’s effort, raising nearly $5,000.

Golfers joined Golf Tournament Committee Chair Ted Rose ‘89, MBA ‘93, in the clubhouse, taking advantage of the opportunity to network with Smith alumni and corporate partners. Every golfer received a certificate to play the University of Maryland Golf Course at a later date, or at the “Smith Day on the Links,” scheduled for Wednesday, May 26, 2004. All team members also received tee gifts, which included the new “Fear the Turtle” golf umbrella-a handy item, given the day’s wet conditions.

2003 Alumni Chapter Golf Tournament Sponsors

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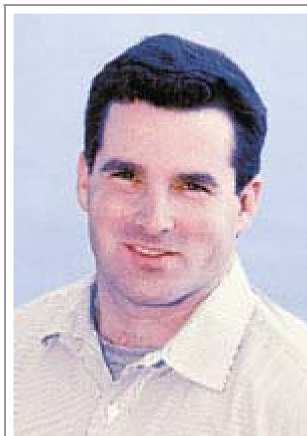
Corcoran Caterers

Outback Steakhouse

Three Smith School Graduates Honored

Edward Downey ‘52

Dave Goldfarb ‘79



Kevin Plank ‘97

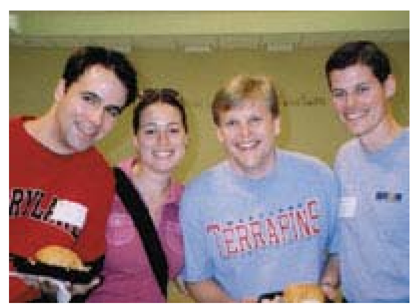
The Robert H. Smith School of Business joined the University of Maryland Alumni Association in honoring three Smith School alumni at the association’s April 17, 2004 awards gala. Dave Goldfarb ‘79, managing director and CFO, Lehman Brothers, was honored as the Smith School’s 2004 Distinguished Alumnus of the Year. Kevin Plank ‘97, president and CEO, Under Armour Performance Apparel, was named the university’s Outstanding Young Alumnus of the Year. Edward Downey ‘52, CEO, Downey Communications, Inc., was honored with the Ralph J. Tyser Medallion for service to the university.

The Fifth Annual Alumni Association Awards Gala was held at the University of Maryland University College Inn and Conference Center.

Mentor Program Kicks Off the Academic Year

On Saturday, October 11, 2003, more than 200 Smith alumni mentors and MBA protégés met for the first time in Van Munching Hall's Grand Atrium. The kick-off coincided with the Maryland vs. Duke football game and served as an opportunity for the students to network with the business professionals who will serve as their mentors in the 2003-04 academic year. Mentors interact regularly with their cluster of protégés, sharing their insight into particular industries and career fields. Pictured, Mentor Richard Greenberg (l), MBA '89, learns more about one of his new protégés, first-year MBA student Michael Grenier.

The evening began with an introduction by Smith School Director of Alumni Affairs Francena Phillips Jackson. Jackson described the Mentor Program as "an opportunity to build contacts within the Smith community while sharing information that benefits the alumni and the protégés." MBA Alumni Committee Chairperson Kelly Nelson, MBA '99, introduced the members of her committee: Ricardo Benn '94, MBA '99; Landon Johnson, MBA '99; Jodi Sweed, MBA '02; and Theresa Brown-Shute '95, MBA '02. They described the mentoring process and offered insight into what protégés could expect to gain from the experience.



The advice was welcomed by first-year MBAs such as Yan Ji (Estella) Rong, a member of Cluster 23, Marketing. "I'm expecting to have someone with experience share advice and knowledge to help me with my career development," explained Rong.

This is the second year as a protégé for Geoffrey Pickett, a member of Cluster 7, Corporate Finance, who will graduate in May 2004. Pickett said, " I like the new structure this year of larger clusters and small groups within each cluster."

The mentors and protégés feasted at a tailgate barbecue by Corcoran Caterers. Everyone received a Smith School water bottle and maracas to take to the football game. For some, the party continued for the rest of the afternoon at Byrd Stadium, as they had many reasons to shake their maracas during the Terps' bedeviling of Duke, 33-21.

Alumni Gather in the Big Apple

Nearly 150 alumni and current MBA students visited the Lehman Brothers headquarters in Manhattan October 1, 2003, to attend a networking event hosted by Dave Goldfarb ‘79, Lehman Brothers’ CFO and managing director. Guests were treated to hors d’oeuvres and other refreshments as they mingled before and after Goldfarb’s presentation on the challenges of assessing risk in changing global markets. Later, a small group of alumni joined Goldfarb for dinner and conversation.

Pictured above: Dave Goldfarb ‘79, CFO and managing director at Lehman Brothers, hosted the New York City networking event and spoke on risk assessment in global markets.

Pictured left: James G. Reilly ‘87, of Goldman, Sachs & Company, greets MBA student Maryana Olman at the October 1 networking event in New York City.

Entrepreneur Now has Global Connections

Thomas Brooks had contacts. Lots of them. And so did his friend, C. J. Bland.

“Both of us were officers with the Atlanta chapter of the National Black MBA Association and were working in senior marketing and sales positions,” Brooks explains. “We both had large sets of contacts around the country. And, both of us were heavily involved in community service.”

Brooks says it was not unusual for an acquaintance working in human resources to e-mail them job descriptions to circulate. “The HR person would get a lot of good resumés and end up hiring someone,” says Brooks, who received his MBA in marketing from the Smith School in 1992.

Today, Brooks is co-founder (along with Bland) and executive vice president of Minority Professional Network (MPN) Inc.

MinorityProfessionalNetwork.com was launched in 2001 and provides online connections and information for minority professionals around the world. Content areas include a career center for job seekers, an employer center, and student resources.

In addition to nearly two million hits since its debut, the site now has approximately 200,000 subscribers to its free e-newsletters. “This is double where we hoped to be at this point. Plus, the demographics of our subscribers make our advertisers ecstatic,” Brooks says.

A former marketing manager at Lucent Technologies, Brooks, who is also the owner and managing director of a specialty marketing, public relations, and publishing firm, says that he discovered marketing while at the Smith School. Before then, the University of Pittsburgh electrical engineering graduate had planned on a career in engineering.

“I was getting an MBA so I could be an engineering manager,” Brooks recalls. Marketing courses would change that. “I found out that I loved marketing, product development, and entrepreneurship,” he says, admitting, “It was a big change, but a good change.”

The MPN user community would certainly agree.

Faculty Impact

The Robert H. Smith School of Business honored professors Gurdip Bakshi, Curt Grimm, and P.K. Kannan in 2003 for their outstanding contributions to teaching and scholarship. Bakshi was named Dean's Professor of Finance; Grimm, Dean's Professor of Supply Chain and Strategy; and Kannan, Harvey Sanders Associate Professor of Marketing.

Bruce Golden, France-Merrick Professor of Management Science, was awarded the 2003 INFORMS Prize for the Teaching of Operations Research/Management Science (OR/MS) Practice. The award from INFORMS (the Institute for Operations Research and the Management Sciences) recognizes Golden's dedication to teaching the practice of MS/OR and his influence on students for nearly three decades.

Lawrence A. Gordon, Ernst and Young Professor of Managerial Accounting, was ranked in the top one percent of all scholars publishing in the top 40 accounting journals in "Prolific Authors of Accounting," an article which appeared in Volume 20 of Advances in Accounting. Gordon was ranked the most prolific researcher (#1) for the year in which he received his Ph.D. (1973). Other members of the Smith School accounting faculty similarly honored were Stephen Loeb, Ernst & Young Alumni Professor of Accounting and Business Ethics, (#3, 1970), and Oliver Kim, Ernst & Young Professor of Accounting (#9, 1990).

In February 2004, Katherine Stewart, assistant professor of information systems, received a $500,000 Faculty Early Career Development (CAREER) Program Award from the National Science Foundation. The award, which is for five years, will enable Stewart to examine factors that influence successful uses and applications of Open Source Software (OSS).

Award-winning Course Builds Venture Capital Skills

MBA students have a unique opportunity to gain valuable experience working on a venture capital fund in a new, two-semester course offered at the Smith School of Business: the New Markets Growth Fund Practicum. The course's innovativeness and experiential nature garnered it the 2003 national "Outstanding Entrepreneurship Course of the Year" award from the United States Association for Small Business and Entrepreneurship (USASBE).

In the course, students act as associates of the $20-million New Markets Growth Fund (NMGF), working under the supervision of the fund's senior management team. NMGF was initiated by Smith's Dingman Center for Entrepreneurship. Mark Grovic, founding partner and managing director of NMGF, developed and teaches the practicum. The students' responsibilities include evaluating business plans, studying market opportunities, creating financial models, and meeting with entrepreneurs located in the underdeveloped areas that are the focus of the fund.

More information is available at: www.newmarketsfund.com.