Out of the Bag
A Snack Giant’s Strategy for Dominating in the Digital Economy

Plus
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LEADERS FOR THE DIGITAL ECONOMY
About This Issue

» Leaders for the digital economy: they are the men and women who recognize the remarkable opportunity to engage with the forces of entrepreneurship and innovation, technology and globalization, and the power of these forces to transform the world in which we live and do business. In this issue of Smith Business we showcase the many ways in which members of the Smith School community—our students, alumni, professors and friends—are harnessing the forces of the information age and, in the process, truly leading in the digital economy. From the president of Frito-Lay, leading innovation at the snack giant, to Smith professors using high-tech tools to develop best practices in management and marketing, to alumni mastering change in their careers and industries, this issue of Smith Business reveals what’s behind people and organizations who are seizing the opportunities of today’s digital world.

We invite your to share own thoughts and stories for inclusion in future issues of Smith Business on the eAlumni Network forum “Leaders for the Digital Economy.”

WEB POLL:
Do TV and the movies disproportionately represent business people as unethical and corrupt?

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

Last issue’s Web poll results:
Does your organization have crisis contingency plans in the event of an avian flu epidemic?

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Smith School students got a chance to connect with more than 100 recruiters at the October 27, 2006, Industry Day, sponsored by the Smith School’s student-run Logistics, Transportation and Supply Chain Management (LTSCM) Society and the Supply Chain Club (SCC). The Smith School’s supply chain program is recognized as one of the best in the country, and was ranked No. 6 by U.S. News and World Report in a fall 2006 feature on undergraduate education.

Undergraduate students and MBA candidates had the chance to interact with recruiters at a lunch and career fair, which followed an awards ceremony presenting Jeffrey N. Shane, under secretary for policy at the U.S. Department of Transportation, and Ron Widdows, chief executive of global transportation company APL Ltd., with a joint 2006 “Person of the Year Award.” Shane and Widdows were honored for boosting the visibility of freight transportation in the public-sector transportation community, which has historically focused on commuter and traveler issues. “Both leaders are committed to creating awareness and understanding of the significance of freight transportation in United States’ logistics and supply chains—a significant departure from the past and a critical initial step to building the capabilities needed in the future to maintain our country’s global competitiveness,” said William DeWitt, Professor of the Practice, Logistics, Transportation, and Supply Chain Management.

Visit Smith Business Online to read more about Industry Day or the supply chain management program. –CT

Evil corporate types are pop culture staples. Think of The Matrix’s menacing Mr. Smith, or Wall Street’s conniving Gordon Gecko. The current TV season has given us a CEO who attempted to murder a subordinate (Ugly Betty) as well as a company president who embezzled from the pension plan (Brothers and Sisters), and on the Law and Order programs more than half of all felonies — mainly murders — are committed by business people. Lawyers, cops and doctors get to be heroes as well as villains, but corporate types seem to show up on TV and in the movies only when they’ve got a flunky to humiliate, an illicit scheme to perpetrate, or a waterway to pollute.

At least that’s the way it looks to Dan Gainor, MBA ’01, director of the Media Research Center’s Business and Media Institute. Gainor is lead author of a three-part study that examines the way business people are portrayed in movies and television. The first part of the study examined the top 12 TV dramas shown during the sweeps periods of May 2005 and November 2005. Out of 39 episodes featuring business-related plots, 77 percent reflected a negative view of business practitioners.

The second part of the study, which examined Oscar-nominated movies, found that half of those movies portrayed people involved in commercial enterprises committing crimes ranging from simple fraud to international conspiracy to mass murder. Out of the 70 major characters presented, only one was depicted as ethical and successful while actively engaged in business.

“According to TV and the movies, you are 21 times more likely to be kidnapped by a businessman than by the mob,” says Gainor. “Maybe that’s what it takes to get ahead in Hollywood, but that’s not how the vast majority of business people really act.” Gainor feels this overwhelming negativity about the business world does a disservice to young people thinking about careers in business and to America’s image around the world. “It makes everyone cynical, thinking business is inherently corrupt,” says Gainor. “This isn’t even vaguely reasonable. Most of the business people I’ve met are generous and ethical, and business people give billions to charity each year.” For more information, visit www.businessandmedia.org. –RW
Youth unemployment is a global problem, and it is at its worst in the Middle East and the Muslim-majority countries of Africa and Asia, where almost half of those under the age of 24 are unemployed. This situation creates fertile ground for violence and radicalism, says Marc Boxser, director of communications for Education For Employment (EFE), a nonprofit group that works with local partners to provide vocational training and jobs for young men and women in North Africa and the Middle East. EFE works with local corporations, who sponsor the projects and then hire those who complete the program.

Last spring the Smith School developed a unique custom executive education program for EFE. Smith worked with faculty from the leading academic institution in Gaza, Islamic University, to design a six-month mini-MBA that would teach business skills using marketplace simulations. It was an intense experience for the Smith team, who in just under a week had to explain how to apply systems thinking to learning and management, how to develop a systemic learning experience, and how to use (and teach from) the business simulation used by Smith MBA students.

The program was held in Cairo, Egypt, because Gaza itself was considered too much of a security risk for the American team. There was also a risk for the Palestinian faculty members, who could have been persecuted for their association with Americans.

Despite the security concerns, Suarez is glad he went, though he laughingly concedes that it was a stressful experience. “Considering the violence and animosity that troubles this region, I felt that what we did represented a pocket of hope. The faculty from Islamic University were so appreciative, receptive and engaged. Though they came from a different culture and a different mindset, we found common ground, and it was education that built the bridge,” says Suarez.

“We are very proud of this program,” says Boxser. “It is a great example that our partnership model works.” All graduates from this pilot program have gone on to employment with Consolidated Contractors Company—some in Gaza, some in Papua New Guinea and some in Abu Dhabi.

EFE is now working on a nursing program in Cairo with Simmons School for Health Studies, a sales force training program in Morocco with Harvard University, and a business soft skills program in Jordan. The Smith School is doing a consulting project for EFE to help the foundation strengthen its capabilities and processes.

To learn more about EFE, visit www.efe-foundation.org. –RW
Student Consulting Teams Wow Judges at QUEST/GE Innovation and Consulting Conference

The first QUEST & GE Innovation and Consulting Conference, held on December 13, 2006, was the highlight of the year for seniors in the Smith School’s Quality Enhancement and Teams (QUEST) Program. More than 200 people gathered to view the storyboards and hear student teams describe their consulting projects on a night that capped off months of hard work and preparation.

The projects form the senior practicum portion of the QUEST Program. QUEST, one of the Smith School’s specialized Undergraduate Fellows tracks, is operated jointly with the A. James Clark School of Engineering and admits students from the Smith School, the Clark School and the College of Mathematical, Computer and Physical Sciences.

Seniors in the QUEST program spend the better part of the fall semester working with a faculty advisor on consulting projects for corporations, all of which have real-life importance and implications. This year student teams worked on 15 consulting projects for 14 companies in industries that ranged the gamut from aeronautics to auto manufacturing and hospitality services to health care. QUEST consulting projects gave companies a chance to see some of the school’s best students in action and gain valuable business solutions, while giving students the opportunity to work with real-life executives on real-life business problems—a win-win situation for both students and businesses.

To read more about the QUEST program and about last fall’s consulting projects, visit http://www.rhsmith.umd.edu/news/stories/2006/quest-ge-event.html. -RW

AOL’s Ted Leonsis Speaks at CIO Forum

Executives, academicians and students gathered for an exceptional day of learning and sharing at the Smith School’s 7th Annual CIO Forum, held on November 3, 2006. Keynote speaker Ted Leonsis, vice chairman of AOL, talked about strategizing managing information technology for the past three decades and how the recent shift in consumer needs is changing business.

Leonsis told his audience that the nation’s media model is insufficient for a world where young people spend the hours from 3 p.m. to 8 p.m. with six things going at the same time: cell phones, Internet (instant messaging), music, video games, TV, and homework. People are becoming massive multitaskers, and they expect — and demand — both choice and control. The world to come is one where niche marketing is king, says Leonsis, and consumers want to be able to plug and play, to interoperate.

Leonsis described AOL’s recent strategy in terms of capitalizing on, not capitulating to, this new reality. “We wanted to take AOL back from Time Warner and Wall Street and stabilize, revitalize and reconceptualize our company,” said Leonsis. Last summer, AOL went from a 20-year subscription business with an ad business attached to it, to an ad business with a subscription attached to it, and grew revenues. “We gave away what we used to charge for,” he said. “I believe it happened because AOL bottled up this new consumer and algorithmic business.”

Visit the Smith Business Web site for video highlights from Leonsis’ speech. -AAL

PHOTO BY VIPUL BAJPAI, SUNFIRE PRODUCTIONS
LEADER FOR THE DIGITAL ECONOMY: GREG HANIFEE

Far From Home But Still Close to Smith: A Terp in Shanghai

When Greg Hanifee, MBA ’86, went to visit the American Chamber of Commerce in Shanghai shortly after moving to China in 2003, his alma mater was the last thing on his mind. But outside an office in the same building 7,500 miles from “home” was a small sign that read Robert H. Smith School of Business. So he poked his head inside and learned that Smith had set up shop there to launch an Executive MBA program Shanghai. Since then, Hanifee has become one the school’s most active ambassadors in China, helping to recruit students and participating in other Smith activities in Shanghai.

Hanifee is president and general manager in Asia for Verizon Information Services, which sells advertising and publishes print and online directories, like the Yellow Pages. Hanifee manages more than 300 employees in Shanghai, all of them Chinese. He says he speaks enough Chinese “to get by,” but the number one challenge he and other managers in China face is recruiting and retaining qualified employees. He says he spends a disproportionate amount of time focusing on his top employees and comparing his own HR and retention policies with those of other organizations.

“The economy is so hot here that it’s not uncommon for qualified people to switch jobs one or two years into employment because they can get a 20, 30 or 40 percent pay raise. If you talk to business leaders here, they’ll say the number one challenge is in human resources and how we retain and recruit top candidates.”

Hanifee is succeeding in this dynamic foreign environment because he, like many Smith graduates, understands and appreciates the influence of globalization, entrepreneurship and technology in the rapidly-changing economy. He believes other Smith School graduates will have the same edge in the global marketplace. “The real advantage of the Smith graduate now is not just the nuts and bolts of finance and marketing or human resources. It’s how to think about all of those things with information technology,” says Hanifee.

“The pace of change—because of technology—is incredible,” says Hanifee. “The Smith School’s entrepreneurship and information technology focus will help our graduates be positioned well to compete in today’s and tomorrow’s economy. I don’t think anyone could have predicted when I was in business school exactly what would be happening now and how small the world has gotten because of technology.”

Hanifee’s advice to other Smith alumni with aspirations in China? In some ways, it’s not as big of a leap as you think. In others, it’s a pretty big leap.

“You have to come in being a little bit humble because it’s a very different business environment from what a lot of people are used to. But if you are willing to absorb and learn, you can make great strides here. You can certainly make great friends,” he says. -JH
Fueling Entrepreneurship in China
With Education, Mentoring and Cash Prizes, the Smith School is Supporting Business Development in China

For the past two years the Smith School has shared its expertise in entrepreneurship with emerging business leaders in the world’s fastest growing economy via its annual China Business Plan Competition. Recognizing the dynamic economic and cultural changes occurring in China, the Smith School has created a forum that provides entrepreneurs with a source of early stage capital and valuable exposure to potential investors.

“In many ways a Chinese culture of entrepreneurship is simultaneously in the nascent and advanced stages,” says Asher Epstein, managing director of the Smith School’s Dingman Center for Entrepreneurship, which organizes the competition. “There’s a great innate entrepreneurial instinct in China—but broad cultural acceptance and the economic reforms to fully support it are still maturing.”

Last year, five finalist teams made the cut to participate in the grand finale event held in Beijing on September 13. Looking their best in freshly-pressed business attire they competed for $50,000 in prizes in front of a panel of venture capitalist judges and more than 150 guests from around the globe.

The teams and competition highlight the emergence of a generation of young business leaders within China who are eager to try out their ideas and make a mark on the global stage.

For example, the team members from Coolbar, a company that delivers a new mobile advertising platform and the competition’s $25,000 grand prize winners, are all from Tsinghua, one of China’s most prestigious universities. While each has held a position at a blue-chip multinational company—traditionally the brass ring of achievement—Coolbar’s founders are far more interested in the comparatively riskier prospect of striking out on their own.

“It is a great time to be an entrepreneur in China,” said Tony Gao, Coolbar chief executive officer. “The risks are far outweighed by the rewards and the Smith School’s annual China Business Plan Competition was definitely a valuable learning experience and resource.”

As the Smith School’s annual China Business Plan Competition enters its third year the Smith School has aggressively expanded the competition’s reach and scope by partnering with China Central Television (CCTV), the major broadcast television network in mainland China.

The Win in China – Smith Business Plan Competition launched on Sept. 29, and is being co-organized by the Dingman Center and CCTV’s Win in China television program—a high-stakes reality series loosely based on “The Apprentice” with a huge following in China. The competition is intended to complement the Win in China television series.

“The support of CCTV and Win in China enables us to exponentially increase our impact and momentum,” said Howard Frank, Smith School dean. “We have created an unbeatable partnership by leveraging Win in China and Smith’s areas of excellence and expertise—to offer truly world-class educational and entrepreneurial opportunities to even greater numbers of people.”

Eight grand prizes valued at $100,000 will include all-expense-paid trips to the United States for business training at the Dingman Center for Entrepreneurship. Cash prizes totaling $50,000 will be awarded to the top three winners. As CCTV’s exclusive academic partner for Win in China, the Smith School will award scholarships valued up to $100,000 to Smith’s world-class executive education programs to the winners of the Win in China television program.


–AT
Smith’s First Freshman Fellows Off to a Great Start

The fall 2006 incoming class of Smith School freshmen was the first to participate in the Freshman Fellows Program, students’ initial opportunity to get involved in the school’s Undergraduate Fellows Program. Faculty and administrators created the innovative undergraduate program to help downsize the large university experience and create small communities of scholars within the Robert H. Smith School of Business.

“The Freshman Fellows Program offers students a great hands-on experiential learning-based approach to business education and college life,” said Pat Cleveland, associate dean for undergraduate programs. “Everyone here is excited about the program. Administrators and faculty like the enrichment opportunities available to first-year students. And the students are immersing themselves in the Smith School, interacting closely with classmates, faculty, staff and alums — they are really enjoying the program and building a community.”

Freshman Fellows are grouped in cohorts of approximately 40 classmates according to enrollment in BGMT 110, an introductory business course. Though the program is not a graduation requirement, Cleveland said about 75 percent of incoming freshmen choose to participate the first year.

Fellows’ cohorts move through the first two years at Smith together, after which they can choose to participate in up to two upperclassmen fellows tracks in specialty areas such as investments; research; accounting; entrepreneurship; and logistics, transportation and supply chain management, among others. Besides coursework, Freshman Fellows take part in co-curricular activities, including field trips, lectures, retreats, workshops, volunteer projects, and dinner clubs.

The program kicked off with Freshman Fellows Orientation, held in late August before the start of classes. Students met their cohorts and had a chance to get to know each other through team-building activities. They played games, bonded over meals, and helped each other complete a ropes course and climbing wall at the university’s Outdoor Recreation Center.

“I met a lot of new people that I wouldn’t have had a chance to otherwise,” said Freshman Fellow Sarah Trippe. “We’re starting out bonding with Smith classmates.”

The Freshman Fellows have been busy since their orientation. They participated in the annual Smith Business Week, which included career workshops, a career fair and networking event, opportunities to get involved in student activities, and a tailgate party before a Terps football game. In the Freshman Fellow lecture series, they’ve heard entrepreneurs, business leaders and business writers, such prominent figures as best-selling authors Thomas Friedman (The World is Flat, this year’s university-wide freshman book) and Jeremy Rifkin of the Foundation on Economic Trends. Fellows
were also given the opportunity to attend field trips to area cultural attractions, including the Phillips Collection art museum in Washington, D.C., and the Clarice Smith Performing Arts Center on campus, to learn more about the business behind maintaining such centers. The freshmen have shared dinner with upperclassman students and Smith alumni as part of a dinner club hosted by the school, made possible by a generous bequest from Stanley Bennett ’51 left to the Smith School in 2003. Three generations of Bennett’s family graduated from Smith; the surviving Bennetts — nephew Millard and his son Stephen — took part in the first dinner club meeting. –CT

**UNET KEEPS STUDENTS, STAFF CONNECTED**

Freshman Fellows find out about program information and upcoming events by logging onto the undergraduate Web portal, UNet. The network, designed in-house by staff members and students for use by all undergraduate Smith students, shows calendars, provides information updates and links to apply for fellows programs, and allows students to update their personal profiles and RSVP to events. Students are using the system and checking it often for, among other things, regular updates on Freshman Fellows activities planned for the coming semesters.

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**Undergrads Gain Real World Experience In Finance Fellows Program**

**Last fall Smith School** senior Ron Dalal got a taste of real-world financial management. As equity analyst for the school’s new $50K Senbet Fund, Dalal monitored his sector, kept an eye on investment opportunities, and recommended stocks to add to the fund’s portfolio. It was a job that involved extensive research, including a discounted cash flow analysis, comparables analysis and other tools used to evaluate potential investments.

Dalal, a Finance Fellow, is one of 10 senior finance majors working with the Senbet Fund, named for Lemma Senbet, William E. Mayer Professor of Finance, as part of the Finance Fellows program. The Finance Fellows program allows these exceptional finance majors to apply the theory they’ve learned in class while getting practical experience in portfolio management. The program is similar to the school’s Mayer Fund, a $1.2 million fund managed by second-year MBA students.

Managing real money in real time is a challenge for even seasoned financial analysts, and one that the Finance Fellows have embraced with enthusiasm, and a little healthy fear. “Our analysis of the economy and the financial markets isn’t just part of our grade; it’s part of our fund’s financial success. We’re dealing with $50,000 of real money, which requires more dedication than any three credit course I’ve taken,” says Finance Fellow Randy Doak.

“The challenge these students face is to find the correct balance between liking a stock on a qualitative basis and then being able to support it on a quantitative basis,” says Sarah Kroncke, visiting lecturer and faculty advisor to the Senbet Fund.

The Senbet Fund’s goal is to beat the S&P 500 on a risk-adjusted basis. The Smith School’s goal is to provide the best and brightest of its finance majors with a real-world experience that will teach them things you can’t learn in a classroom, and make them attractive candidates to potential employers when they graduate. The Finance Fellows program will accomplish both. –SA
Giant global corporations use them to figure out their supply chain problems, governments use them to work on emergency preparedness plans, farmers use them to figure out what crops to plant and when, and the military uses them to figure out sophisticated deployment and logistics plans. But they’re also used to figure out the best way to tour through DisneyWorld, or how to load a truck with goods so that they can be off-loaded in proper order. They’re decision models, and they’re used to help people and companies optimize their choices.

Decision models are a common tool in the field of operations research, which uses data and mathematical techniques to solve specific business problems. Saul I. Gass, professor emeritus of management science, is a pioneer in the field of operations research. Gass helped develop the technique of linear programming, a simple but powerful tool that allows researchers to create decision models. The power of linear programming is both its remarkable flexibility and its power to model a large range of tremendously complex problems.

Today it seems natural to have computer programmers, mathematicians and engineers working on business problems. But it was a revolutionary idea in the 1960s, when Gass and his colleagues first transplanted techniques and models developed for the military sector to the private sector business, starting with the oil refinery industry. His work went on to have an enormous impact across a variety of fields.

Gass is also known for mentoring following generations of operations researchers and for acting as an ambassador for the field. “Saul had an uncanny ability to explain the methodology,” says Frank Alt, associate professor of management science and statistics. His layman-friendly book Linear Programming is one of the only computer programming textbooks to use cartoons to explain its concepts. Gass later explained the origin, applicability and drawbacks of models in a series of papers titled “Model World.”

Gass’ Smith School colleagues are continuing to provide thought leadership—as well as real solutions to real problems—in operations research. Bruce Golden, France–Merrick Professor of Management Science, recently worked with the University of Maryland Hospital’s cardiac surgery department to optimize the number of beds in the intensive care unit (ICU), where there is one nurse per bed, and the remote telemetry unit, where less staff is required. “You can’t perform surgery if all of the ICU beds are taken, and if all the remote telemetry beds are occupied, then you can’t move patients from the ICU into the less expensive ward,” says Golden. “So it’s important to get the mix of beds right. Our model was able to save the hospital about $3 million on paper.” Michael Fu, professor of management science, is working with the FDIC to evaluate each of its 6,000 member banks in order to determine the level of premium to charge for FDIC insurance.

What kinds of problems will operations research solve in the future? “The emergence of new fields creates opportunities for the use of mathematical models,” says Alt. “We can’t always predict what those new fields will be, but we can predict that there will always be the increased need for models and their analysis.”

Interested in learning more? A new book, Perspectives in Operations Research: Papers in Honor of Saul Gass’ 80th Birthday, co-edited by Alt, Fu, and Golden, was published by Springer as part of its “Research/Computer Science Interfaces” series. The first part of the book provides a sweeping overview of the history of the operations research field and Gass’ contributions, while the second part is a sampling of current research topics in the field. Papers were contributed by a bevy of distinguished scholars in operations research.
“Any time that China wants to, it can turn the screw on all the money we owe China, drive up interest rates and drive the American prosperity and the prosperity of the middle class right into a ditch.”

Peter Morici, business professor, on trade policies and massive trade deficits that have led to a growing dependence on borrowing from China to keep U.S. interest rates low. CNN: Lou Dobbs Tonight, Oct. 23, 2006

“They’re so stretched on multiple levels, they often come to us with extremely broad requests. My job is to home in and narrow the scope.”

Robert Krapfel, associate professor of marketing, talks about how companies — especially small businesses — can get the most out of the Smith School’s MBA consulting program. New York Times, Oct. 12, 2006

“If you are going to do your own work during lunch, leave the office and use your cellphone. It is important to make sure the two ventures are clearly delineated.”

Asher Epstein, managing director of the Dingman Center for Entrepreneurship, said it was acceptable to work on side projects during lunch hour, if you’re not using company resources to do so. New York Times, Oct. 29, 2006

“It turns out there were lots of nooks and crannies for entrepreneurial action. But those nooks and crannies might have been $5 million or $10 million businesses — well worth doing, though not necessarily for VCs.”

David Kirsch, assistant professor of management and organization, talks about his research findings that the dot-com boom era could have supported more new Web-based ventures. Wall Street Journal, Nov. 8, 2006

“People have certain expectations about service now. Basically, people believe service should be available all of the time.”

Kathryn Bartol, professor of management and organization, talks about why night-shift white-collar jobs are increasing for Americans. The (Baltimore) Sun, Aug. 31, 2006

“There are a very large number of private equity firms, and they’re all out there looking for deals, and the search for deals is one that involves cut-throat competition.”

Albert “Pete” Kyle, Smith Chair Professor of Finance, comments on a Justice Department inquiry into possible anticompetitive behavior among private equity firms. Marketplace, Oct. 10, 2006

“The key struggle of the multinational enterprises in this new era is to balance their need for efficiency and control with their need for flexibility and speed of response.”

Sandor Boyson, co-director of the Supply Chain Management Center, writes an opinion article about supply chain’s adapting to manage the globalization process. Shanghai Daily, Aug. 28, 2006
Business people around the world increasingly find themselves negotiating with people from other countries and cultures. Scholars have been divided on the effects of a person’s culture on the negotiation process. One school of thought suggests that culture is always important and always influences bargaining outcomes. The second school takes the other extreme—that culture never matters and is irrelevant. Recent research by Joydeep Srivastava, associate professor of marketing, shows that neither view is quite correct. “Culture matters, but it interacts with bargaining outcomes in a dynamic way. Some bargaining situations will evoke universal human reactions, whereas some may evoke culture-based responses,” says Srivastava.

Joydeep Srivastava, associate professor of marketing, used undergraduate university students in the U.S. and Korea to test whether culture affects the outcome in bargaining situations. The study was conducted simultaneously in both countries. Study participants were told that they were randomly selected to receive offers from another student, who proposed dividing a given amount of money between them.

Srivastava found that as long as the context or situation is not made clear, people from both the U.S. and Korea tend to attribute the cause of a particular behavior to an individual or personality. However, once the context is made clear, the Koreans tended to discount the individual or personality-based explanations in favor of contextual or situation-based explanations.

Srivastava’s study demonstrates how a person’s cultural background may play a role in their perceptions during a bargaining situation. Western cultures, such as those of North American and Europe, are more focused on the individual. Because of this pervasive focus on the individual, in bargaining situations Americans are more likely to attribute the cause of a particular behavior to an individual or personality. For example, a Westerner may think, “She is offering me such a small slice of the pie because she wants to have a bigger piece of the pie than me.”

On the other hand, Eastern cultures such as those of Asia and the Near East tend to be more collectivist; the society focuses less on the role of individuals and more on the role of the group. This makes people from Asian cultures more likely to attribute the cause of a particular behavior to the situation or the context rather than the individual: “She is offering me such a small slice of the pie because the pie is small, or maybe she has to share her slice with several other people.”

Another noteworthy result to emerge from the study was the effect of the “group” on bargaining outcomes. While the Koreans were sensitive to this change and tended to discount a personality-based explanation in favor of a group-based one. If told that the person making the low offer was representing the interests of his or her group, then the Koreans tended to be more accepting of the offer.

“When negotiating with your global counterparts,” says Srivastava, “try and put yourself in the other person’s shoes. Do not focus on any one piece of information, but instead consider the entire gamut of possibilities. Similarly, be sensitive to whether your bargaining counterpart is a part of a group or is only representing herself.” –SA
Creating the Best Environment for Knowledge Sharing

Business success in the digital era is driven by information; knowledge sharing within organizations is crucial but not easy to achieve. If knowledge is power, then what motivates a worker to give up a source of advantage? If a worker shares knowledge, can she trust that it will be used correctly, or that she will be acknowledged for her contribution? Why should she take time from her own tasks to share information with others? In some organizations, even admitting that you need information may be perceived as risky. Understanding the different factors that motivate workers to share knowledge, and the ways that those factors interact, can help managers create an environment that results in the greatest amount of knowledge sharing, utilization and performance.

Researchers in the Smith School’s department of management and organization have integrated several different motivational mechanisms to explain and predict what motivates someone to share knowledge and what motivates the recipient to use that knowledge effectively. “Combining both perspectives resulted in a theoretical model that was more than the sum of its parts,” says Paul Tesluk, associate professor of management and organization.

Tesluk and his colleagues found that when people are given an incentive for sharing knowledge with colleagues, group incentives work better than individual incentives. Incentives had more effect when mutual norms for knowledge sharing developed between the knowledge sender and recipient. This suggests that companies can motivate knowledge sharing by creating incentives that emphasize group performance and are strongly reinforced through clear norms for knowledge sharing.

“Rewarding individuals for knowledge sharing may send a mixed message,” says Kay Bartol, Robert H. Smith Professor of Management and Organization. “Group incentives that reward cooperative behavior reinforce a culture of open exchange.” Companies might also consider recognizing knowledge sharing in performance appraisals, recognizing and praising those who go out of their way to actively share their knowledge with others, and consistently highlighting common goals and objectives that can link potential knowledge providers and recipients.

Bartol and Tesluk found that knowledge recipients who were confident in their own ability to perform well on a task were more likely to set high goals for their own performance when they trusted their partners. Workers must also be motivated to apply the new knowledge they have acquired in ways that promote performance. While both knowledge sharing and goal setting had direct effects on performance, performance was highest only when participants both had access to knowledge and set stretch goals for themselves. “The higher the goals were set, the higher the performance improvement, but only if people had access to new knowledge as well,” says Tesluk.

The study was conducted in the Smith School’s Netcentric Behavioral Lab, a setting that allowed the authors to control the knowledge sharing process in a way that is not possible in the field. “We were able to track what pieces of information were being shared and precisely when they were being shared,” says Tesluk. Future research might investigate how these findings generalize to knowledge workers in actual organizational settings. –RW

FOUR WAYS THE INTERNET CAN HELP YOU QUIT SMOKING

Every year, millions of Americans try to stop smoking. But as any smoker knows, it is a fiendishly difficult habit to break. Smokers need all the help they can get to successfully quit. Most people know that social support is an important key to any lifestyle change, and usually that support comes from friends and family. But a recent Smith School study shows that online communities can also provide an effective support group.

Smith PhD student Jessie Ma studied the online behavior of 411 members of Quitnet.com as part of a study that examined the effectiveness of online support networks in helping smokers quit. Quitnet.com members were able to get support 24/7 from their quitting buddies by visiting the site and posting on the forums. The members were strangers to one another, but had shared goals and were going through similar painful experiences. Ma found that the online community was an effective tool to help those who were trying to quit smoking meet their goals.

If you want to use an online support group to help you quit smoking, here are some tips based on this study to help make your experience more successful:

1. POST OFTEN. Ma found that the more time a member spent on the Web with the community, the less likely he or she would continue smoking.
2. MAKE LOTS OF CONTACTS. The more people community members interacted with, the more likely they were to stay on the straight-and-narrow.
3. KEEP AT IT. Those who interacted with the online community for 18 months had a better quitting success rate than those who had only been participating for five months. The longer someone stayed a community member, the less chance he or she would backslide.
4. BE OPEN AND TRANSPARENT. Members who shared the most about themselves and their struggles to quit had the most success in their quest.
It’s not easy to make statistical methods fascinating, particularly when you’re doing it in a 250-person lecture hall at eight in the morning. Yet Erich Studer-Ellis’ gateway business statistics course is one of the best and most popular large classes on campus. He is famous for knowing many of his students by name, even though he teaches more than 600 of them each semester. Studer-Ellis, a Tyser Teaching Fellow in the decision and information technologies department, was recognized by BusinessWeek as one of the nation’s favorite undergraduate business school professors. Studer-Ellis was one of 23 U.S. faculty members mentioned most frequently by undergraduate students when surveyed by BusinessWeek for its October 2006 feature on the best undergraduate business programs. Since coming to the Smith School in 2000, he has received the Smith School’s Krowe Teaching Excellence award and the University of Maryland’s Top Terp award.

Studer-Ellis has an infectious enthusiasm for the statistical methods he teaches. “I love this subject. These are great topics; they are extremely useful and very important, not just in business but across your entire life,” he says. “You’re in the car listening to the radio, and the announcer mentions the median price of new homes or that a voter preference poll has a margin of error of plus or minus 3 percent—do you understand those ideas? Data are everywhere, information is everywhere. If you don’t understand it, game over; you might as well not bother to play. Understanding these statistical methods allows you to make decisions and take actions, and keeps you from being manipulated by information you don’t understand.”

Still, not everyone shares his passion for simple regression analysis, at least not at first. So how does he keep students’ attention? “I’m very loud,” Studer-Ellis admits. “I ask questions; even though these classes are large, I expect people to participate somehow. I want students to be active learners, not just passive listeners.”

Fly the Friendly Skies—But for the Best Prices, Wait Until They’re in Bankruptcy

The U.S. airline industry has been experiencing an enormous amount of collective and individual financial distress. But what impact does an airline’s financial woes have on its pricing strategies? Does a firm in distress slash prices in hopes of gaining market share and boosting sales? Or does it circle the wagons and adopt a more conservative approach?

According to recent award-winning research by PhD candidate Christian Hofer, the answer may be ‘a little of both.’ Hofer collected quarterly data on the top 1,000 domestic routes from 1992 to 2002. He found that an airline’s financial condition does have an effect on its prices, but the magnitude of the effect depended on other factors, such as the firm’s operating costs, its market power, the market concentration, and the firm’s financial position compared to its competitors.

The study showed that the poorer financial condition an airline was in, the lower its airfares were. The more concentrated the market, the more likely a financially distressed airline was to lower airfares. But an airline was less likely to lower its fares if it had high operating costs, if it had strong market power, or if its competitor airlines were also in financial trouble.

“Managers and policy makers often complain about the anti-competitive effect of Chapter 11 bankruptcy protection,” says Hofer. “They feel that Chapter 11 keeps distressed firms alive and even conveys these firms competitive cost advantages. This contention, however, is based on the assumption that bankrupt firms do in fact price more aggressively than healthy firms. This is one of the first studies to provide sound empirical evidence for that contention.”

This makes Hofer wonder if price cutting is actually an economically viable turnaround strategy for distressed firms. Do distressed firms that cut prices have a greater chance of survival than firms that don’t cut prices? Hofer plans to tackle some of these questions in future research.

For more information, contact chofer@rhsmith.umd.edu –RW
Faculty Awards and Honors

**Anand Anandalingam**, Ralph J. Tyser Professor of Management Science, and **Michael Ball**, Orkand Corporation Professor of Management Science, have been selected as the co-program chairs for the Annual INFORMS conference to be held in Washington, D.C., in November 2008.

**Kay Bartol**, Robert H. Smith Professor of Management and Organization, was awarded the Academy of Management Distinguished Service Award, a prestigious academy-wide award recognizing excellence in developing and enhancing a field of study; founding or creatively editing a journal; and/or building institutions, such as through creative or unusually effective service to a major professional organization. Bartol is past president of the Academy of Management, as well as past dean of the fellows of the academy.

**Chris Bingham**, assistant professor of management and organization, received the 2006 Carolyn Dexter Award for best paper on international business (sponsored by the Academy of Management).

**Gilad Chen** associate professor of management and organization, received the 2006 Outstanding Reviewer award, Academy of Management Journal; the 2006 George Mason University I/O Psychology Student Association (IOPSA) Distinguished Alumni award; the 2005 Organizational Research Methods Best Article of the Year award; and the American Society for Training and Development’s 2005 Research Article award.

**Rebecca Hamilton**, assistant professor of marketing, was named an MSI Young Scholar. About 20 researchers in marketing are named every other year.

**Wolfgang Jank**, assistant professor of management science and statistics, was elected program chair for the Computing Section of the American Statistical Association (ASA).

**Edward Locke**, emeritus professor of management and organization, was honored with the Distinguished Scholarly Contributions Award by the Academy of Management.

**Wendy Moe**, assistant professor of marketing, has been elected as chair of the American Statistical Association, section on Marketing and Statistics.

**Rebecca Ratner**, associate professor of marketing, received the award for “Most Influential Paper in Conflict Management from 1998–2001” from the Academy of Management for her paper “The Disparity Between the Actual and Assumed Power of Self-Interest.”

**Raghu Raghavan**, associate professor of management science, was recently awarded the 2005 Glover-Klingman prize for the best paper published in the international journal Networks. The paper, titled “Strong Formulations for Network Design problems with Connectivity Requirements,” was co-authored with Tom Magnanti, dean of engineering at MIT.

**EDITORIAL APPOINTMENTS**

**Wendy Moe**, assistant professor of marketing, has been appointed to the editorial board of the Journal of Marketing.

**Lemma Senbet**, William E. Mayer Professor of Finance, has been appointed finance area editor for the Journal of International Business Studies.

**GRANTS**

**Michael Ball**, Orkand Corporation Professor of Management Science, has been awarded a 3-year, $2,150,000 grant from NASA, entitled “Developing/Evaluating Physics Laboratory to work on Strong Formulations for Network Flows.” The University of Maryland is leading this effort, which also involves MIT, UC Berkeley, Virginia Tech, and Metron Aviation.

**Thomas Corsi**, Michelle E. Smith Professor of Logistics, and Curt Grimm, Dean’s Professor of Supply Chain and Strategy, have received a $280,000 grant from the U.S. Department of Transportation to study “Motor Carrier Operations and Safety Data Collection and Analysis.”

**Vojislav Maksimovic**, Bank of America Professor of Finance, has received a $100,000 grant from NSF to study “Legal Institutions and Doing Business: A Cross Country Analysis.”

**Debra Shapiro**, Clarice Smith Professor of Management and Organization, M. Susan Taylor, Dean’s Professor of Human Resources, and Miriam Erez, a visiting scholar at the Smith School, have been awarded a Kaufmann Foundation grant of $55,000 for a study regarding antecedents to organizational innovation.

**Galit Shmueli**, assistant professor of management science and statistics, has received a $261,000 grant from the Johns Hopkins Applied Physics Laboratory to work on “Developing/Evaluating Prospective Biosurveillance Tools.”

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**THE BEST B-SCHOOLS**

Over the past 10 years, the Smith School has developed a reputation for possessing a formidable research faculty. Each of our academic departments is home to world-class scholars as well as 110 PhD candidates, who after graduation go on to placements in prestigious schools in the United States and around the globe. Because of their efforts the Smith School’s research engine is constantly turning, producing studies that bring together theory and application for the benefit of students, academics and business practitioners around the globe. Our research prowess received prominent attention from BusinessWeek last fall. In its 2006 survey of “The Best B-Schools,” the magazine ranked the Smith School No. 12 among all U.S. schools in the “intellectual capital” category described as the number of faculty articles published in top academic journals the previous year.
When you think of products that demonstrate the way technology has changed the business world, computer chips immediately leap to mind. Corn chips? Not so much. But Frito-Lay North America, a division of PepsiCo, is a great example of an older and established company that has leapfrogged its competitors by savvy exploitation of the digital economy’s key drivers. With high-tech underpinnings, a global footprint and an entrepreneurial drive that any dot-com start-up would envy, the company is adapting, thriving and taking a mega bite out of its snack-food competitors.

At the helm of this $11 billion global enterprise is Smith School Board of Visitors member Al Carey (BSOS ‘74), who took the reins as president and chief executive officer of Frito-Lay last summer. Since then he’s been shuttling back and forth between PepsiCo’s headquarters in Purchase, NY, and Frito-Lay’s home office in Dallas, TX. “I’m running fast right now,” Carey admits. More than 47,000 people work for Frito-Lay. The company owns 15 brands worth more than $100 million, including Tostitos, Doritos and Cheetos, and generates 38 percent of PepsiCo’s profits.

But the company isn’t resting on its laurels. Frito-Lay has an aggressive set of growth expectations—expectations that present quite a challenge in an environment where health issues and expanding waistlines are a growing concern for consumers. “As a country, we’re dealing with an obesity epidemic,” says Carey. “So as a company, we’re working to develop products that are healthy for consumers, and trying to change our image.”

How is Carey leading his company to even greater heights despite the challenges it faces? By taking advantage of three key drivers of the digital economy: technology, globalization and entrepreneurship.

Entrepreneurship
The digital economy rewards entrepreneurs: the creative, the flexible, the driven, the risk-takers. It’s not easy for a large, established organization to operate on a global scale yet remain nimble enough to respond quickly to the rapid pace of change. Carey says that PepsiCo has given him and other top executives an unprecedented amount of freedom to pursue the next big thing.

“I doubt you’d find another $34 billion company that’s as entrepreneurial as ours,” says Carey. “Compared to other large companies, there is a lot of freedom and responsibility given to managers. You feel like it’s your own business.”

Carey appreciates this freedom, and he uses it to pursue his passion for innovation—a passion shared by everyone in his organization. “Our performance expectations are so high that you can’t achieve your performance goals
Al Carey, Unwrapped

1974 Graduated with B.S. in government

1969—1974 Senior distance runner on the ACC-championship Terps Track and Field team

Married with four children, ages 24, 19, 15 and 13

2001 Smith School Distinguished Alumnus Award

2006 Smith Leadership and Excellence ‘Business Excellence’ Award for PepsiCo

Member of Smith School Board of Visitors since 2002

Member of University of Maryland Board of Trustees

Has given scholarships to the track team and the university’s athletic program

Instrumental in shepherding several corporate gifts to the Smith School, including the PepsiCo Chair of Consumer Research and $150,000 toward the Smith Talent Acquisition and Referral System (STARS) program scholarships

Encourages PepsiCo to recruit vigorously at the Smith School

unless you have innovation. So we spend a great deal of time developing new products to meet consumer needs,” says Carey.

As consumers express a growing desire for healthier products, PepsiCo is “very aggressive about developing new product lines,” says Carey. Though it has not abandoned carbonated drinks, the company has expanded its product line to include flavored waters, green teas, isotonic drinks like Gatorade, enhanced waters, and juices fortified with vitamins. Frito-Lay is working to produce snacks that will have more fiber, less salt and more protein. The company recently rolled out a line of fruit and vegetable crisps under the Flat Earth brand name that contains half of a serving of fruits and vegetables per ounce.

Technology

New technology is making it possible for Frito-Lay to create these nutritious offerings. Manufacturing technologies such as vacuum frying make it possible to turn nutritious but water-laden fruits and vegetables into crisp and appealing snacks. Baked potato chips require a different manufacturing technology than traditional chips. And Frito-Lay is exploring technologies that will allow its manufacturing plants to produce some of the company’s new, healthier products on existing manufacturing lines.

Carey isn’t only excited about new technologies. Established technologies are being applied in innovative ways to generate cost savings for Frito-Lay. “We’re figuring out how to use solar energy panels to heat water to produce enough steam and energy to run an entire manufacturing line. We’re also looking at ways to take the waste steam from production and pumping it back into the plant to provide energy for the plant.”

The company’s vast and complicated supply chain is also reaping the benefits of cutting-edge technology. On the go-to-market side, Frito-Lay has 18,000 route salespeople who drive Frito-Lay trucks and deliver product to stores. In the past, route salespeople had to order product, drive to the distribution center, pick up their product, load it onto a cart, check out of the distribution center, and then load their trucks. It was a completely manual, extremely labor- and time-intensive process.

These days Frito-Lay uses a sophisticated “pre-picking” system and some powerful artificial intelligence (AI) software. The AI program recommends the amount of product to salespeople based on their purchasing history. Each salesperson then uses a handheld computer to T-Com the order to the distribution center, where the orders are pre-picked and pre-loaded on their trucks before the salesperson even arrives in the morning.

Moving the complexity of this process up the supply chain from the route salesmen has saved route salesmen time and resulted in better sales for Frito-Lay. “The salesperson’s route can be larger, because he isn’t spending as much time at the distribution center in the morning; his income is bigger; and he can spend more time with store managers developing those relationships,” says Carey. “It’s been a great success for us.”

Carey says the company is employing technological innovation at every level of its business. It is an interesting time for someone who is, by his own admission, “not a technology person.” But despite his non-technical background he understands the important role he plays in shaping a culture at Frito-Lay that not only accepts but welcomes technology-driven changes. “The leader has to endorse the mindset of being enthusiastic about using technological changes to drive the business. That enthusiasm sets an atmosphere that attracts the best researchers, the best technologists and the best engineers, who then want to come and work for you,” says Carey.

Globalization

Frito-Lay had its humble beginnings with two southern U.S. entrepreneurs in 1932. Today the company has a presence in nearly 170 countries, and 35 percent of its profits come from international markets. This number has increased significantly in the past seven years. The company’s commitment to expanding its global footprint has led to big
succeeds in emerging markets. In India and China, where PepsiCo made significant investments in brand development, Pepsi now has as much market share as arch-rival Coca-Cola.

Frito-Lay actively markets its line of American snacks overseas, but it has also focused on tailoring products to the flavor needs and wants of its global markets. Sabritones brand chili and lime flavored puffed wheat snacks are a hit for the company in Latin America, for example, while dill-pickle-flavored Lays crisps are popular in the United Kingdom. It’s a winning strategy that combines globalization with localization.

Carey has high expectations for continued growth in international markets and expects that Frito-Lay will continue creating innovative products for consumers around the world.

Adapting to Change

Carey has been part of the PepsiCo family for 25 years, most of them with Frito-Lay. In that quarter-century the world has been irrevocably changed by the effects of technology. But Carey isn’t fighting change. As a leader for the digital economy, he welcomes it.

“Y ou change constantly look at our business and benchmark it against our competition—even against companies that are not our competitors.”

Carey admits that at one point Frito-Lay had a reputation for ‘changing the tires’ while still going 60 miles an hour. Carey feels there is now more stability in the company, but he knows that change is unavoidable. “If you have high expectations for growth, then you have to be prepared for change,” says Carey. “I’ve been through very large changes in this company, where we had to reorganize Frito-Lay almost from the ground up. We had to reduce expenses by $200 million and lay off 2,200 people because we didn’t make the changes we needed to along the way. I don’t ever want to do that again.”

When Carey hires a Smith graduate he looks for both leadership potential and a collaborative style of management, an asset especially important in a company like PepsiCo, where people often manage across functions and divisions within PepsiCo. And if you work for Carey, and he thinks you have leadership potential, you may find yourself tossed into a situation that’s just a little beyond what you think you’re capable of doing. That’s because Carey has found some of his most significant growth experiences occurred when he was thrown into jobs that really challenged him.

Frito-Lay has practiced what Carey preaches. In addition to its constant product innovation, its commitment to making the best use of available technologies, and its commitment to global expansion, Frito-Lay has also been remarkably sensitive to prevailing winds of change in the marketplace, particularly as it relates to consumer health concerns. The company was one of the first food-processing companies to respond to health concerns about trans-fats by eliminating all hydrogenated oils from its products. It was a remarkably quick response that involved change on a huge scale, but it was a step the company needed to take, and from which it has benefited.

With Carey at the helm, Frito-Lay will continue to adapt and change, making imaginative and innovative use of technology to grow its business in the competitive global market. And Carey will continue to live the life of a leader for the digital economy, in a world where corn chips and computer chips are more connected than ever.

Some people are born leaders. Others are Al Carey

Some people are born leaders, says Frito-Lay President and CEO Al Carey, but others are mentored into leadership, and he was one of the latter. Carey, who has served on the Smith School’s Board of Visitors since 2002, believes that leadership can be taught, developed and grown. As president of his fraternity and captain of the University of Maryland track and field team, Carey’s early leadership experiences helped others identify his leadership potential—potential he didn’t necessarily recognize in himself.

Carey remembers mentors from his early years, like Roger Enrico, former CEO of PepsiCo, who built his confidence as well as his skills. “There are many potential leaders out there who may not know it,” says Carey. “When you find someone who has what it takes, you’re responsible for building their confidence. It is magical to see them rise to a whole new level of performance as their confidence rises.”

“Most people can perform much better than they think they can, if they have a mentor or leader who helps them develop.”

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Carey’s advice for those coming up through the ranks? “Serve your organization; focus on its development rather than your own personal development, and you’ll find yourself rewarded in unexpected ways. The servant-leadership model is a potent one: your role is to serve your organization, not build your own reputation. I have found that every time I’ve focused on building my organization, then good things have happened to me. It’s a more personally rewarding experience, too.”
Technology-Driven Behavioral Research at Smith

In the olden days—say, 10 years ago—researchers studied human behavior using one-way mirrors and paper-and-pencil questionnaires. In the Smith School’s state-of-the-art Netcentric Behavioral Laboratory, researchers use sophisticated computer software to record the responses of study participants through computer keyboards, joysticks, and even special monitors designed to track human eye movements.

The Behavioral Lab was opened in 2003 to help the Smith School’s marketing, management and organization, and decision and information technologies departments conduct research on human behavior. The lab has 18 networked workstations with monitors set in individual carrels. This keeps participants from seeing—and being influenced by—the behavior of those around them. Video cameras and a one-way mirror permit recording and monitoring of participants’ interactions. Eye-trackers that look like standard computer monitors allow researchers to see exactly what people are looking at on a screen. The school’s Media Lab software permits researchers to administer questionnaires via computer and capture clickstream data as participants use the Internet.

These tools make it possible to conduct studies that would be impossible without the lab’s specialized equipment. One such study was conducted by Roland Rust, David Bruce Smith Chair in Marketing, Rebecca Hamilton, assistant professor of marketing, and former Smith PhD Debra Thompson. In this experiment, participants sat at the lab’s computers to either use or evaluate one of two virtual digital video players: one loaded with features, and the other relatively simple. The results were surprising. Most people who evaluated the digital video players without using them said they would rather have a digital video player with more features than with less. But when study participants actually used the virtual video players, the majority found the feature-loaded version frustrating and hard to use. What people said they wanted turned out to be quite different than what (Continues on page 22.)
Cool Tools: The Eye-Tracker

Eye movements are the most frequently made in the human body, and the fastest; on average, the human eye moves 150,000 times a day. Smith’s new Tobii eye-tracker gives researchers proof positive of what people are actually looking at when they view a print advertisement, a TV commercial, a product package or a Web site—valuable information for marketers. The eye-tracker consists of three cameras hidden in the lower edge of a large desktop monitor which track the head and eye movements of the person sitting at the computer.

Michel Wedel, PepsiCo Professor of Consumer Science, recently conducted a study using eye-trackers to determine the effectiveness of magazine advertisements, including a Mercedes ad. This advertisement consisted of a full-page reproduction of Marilyn Monroe’s face, with the famous beauty mark on her left cheek replaced with the Mercedes logo. Study participants sat at eye-trackers and viewed the ad. Remarkably, every participant’s eyes moved across the ad in basically the same pattern, showing that each person was perceiving the ad in basically the same way. Wedel was able to draw general conclusions to describe the ad’s effectiveness from the results of this study.

“That’s one of the reasons why this is better than traditional research,” says Wedel. “In the past we’ve just had to ask people, ‘What did you look at? Did you look at the brand?’ People don’t remember and try to reconstruct their memories, a process which isn’t always very accurate.”

Using eye-trackers provides researchers like Wedel and others in the marketing department with reliable, quantitative evidence of what really captures consumers’ attention when they look at advertisements. The eye-tracker makes objective something that before had been subjective. In doing so, it gives marketers invaluable information about what works and what doesn’t in print and Web advertising. Wedel has studied thousands of print ads using eye-trackers to determine the optimal size of different elements in ads. How large should the pictorial element be? How large should the text elements be, and where should they be located? One surprising finding: the brand element should be big—really big—much larger than the brand representation currently common in print ads.

Eye-trackers are expensive, so the Smith School only has one, not enough to do a full-fledged study with many participants yet. Instead, researchers like Wedel use the school’s eye-tracker to design studies in partnership with firms such as Verify International in the Netherlands and Tobii Research in Norway, which then pony up the cash to conduct the test in a specially-equipped research facility. The data is then gathered and analyzed by Wedel and other professors.

For more information about this research, contact mwedel@rhsmith.umd.edu.
Cool Tools: The Joystick

Humans have a tendency to recoil from things they find negative or distasteful and approach things they find positive and pleasant. And it isn’t just an emotional drawing-away; there is a measurable physical response as well. Using computer game controllers, or joysticks, a researcher can actually measure the degree of a person’s distaste or attraction for an object by measuring the physical pushing-away or pulling-toward motion he or she makes while holding the joystick.

The center developed a prototype. Rosellina Ferraro, assistant professor of marketing, will use the Behavioral Lab’s brand-new computer joysticks in a study designed to measure student’s reactions to academic goals vs. other tempting activities, like watching television or chatting with friends, in situations where they are reminded of their own mortality. In other words, if you are reminded of how short your life really is, are you more or less motivated to do your homework?

Students will sit before computer monitors holding the joysticks while words flash across the screen. Ferraro will use the joystick to measure the speed with which students pull toward or push away the joystick, which will tell her whether the students regard the words in a positive or negative fashion.

For more information about this research, contact rferraro@rhsmith.umd.edu.

(Continued from page 20.)

they actually liked when they had a chance to use the product.

Being able to actually use the products was a key part of the study’s design because participants could not imagine how their product preferences would change before they had a chance to use it. They had to actually use the virtual video player for the “feature fatigue” effect to occur.

“Because we don’t have all of the distractions of the real world, the Behavioral Lab gives us both a more accurate way to evaluate behavior, and a way to capture behaviors we couldn’t observe in any other setting,” says Hamilton, who is chair of the committee that manages the Behavioral Lab. “For example, when participants use virtual products in the lab, we can record their entire interaction with the product and then ask them how they feel about the product after they’ve used it.”

In another recent study Rosellina Ferraro, assistant professor of marketing, looked at priming and suggestibility among consumers. Ferraro wondered if seeing a product repeatedly in real-life situations would affect consumer’s choices. In her study, participants were shown a series of 20 photos, some of which displayed a bottle of Dasani water being used by people in ordinary situations. Each photo was on the screen for exactly two seconds. After viewing the photos, they were offered a bottle of water as a thank-you for their time. Several brands of water were present, including the Dasani brand. Ferraro found that participants who were exposed more often to the Dasani photos, and did not know or remember that they had seen the photos, were more likely to choose the Dasani brand.

Practice to Theory

For researchers in the school’s management and organization department, the lab is an excellent environment to test behavioral effects that they observe in the actions of managers and leaders in real-world situations.

“In a field study we may see an effect, but we can’t necessarily explain why that effect exists, or what conditions led to that effect,” says Paul Tesluk, associate professor of management and organization. “In real life, you can’t say to one CEO ‘Okay, go out and be charismatic for us’ and to another CEO ‘Don’t be charismatic.’ And you can’t then go out and stop employees after the CEO’s speech and ask ‘How do you feel? What is your level of commitment after this speech?’”

That kind of human interaction may not be possible in a field study, but it can happen in the Behavioral Lab. The lab’s capabilities allowed Long Jiang, former PhD student in management and organization, now an assistant professor at San Francisco State University, along with Tesluk, Ken G. Smith, Dean’s Chaired Professor of Business Strategy, and Ritta Katila, Stanford University, to examine the roles CEO behavior plays in shaping an environment conducive to constructive conflict, the kind that fosters debate and discussion and results in the effective synthesis of diverse information.

The study was funded in part by a $325,000 grant from the National Science Foundation.

In the study, student participants worked as teams using a business simulation. The students were given a complicated decision-making task which required them to combine their information and skills. In addition to ‘winning’ the game by completing the task, the students assigned as CEOs were instructed to behave in a way that encouraged fairness, so that each member of their teams had equal input. Researchers then measured participants’ interactions throughout the process of the simulation, stopping students periodically to ask them about the CEO’s behavior.

The study also had a field component. This combination of field study and the controlled experiments in the Behavioral Lab produce much stronger and more reliable results than a field study alone, says Tesluk.

For more information about the research taking place in the Smith School’s Netcentric Behavioral Lab, please visit rhsmith.umd.edu/behaviorlab, or e-mail Rebecca Hamilton at rhamilto@rhsmith.umd.edu.
“More than half of all new residential loans originated in the United States are registered on our system,” says Russell. “We ultimately envision ourselves as the first step in a completely paperless mortgage.” Russell has been with the company since 1997, and has been involved since its inception when she was a financial analyst with EDS, the company that designed MERS’ technology platform.

As controller and vice president of MERS, Russell is responsible for the company’s accounting functions. When she joined the startup, it had yet to acquire any customers. Russell established all of its accounting policies and procedures. She also developed the financial controls and reporting protocols.

It’s a job she loves, and one she never could have gotten without her Smith School experience. Russell returned to college in her mid-20s as a wife and mother of two small children. “I came with a different frame of reference than the other undergraduates,” she laughs. “But the Smith School was a very supportive environment. Everyone wanted you to succeed. Coming here was one of the best decisions I ever made.”

After a number of years focusing on her family and career, Russell has become more involved with the alumni community. Last fall she served as a round one judge at the 2006 MBA Case Competition, letting her give feedback to teams preparing to enter the competition’s semi-final round.

“Serving as a judge allowed me to give back to my school and to impart some of my real-world experience to the next generation of professionals,” Russell says. “It was an honor and a pleasure for me to participate.”

Russell lives in Leesburg, Va., with her husband and two children.
Every fall the Smith School pairs up current MBA students with Smith Alumni through the MBA Alumni Mentor program. I had the opportunity to meet my mentor, Gene Noble, for the first time at the Alumni Mentor Program Kick-Off Brunch last fall.

Gene has an entrepreneurial background, and immediately started offering me advice on idea generation and funding. We had a wonderful conversation and discussed my goals for the future. At the brunch I got to know the other mentors and protégés in my cluster, the Entrepreneurship/Venture Capitalist cluster, as well. Throughout the year, a second-year MBA student, designated the cluster coordinator, will help organize events that allow the whole group to gather for question answering and advice sharing, not to mention a good time.

The program also offers events throughout the year. These events allow all 14 clusters to intermingle, like a recent happy hour that took place in Bethesda. At this event I had the opportunity to catch up with members of my cluster, as well as talk and make contact with mentors in my secondary area of interest, marketing.

I signed up to be a protégé because the program offers the opportunity to receive guidance from experienced professionals that will aid me in navigating graduate school, internships, and ultimately my career. The program provides a pathway to qualified mentors who are excited to be involved and help students in any way they can. It fosters a relationship that would normally be difficult for students to achieve on their own. My experiences in the program have been encouraging thus far and I look forward to taking full advantage of the advice, experience and wisdom the alumni mentors bring to the program.

60 SECONDS WITH... Teresa Iannaconi, MBA ’78

When TERESA IANNACONI, MBA ’78, spoke at Smith’s Fall 2006 Business Ethics Lecture Series, she brought 40 years of experience in regulation and compliance to the podium.

Iannaconi started her career with four years in public accounting before accepting a position with the Securities and Exchange Commission (SEC), where she worked for six years before coming to the Smith School for her MBA. She even started a PhD, but when her husband was offered a posting in Italy she left cheerfully, and on her return to the United States was eagerly welcomed back to the SEC. In 1995 she moved on to KPMG, one of the Big Four accounting firms, where she was the partner in charge of the SEC and practice advisory group, responsible for overseeing inquiries from KPMG client engagement teams about technical accounting matters and SEC compliance. Iannaconi was responsible for technical consultations in connection with the national-level reviews and audits of public companies of all kinds, from General Electric to small biotech companies.

Technology is one of the strategically important aspects of accounting, says Iannaconi. It allows for timely aggregation and reporting of information—a boon to markets and to investors. It also makes it possible for information to be quickly shared between divisions of multinational corporations. “When I was fresh out of school in the 1960s, there was no way to have timely reporting from international companies,” says Iannaconi. “It would be months before you could find out what your Singapore subsidiary was doing. Because of the Internet, today you can find out what is going on in Singapore more or less instantly.”

The speed at which business is conducted can be beneficial, because it enables companies to see trends and respond on a timely basis, says Iannaconi. But it is not always a boon for workers. “There’s no such thing as a 9-to-5 workday anymore, because it is always the workday somewhere in the world. I field calls from all around the world well into the night. There’s an international timelessness to business now. It’s exciting, but it can be hard to have boundaries on your day,” says Iannaconi.

Iannaconi is transitioning into a new position within KPMG, organizing programs to provide technical updates and presentations to faculty and students at business schools as well as client and non-client groups. It is a knowledge-sharing program that aims to bring the most up-to-date information to a broad audience that includes students and faculty. “I have found that accounting programs are really eager for contact with accounting practitioners,” says Iannaconi.

She is also getting more involved with the Smith School, first helping to raise money for a KPMG endowed faculty position, and now serving on the Board of Visitors.

“When I was fresh out of school in the 1960s, there was no way to have timely reporting from international companies. Because of the Internet, today you can find out what is going on in Singapore more or less instantly.”
GAURAV PAL, MBA ’02 worked for a large government contractor, but he had a hard time finding information about federal contracts. And if he was having a problem, Pal figured that other people were running into a similar roadblock. It was a problem worth solving, and Pal thought he might be the one to do it. That epiphany led to a new product, the launch of a business, and a very busy and exciting year for Pal.

Pal’s product, fedXccel, is an online database that contains a universe of information on the purchasing habits of the federal government. In the Washington, D.C., area, it is almost impossible to be out of the federal government’s sphere of influence; it spends nearly $300 billion a year, about $70 billion based on his own hard-won experience pursuing federal contracts.

Pal launched his company, netxcel, in January 2006 and rolled out the first version of fedXccel in February. Customers started signing up immediately. The company received its first round of funding through the Dingman Center for Entrepreneurship’s Capital Access Network (CAN) of angel investors, and the Smith School has been an important resource for Pal in many ways.

“The Smith network has been just phenomenal for my company,” says Pal. “We recently signed up IBM as a customer and partner due to connections I was able to make through Smith alumni.” The Smith network has helped Pal find customers, business partners, investors, and employees, he says. Charles Olson, visiting associate professor of logistics, sits on the company’s Board of Directors.

Pal has also internalized the Smith School’s viewpoint on the relationship between business and technology. “My company isn’t really about technology,” he explains. “If you look at Google, technology underpins their business, but the technology isn’t what made Google. They had a vision to organize the world of information. Our vision is slightly smaller—to help the government organize procurement information. Technology is our lever to do that, but I also needed all the other stuff they taught me in business school to develop the insight to understand the business problem and engineer the solution.”

Ask the OCM: I AM AN ALUMNUS. WHAT CAN SMITH DO FOR MY CAREER?

A: In two words…a lot!
Whether you are looking for a new job, considering a career change or want to network with Smith students and alumni, the Smith School of Business can help.

Job Opportunities
SOURCE (Smith Online Users Resource for Career Employment) is the Smith School’s online job posting system, used by employers, students and alumni to facilitate the recruiting of talented candidates. In 2005, Smith implemented a system that enables employers to post positions for alumni, and alumni to find and apply for those positions. We also provide links to other job boards since job seekers should be using multiple vehicles to search for employment opportunities.

Career Development Resources
The Smith Office of Career Management (OCM) partners with Lee Hecht Harrison to provide career development resources to Smith alumni. Lee Hecht Harrison’s CareerTools, a comprehensive online resource for job search and career management, offers a 10-step milestone process for career management, downloadable career planning tools, research guides, job postings, networking opportunities, and more. For a discounted fee, alumni can purchase additional services through the CareerTools Web site, including cover letter and resume critiques and individual career coaching.

Networking
Networking opportunities are everywhere at Smith. The school holds presentations, receptions, workshops, forums and a host of other events. Attend Smith events to build relationships, share information or develop contacts. If you want to network to hire Smith alumni or students, we can facilitate that too. In addition to the many events profiled on the Smith web site, SOURCE and CareerTools list non-Smith events.

Company and Industry Research
In addition to the information available through the CareerTools Web site, Smith provides access to two online research guides, Vault and WetFeet. These sites provide career guides and articles on companies, industries, and career development topics. Sample companies include Booz Allen Hamilton, General Mills, McKinsey & Company, and Proctor and Gamble. Industry guides range from accounting to venture capital, while career development topic guides offer information on cover letters, interviewing, negotiating, resumes, and more.

Access these resources at www.rhsmith.umd.edu/career/alumni.

Please feel free to contact Dana Monroig in the Smith Office of Career Management with questions about alumni career resources at 301-405-9978 or dmonroig@rhsmith.umd.edu.
Connection

Alumni Notes

'60s
Melvin J. Maas '65 is the Washington, D.C., representative for the Independent Charities of America.

James Blaisdell, MBA '77, is chief technical officer of Vendavo, a provider of price management software. Blaisdell's technology career spans more than 25 years as a high tech company executive, entrepreneur, professor, and author.

Lowell G. Herman '74 was elected president of Board of Trustees Beth Tfiloh Dahan Community School in Baltimore, MD. Herman is chair of the Trusts & Estates Group of Gordon, Feinblatt, Rothman, Hoffberger & Hollander, LLC.

Teresa Iannacci '78, partner with KPMG, was a featured speaker in the Smith School's Fall 2006 Business Ethics Lecture Series.

William B. Jenkins '70 is senior vice president and national director, government and public sector solutions, for Trammell Crow Corp.

Preston Romm '75 is vice president and chief financial officer of Omega Corporation.

Anthony Zagami '73 retired from the U.S. Government Printing Office after 40 years of dedicated public service. He served as the GPO's general counsel since the early 1990s. Prior to joining the GPO, Zagami spent 25 years working for the U.S. Congress in various positions ranging from Senate page to general counsel to the Joint Committee on Printing, the GPO's oversight committee.

'70s
Charles Baldiswiler '80 is group managing director for TCW Advisor Group. Prior to TCW, he was director of marketing for Jenswold, King & Associates in Houston, Texas. Before that he headed the Investment Management Marketing Department at Bank One, Trust. He worked as a financial analyst for Shell Oil, and as a financial consultant for Rauscher Retines and Thomson McKinnon Securities.

Mark Hoyert '81 received the Herman Frederic Lieber Memorial Award for exemplary teaching from Indiana University, where he is a professor of psychology. Hoyert has received three Indiana University Teaching Excellence Recognition awards, three Trustees Teaching Awards, the Northwest Founders Day Teaching Award, and is a member of Indiana University's faculty colloquium on excellence in teaching.

Lyn Locke, MBA '82, is director of sales and marketing for Rocky Gap Lodge & Golf Resort, a property of Crestline Hotels & Resorts. Before joining Crestline he was the principal of Chesapeake Consulting Ltd., where he worked with numerous hotels, golf and ski resorts in developing and implementing sales and marketing programs.

L. Allison Snow '85 is vice president for quality and performance improvement at Lumentra. She is responsible for providing strategic quality improvement consulting to California’s nursing homes, physician offices, hospitals, and home health agencies.

'80s
Ken Bianchi, MBA '97, is vice president and chief financial officer of ACS Transportation Solutions, a provider of business process and information technology outsourcing solutions.

Michael D. Brownstein '97 is the controller for the Wholesale Lending Division (WLD) of MortgageIT, Inc. WLD is the largest division of MortgageIT and is a top 10 wholesale mortgage lender.

Peter Culpepper, MBA '92, has been appointed as chief financial officer of Provectus Pharmaceuticals, Inc.

Robert C. Green '90 is senior vice president and chief financial officer, GE Money, Americas. He has been CFO for the Americas since March 2006. From April 2004 to March 2006, Green was the chief financial officer for the bio-sciences unit within GE Healthcare.

Jeffrey Haslem, MBA '93, is chief information officer of Macrovision in Santa Clara, CA.

Michael Jarmolowich '92 joined Deutsche Bank as a client advisor and director in the New York office. He was most recently a vice president at Credit Suisse Private Client Services.

Marielle Jan de Beur, MBA '98, is a vice president of commercial mortgage bank securities research at Bear Stearns & Company, Inc.

Raj S. Leyl, MBA '96, PMP, is chief operating officer of RelianceNet, an IT solutions company based in Annapolis, MD. Leyl, who was most recently a senior management consultant at BAE Systems Inc., will focus on high-level strategic issues and hands-on project management.

Erik Lytkainen '93 is president of Baltimore Biodiesel, LLC, which was recently given an air permit to construct the first biodiesel plant in Maryland, on the Eastern Shore. The plant will produce 4 million gallons per year of reusable fuel. It will open summer 2007.

Gary Leibowitz '93 was elected Baltimore Assistant Chair of the Maryland Bankruptcy Bar Association.

Francisco Poblete '98 is the president and CEO of Provantec, a provider of software and programming services for the clinical trials industry.


Vladislav Riabiouk, MBA '94, has been appointed executive director of investment for the Troika Dialog Group in Moscow, Russia.

Rowena Roberts, MBA '91, was appointed director of marketing and sales at BioInformatics, LLC, an Arlington, Va.-based market research and consulting firm.

'00s
Aaron Adams, MBA '05, is a public sector strategy consultant in the technology strategy group at IBM. His current engagement is at the Army Human Resource Command (AHRC) in Alexandria, Va. His objective is to design a comprehensive and strategic framework for Enterprise Service Business (ESB) governance at AHRC, building on leading practices from IT governance and service-oriented architecture (SOA) governance.

Shane Anderson, MBA '05, joined Hogan and Hartson LLP as an associate in the Washington, D.C., office.

Killa Bassing, MBA '04, is founder and director of Visit Yourself at Work, which provides meditation classes at workplaces.

Brad Bondroff, MBA '00, is president of The Asset Brokerage Firm, a company he co-founded in 2004 with Dan Shuman, JD/MBA '02.
Dominic Crapuchettes, MBA ‘04, and Satish Pillalamarri, MBA ‘04, founders of North Star Games, have launched a new Interactive Game Show for corporate events.

Katherine Hayek ’05 married John Edward Denning II in October 2006. She is employed at Reznick Group, PC, and owns and runs her own catering business, which is flourishing. “I thank the Smith School for the training I needed to do that,” says Hayek.

Chris Jones ’04 is starring in “Janice Dickenson Modeling Agency,” the most popular TV show which has ever aired on the Oxygen cable network. He is one of only six of 3,000 initial applicants to progress to the second season of the show.

Sarah Kaplan ’03 was featured in the magazine PINK with her mother, Candi Kaplan. The article focused on the mother/daughter team of Kaplan Financial Group, located in Bethesda, Md.

Zane Kerby, MBA ‘04, is the vice president of business development for the National Business Travel Association (NBTA), the leading provider of education, advocacy, research, and information to corporate travel professionals.

Laura (Grandy) McGann ’03, a partner with The Clarion Group, was selected as one of Hartford Business Journal’s “Top 40 Under Forty.” McGann was chosen by an independent panel of business leaders and recognized for her talents and skills making a difference in our business and social communities. As a Clarion partner, she works with leaders in the areas of business strategy, structure and behavior. She is also serving on the YMCA Camp Woodstock Board of Managers.

Darren Ngiau, MBA ‘02, is senior manager of Payment Services at E*TRADE FINANCIAL in Arlington, Va.

Jigar Shah, MBA ’01, is founder and CEO of Sun Edison LLC, a Baltimore company that pays for, installs, owns and operates solar installations, including installations in a string of Staples and Whole Foods Market stores.

Kevin Smith, MBA ’03, started a performance and process improvement consulting firm, NextWave Performance, in Denver, Colo.

Richard Schaeffer ’74 Delivers Commencement Keynote Address

An enthusiastic crowd gathered in Comcast Center on December 21, 2006, to cheer on a brand-new crop of proud Smith School alumni. Richard Schaeffer ’74, chairman of NYMEX Holdings, Inc., and the New York Mercantile Exchange, joined in the congratulations and urged his fellow business school alumni to persevere in the pursuits of their post-graduation goals.

“Like most accounting majors I knew, it was practically preordained that I become an accountant,” Schaeffer told students, recalling when he graduated from the University of Maryland’s business school. But it wasn’t a career that suited him, and Schaeffer spent the next 11 years moving on to a number of different jobs, looking for the one that would click. He was 31 before his first taste of the commodities market. At that moment, said Schaeffer, he knew he had found the arena in which he wanted to work for the rest of his life.

Schaeffer went on to phenomenal success in his late-chosen field. He has served on the NYMEX Board for the past 16 years, and last fall he led its $383.5 million Initial Public Offering—the most successful IPO in the history of the New York Stock Exchange. Today NYMEX is the world’s largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals.

“So if you don’t move right into your dream job, don’t despair. Learn from it, and keep moving forward,” counseled Schaeffer.

Alumni Events Photo Gallery

Homecoming Tailgate
Smith alumni got together before the Homecoming game for a fun tailgate party. The weather was perfect, the food was great and the Terps won the game!

Carly Fiorina Booksigning
More than 300 alumni and friends gathered for a book-signing event at which Carly Fiorina, MBA’80, spoke about leadership and her career on November 13, 2006. It was the Smith School’s largest alumni networking event to date.

MBA Case Competition
Twenty-three Smith alumni are gathered in Van Munching Hall. Is it a reunion? No, it’s the 2006 MBA Case Competition. Alumni judges are a key part of the case competition, providing current MBA students with feedback on everything from the professionalism of their presentation to the feasibility of their proposed business plans.

Many more events are coming your way! Get the latest news on upcoming events at www.rhsmith.umd.edu/alumni/, or call 301-405-5777.
NEW $30K SCHOLARSHIP PROGRAM FOR UNDERGRADUATES IN SUPPLY CHAIN MANAGEMENT PROGRAM

The Intermodal Association of North America (IANA) has created a scholarship program to encourage freight transportation-related management development and has selected the University of Maryland’s Robert H. Smith School of Business as a recipient of the first year’s award.

The 2007 scholarship program will be made possible by a $30,000 gift from IANA to the Smith School. The scholarships will benefit undergraduate students in the Smith School’s Logistics, Transportation and Supply Chain Management (LTSCM) Fellows Program, which is set to launch in fall 2007 and includes exposure to the intermodal industry through field trips, participation in trade shows, presentations, speakers and internships.

The announcement marks the start of an effort by IANA to help increase understanding of intermodal transportation and its key role in strengthening the global economy via initiatives that support management development within the industry. The Smith School was selected as a recipient because its top-ranked logistics and supply chain management program has a strong focus on intermodalism.

Michael Wilson, chairman of IANA, presented the gift to Elizabeth Mitchell, director of development at the University of Maryland’s Robert H. Smith School, during the Intermodal Expo in Fort Lauderdale, Fla.

“This program is an important step to assure that talented students who are enrolled in transportation-related programs receive substantial assistance in reaching their educational goals,” Wilson said. “The announcement of this program begins a long-term effort to support excellent, market-oriented academic programs.”
Give a Scholarship. Give a Future.

Savvy business people know that investing in the right place at the right time can reap big rewards for those who know where to spend. Smith alumni and friends know that a scholarship given at a crucial time in a kid’s life can make it possible for a bright young person struggling with a financial need to finish his or her education, meet his or her potential and pursue his or her dreams.

A scholarship is not just a donation to your alma mater, but an investment in the lives of the next generation of leaders. Every Smith student enters the school with top grades, a killer SAT score and a wealth of ambition. It would be a shame for any of these exceptional young people to be kept from their education because of a financial need. The Smith School’s Scholarship Funds make the critical difference in the lives of many a young person.

This is especially true of those students who come to Smith as juniors. Most traditional, university-wide scholarships are given to freshmen. This means that many of our students who transfer in as juniors and have a financial need really depend on the Smith School’s scholarship funds to make ends meet. Scholarships make it possible for them to focus on making the most of their education, rather than figuring out where to scrape together the money for tuition.

The Smith School gave 180 scholarships last year. And for the first time ever, every undergraduate student who applied with a financial need received a scholarship. Every one. One hundred percent! That’s a statistic of which we can all be proud. But while we were able to give each undergraduate financial help, we were not able to completely meet every student’s financial need, as the level of financial need far outstrips our available scholarship funding.

Our need for MBA scholarships is also acute. Because there are so few MBA scholarships available, Dean Frank annually takes $200,000 from the school’s operating budget to alleviate the financial need of Smith MBA students, but this drains needed funding from other school programs. Additional MBA scholarships would benefit both the individual students and the Smith School community.

If you are interested in establishing a current use or endowed scholarship, please contact Elizabeth Mitchell, director of development, emitchel@rhsmith.umd.edu, 301-405-8141, or Caroleigh Haw, assistant director or development, chaw@rhsmith.umd.edu, 301-405-9457.

Your gift to the Smith School Scholarship Fund represents an investment in some of the brightest and most talented young people at the University of Maryland — young people who will become the business leaders of the future. Please use the enclosed envelope to make a tax-deductible gift to the Smith School Scholarship Fund today.

CONSTRUCTION UNDERWAY ON VAN MUNCHING HALL’S NEW NORTH WING

In late August it officially began: construction on Van Munching Hall’s eagerly anticipated $21 million, 38,000-square-foot North Wing. Windows and doors on the north side of the building were boarded up to keep out the dust as giant earthmovers began scraping up pavement and excavating the massive hole that will eventually become the North Wing’s basement.

The three floors above the basement will contain new offices for professors and PhD candidates, state-of-the-art classrooms, and student gathering places. Meeting rooms will provide a more effective space for students to work on Smith’s highly team-based curriculum, where joint projects are the norm for most classes.

The State of Maryland is providing partial funding for the North Wing, and Smith School alumni and friends play a key role in providing the remainder of the funds needed. Commitments to the North Wing have been made, but everyone can make a difference. Use the enclosed envelope to make your gift today. Please make your gift payable to University of Maryland Foundation, designated for Van Munching Hall North Wing construction.

If you are interested in naming a room or space in support of the North Wing building project, please contact Kelly Brown, campaign director, kelly.brown@rhsmith.umd.edu, 301.405.1786, or Elizabeth Mitchell, director of development, emitchel@rhsmith.umd.edu, 301.405.8141.
This issue of Smith Business reminds us once again of the extraordinary generosity of our alumni and friends. The honor roll in the preceding pages highlights many of the donors whose gifts have enabled the Smith School to make great strides in its march toward greatness. I see the products of these gifts in a variety of ways, from the construction of Van Munching Hall’s new North Wing to photographs of students traveling the world as part of the new Smith Undergraduate Fellows Program.

Your donations—far too many to list here—are indeed making a real impact on people’s lives. Just ask Josefina Peña. Last spring, Josefina suffered serious injuries, including two broken legs, when she was struck by a car in a hit-and-run accident. She was hospitalized for a month and forced to withdraw from school while she struggled physically, emotionally and financially. Faced with high medical bills and initial rejection for financial assistance, Josefina worried she would not complete her education. But last fall, we were able to award Josefina the James Edward Miller Chapman Educational Foundation Scholarship and happily she is back with us, working hard toward her degree.

In the last honor roll we highlighted a $2 million gift from Chevy Chase Bank. The gift was earmarked for scholarships and internships and today it is helping students such as Jinsoo Lee pursue their dreams. Although his mother works six days a week to support Jinsoo and his brother, money is tight. But thanks to a Chevy Chase Scholarship, Jinsoo was able to enter the Smith School last fall to earn an accounting degree. He’s motivated not only by his desire to become an auditor for one of the big four accounting firms, but also by the desire to make a better life for his mother. Then there is Ana Gonzalez, an immigrant from El Salvador, whose father never made it past the second grade and whose mother never attended school. With nine children, the family struggled financially and higher education for Ana seemed out of reach. But hard work, good grades and a Chevy Chase Scholarship led Ana to Smith, where she’s majoring in accounting with the hope of one day opening her own business. Not only has this scholarship helped Ana financially, she tells us it has also given her the strength and confidence to be all that she can be.

Your gifts help the best and brightest students—Josefina, Jinsoo, Ana, and many others—obtain the financial aid they need to reach for the stars. And your gifts enable the Smith School to provide these students with the very best business education by funding the recruitment and retention of world-class faculty, innovative academic programming, and an advanced learning environment. I thank our students for sharing their stories and thank you for helping us make a difference in their lives.

HOWARD FRANK, DEAN
The Robert H. Smith School of Business gratefully recognizes the important part our donors play in supporting ground-breaking research, innovative teaching and life-changing scholarships.

This report especially recognizes members of the Dean’s Clocktower Club and other leadership donors, both individuals and organizations, whose philanthropy plays a critical role in sustaining and driving the Smith School’s march to greatness. We could not do this without your support, for which we thank you.

These pages contain a partial list of organizations and individuals who have given to the Smith School over the past year. Due to space considerations, the magazine will list only donors of $500 or more, but we are grateful to all who support us. For a complete list of all donors in 2005-2006, visit www.rhsmith.umd.edu/alumni.

Although we take great care in compiling the list of our donor names, there is always the possibility of error. Names were included for those who made gifts during our fiscal year 2005-2006, between July 1, 2005 and June 30, 2006. If we have inadvertently omitted your name or if your name is incorrect in the records, we apologize and encourage you to contact the Office of External Relations, 301.405.9463, so we can correct our records and acknowledge you properly in the future. Some donors have requested anonymity.

ORGANIZATIONS

$100,000 and above
Beers & Cutler
Chevy Chase Bank
Carly and Frank Fiorina Family Fund
Oracle Corporation
SAP
Sprint Nextel Corporation/Sprint
Foundation
The Stempler Family Foundation

$25,000 - $99,999
Deloitte & Touche LLP/Deloitte
Foundation
Ernst & Young/Ernst & Young
Foundation
Fidelity Charitable Gift Fund
Hewlett Packard Company
KPMG Foundation
Legg Mason Charitable Foundation
Richard E. & Nancy P. Marriott Fund Inc.
Sanders Family Charitable Foundation
Sun Microsystems, Inc.
Joseph and Madeline Wikler Fund

$10,000 - $24,999
Air Products & Chemicals, Inc.
Bank of America Foundation
Citigroup/Citigroup Foundation
Honeywell International/Honeywell
Hometown Solutions
Lockheed Martin Corporation
M&T Bank/M&T Charitable Foundation
National Defense Transportation Assn
New York Mercantile Exchange
PricewaterhouseCoopers LLP
TW Perry

$5,000 - $9,999
Accenture Foundation, Inc.
ACG National Capital
Charles Levine, Ltd.
Chevron Matching Gift Program
DaimlerChrysler Corporation Fund
The Hershey Company
International Business Machines, Inc.
Kaplan Family Trust
Morgan Franklin Corporation
Marriott International Inc.
Matthews Family Foundation
PPG Industries, Inc.
Reznick Group

$2,500 - $4,999
Brustein Entertainment
DIRECTV
GEICO Corporation/GEICO Philanthropic
Foundation
Gallup Organization Inc.
James Edward Miller Chapman
Education Foundation
Jack B. Sacks Foundation Inc.
May Department Stores Company
Foundation
McCormick & Company, Inc.
Morgan Stanley
National Assn of Securities Dealers, Inc
Sylvan/Laureate Foundation
Toyota Motor Sales U.S.A., Inc.

$1,000 - $2,499
Aarsand Management
Automatic Data Processing Inc
Baltimore Community Foundation
BDO Seidman
Carton Donofrio Partners, Inc.
Charles Martin Fisher Fund
Datatel
D LA Piper
Faer Family Foundation
Federal Home Loan Mortgage Corp.
Foster Soltogg & Love Limited
FosterThomas, Inc.
GlaxoSmithKline
HSBC
Nortel Technology Inc.
Sabelhaus Family Foundation, Inc.
Snyder, Cohn, Collyer, Hamilton &
Assoc.
Spacevest Management Group, Inc.
Sterling Partners, LLC
Stout, Causey & Horning, P.A.
T. Rowe Price Charitable Giving Program
The Pew Foundation, Inc.
TRF Foundation
United Way of the National Capital Area
Washington Mutual Foundation
Wells Fargo Matching Gift Program

$500 - $999
BB&T Corporation
Black & Decker Corporation
Fannie Mae Foundation
Fastech Inc.
First Annapolis Consulting
Hayes Risk Management Partners
Legal & General America
MARRAC
Morrow Family Fund
Richard J. Princinsky and Assoc.
RSM McGladrey, Inc.
Santos Postal & Company PC
The Inn and Conference Center
Tyco Telecommunications
Vintage Settlement Services, LLC

INDIVIDUALS

$1 Million and above
Robert L. ’39 and Gertrude Edwards
Robert H. Smith ’50

$100,000 - $999,999
James R. and Linda Beers
Eric F. ’77 and Marianne Billings
Edward M. Downey ’52
Carleton S. MBA ’80 and Frank Fiorina
Howard and Jane Frank
William E. Mayer ’66, MBA ’67
Paul H. Mullan ’68, MBA ’70
Marilyn C. Powell
Gerald ’53 & Deanna Stempler
Leo Van Munching, Jr. ’50

$25,000 - $99,999
Steven M. Bergida ’86
Francis Anthony ’68 and Betty Contino
Michael D. Dingman ’55, HD ’89
Ali Hirs M5 ’93, MA ’97, Ph.D ’98
Allen J. ’54, HD ’94 and Frances A.
Krowe
Robert Thomas Kern, Jr. ’75
Raymond A. ’59 and Rand Mason
Richard E. and Nancy P. Marriott
Keith S. McKenzie ’72, MS ’73
William A. Millichip ’65
Richard M. Schaeffer ’74
Teresa S. and Frank Savarase C.F.A., C.P.A.
Harvey L. ’72 and Ellen Sanders
Joseph and Madeleine Wikler
Gary B. Williams ’68, A. Gordon Wooton, Jr. ’54

$10,000 - $24,999
Robert A. Bedingfield ’70
John M. Boyle ’76
Robert E. ’77, MBA ’82 and Joan M.
Butman
David A. ’73 and Mary Covington
William E. Cole, Jr. ’71
Kevin C. Fallon ’93
James A., Jr. ’62 and Wealtha Flick
Robert S. Franco ’74
Dave Goldfarb ’79
Teresa E. ’65, MBA ’78 and Terry F.
Jannarone
Robert David Kashan ’76
Albert M. ’81 and Kristen D. Krall
Hugh A. Mallon, III ’70
Milton T. ’68 and Rebecca M. Matthews
Joseph G., Jr. ’58, MBA ’66, DBA ’79 and
Olivia C. Mattingly
John A., Jr. MBA ’79 and Anne D. Moore
Charles Eric Olson
James A. Poulus ’70
Edward J. Quinn, Jr.
Warren K. ’49 and Mary M. Reed
Jeff M. Seal, III ’76
James S. ’73 and Janie Tighe
The eAlumni Network is an exclusive online community of alumni and friends of the Robert H. Smith School of Business. It 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 own business, including:

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

Log on today!

www.alumninetwork.rhsmith.umd.edu

Join the Smith Alumni Network today.

www.alumninetwork.rhsmith.umd.edu
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At Johnson & Johnson Health Care Systems, Inc., Anuj Desai is part of a team developing innovative technology solutions to improve patient care and reduce health care costs. With a passion for the convergence of business and technology and an MBA from the Robert H. Smith School of Business, Anuj is taking the lead in health care reform.

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