SMITH BUSINESS

Robert H. Smith School of Business • University of Maryland • Spring 2006 Vol. 7 No. 2
Leaders for the Digital Economy

Making the Big School Small

Smith’s New Undergraduate Fellows Program
Update your profile on the Smith eAlumni Network and become eligible to win a Canon PowerShot A620, a great little camera with outstanding features.

**Picture this:** You’d love to get in touch with a classmate you haven’t seen for a while, but how? Just focus your search on the eAlumni Network, the new and exclusive online community of alumni and friends of the Robert H. Smith School of Business.

The eAlumni Network features a dynamic alumni directory you can search by name, class, region, and company. Plus, find new resources to help boost your career or grow your business, including:

- Career opportunities and classifieds
- Virtual work places and meeting rooms
- Video conferencing
- And more!

Contest Rules: Winner receives a Canon PowerShot A620 digital camera, or a camera of comparable value. Drawing limited to undergraduate and graduate alumni of the Robert H. Smith School of Business/University of Maryland Business School. One entry per alumni member. UMCP employees are not eligible. Update your profile between March 15 and May 31, 2006 to be eligible to win. Prize is not transferable or negotiable. Winner will be notified by email during the week of June 3, 2006.
SMITH BUSINESS ONLINE

Dingman Center for Entrepreneurship celebrates its 20th anniversary.

eSmith portal is a cutting-edge electronic office for Smith faculty, staff and students.

University of Maryland celebrates its 150th birthday.

Smith faculty and students respond to natural disasters.

An international relief agency’s budgeting process benefits from Smith insight.

Smith School’s China programs grow in the Year of the Dog.

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1. Dingman Center for Entrepreneurship celebrates its 20th anniversary.
2. eSmith portal is a cutting-edge electronic office for Smith faculty, staff and students.
3. University of Maryland celebrates its 150th birthday.
4. Smith faculty and students respond to natural disasters.
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3. The avian flu scare leads to fear-based marketing.
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SMITH BUSINESS ONLINE

LEADERS FOR THE DIGITAL ECONOMY

MAKING THE BIG SCHOOL SMALL

The Smith School is reinventing undergraduate business education with an innovative new program.

DAVID TRONE (CS ’88), MBA ’95

BIG MONEY IN THE BIG CITY

A Smith alumnus brings his insight and integrity to the world of finance.

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The Baby Boom Generation is highly fragmented. Each segment of the market thinks of itself as unique. The challenge for a firm is to identify which segment or segments of the market it can serve most effectively.”

— Janet Wagner, associate professor of marketing, explains the challenges of marketing to Baby Boomers.

The Smith School’s Lawrence A. Gordon will be the plenary speaker at the Management Accounting Research Group Conference in April 2006 at the London School of Economics, speaking on cybersecurity issues.

Prominent private investor S. Tien Wong was named an entrepreneur-in-residence with the Dingman Center for Entrepreneurship.

Smith’s first EMBA class in China graduated in December with a grand ceremony in Beijing, China.

WEB POLL: Should multinational companies compromise their corporate ideals on issues like censorship in order to succeed in restrictive markets?

YES it’s okay to compromise traditional principles in order to tap new markets.

NO companies should work harder to find ways to succeed in restrictive markets without compromising their ideals.

Log on to the Web site and let us know at www.rhsmith.umd.edu/smithbusiness.
Robert H. Spicer II addressed the range of challenges facing IT professionals at the Smith School’s Sixth Annual CIO Forum on November 18, 2005. Spicer is executive vice president and chief information officer of Chevy Chase Bank, a $14 billion enterprise with 250 branches and over one million accounts in the metropolitan Washington, D.C., area. Chevy Chase Bank is an important partner of the Smith School as a provider of scholarships and fellowships and a lead investor in the Smith School’s New Markets Growth Fund, a $20 million venture capital fund headquartered at the Smith School.

The challenges posed by continuing technological transformations are particularly crucial for the banking industry—after all, they’re working with people’s money. The 9/11 terrorist attacks made the banking industry realize that moving paper checks by airplane was not a truly safe option. Banks are now required to digitize paper checks and archive them for a period of seven years. This ever-increasing amount of data has presented storage and accessibility issues for the industry. Then there’s information security. Banks must counter fraud, provide anti-terrorist safeguards, provide reliable, foolproof methods of authentification, protect customer privacy, and ensure the security of customers’ financial data, all while complying with increasingly complex federal regulations.

In his CIO Forum address, Spicer pointed out some of the unexpected ways in which technology is changing the banking world. Today more and more people use their bank debit cards as an alternative to cash, a phenomenon Spicer calls “the digitization of money.” This practice is slowly negating the primary function of the thousands of ATM machines across the nation—providing $20s for consumers. Spicer discussed several possible ways the banking industry could maximize the investment that has been made in this technology, including providing more personalized functions, like no-envelope deposits for both cash and checks and using the ATMs for direct marketing purposes.

Other sessions at the CIO Forum featured presentations and panel discussions on information technology in the automobile manufacturing and healthcare industries. Read more about the CIO Forum at Smith Business Online.

Happy 150th Birthday, University of Maryland!

It has been 150 years since the state of Maryland first chartered its new educational institution, the Maryland Agricultural College, which eventually became Maryland State College and finally the University of Maryland. Since then the university has become one of the preeminent public research and educational institutions in the nation.

The university has had a business school since just 1921, but business students have been important contributors to the university’s success and reputation. Some of the school’s most famous graduates include Samuel J. LeFrak ‘40, who presided over one of the world’s largest building firms; the honorable Harry R. Hughes ‘49, 57th governor of the state of Maryland; Waldo Burnside ‘49, CEO and president of legendary Washington-area retailer Woodie’s; Robert H. Smith ‘50, the real estate developer and philanthropist for whom the Smith School is named; Thomas V. Miller ‘64, ‘67 (Law), member of the Maryland State Senate; Gary Williams ‘68, championship-winning coach of the Terps men’s basketball team; Larry David ‘70, creator of the classic television series “Seinfeld” and HBO’s extremely popular “Larry David Show,” and Carly Fiorina, MBA ‘80, former CEO and chairman of Hewlett Packard.

Check out the Smith School history Web site for more information about business school history. –RW
Opening Doors for Entrepreneurs
Smith’s Dingman Center for Entrepreneurship Celebrates 20th Anniversary

On April 5, 2006, the Smith School’s Dingman Center for Entrepreneurship will celebrate 20 years of fostering entrepreneurship in the region. The Dingman Center was started in 1986 with a gift from Michael Dingman, founder of Signal Corporation (later Allied Signal), under the auspices of Dean Rudy Lamone. Lamone had two goals for the center: to build an academic program focusing on entrepreneurship for MBAs, and to build an outreach program that fostered entrepreneurship in the Washington, D.C., metropolitan area.

The Dingman Center was one of the first entrepreneurship centers in the nation, and its services became the model for regional entrepreneurship groups like Netpreneur, the Washington Board of Trade, and many area tech councils. It provided important resources and advice for many nascent businesses in the Washington area, particularly in the information technology industry. The center launched the National Consortium of Entrepreneurship Centers, a collection of university entrepreneurship centers which now has more than 250 members nationwide. The Dingman Center helped create a climate of support for entrepreneurship in the region.

Twenty years later, the center now focuses on incubating student-formed companies, and has been instrumental in the launch of North Star Games, Hook & Ladder Brewing Company, SHOP D.C., and Arcxis Biotechnologies—all enterprises started by Smith students. The Dingman Center hopes some of these businesses will go on to imitate the phenomenal success of another Smith alumnus, Kevin Plank ’96, founder of Under Armour sports apparel. “The next Kevin Planks are on campus today,” says Asher Epstein, director of the Dingman Center. “We want to find them and give them the help they need to develop their businesses.”

The Dingman Center is focused on very early stage ventures. This is the time when a fledgling company most needs assistance, and reaps the most benefits from great advice and ready capital. “Eighty percent of companies start with less than $10,000 in capital, so a very small investment in a promising company or technology has the potential to yield very big rewards,” says Epstein.

Read more about the Dingman Center at Smith Business Online.

Leading Financial Theorist Pete Kyle Joins Smith School Faculty

One of the foremost financial theorists in the world, Albert “Pete” Kyle, will join the Smith School as the Charles E. Smith Chair in Finance in July 2006. He is best known for creating the “Kyle Model,” which provides a foundation for the modern theory of market microstructure, a subfield of finance dealing with the process of price formation in financial markets. “Our ability to attract a scholar of Pete’s stature says a great deal about the high quality of the Smith School and its finance department,” said Howard Frank, dean of the Robert H. Smith School of Business. “Pete has had an extraordinary career and impact on both the canon of finance research and on a generation of emerging scholars.”

Beyond his seminal contributions to the theory of information and financial markets, Kyle’s research has had a pervasive impact in areas such as asset pricing, investments, corporate finance and financial institutions. Kyle’s impact has also been extended beyond the stock market, and is reflected in markets for derivatives, bonds, and global trading mechanisms, with policy implications for exchange design and market regulation.

Kyle joins the Smith School after serving as professor of finance at the Fuqua School of Business at Duke University. He received his PhD in economics from the University of Chicago in 1981. He also held appointments at Princeton University and the University of California at Berkeley, where he was tenured.
Dell Receives “Person of the Year” Award

Ro Parra ’82, Dell’s senior vice president of Americas operations, accepted the 2005 “Person of the Year Award” from the Smith School’s Logistics, Transportation and Supply Chain Management Society (LTSCM Society) and the Supply Chain Club (SCC) on October 27, 2005, on behalf of Dell. The LTSCM Society and SCC traditionally present the annual award to an individual who has made outstanding contributions to the logistics, transportation and supply chain management industry. The 2005 award went to Dell in recognition of its corporate-wide contribution—and the efforts not of a single person, but many—to the field of global supply chain and logistics management.

“Dell continues to represent the state-of-the-art for supply chain and logistics management resulting in optimal competitive advantage and high financial performance for the company,” said William DeWitt, Tyser Teaching Fellow of logistics, transportation and supply chain management. “On behalf of our very active student societies, I am pleased to announce Dell as the winner of the person of the year award, and without a doubt, as the world’s leading example of operational efficiency and speed in a direct-to-customer business model.”

Read more or view video of this event at Smith Business Online.

eSmith: Taking Care of Business in the Digital Age

On an average day, Smith School students, faculty and staff connect to eSmith, a virtual office, about 500 times. Over the Web they access e-mail, personal files, timesheets, financial and statistical databases, and Web-based applications such as Blackboard and Lotus iNotes, using a single, secure login. “It’s like I’m sitting in my office in Van Munching Hall when I’m in a hotel halfway around the world in China,” say the faculty and staff members who regularly travel around the globe for Smith’s international programs.

Since 2002, eSmith has been evolving into a comprehensive gateway that allows the Smith community to navigate through a network of public and private information, services, and business functions of the Smith School and the University of Maryland. “The internal portal at Smith is extremely progressive,” says Holly Mann, director of technology at Smith. “No other business school offers the same level of access to tools for collaboration, research and personal productivity.”

Smith students and faculty appreciate how they can easily access Microsoft Windows applications while off-campus. “eSmith allows users to run real Windows programs through their Web browsers,” says Ernie Soffronoff, Smith IT’s associate director for technical operations. In the past, you had to be on a computer inside Van Munching Hall to access tools such as Lotus Notes, Microsoft Project, Microsoft Visio, statistical applications, financial and research databases, and news content from sources like Dow Jones, Reuters, Hoovers, and Lexis/Nexis. “Remote access to these applications give flexibility to the faculty to use their preferred tools no matter which campus they teach at, and gives convenience to the students to be able to work anywhere at any time,” says Soffronoff. Now, students at satellite campuses can get the same level and quality of access to systems. Users running applications over the Web can still access the printers and disks on their local machines, a great convenience for many people.

Lotus Sametime and Lotus QuickPlace are two collaboration tools available via eSmith. Sametime is an instant messaging/video conferencing application allowing real-time chats: typing, audio or video depending on the user capabilities. QuickPlace is a virtual team room where invited users can post documents, chat, create a calendar, and conduct other virtual communications.

The Blackboard course management system can also be accessed via eSmith and has more than 5,200 registered users this semester, 240 course sites covering 447 sections, with an average of 45,000 hits a day. Blackboard is a popular teaching and learning environment, featuring a robust setting for content management and sharing, online assessments, student tracking, assignment and portfolio management, and virtual collaboration.

To find out more about eSmith, visit portal.rhsmith.umd.edu.
In the wake of Hurricane Katrina, emergency management staff encountered some unusual data management problems. After being inspected, buildings were marked with a sign, like a large X. But workers from different federal and relief agencies didn’t know what the other agencies’ signs represented, so many buildings were checked multiple times or marked with multiple signs.

“A simple Web site could have solved this problem by telling the agencies how to interpret these different signs,” says Louiza Raschid, professor of information systems. “Data sharing in a disaster can be difficult to support, even at a very simple level.”

If technology can make the difference between success and failure for disaster management, how do humanitarian organizations choose what kinds of technology to use? Raschid, Katherine Stewart, assistant professor of information systems, Sanjay Gosain, assistant professor of information systems, and MBA student Julie Inlow are working to understand the technology adoption process in humanitarian relief agencies, specifically the adoption of free, open-source software (F/OSS). The project is now in an early stage and is funded in part by two grants from the National Science Foundation.

One of the problems with disaster management is that many different agencies come together, each with their own proprietary software. Interoperability is key for successful data sharing amongst agencies, which is why F/OSS may be uniquely suited for disaster management.

“Companies like Microsoft and HP don’t have much incentive to provide ways for their software programs to talk to each other, because that’s not how you make money,” says Raschid. “With open source software, people can go in and write extra code to make two pieces of software talk to each other.”

Some humanitarian F/OSS projects are already in the works. CiviCRM is customer relationship management software that helps agencies keep track of victims, organizations, camps, and relief supplies. Stewart believes even more humanitarian agencies will become interested in using F/OSS because the open development process provides a better quality software product and more options for customization of software. “Open source is almost like a peer review for computer code,” says Stewart. “Anyone can contribute to the project, but then those contributions are screened, evaluated and tested by a wide variety of people.”

Smith Study: Open Source Software Offers Help for Data Sharing in Disaster Management

Smith Enrolls Students Displaced By Katrina

Shortly after Hurricane Katrina hit the Gulf Coast, the Smith School of Business coordinated with the University of Maryland’s Undergraduate Admissions and Registrar offices to extend a helping hand by admitting at least 40 students from various schools affected by the hurricane. Mostly from Tulane and Loyola Universities, the students were admitted as visiting students at the University of Maryland. Students were primarily from the Washington–Baltimore area who desired to return home after the devastation.

Because students did not have access to their academic records—many of which were lost to flooding—the University of Maryland and the Smith School made special arrangements to help displaced students. Counseling sessions helped them find appropriate classes and assistance was given to help students with housing and help them assimilate into campus life. Student leaders were asked to give special attention to displaced students by inviting them to social activities and involving them in extra-curricular activities throughout campus.

The Smith School also helped a small number of graduate students; by the end of the fall semester, all had moved on for various reasons. By spring semester, just five Smith undergraduates remained at Smith as post-Hurricane Katrina transfers. –AM
I helped families figure out how to get FEMA assistance. Since I was not a FEMA employee, just a volunteer, wearing the FEMA shirt and badge was nerve-wracking at times. I worked on the FEMA Individual Assistance program, which has its share of flaws.

The experience left me with the conviction that even technology developed with great intentions may not be very useful for the final beneficiary if the individuals involved in strategizing, planning, architecting, and designing the technology have never experienced the same circumstances as the final beneficiary.

Getting assistance under the current system isn’t easy. You need to have a pretty good Internet connection—not easy to come by after a hurricane, and for which you may need to stand in a long line. You have to know all kinds of details about your property and your family, from Social Security numbers to insurance policy details, all while sitting in the dark because there’s no power, or sitting in a hotel three states away.

Sometimes things just go wrong with the system. If you somehow clicked on the wrong buttons on the Web site, or the person on the phone misheard or misunderstood you, you may never receive a check. If you miss an arbitrary deadline, you can be denied assistance. There were moments when I thought the lottery system would offer someone better odds of assistance.

People on prestigious and expensive waterfront properties lost their homes to flood and wind, along with people in the low-lying areas of New Orleans that were inhabited by the poor. Essentially the hurricane put both rich and poor on the same ground. Several applicants for assistance admitted they had never known what it was like to be homeless or live in a shelter. They sobbed for their previous lack of sensitivity.

Volunteering was a truly great learning experience. It gave me the opportunity to work with nearly a thousand families over 30 continuous days from 8:30 a.m. to 7:00 p.m. Many of them were left with absolutely nothing. I heard their stories, their sadness and their hopes. It was the most rewarding experience of my life.

Rani Balasubramanyam, a part-time MBA student, took some time off from work and classes to volunteer with the Federal Emergency Management Agency after Hurricane Katrina. She shares her story.

From Popcorn to Papadums…

The Maryland Undergraduate Student Entrepreneurs (MUSE) Club, sponsored by the Dingman Center for Entrepreneurship, raised funds for hurricane victims by selling popcorn and cotton candy to students in the Pownall Atrium and to business people during an Open House at the Dingman Center for Entrepreneurship.

SMITH STUDENTS FOUND WAYS TO RESPOND TO THE MANY NEEDS OF DISASTER VICTIMS WITH TYPICAL TERP GENEROSITY.
2006 marks the Year of the Dog in the Chinese lunar calendar and it is also a year that portends great things for the Smith School in China.

Welcome to Smith’s Newest Alums—the Beijing Class of 2006! Steve Feld, Smith School executive director and chief operating officer of professional programs, was on hand to help award certificates of graduation to the 34 members of Beijing’s EMBA Class of 2006 in a graduation ceremony on January 22, 2006. Also awarding certificates was Zhunmin Chen, the president of Smith’s partner institution in China, the University of International Business and Economics. Join us in welcoming our most recent alumni to the Smith community!

China Business Plan Competition Will Soon Launch
The success of last year’s China Business Plan Competition, which gave Chinese entrepreneurs the opportunity to compete before a panel of international venture capitalist judges for cash prizes totaling $45,000, will be followed by the launch of the 2006 China Business Plan Competition. This year’s event promises to be even bigger and better with the addition of a thought leadership conference focusing on the development of entrepreneurship, corporate intrapreneurship and innovation in the China market. The final round competition and conference will take place on September 13, 2006. Look for more information and updates on Smith’s China Web site: www.rhsmith-umd.cn.

Smith Offers New MS in Accounting Degree
Scandals in corporate governance have led to intense interest in best accounting practices, especially after the passage of the Sarbanes-Oxley Act. The Smith School is offering a new degree, the Executive MS in Accounting, with a focus on internal auditing. This unique program will help meet the business world’s critical need for accountants with advanced degrees and internal audit specialization.

The Executive MS in Accounting was developed by Smith’s world-class faculty in consultation with leading public accounting firms and other accounting professionals. The program will be delivered in an executive format, with classes meeting on Saturdays for 15 months. In addition to the internal audit track designed for internal auditors, a general accounting track will also be offered as an option.

The first cohort for the MS in Accounting will begin in fall 2006. Please check the Web site for more information, or call 301.405.9564.
Dollars and Sense
An international relief agency’s budgeting process benefits from Smith insight.

It began with a class project. It ended up changing the budgeting process for an international relief agency and being honored as a finalist for the prestigious INFORMS Wagner Prize. Smith student Rick Nidel, MBA ’05, Ioannis Gamvros, a Smith PhD candidate, and S. Raghavan, associate professor of management science, used optimization methods to help decision-makers at Catholic Relief Services, an international relief and development agency, allocate the agency’s budget in a way that was aligned with its strategies and goals.

Raghavan was teaching the MBA elective “Decision Modeling with Spreadsheets,” showing students how to model different types of business problems. Nidel, who had worked for Catholic Relief Services for 10 years before becoming an MBA student, immediately saw the potential of the technology to help the agency with its budgeting process. He approached Gamvros and Raghavan, who were interested in the challenge presented by this real-world business problem.

Each year, the agency allocates about $75 million in unrestricted funds—donations which have not been designated for a specific purpose—to relief and development efforts in 99 countries. Catholic Relief Services wanted its budget to reflect its priorities: the alleviation of poverty, the reduction of HIV/AIDS, the empowerment of women and the preservation and promotion of civil liberties and human rights. The decision process needed to be equitable, transparent and easily understandable to the agency’s stakeholders, including donors and managers of relief programs around the world that receive support from Catholic Relief Services.

Under Raghavan’s guidance, Nidel and Gamvros designed a model and a spreadsheet tool for the agency, defining a metric that helped the agency maximize the investment impact of unrestricted funds. The model had to take into account a plethora of complex factors, such as the agency’s philanthropic goals, the size of a country’s population relative to its need, the availability of public funding, and the efficiency of the relief program.

The project was a perfect application of theory to practice. Gamvros, Nidel and Raghavan were recognized by the Institute for Operations Research and the Management Sciences (INFORMS) as finalists for the prestigious Daniel H. Wagner Prize for Excellence in Operations Research, putting them in the elite company of large organizations like Merrill Lynch, General Electric Global Research Center, and AT&T Labs.

Catholic Relief Services was also very pleased with the results of the team’s work. Sean Callahan, vice president of overseas operations, says the model has allowed the agency’s decision-makers to approach budgeting decisions with increased consistency and professionalism. “Once we decide the percentage of investment in a country, we can then place that out over five years, enabling us to do a forecast model for our budgets over a five-year period,” Callahan says, describing how Catholic Relief Services uses the model. “People know what funding they are going to have this year and in subsequent years.”
Business is a race, and you’re not going to get anywhere if you’re not moving. By the time you wait to perfect an idea, it will be too late. The fastest firm is the best-performing firm, say Smith professors.

**Strategy As Action**

In their new book, *Strategy as Action: Competitive Dynamics and Competitive Advantage*, Curtis M. Grimm, Dean’s Professor of Supply Chain and Strategy, and Ken G. Smith, Dean’s Chaired Professor of Strategy, recommend an action-based approach to strategic management. “Today’s global economy is very complex and dynamic. Things are changing all the time, technology is changing all the time, and there is global competition,” says Grimm. “In such a complex environment, companies can’t do strategic planning the old way, by bringing a group together and studying an idea for a year. Companies need to be doing strategy all the time by constantly studying their competitors and taking appropriate action.”

Grimm and Smith have been studying the successes and failures of corporations for more than 20 years. They recommend that firms not only move faster, but engage in a continual evaluation of their actions, in effect developing a strategy as they go by seeing which actions bring about the best results.

A certain amount of failure is the inevitable result. “Firms need to be really aggressive and take a lot of different kinds of actions. They’re not all going to work,” concedes Smith, “but the firms that are nimble have consistently done better than their competitors.” Grimm and Smith cite several examples of very aggressive firms that have had success with this kind of strategic management, such as Wal-Mart, and GE under the leadership of Jack Welch. Though not every action those firms took was successful, overall their actions led to tremendous success.

This kind of strategy depends on understanding your competitors and understanding the environment in which your business operates. The book focuses on helping business leaders understand how to exploit their firm’s resources and advantages to take actions which either avoid or engage their competitors. When should a firm compete versus cooperate with rivals? When should a firm attack versus defend its existing position? How should a firm attack, defend against or cooperate with rivals? Real-life examples across many industries demonstrate the kinds of actions Grimm and Smith recommend.

*Strategy as Action: Competitive Dynamics and Competitive Advantage* is published by Oxford Press and is available in bookstores and at Amazon.com.

——Ken G. Smith

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**NEW BOOKS**

The following books authored by Smith faculty members were recently published.

**S. I. Gass and A. A. Assad**

*An Annotated Timeline of Operations Research: An Informal History*


**K. Smith and M. Hitt**

*Great Minds in Management: The Process of Theory Development*

“If you want to be a world-class college of business and if you’re not engaged in a multinational arena, then it fundamentally doesn’t work. Institutions that don’t begin this process now are going to fail.”

Scott Koerwer, associate dean of professional programs and services, offering insight into trends driving business education and the MBA market. Financial Times, January 30, 2006

“Their biggest enemy is themselves. They’re in China and they’re transferring technology and know-how. They are pushing their suppliers to go to China to lower their costs here so they can import components. In the process of doing so, the General Motors and Ford are manufacturing competitors for themselves. In some ways, they are giving away the family jewels.”

Peter Morici, professor of logistics, business and public policy, comments on U.S. automakers in the China market following news of the debut of a Chinese automaker at the Detroit Auto Show. CNN/Lou Dobbs Tonight, January 10, 2006

“Any project involving technology becomes high-technology if you haven’t done it before.”

Henry Lucas, professor of information systems, discusses how to effectively manage “technology risk” and avoid having routine technology chores, like installing a computerized billing system, from becoming costly. Inc. Magazine, December 2005

“The role of educators should be to inspire, motivate, persuade, stimulate. Learning should be directed at helping students understand the why, not merely to recognize the what, when, where, and how.”

Gerald Suarez, executive education senior fellow, in an opinion article that takes a look at the U.S. educational system and the impact of globalization on future U.S. competition. The Baltimore Sun, December 5, 2005

“You now have 10 planes doing what eight could do. That tends to exacerbate delays.”

Michael Ball, Orkand Corporation Professor of Management Science, offers insight as to why airline delays and cancellations are on the increase. USA Today, October 3, 2005

“What these fear-based appeals do is really make you feel a loss of control. And what you want to do is alleviate this loss of control by taking some action, by taking your life back into control.”

Joydeep Srivastava, associate professor of marketing, explains how fear-based marketing works, using tactics used by online marketers of purported avian flu remedies and preventative as an example. PRI/Marketplace, November 10, 2005

“These are teams that do have discretion and decision-making authority. When they see a need, they just move and they don’t wait for authority.”

Hank Sims, professor of management and organization, using the Salvation Army response during Hurricane Katrina as a successful example of a group that can respond quickly to an external situation because it has small independent teams making decisions on the ground. NPR/All Things Considered, November 26, 2005
Web Pop-Up Promotions: 
Making the Web Experience More Enjoyable?

“Congratulations, you are the 1,000,000th visitor to our Web site!” says the balloon-filled window box that appears on your screen every time you go to that one particular Web site. Maybe you try to mentally tune out pop-up Web ads, or have been so annoyed with the continuous interruptions that you physically blocked them by changing your Web browser preferences.

Obviously a Web user will be interrupted by a pop-up ad, but what is the perception of that interruption? Did the user see the pop-up ad on a gateway (navigational page with links) or content page? Was the pop-up immediately on the screen, or was there a delay in its appearance? Did the user click on it?

“There are two reasons why seeing a pop-up ad would make a user visit more pages on a Web site,” says Moe. “First, individuals become more involved when faced with an interruption that is on a lower-level content page, and second, the pop-up is less likely to be perceived as an interruption, thereby avoiding any of the negative reactions that arise from being interrupted.”

Moe encourages experimentation and customization of online advertising to make it more positively received. “Find out what is right for your site. If users are shopping and searching and they are interrupted, they will be distracted. But if the ad helps them, they will stay longer,” says Moe.

Since more people are utilizing pop-up blockers, advertisers are going to get more creative.” Pop-up ads may disappear,” says Moe, “but advertisers are just going to get more creative and find new ways to interrupt the user within the Web page.”

Before, little research had been conducted to explore the effect of pop-up promotions beyond simply looking at click-through rates, says Moe. “Not enough companies do online experimentation and this project could be the blueprint for similar research. Additional research in this area would improve our understanding of how individuals respond to promotional interruptions and help marketers design more effective promotional tactics.” –AAL
Regardless of the amount of their salary, a majority of employees feel they are compensated unfairly. That's important for managers, because how employees perceive the fairness of their compensation has a strong effect on employee turnover.

Kathryn Bartol, Robert H. Smith Professor of Management and Organization, studied pay raises and pay levels and the effects both had on voluntary turnover. Her research shows a strong correlation between low pay raise satisfaction and employee turnover. Employees use pay raises to gauge the fairness of how they're being treated and a perceived lack of fairness appears to make turnover more likely. Pay raises also seem to convey to employees some information about their current worth within the organization.

Bartol believes that turnover is heavily influenced by the perceived fairness of pay allocation within an organization. “A lot of times we hear that people leave because they’ll receive more pay somewhere else, but this research indicates that people really leave an organization because of concerns about the fairness of the way they have been treated based on their pay raises,” says Bartol.

Pay raises seem to indicate to employees how their quickly their careers are progressing within an organization, especially as compared to others—a phenomenon Bartol calls “velocity.” Employees benchmark their pay raises in respect to those of others within their organizations and also with respect to their own previous raises. An employee who is dissatisfied with pay raises may use the pattern as a signal that velocity is insufficient, which may drive the employee to look elsewhere.

The results of this study suggest that organizations and managers need to pay more attention to pay raise procedures and outcomes. As raises depend more on performance, which usually involves some subjective assessment by supervisors, procedural issues become more complex and are more likely to result in perceptions of inequity and unfairness. Ultimately, satisfaction with pay depends less on the dollar value of a raise than on the employee’s perception of fairness, velocity and his or her own worth to the organization.

But how do you motivate and keep your best employees when your organization doesn’t have a lot of extra cash? Bartol recommends employers consider other types of rewards in addition to pay raises in order to retain their employees. “There are other types of rewards than pay, and managers need to get away from the notion that everyone needs the same exact set of rewards,” says Bartol. “One employee may value a certain training opportunity, while another wants flex time and a third wants a particular office location. As long as they are comparable and done in an upfront manner, such reward combinations can help managers creatively meet workers’ needs to feel their contributions are valued and the organization is concerned about their well-being.” –RW

FEAR-BASED MARKETING

Remember the Y2K virus? As the clocks ticked over to January 1, 2000, all the world’s computers would suddenly reset their internal calendars to January 1, 1900. Power generators would cease spinning and communication networks would collapse. It didn’t work out that way, of course, but on the strength of those fears people stocked up on cases of canned food and bottled water and built shelters in their basements.

Today’s source of anxiety isn’t the Y2K virus (or SARS, or anthrax), it’s bird flu. And a whole host of products are suddenly being marketed to those fearful of a massive pandemic, bringing economic gain to those who know how to capitalize on others’ fears.

Joydeep Srivastava, associate professor of marketing, says that fear-based marketing works because it appeals to a consumer’s desire to gain some control over a perceived threat. “The anxiety causes you to feel a loss of control, and you want to alleviate this loss of control by taking some action,” says Srivastava.

On the whole, fear-based marketing may do our collective psyches some good, by helping us feel more in control of a scary situation. So don’t feel bad about stocking up for an emergency.

Listen to an NPR interview with Srivastava about fear-based marketing at Smith Business Online.
Smith Professor Wins Prestigious Von Humboldt Award

Dilip Madan, PhD ’72 (Economics), PhD ’75 (Mathematics), professor of finance, has been chosen to receive a 2006 Alexander von Humboldt Research Award in mathematics. Humboldt awards are considered among the highest honors given to internationally recognized scholars. The winners must be nominated by established researchers working at universities or other research institutions in Germany; direct applications are not accepted. Forty past recipients of the award have gone on to be honored with the Nobel Prize in their fields, including five of the 2005 Nobel Laureates.

The award, which carries a prize of 50,000 Euro, about $60,000 at current exchange rates, recognizes Madan’s body of research in the field of mathematical finance.

The trading of derivative securities in financial markets has exploded in the last 30 years, and these securities are hard to value accurately. Since the Black-Scholes model was developed in the early 1970s, literally hundreds of variations of derivatives valuation models have been developed to value an expanding set of derivatives. However, few have had as significant an impact on practice as Madan’s Variance-Gamma (VG) model (developed with Eugene Seneta of the University of Sydney). Their model uses a more accurate methodology in accounting for the way underlying asset prices move through time. It is one of three pricing models used by Bloomberg (along with the Black-Scholes model and the Stochastic Volatility model developed by Smith professor Steve Heston.)

Beyond the VG model, Madan has been incredibly prolific, publishing scores of papers. He was drawn to finance because the problems presented by that field are mathematically interesting. “They come to me with real issues which are mathematical problems and I try to help solve them,” says Madan. His research focuses on improving the quality of pricing models, enhancing the performance of investment strategies, and advancing the understanding and operation of efficient risk allocation in modern economies.

Madan was nominated for the award by Ernst Eberlein, a professor at the University of Freiburg, Germany. Madan plans to collaborate on research with Eberlein, traveling to Germany for several month-long trips over the course of the next several years. He will receive the Humboldt Award in Berlin, Germany, this July.

Madan is a professor of finance in the Smith School. He is Managing Editor of Mathematical Finance and associate editor for the Journal of Credit Risk and Quantitative Finance.

Self-View and Marketing

Do you think of yourself as a rugged individualist following your dreams, or as a provider and caretaker, sacrificing for the needs of others? How you perceive yourself influences the investment choices you make, according to research conducted by Rebecca Hamilton, assistant professor of marketing, and Gabriel J. Biehal, associate professor of marketing.

For one of their studies, Hamilton and Biehal constructed a set of four print advertisements designed to evoke different self-views among participants. Two ads encouraged viewers to consider their own goals, and the other two encouraged viewers to consider their responsibility to others.

After viewing the ads, participants were given a hypothetical budget of $5,000 to allocate among four mutual funds. Consumers who saw themselves as independent of others focused on promotion goals—achieving financial gains—and had a higher tolerance for risk when choosing mutual funds. Consumers who saw themselves as interdependent and connected with others focused on prevention goals—preventing financial losses—and were more averse to risk.

Is it possible to change a person’s risk preferences? Hamilton and Biehal’s research indicates that an advertisement that encourages consumers to think in an independent or interdependent way can influence their choices. “Our studies used MBAs and undergraduate business students—subjects who have had classes in marketing. Average consumers are probably less aware of being influenced by marketing messages and may be even more likely to have their risk preferences shifted by the marketing messages of financial firms,” says Hamilton.

Though it is possible for firms to shift consumers’ risk preferences—and thus sell more of a certain type of investment vehicle—it may not be wise. Consumers who are influenced by temporary factors into making an investment decisions that are not consistent with their long-term goals may not be happy with the investment company in the long run.

Read more about this research online.
Faculty Awards and Honors

Gurdip Bakshi, Dean’s Professor of Finance, was appointed associate editor for the journal Review of Derivatives Research.

Michael Ball, Orkand Professor of Management Science, and Michael Fu, professor of management science, have received a $630,000 grant from NSF under the special initiative on “Dynamic Data Driven Application Systems.” The title of their proposal is “Dynamic Real-Time Order Promising and Fulfillment for Global Make-to-Order Supply Chains.” Ball has been named area editor for transportation in the flagship journal Operations Research.

Robert Baum, associate professor of management and organization, has been invited to join the editorial board of Journal of Business Venturing, the premier journal devoted exclusively to the domain of entrepreneurship.

Chris Bingham, assistant professor of management and organization, won the Best Paper Award at the 2005 Atlanta Competitive Advantage Conference for his paper on “Opening the Black Box of Capability Creation: The Internationalization of Entrepreneurial Firms.”

Hugh Courtney, Distinguished Tyser Teaching Fellow of Management and Organization, has been elected to the Board of Directors of D&E Communications, a NASDAQ-traded communications company that offers telecom, data, and video services in central and eastern Pennsylvania.

Bruce Golden, France-Merrick Chair in Management Science, was the first Conoco-Phillips Distinguished Lecturer at Oklahoma State University in October 2005. He also presented two lectures as Distinguished Speaker at the 31st Lunteren Conference on the Mathematics of Operations Research in Lunteren, The Netherlands.

Larry Gordon, Ernst&Young Alumni Professor of Managerial Accounting, has been appointed as the International Representative for Accounting for the 2008 Research Assessment Exercise (RAE) in the U.K. The RAE is the process which determines the research ranking, and in turn research funding, for the various departments (across all disciplines) at U.K. universities for several years starting in 2008.

Anil Gupta, Ralph J. Tyser Professor of Strategy and Organization, won the Best Paper (Runner Up) Award at the 2005 annual meeting of the Academy of International Business for his paper on “The strategic embeddedness of global business teams.” The paper was co-authored with PhD student Qing Cao.

Rebecca Hamilton, assistant professor of marketing, was named to the editorial board of the Journal of Consumer Research.

David Kirsch, assistant professor of management and organization, has received additional funding for his “Dot Com Archives” project. The Library of Congress has extended its funding agreement under the National Digital Information Infrastructure Preservation Program (NDIIPP) for an additional two years, through 2007, committing an additional $813,000, bringing total direct support to $1,056,000. Counting additional contributions from project partners, the project has received $2,209,000 in funding.

Stephen Loeb, Ernst&Young Alumni Professor of Accounting and Business Ethics, chaired the AAA 10th Ethics Research Symposium in San Francisco.

James Peters, Chair and Tyser Teaching Fellow of Accounting, was awarded an Outstanding Faculty Service Award by the University’s Student Honor Council.


Violina Rindova, associate professor of management and organization, has been appointed to serve as associate editor for the Academy of Management Review July 2005-July 2008.


Ken G. Smith, Dean’s Chair and Professor of Business Strategy, was the program chair for the 2006 annual meeting of the Academy of Management in Hawaii. He moves into the vice-president’s role 2006, assuming the presidency in 2007.

Susan White, Tyser Teaching Fellow of Finance, is a CTE-Lilly Fellow for the 2005-2006 under a program sponsored by the Center for Teaching Excellence (CTE) for promoting undergraduate education.
> Making the Big School Small <

Smith’s new Undergraduate Fellows program leverages big-school advantages to create a unique small-school learning experience.
With 1,800 juniors and seniors and 700 freshmen and sophomores, the Smith School undergraduate student body is a force to be reckoned with. But a crowd is not necessarily a community, and in some cases size can actually be a hindrance. But not for the Smith School. Watch us leverage our big-school advantages to reinvent the future of undergraduate business education.

Welcome to the Smith Undergraduate Fellows program.

> Size Matters <

The Smith Undergraduate Fellows program was birthed at the intersection of two ideas. The first idea sprang from a benchmarking exercise conducted by the Smith School at a management retreat in 2004. Smith School Dean Howard Frank and his team noted that schools offering the very best undergraduate education differed from Smith in two significant ways: they were much smaller, and they were very highly funded. Fewer students and an abundance of cash allowed for more enrichment activities and a greater feeling of community among students. Frank and his team began pondering ways to create a small-school feeling in Smith’s big-school environment.

The second idea came from University of Maryland President C.D. “Dan” Mote, Jr., who in his September 13, 2004 State of the Campus Address issued a promise: that all students at the University of Maryland would have the opportunity to participate in a special program during their time here. The university devised the President’s Promise initiative to encourage the creation of such special programs.

Together, these two ideas became the recipe for the Smith Undergraduate Fellows Program: a series of specialized
tracks which would create small communities of scholars within the larger Smith School community. “Once we realized the potential of these tracks,” says Frank, “we looked at our size in a completely different way. It was no longer a matter of how to fix a liability, but of how to mine the potential.”

Several specialized tracks already exist: the Quality Enhancement Systems and Teams (QUEST) honors program, the Business Honors program, and College Park Scholars, the university’s living/learning honors program. All are tremendously successful—and tremendously competitive. “We always have more students wanting to be a part of QUEST or the honors program than we have slots available,” says Patricia Cleveland, associate dean of undergraduate programs. “We have such an incredibly talented student body. We wanted to make these special opportunities available to every student.”

Starting in fall 2006, the Freshman Fellows track will give students those opportunities from the very beginning of their time at the Smith School. The large freshman lecture course, Introduction to 21st Century Business, will be divided into eight sections, creating eight cohorts of 40 to 45 students within the freshman class. Co-curricular activities will help develop relationships within the cohorts and a sense of community. Throughout their freshman year, students will have the opportunity to participate in large group activities and cohort activities, ranging from field trips and movie nights to service projects. Freshman Fellows replicates the advantages of a small-school environment—close-knit relationships and community—with the advantages of a big-school environment—diversity of options and plenty of opportunities.

> Learn by Doing <

In their junior and senior years, students will again have the opportunity to participate in a Fellows track that allows them to specialize in a specific area of business. This will help them prepare for the marketplace without sacrificing the depth of their general education. The Entrepreneurship Fellows track, to be launched in fall 2006, will offer four courses on the principles and practices of entrepreneurship, as well as co-curricular activities with the Smith School’s Dingman Center for Entrepreneurship. Entrepreneurship Fellows will participate in projects and workshops, help organize business plan competitions, and meet both entrepreneurs and venture capitalists. It’s a learn-by-doing approach that will give students a jump-start as they head to the business world.

Smith already offers a Research Fellows track, where students work on research projects with faculty members, and a Smith Technology Fellows track, where students apply information technology to business problems. By fall 2008, a wide range of Fellows tracks will be offered. “Many business schools have honors programs, but no one is offering anything like the scope and scale of the Smith Fellows program,” says Cleveland. “We’re able to support this breadth of programming because our faculty span such a wide range of excellence. We’re not...”
Some of the tracks under consideration are:

- Sports Management Fellows
- Leadership Fellows
- Consulting Fellows
- Computational Marketing Fellows
- Real Estate Management
- Biotechnology Management
- Business and the Arts
- Philanthropy and Not-for-Profit Management
- Certification in Reuters, Bloomberg, Six-Sigma

In order to make good on the President’s Promise, the Smith School will eventually offer 20 or more such tracks—in effect creating a series of smaller schools within the larger school.

just strong in one academic discipline. We’re strong in all of them.”

“No one else is really in a position to do what we’re doing,” agrees Frank. “No school has better students than ours, and we have a great faculty. The fact that we are a large school is no longer a disadvantage. Now it’s a competitive advantage, because it gives us the means to create and support so many specialized tracks.”

In fact, the Smith School’s size—large, but not enormous—is perfectly and rather uniquely suited to offer the Fellows program. “Small business schools don’t have enough students to offer a large number of tracks, while huge business schools would also need commensurately huge financial resources to support it,” explains Frank.

Co-curricular activities—extras that support what students are learning in the classroom—are a key component of the Fellows program. Internships both in the United States and abroad, field trips to the floor of a Midwestern factory or the New York Stock Exchange, retreats and conferences to foster leadership skills, all contribute to a student’s personal growth and development. The final result is a series of experiences that could only happen at the Smith School.

The amount of time a student will spend on his or her fellowship, outside of regular classes, varies from track to track. QUEST students attend retreats off-campus, take team-based courses and participate in an intensive senior-year consulting project. Entrepreneurship Fellows will take four extra courses and participate in activities at the Dingman Center. Supply Chain Fellows may take one additional specialized class to ground the program, but most of their extra time will be spent attending trade shows and doing an internship on Fridays throughout their junior and senior years. International Fellows, who will carry a double major in international business and a foreign language, will study abroad for at least one semester. Participating in a Fellows track will represent a significant commitment of time and energy for students. Cleveland knows that not every student knows that not every student

When employers hires an alumnus from the Quality Enhancement Systems and Teams (QUEST) program, they’re always extremely impressed. It’s not just that the students are very adept at using quality tools—though they are—or that they have a great depth of subject matter knowledge—though they do. No, what really impresses employers is their engagement, their commitment, and their ability to work as part of a team.

“No one else is really in a position to learn to be taught in a classroom,” says Gerald Suarez, executive education senior fellow and executive director of the QUEST program. “It is the experiential aspect of QUEST, combined with the classes, theory and tools we teach, that helps students appreciate what it takes to be a team player and work in an environment of collaboration.”

QUEST is an honors program run as a collaborative effort by the Smith School and the A. James Clark School of Engineering, and admitting students from those schools as well as the College of Computer, Mathematical, and Physical Sciences. Over the course of three years, high-achieving students progress through four team-based courses led by interdisciplinary faculty, culminating with an intensive senior year consulting project.

But what happens between classes is as important as what happens during classes. QUEST is an arena where students interact with faculty, other students, corporations, and business processes. In classes they’re absorbing tools for quantitative and qualitative analysis. In co-curricular activities they’re learning to see a problem from multiple perspectives: how would the customer look at this? How would an engineer look at this? How would a business person look at this? The result is students who act like, and are perceived as, professionals, even before they start work in the business world.

QUEST students also get many chances to be proactive about shaping their school experience. For one recent co-curricular activity, students planned the agenda, hired the keynote speakers, planned the games and simulations, even selected the menu. Organizing the event was as much a learning experience as the event itself.

“What happens between courses is so important,” says Suarez. “QUEST is a learning community, giving students a place to practice and experience things like collaboration, commitment and teamwork.”

Learn more about QUEST at www.rhsmith.umd.edu/quest.
dent will be interested in taking on extra responsibilities outside of the Smith School’s already-demanding regular course load, but she expects that at least 75 percent of students will choose to participate in a Fellows track.

> Managing the Cost <

Students may have to worry about managing their work when they’re in a Fellows track, but they won’t have to worry about managing the cost. Fellows tracks are included in tuition, aside from a few nominal fees for events. In fact, some students, like the Research Fellows, receive generous scholarships or stipends for participating in a Fellows track.

The Smith School has committed to running the Fellows program without additional costs to students, but that doesn’t mean that the program is cost-free. Much of the initial cost of the Fellows program is being absorbed by the Smith School, with a jump-start from a former undergraduate. Alumnus Robert H.

RESEARCH FELLOWS EXPERIENCE

by Janelle Downing, BA 2006

I applied for the opportunity to be a Smith Research Fellow in the fall of 2005. It is a unique experience because it provides me with an opportunity to gain transferable skills like learning statistical software packages, using scholarly resources, developing and testing research hypotheses, and writing research articles.

I am the Research Fellow for the Center for Health Information and Decision Systems (CHIDS), which was initially formed to encourage and sponsor research to improve the delivery and quality of healthcare through the use of Health Information Technology (HIT). I joined this research center because I am interested in learning more about the U.S. healthcare system and in the future I wish to apply and develop this knowledge in developing nations. There has been an increased focus by President Bush, as well as other politicians and administrators, on improving our healthcare system which makes it exciting to be at the forefront of this type of academic research.
Smith ’50 made a major commitment to the University in 2005. “About $9 million of his gift is being put toward making the Smith Fellows program a reality,” says Frank. “That $9 million will flow in to the school over the next eight years.” The university has also made a significant financial commitment to the program. And other alumni and corporate partners have already shown their support as well—for example, Citigroup gave $10,000 to send emerging student leaders (a future Fellows track) to leadership conferences.

Alumni will also have opportunities to contribute their time, talents and experience to the Fellows program. Tracks will need mentors, guest lecturers, and expert advisors. Alumni can hire student interns, sponsor student consulting projects, or host field trips to their places of business.

“There won’t be a better buy for undergraduate education anywhere,” says Frank. “We have the resources, we have the commitment, and above all we have all these excellent students. I’m convinced we can offer the best undergraduate business education on earth. This is the kind of challenge worth doing.”

Visit Smith Business Online for more information about the Undergraduate Fellows program.

The Smith School has sought input from alumni in developing the Fellows program. Alumni Steering Committee members include Kevin Fallon ’93, vice president of Bank of America Securities, Albert Kroll ’81, partner with Accenture, and Larry Giammo ’87, mayor of Rockville, Md.

I am currently collaborating with Corey Angst, PhD candidate and associate director of CHIDS, on a paper which examines a relatively new innovation known as an electronic Personal Health Record (PHR). The PHR is receiving a lot of media attention and we are exploring various aspects of the design and use of the technology. It is exciting because we are working with real data that was collected from clinicians and other stakeholders using a Web-based survey. We hope to submit this for publication to a health informatics journal, which is an exciting experience for an undergraduate, not only for the exposure, but also for the opportunity to understand how the academic publishing cycle works.

I also had the opportunity to attend the CIO Forum sponsored by Smith School which featured discussions on the challenges of managing firms when technology is changing so rapidly. There was a good discussion of the application and use of information technology in the healthcare industry which was presented by a prominent panel of speakers from pharmaceutical and medical information systems companies. This was a terrific networking experience that allowed me to gain an understanding of the importance of a center like CHIDS outside academia.
Imagine that you have to leave your home for another country because of war and violence, fleeing with your family and what few possessions you can salvage. Imagine living in temporary shelters amidst thousands of other people, many of them orphaned children, with limited access to food, medicine, clean water, and education. For Smith School junior Foday Sackor, this was not imaginary—it was real.

Seven years ago, Sackor left Budumburam Refugee Camp in Ghana, where he and his family had fled to escape persecution in his native Liberia, and started a new life in the United States. As ethnic Mandingos, Sackor and his family faced discrimination, arbitrary arrests and violence from rebel groups. “Being in a war is something I don’t wish on anyone,” says Sackor, “but the experience shaped my life. In the refugee camp we ate the same thing—soup and bread—every day for months. It has made me appreciate all the little things of my life, from the food I eat to the clothes I wear.”

When he came to the U.S., the first thing that struck him was the weather. “It’s hot all the time in Liberia,” Sackor says. “It was hard to get used to the cold. But I knew we were coming to the best country in the world, with the best educational system in the world. Everybody dreams of coming to America, so when I got the chance I was overjoyed.”

Sackor is the recipient of a 2005 Chevy Chase Bank scholarship, which was a significant factor in Sackor’s decision to transfer from Montgomery College to the University of Maryland. “When my family came from Liberia, we didn’t have the financial resources to send me to college. Without scholarships, I wouldn’t have been able to go to school here.”

Sackor is a great addition to the Smith School community. He was elected a junior representative to the Smith School at Shady Grove and was elected president of the Universities at Shady Grove Association. He also started his own business, Academic Scholar Tutor, which provides math tutoring to Montgomery College students taking remedial and advanced math courses as well as students at Northwest, Watkins Mill, and Seneca Valley High Schools. Sackor works with two fellow Smith School students, who are partners in the company, and between seven and 15 tutors. Sackor manages payroll as well as scheduling and programming. Although he tries to keep his commitments down during the semester, so he can focus on classes, the business keeps expanding: Sackor is currently working on a deal to provide tutoring to 72 children at a local community center.

Sackor considers himself an American now, and has an older brother in Iraq, serving in the Army National Guard. Sackor has a younger sister, too, who has her sights set on the Smith School. “She says she’d love to come here,” says Sackor. “That’s like me. When I was in high school, I told my teachers that one day I’d get into the Smith School of Business. Now here I am.”

Sackor doesn’t have his future planned out yet, as he’s too busy working on his present. He thinks perhaps he’ll get a law degree and an MBA, and concentrate on running his own company, doing something that will keep changing the world for the better. “Whatever I do,” Sackor says, “I know for a fact I am going to make a difference.”
Thomas G. Pownall Atrium
Named for Legendary Head of Martin Marietta

The Atrium is the center of Van Munching Hall and the heart of the Smith School. So it is fitting that the Atrium should bear the name of Thomas G. Pownall, a man with a great heart, as well as a great head for business. The naming gift, given by Eric Billings ’77 and wife Marianne “Fuzzy” Billings, honors Fuzzy’s father Thomas G. Pownall, business leader and near-legendary head of Martin Marietta Corporation, best known for fending off a hostile takeover of Martin Marietta by Bendix Corporation in the early 1980s. “He was a charismatic man and a great leader,” says Billings. “Nothing I could say would do justice to him as a person.”

The naming ceremony was held on Tuesday, November 15, 2005. Attendees included Eric and Fuzzy Billings, Susan Locke, Dean Howard Frank, University of Maryland President Dan Mote, and many friends of the school and Mr. Pownall.

Mote commented on the ways the university has worked to bring itself to world-class status, including an initiative to bring more alumni to leadership positions within the university. “We strive to be recognized by great names,” said Mote. “It’s a very great treat for the University of Maryland to have the Atrium named after Thomas G. Pownall.”

Robert Isaman ’85, vice president, integration at UTC Fire & Security (UTCFS), a division of United Technologies Corporation, gave the keynote address at the Smith School’s winter commencement on Thursday, December 22, 2005. Eight doctoral, 25 executive MBA, 100 MBA/MS, and 210 undergraduate business degrees were awarded at the ceremony, which took place at the Comcast Center.

Isaman, who is responsible for the worldwide integration of acquisitions into the new UTCFS business division, received a 2004 Friendship Award from the People’s Republic of China. It is the supreme prize the Chinese government confers to foreign experts who have made outstanding contributions to China’s economic and social progress.

“Great leaders have an ability to laugh at themselves, to listen to advice from those that they love, and to include those that they love in their successes,” said Isaman. “Successful leaders know that no one does it alone.”

Visit the Web site to view video of all graduation speeches.

Ask the OCM
INTERVIEWING TO IMPRESS: HOW TO STAND OUT

A: When it comes to interviewing, we all know the basic rules. It is common knowledge that a floppy handshake can leave a lukewarm impression. But did you realize the power of engaging eye contact?

For those of you in the game to win the title, read on to find out how you can stand out in a crowd and truly make an impression on interview day.

1) Prepare like it’s a final exam.
Thoroughly research the company—and then show off your knowledge. Have questions prepared and make it clear that you are serious about working for this company and see yourself as a member of the team.

2) Engage the interviewer.
Eye contact and engaged body language convey your interest and the sincerity of your pitch. It’s hard to buy into the words of someone looking down at their notepad. Conversing with your interviewer will buy you more points than reciting sound bytes memorized the night prior.

3) Sound ambitious, not greedy.
Save questions about hours and perks like vacation and tuition remission for HR. Instead, ask whether there could be a long-term role for you at the company. No one wants to hire a job jumper—let them know you intend to be there for the long haul.

4) Confidence, confidence, confidence.
Today’s employers realize the positive value your energy can bring to their organization. So don’t sell yourself short by relying solely on your resume skills. Instill confidence and enthusiasm, and allow your interviewer to envision you succeeding in the position.
ALUMNUS RICARDO BENN LEADS ALUMNI MENTOR PROGRAM

Ricardo Benn CP ENGR ’94, MBA ’99, is a busy guy, but he counts the hours he spends co-chairing the Alumni Mentor Program Committee as time well spent. “I really enjoy the connection with the student body. It lets me stay connected to changes within the Smith School and the university.”

Benn is committed to helping students understand the importance of building and maintaining their network within the Smith community. “I don’t think current students always recognize the strategic advantage represented by their classmates,” says Benn. “I can’t tell you how many times I call upon the same internal network of folks I met during business school when I’m dealing with a professional problem.”

Benn is a principal with Booz Allen Hamilton, leading the organization’s business in the commercial sector, mainly with a technology focus, and also works in the civil sector, mainly with a technology focus, and also works in the civil public sector, focused on the permanent transformation of the company’s successful and culture and the reasons for joining the company. Benn values the time he spends networking. “We as alumni association will celebrate its shining stars at the Annual Awards Gala at the Samuel Riggs IV Alumni Center. This event recognizes the Smith School’s Robert Johnson ’80.”

Alumni Association Awards Gala
April 8, 2006, 7:00 p.m.
Riggs Alumni Center
The alumni association will celebrate its shining stars at the Annual Awards Gala at the Samuel Riggs IV Alumni Center. This event recognizes alumni association award recipients and college/school distinguished alumni, including the Smith School’s Robert Johnson ’80.

Finance Networking Event
April 11, 2006
6:30 to 8:30 p.m.
Van Munching Hall
Dave Goldfarb ’79, chief administrative officer of Lehman Brothers Holdings Inc., discusses corporate culture and the reasons for the company’s successful and permanent transformation into one of the world’s premier global investment banks.

Northern Virginia Alumni Networking Event
April 18, 2006
6:30 to 8:30 p.m.
The Ritz-Carlton Tysons Corner, VA
Join Dean Frank and fellow alumni to hear Ken Rehmann ’84, vice president of finance and business development for Ritz-Carlton, share details of Ritz-Carlton’s branding strategy and the company’s philosophy for achieving excellence in customer service with the audience.

Upcoming Events

ALUMNI MENTOR PROGRAM LEADS ALUMNI MENTOR PROGRAM

Joseph M. Wikler Finance Case Competition
April 27, 2006
9:00 a.m. to 5:00 p.m.
Van Munching Hall
Undergraduate students will showcase their abilities while simulating roles in the financial management profession.

Netcentricity Conference
April 28, 2006
8:30 a.m. to 3:00 p.m.
Learn about “The Future of the Digital Enterprise” with business leaders and scholars from around the region presentation thought leadership in information systems, operations and supply chain management, and electronic markets.

Maryland Day
April 29, 2006
10:00 a.m. to 4:00 p.m.
McKeldin Mall
Join your fellow Terps for a day of fun and celebration. Be sure to stop by our booth on McKeldin Mall for some great Smith stuff!

Smith Undergraduate Awards Banquet
May 4, 2006
6:00 to 10:00 p.m.
Riggs Alumni Center
Milton Matthews ’68 will host this celebration of the achievements and accomplishments of our undergraduate students.

Alumni Mentor Program & Awards Picnic
May 6, 2006
11:00 a.m. to 4:00 p.m.
Van Munching Hall – Frank Pownall Atrium
The Alumni Mentor Program closes out the year by acknowledging the Senior Mentor of the Year, Young Mentor of the Year, Cluster of the Year, and Coordinator of the Year. Dean Frank will speak.

Smith School Commencement
May 22, 2006, 4:00 p.m.
UM – Comcast Center; 1,000 graduates
Carly Fiorina, MBA ’80 former chairman and chief executive officer of Hewlett-Packard, will be the keynote speaker at the spring commencement ceremony.
THE SMITH SCHOOL WELCOMES 11 NEW MEMBERS TO THE BOARD OF VISITORS.

- Lee Becker ‘85
  Director, Boomer Esiason Foundation

- Rita Carton, MBA ‘79
  Vice President, Operations Management, Buena Vista Home Entertainment

- Joe Chow, MBA ‘93
  Chief Financial Officer, Harbour Networks

- Mike Corvino, President, JanSport

- Steve Finney, MBA ‘83
  Senior Vice President, Disney Retail

- Terry Fitzpatrick ‘75
  Senior Vice President, SAIC

- Robert Isaman ‘85
  Vice President of Integration, United Technologies Corp-Fire & Safety

- Mark Ordan
  Chief Executive Officer, Balducci’s

- Richard Schaeffer ‘74
  Executive Director, Global Energy Futures and Vice Chair, New York Mercantile Exchange

- Ed Stein ‘81
  Principal, Sandler O’Neill & Partners

- David Trone ‘88, MBA ‘95
  Senior Vice President and Senior Analyst, Fox-Pitt, Kelton
Updates

'60s

Donald A. Gabriel ’62 was appointed by Maryland Governor Robert L. Ehrlich, Jr. to the Board of Trustees of Baltimore City Community College in July 2005.

Joseph Lieberson ’64 retired earlier this year after 38 years as a senior economist within the U.S. Agency for International Development (USAID). During his career he worked in 40 countries to improve the income and welfare of the poor, living in places as diverse as Bangladesh, Pakistan and Kenya. The University of Maryland is a tradition in the family: his wife, Ann Newlin Leiberson, received her BA in history in 1995; son Matthew received a BA in economics in 1993 and son Daniel received a BA in business administration in 1990 and an MBA in 2004.

Jay H. Nussbaum ’66 is the global head of sales, marketing and business development for Citigroup Global Transaction Services, a division of Citigroup which handles cash management, trade, securities services, and fund services.

Neal Shear ’76 is head of the fixed income division and co-head of institutional sales and trading for Morgan Stanley.

'70s

A. Thomas Finnell ’76 is executive vice president of Maryland First Financial Services Corp., a Baltimore-based firm that specializes in financial issues pertaining primarily to intellectual property, valuation matters, and services related to bankruptcy and insolvency.

Stephen E. Heise, MBA ’76, is vice president of human resources of Tropicana Casino and Resort in Atlantic City, NJ.

Zev Kaplan ’74 is founder of a law firm concentrating its practice in the areas of transportation, infrastructure, government relations, and business and administrative law.

Odonna Mathews ’72, MBA ’82, who served as the Giant Food Company’s consumer advisor since 1977, retired after 28 years as the public face of the company.

James Melonas ’70 founded Elynpere Partners, a business development and management advisory firm that serves early/mid-stage telecommunications and information technology companies.

John Moore, MBA ’79, joined the board of directors for Global Secure Corp. in August 2005.

Paul J. Norris, MBA ’71, is non-executive chairman of the board of W.R. Grace Company, a global specialty chemicals company.

Shelia C. Parker ’73 is contracts manager at Lockheed Martin Corporation’s subsidiary, Lockheed Martin Federal Healthcare.

Stephen Oliner ’74 was elected treasurer of the Maryland Lawyers for the Arts.

'80s

Bruce G. Dubinsky ’83 is a shareholder with the certified public accounting firm of Klausner Dubinsky + Associates, P.C. in Bethesda, MD, and its director of forensic accounting and dispute analysis practice.

Carly Fiorina, MBA ’80, joined the Board of Directors of Cybertrust, a global information security specialist. “Information security will be a key driver of growth and innovation in the technology industry for years to come,” says Fiorina in a Cybertrust news release.

Charles Hasper, MBA ’88, has joined Global Secure Corp., a provider of integrated products and services for the homeland security industry, as chief financial officer and a director.

William W. Heintzelman ’87 is vice president of Evergreen Co., assisting clients with business strategy, restructuring, financing, developing and implementing business plans, internal controls and reporting, cash flow management, budget preparation, and other profitability and business development projects.

Meg M. Mekelburg, MBA ’82, is the administrative assistant for Howard County CONNECTIONS and co-founder of Individual Differences in Learning, a non-profit organization that supports children with learning disabilities and ADHD.

Gary J. Merwitz ’92 is a member of the small cap value equity team for Investment Counselors of Maryland.

Evan Morick ’98 married Michelle Poggi.

James M. Rallo, MBA ’95, is chief financial officer and treasurer of Liquidity Services Inc.

Karen Rigby ’98, MBA ’01, is a member of the U.S. Department of Labor’s MBA Fellows program.

Fabrizio Roman ’93 married Lynne Ciardulli on July 9, 2005.

Linda Rubin ’95 married Joshua Chad King on January 15, 2005.

Ray Schiavone, MBA ’98, is president and CEO of Arbortext, a global leader in enterprise publishing software.

James G. Spencer ’90 is chief financial officer, secretary, and treasurer for Allion Healthcare Inc.


John Woolford, ’94, MBA ’00, is director of business planning for Lentigen Corporation, a privately held biotechnology company focused on the manufacturing and development of research and therapeutically grade lentiviral vectors.

'90s

Jennifer Connorton, MBA ’98, married Dr. Brendan Mulholland on November 26, 2005.

Julie (Terhark) Elginer, MBA ’99, and her husband John welcome the birth of their son, Jack, on August 16, 2005. Elginer is a senior marketing manager at Amgen in Thousand Oaks, CA.

Harold Falcon ’99 received an MA degree from the University of Delaware.

Keith Gregg, MBA ’93, has joined the Board of Directors of Advanced Biotherapy, Inc. Gregg is a managing partner of BioPharm Development Group, a global business development and licensing firm.

Matthew Klein ’95 and his wife Kristine announce the adoption of 3 year-old Sasha Tatiana Klein from Russia. Klein is the director of pricing and revenue management for Air Tran Airways in Orlando, FL.

'00s

Afzalul Bari ’02 is currently volunteering in Bangladesh, working on poverty alleviation and microfinance issues with the nonprofit Grameen Bank.

Michael Brueck ’01 has joined the New York office of Shearman & Sterling LLP as an associate in the capital markets group.

Rose Cohen, MBA ’03, is vice president and senior banker in Washington, D.C., for J.P. Morgan Private Bank, a wealth management arm of J.P. Morgan Chase & Co.

Christian Fleming ’05 married Ashley Turba.
Thomas Hitselberger, MBA '02, married Kelly Meehan on November 12, 2005 at Shrine of the Sacred Heart in Mt. Washington, MD. Hitselberger is a senior manager of finance with EMC, formerly Internosis.

Ryan Katz '00 is director of client service at Congruent Media.

Lindsay Littlefield ’03 is engaged to marry Ryan Schoonmaker, a 2004 UM graduate in mechanical engineering.

Melissa Luksis '00 is engaged to Adam Perez. A May '06 wedding is planned. Luksis works in Marketing Operations for SAS Institute in Cary, NC.

Jeff Morrison ’01 is engaged to Ann Evans.

Julie McElfish, MBA ’03, is the managing director for Heart of Africa, a nonprofit helping poor Africans establish businesses and begin entrepreneurial ventures.

David S. Rosen ’01 joined the litigation practice group of Hodes, Ulman, Pessin & Katz.

Ryan Michael Thomas ’02 married Shannon Kathleen Babe on May 21, 2005, in Frederick, MD.

Donta Wilson, MBA ’05, was named regional president of the Virginia-based Battlefield community bank region for BB&T Corporation.

This summer, construction will begin on a new annex which will add 38,000 square feet of office and classroom space to the north end of Van Munching Hall, the Smith School’s home. Groundbreaking is slated for summer 2006 and completion in October 2007. The new annex will bring the building to 238,000 square feet.

As the school has grown, the need for additional space has become acute. The PhD program has experienced tremendous growth and now has 110 students, creating a need for more offices. There isn’t enough classroom space, so 13 percent of the school’s undergraduate courses meet in the Tawes Building. The new annex will not only solve these problems, it will create an improved learning experience for all Smith students.

“The Smith School already boasts one of the most technologically advanced facilities directed at management education in the world,” says Dean Howard Frank. “We will set the bar a notch higher with newly designed classrooms, research space, conference and student resource areas—all of which will be equipped with next-generation technology infrastructure.”

The annex will include an entrance plaza and attractive green space. The annex will be Van Munching Hall’s second expansion since 1993, when the original facility was constructed.

The original portion of the building was given a significant renovation this winter. Cosmetic changes include new paint, new carpet and improved lighting. More significant are the technology upgrades, which include installation of the latest connectivity, cabling and audio-visual equipment linked to a master control center providing central control and projection of all classroom images. Van Munching Hall’s advanced technology infrastructure includes complete wireless network coverage, four student computer labs, and five netcentric teaching and research labs.

The main entrance of Van Munching Hall has also gotten a facelift, as the blacktop parking lot has been replaced by an expanse of lawn, paths, and 41 young and mature trees. The project, which was financed by gifts from Smith alumni, give the area an established, park-like feel.
Joe Fitzpatrick '49 was a Marine stationed in the South Pacific during World War II. Of the 72 young men in his platoon, only four survived to return to their homes and families. Fitzpatrick was a radio navigator/gunner on a two-man bomber plane, the Curtis-Wright Helldiver, until he broke his ankle. At that point he was sent home by ship. Six days out from San Diego, the ship ran out of food, so Fitzpatrick and the other Marines on board ate nothing but pancakes and sorghum for six days. When he was discharged, he came home and entered the business school at the University of Maryland.

Fitzpatrick died last fall, but his stories about the war and the university are now collected in the Smith School’s video archives as part of an unusual oral history project sponsored by his son, Terry Fitzpatrick '75. As part of the project, students in the University of Maryland’s College Park Scholars program videotaped interviews with three World War II veterans who came to the University of Maryland courtesy of the G.I. Bill. His story, along with those of Lann and Klotz might have been lost were it not for Terry Fitzpatrick '75, who sponsored the oral history project.

“My father, like many veterans of World War II, didn’t talk much about the war, or he just concentrated on the humorous anecdotes,” says Fitzpatrick. “He and the other veterans who were interviewed had a unique perspective on the war and what it was like to be part of the College Park campus during those post-war years.”

Joe Fitzpatrick brought the benefit of his experiences as a veteran to his classes at the university. “Those are hard-earned life lessons, and you don’t want kids to have to go to war to learn them,” says his son Terry.

Fitzpatrick wanted to encourage interaction between today’s students, whose lives revolve around the super-fast communication of cell phones, text messaging and the Internet, and older alumni, for whom communication was a slower but richer experience. He also wanted to contribute something that would help alumni stay connected to the University throughout their lifetimes. Fitzpatrick hopes the project can be ongoing, continuing to gather the recollections of alumni throughout the decades.

Joe Fitzpatrick’s memories were recorded by his granddaughter, College Park Scholar Jenny Fitzpatrick, Terry Fitzpatrick’s daughter, now a junior at the University of Maryland. For them, the project was a piece of family history as well as university history. Capturing those memories was a priceless gift for the Fitzpatrick family. It was the last recorded film of Joe Fitzpatrick, who died last fall.
work at 13 without a high school education, and my mother never went to high school. Being the oldest boy, there was very little chance that I’d ever go to college. Going to college gave me a whole different approach to life, for which I’m eternally grateful.”

The university made a great effort to accommodate ex-servicemen. When he came to Maryland, it had been five years since Fitzpatrick last looked at a textbook; he says he wouldn’t have made it through accounting without the help he got from student tutors. Ambrose Klotz didn’t do anything on campus but take classes, because he also worked at a local grocery to provide for his wife and growing young family. “The University of Maryland went out of its way to help veterans succeed,” said Klotz. “My first child was born during finals week my freshman year, and my professors all made allowances. They treated veterans very well.”

University life changed with so many veterans on campus. During Fitzpatrick’s years playing baseball for the university under the leadership of legendary coach H. Burton Shipley, the team was made up of Marine majors and Navy commanders, all over the age of 21. Combat experience and world travel made them self-confident, assured, and adults in every way, and they expected to be treated as such. This sometimes came as a surprise. “Poor Coach Shipley. The first trip [the baseball team] took was to Richmond. Stuffy Evans (a teammate) said, ‘Ship, they’re yours in the day, but at night they’re mine,’ and we went out and drank beer,” Fitzpatrick recounted.

These Smith alumni remembrances offer a unique perspective on a unique time in University history. Excerpts from Fitzpatrick’s interview, along with those of Klotz and Lann, can be viewed at Smith Business Online.

Share a memory of your own by logging on to eAlumni Network and posting on the UMemories forum, under “communities.”

The Clocktower Club is a community of alumni and friends, recognized for their contributions of $1,000 or greater to the Robert H. Smith School of Business. Last year, Clocktower Club members provided scholarships to deserving and gifted students, supported faculty development and research, continued to renew technology and equipment, and expanded programs and offerings for students and alumni. Please join this exclusive community by contacting Christina Hardy ’90, 301.405.9458, for more information.
DAVID TRONE (CS ’88), MBA ’95

Big Money in the Big City
A SMITH ALUMNUS BRINGS INSIGHT AND INTEGRITY TO THE WORLD OF FINANCE

David Trone (CS ’88), MBA ’95, is a familiar face for those who follow financial news. In his role as a leading financial analyst with Fox-Pitt, Kelton, Trone is often quoted in publications like The Wall Street Journal, Business Week and Forbes magazine and appears several times a month on such CNBC programs as “Closing Bell” and “Squawk Box.” He has a 5-star rating from Starmine and a reputation for both uncanny acumen and unshakeable principles.

Trone is an equity research analyst covering the stocks of financial services companies. His clients are giant institutional investors like Fidelity and T. Rowe Price, who seek his advice on which stocks to add or remove from their portfolios. Trone says it is exciting and high-profile work, but also high-risk. “There are substantial expectations,” says Trone, “not only of your proficiency in picking stocks, but also of your insightfulness—how you think about a company, but also how you think of your entire industry.”

“Wall Street firms are probably too conservative now,” says Trone. “The capital market system is built on risk-taking. As some of the more unnecessary regulations are starting to loosen up, I think Wall Street is shifting back to a middle ground as far as risk tolerance.”

Trone began his career in the computer software industry, but when he moved into management found that he needed some additional business skills to move his career along. He enrolled in the Smith School part-time MBA program, and enjoyed the classes so much that he eventually transferred to the full-time program. “As an undergraduate computer science major, I had never taken a business course,” says Trone. “The MBA program was challenging, but it opened up a whole new world for me.”

Trone, who was interested in marketing, intended to work for a big consumer products company after finishing his MBA. Instead he took a job with Bank of New York. That was his first step into the world of finance.

“One of the things I learned at the Smith School was to never stop networking,” says Trone. In his first year at Bank of New York, he met a fellow Terp who was also one of the world’s top financial analysts. That contact offered Trone a job at Credit Suisse First Boston right before the stock market took off in the late 1990s. “I experienced some very heady times,” says Trone. “Everything you read about in the newspapers I saw from point-blank range.”

“Our team was independent from investment bankers—we actually had sells on stocks, which was unheard of at that time,” says Trone. When Credit Suisse First Boston merged with DLJ, another major Wall Street firm, Trone’s entire team was fired, because they were considered too independent, Trone says. It became a major controversy, with the team considered by many to be the poster children—and martyrs—for independent research in the industry. Since then, there has been an increased focus on regulation within the industry and a push to create more independence among analysts.

In the past few years, increased scrutiny and more stringent regulations have been imposed on the industry, which Trone thinks may actually hinder the market. “Wall Street firms are probably too conservative now,” says Trone. “The capital market system is built on risk-taking. As some of the more unnecessary regulations are starting to loosen up, I think Wall Street is shifting back to a middle ground as far as risk tolerance. The merger business is heating up quite a bit, IPOs are starting to come back, and the private equity business is red-hot.”

Trone, who has been a Terps fan since childhood, found that his main connection to the university was through watching its sports teams. With his recent appointment to the Smith School Board of Visitors, he hopes to give back by helping the school better prepare students for jobs on Wall Street. “I’ve hired a number of Maryland alumni for my staff, and I’d like to see us better represented in the industry. But you need more than just an academic knowledge of finance. You also need practical knowledge—all the details you get from someone who knows how things work.”

Trone is the perfect person for the job.
**The Power of Your Support**

You can’t page through this issue of *Smith Business* without seeing the remarkable impact of our alumni, friends and corporate supporters. In our cover article, *Making the Big School Small*, we outline an ambitious initiative that I believe will enable the Smith School to deliver the very best undergraduate business program on earth. However, the Undergraduate Fellows Program wouldn’t be possible without significant alumni funding.

Smith is a public school, yet we must operate more like a private institution, pursuing revenue-generating entrepreneurial activities and growing our endowment funds. Not long ago, nearly all of the school’s budget came from the state. Today our budget has more than tripled, but state support accounts for just 10 percent of Smith’s total funding. While we have made progress in growing our endowment, it is about a third of those of comparable public business schools and a small fraction of those of the major privates.

Your support allows us to attract best-in-class new faculty. The recent appointment of Pete Kyle as the Charles E. Smith Chair in Finance (page 4) is a great case in point. World-renowned for his contributions to the field of finance, Pete brings considerable intellectual vigor to the Smith School. Our faculty research creates the knowledge that shapes best business practices for the networked global economy, building and sustaining our reputation as an internationally significant research institution. We must continue to establish endowed chairs and research professorships to attract and retain the best teachers and thinkers in the world.

Your gifts have a direct and vital impact on our students. Scholarships open the doors of opportunity to some of the best and brightest Smith students, such as Foday Sackor, recipient of a Chevy Chase Bank scholarship (page 20). Your support also makes possible the learning, research and innovation that takes place every day in the classrooms and laboratories of Van Munching Hall. This summer we break ground on a 38,000-square-foot annex to the building (page 25). So far we’ve raised more than $8 million in private donations for this project, but we need to raise considerably more to have the kind of facility our students and faculty deserve. This is an exciting project that will help us maintain a superb research and teaching environment for the Smith community—an important part of our mission.

Your support creates new opportunities and enables us to provide top-quality education, conduct world-class research and improve our state-of-the-art facility. In turn, the Smith School creates the knowledge that changes business practice—and graduates business leaders who are changing the world. Thank you for investing in the Smith School. I see the power of your support every day.

HOWARD FRANK, DEAN