PLUS: An Intellectual Stimulus Plan • A Summer of Microfinance • Remembering the Happiness Lecture

BUSINESS

ROBERT H. SMITH SCHOOL OF BUSINESS • UNIVERSITY OF MARYLAND • SPRING 2010 VOL. 11 NO. 1

SPECIAL INSERT: Remembering Bob Smith '50

Smith Connector
High Speed Networking for Your Career
Experience the impact of the Robert H. Smith School of Business Part-time MBA. Consistently ranked the top in the region by U.S. News & World Report, the Smith part-time MBA program is for leaders who never settle for anything less than the best—who refuse to compromise on quality. Choose from evening, weekend or accelerated programs, with locations in Washington, D.C., Rockville (Shady Grove) and Baltimore.

Discover how the Smith part-time MBA program can impact you at www.rhsmith.umd.edu/mba.
FEATuRES
2 Smith Business Online
10 Smith at a Glance
28 Alumni News and Notes
29 Alumni Spotlight
30 Your Career
32 Last Word

LEADERS DIGEST U.S.
3 New Baltimore campus opens
4 Students “Pitch Dingman” for venture funding
5 Don’t Worry—Be Happy
Do you remember Bill Nickels’ Happiness Lecture? You’re not alone.

6 Leadership for a Better World
The inaugural conference for Smith’s new Center for Social Value Creation shows how profitability and social good align.

LEADERS DIGEST WORLDWIDE
8 Scott’s Summer of Microfinance
A Smith freshman finds that an internship in Honduras brings risk, reward and a really cool global experience.

11 KNOWLEDGE TRANSFER
Why consumers buy extended service contracts
12 Developing managerial talent with stretch assignments
Why some people benefit more than others
13 How to curb your impulse spending
• IT and profitability
14 Information security breaches
Cybersecurity breaches aren’t affecting stock prices the way they used to.
• New associate dean of research appointed
15 Motivation and expatriate effectiveness
You need more than a good attitude to succeed in an overseas assignment.

GET CONNECTED
A sophisticated and easy-to-use new social networking tool exclusively for the Smith community will help you get connected, fast.

22 ENGAGING THE GLOBAL DEBATE ON FINANCIAL POLICY
Smith’s new Center for Financial Policy brings in big names to discuss big issues.

CONNeCTIONS
26 Smith Businesses to Watch For:
Sol Systems
27 60 Seconds with Eleanor Rutland
31 Ernst & Young endows Freshman Fellows Orientation

SPECIAL INSERT: Remembering Bob Smith
Survey Results

IN THE FALL 2009 SMITH BUSINESS MAGAZINE, we asked for readers' feedback to understand which features are most important to you, how you use the magazine, what pieces you enjoy most, what sections you could do without, and more. Readers could complete the paper survey and return it in a pre-paid return envelope or complete it online. For all of you who responded, we thank you. We are working now to incorporate your feedback into future editions of Smith Business in print and online.

Here are some highlights:

- 78% of respondents say that Smith Business is their best source of information about the Smith School and 71% of respondents are satisfied.
- The most important feature of the magazine is Connections, followed by Alumni News & Notes and Smith at a Glance.
- 31% have visited the companion web site, Smith Business Online.
- Many readers commented on the Smith at a Glance graphic that compared Smith alumni giving to Smith's peers. Data shows that only 2% of Smith MBAs and 1% of Smith undergraduates give to the school, compared to 21% of Duke MBAs and 28% of UNC undergraduates.
- The least important feature is the Alumni Events Photo Gallery section, but still, almost half of respondents said it was important to them.
- 31% have passed their copy of Smith Business on to a friend or colleague.
- Several people requested that we have alumni write and submit their own stories.
- For every person who asked us to quit printing the magazine and move to online only, another person said, “Please don’t go 100% online; I like to read on the beach, on planes. . . .”

WEB POLL:

Do you buy extended warranties or service contracts?

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

Last issue’s Web poll results: Will there be an economic recovery in 2010?

Yes: 69%  No: 31%

Learn
Smith Podcasts
www.rhsmith.umd.edu/podcast/

Network
Online registration for alumni events
www.rhsmith.umd.edu/alumni/

Recruit
Hire Smith students
www.rhsmith.umd.edu/career/
The Smith School has acquired a new home away from home at the University of Maryland BioPark in Baltimore. This space will be used to connect with current MBA students, faculty and the approximately 8,000 alumni who live in the region. It will serve as an academic site and as a site for professional development and building alumni relations. When complete, the BioPark will have 1.8 million square feet of lab and office space in 12 buildings and is located at 801 W. Baltimore St. The Smith School’s 14,000-square-foot space will have technology-equipped classrooms, team break-out rooms, staff offices, a conference room, a small computer lab, and a lounge area.

The space has already hosted the ThoughtLeadership@Smith speaker series, which features research-based presentations from Smith faculty and provides networking opportunities for alumni and business leaders. In January 2010, part-time MBA classes began being offered in the new space.

“The university is excited about the Smith School’s expansion in Baltimore,” said C. D. Mote, Jr., president of the University of Maryland, College Park. “I am confident that our highly ranked MBA program will thrive in its new Baltimore setting.”

The Smith School signed a long-term lease for a spot in BioPark Two and is the only University of Maryland, College Park school to have a space in the new 10-acre development. Acquiring this space enables the Smith School to move from its existing Baltimore location in the University of Maryland’s School of Nursing and quadruples the square footage of available working space.

“The Smith School is committed to Baltimore and partnering with leaders in its robust business community,” said G. “Anand” Anandalingam, dean of the Robert H. Smith School of Business. “Relocating in the BioPark puts us at the nexus of great research and innovation in Baltimore, and provides us great proximity to support Governor Martin O’Malley’s strategic initiatives as we continue to prepare business leaders to drive the state economy.”

–JB

ALUMNUS BILL GOSSMAN HONORED

Bill Gossman, MBA ’91 was honored as the Smith School’s 2009 Distinguished Alumnus at a ceremony in Seattle last fall. Pictured, from left to right: Martha Longbrake; Bill Longbrake, PhD ’76; Dean G. “Anand” Anandalingam; Bill Gossman, MBA ’91; and Cheryl Gossman.
Tensions were high at the Nov. 20, 2009, Pitch Dingman Competition, a program of the University of Maryland’s Dingman Center for Entrepreneurship at the Smith School of Business. Pitch Dingman allows students to share a business idea that is evaluated by the Dingman Center’s professional investment staff and entrepreneurs-in-residence. Presenters at this Pitch Dingman Competition had already passed the first hurdle: one of the weekly informal sessions held every Friday during the semester. During the informal sessions, potential business owners receive actionable feedback and advice.

But on the last Friday of the month there is money on the table: $2,500 in start-up funding. The competition is fierce. Students bring their “A game” and a polished pitch, hoping to convince judges they are worthy of capital.

This Pitch Dingman Competition was no exception. With only six minutes to present, the pressure is on even before the student opens his or her mouth. Carefully dressed in their professional best and speaking with carefully prepared electronic slides behind them, students discussed their business plans, explained how their company was going to become financially viable and fielded pointed questions from judges about strategy and metrics.

The crowd of onlookers filling the packed classroom included friends of the presenters, brought in to provide a confidence-boosting friendly face, and David Hillman, founder and CEO of Southern Management Corp., for whom the university’s Hillman Entrepreneurs Program is named.

The judges on Nov. 20 included Kevin Donoghue ’84, CEO of Enhanced Rehabilitation Technologies LLC; William Greenblatt UM ’79, founder and CEO of Sterling Infosystems Inc.; corporate attorney Stanley Jutkowitz; investors Paul and Deanne Shatz; Joseph Valeri, MBA ’99, president and COO of Lucernex Technologies; and Bruce Winter ’84, president of FSG Leasing Inc. If the students brought charm and enthusiasm to the table, the judges brought a wealth of knowledge and practical entrepreneurial experience.

“I started my business with $100 of capital,” Winter confided to the students. “I wish I’d had this kind of opportunity.”

Six minutes go by pretty quickly when you’re trying to encapsulate the entire business plan for your new venture, so there were a few anxious moments as students tried to wrap up their talks in the appointed time. Their ideas ran the gamut from grand to practical to somewhat fanciful. One presenter hoped to create the next big media conglomerate. Another was aggregating local networking events held by many organizations onto one Web site, to make it easier for small business owners to find a place to network. Yet another wanted to produce environmentally friendly “party cups” that printed measurements on the side, to allow party-goers to more accurately judge how much alcohol they were imbibing.

The big winner on Nov. 20 was NuSkool, a local hip-hop recording studio and production agency, which won a prize of $2,000 and was voted as the audience favorite, winning an additional prize of $250. Networking Loop, the business that aggregates local networking events, also took home $500. The announcement was greeted with delighted grins from the winners and a round of raucous applause from the audience.

Students were then invited to stay for lunch courtesy of panel judge Bill Greenblatt, to hear about his early career experiences as an entrepreneur and to network with the judges and each other.

Pitch Dingman is open to all current University of Maryland students, faculty and staff who want to explore a potential business idea. Students who already own and run established businesses are also encouraged to come to the Pitch Dingman sessions for more advanced advice on how to take their business to the next level. For more information about Pitch Dingman, visit www.rhsmith.umd.edu/pitchdingman. –RW

The competition is fierce. Students bring their “A-game” and a polished pitch, hoping to convince judges they are worthy of capital.
Long before work-life balance started appearing as a core value on corporate Web sites, Bill Nickels, emeritus professor of marketing, taught business students at the University of Maryland about life management through his legendary “happiness lecture.” Instead of recommending long hours and aggressive tactics for getting ahead, Nickels prescribed a different course. “Think of happiness as a goal instead of something that happens when you become a success at something,” says Nickels, who was surprised to observe that many of his high school friends who had become successful in careers as doctors and lawyers were not happy. “I said, ‘Wait a minute, they told us that if we were successful we would be happy, and they’re not.’”

Nickels eventually wrote a book on the subject, “Win the Happiness Game.” It’s no longer in print, but the principles he taught—and embodied—have influenced tens of thousands of students.

Nickels was known to be a great—and funny—teacher, turning key concepts into catchy one-liners like, “A percentage of a lot is more than a percentage of a little” and “Almost everybody almost all the time is almost always wrong.” One student even took Nickels’ quotes and turned them into buttons for other students to wear.

During the course of his 25-year Maryland career, Nickels’ students selected him as “Outstanding Teacher on Campus” four times. Many of his former students still keep in touch, and he loves receiving messages from people like Carly Fiorina, who went on to lead Hewlett-Packard. “Carly Fiorina said I taught her how to have a sense of humor,” Nickels recollects.

Nickels didn’t just teach students how to be happy, of course. He is also author of several scholarly works in the field of marketing. And the introductory textbook he co-authored, “Understanding Business,” is in its ninth printing and is the number one textbook in its area worldwide. It’s been translated into Chinese and Spanish, and it is often the text for the only business course taken by students in some community colleges.

Nickels hopes his students remember the basics of marketing he worked so hard to make interesting and accessible for them. But he’s also resigned to being forever known as the Happiness Lecture guy. “After a whole semester talking about business, I would talk about life, stress and life management. And they remember that, because it was fun, interesting, useful, applicable,” says Nickels.

And because that lecture had such a significant impact on so many of his students, people still call and request that Nickels come visit their organizations to deliver the Happiness Lecture to their employees.

Nickels is retired from full-time teaching these days, but he keeps busy writing successive editions of “Understanding Business.” Nickels also lives up to his own advice and schedules daily time for fun with golf, tennis and dinner outings with friends.

But he also finds happiness in his continuing student connections. “I’m happy that they’re using the principles,” says Nickels. “I’m happy that they write me every once in a while and tell me that they are using the principles. And I’m happy that they’re happy.” –TL

‘DON’T WORRY—BE HAPPY,’ SAYS B-SCHOOL PROFESSOR

TWO PIECES OF ADVICE FROM THE HAPPINESS LECTURE

Schedule time for fun, two hours a day. “People say they don’t have two hours a day. Of course, they have 24. But they just don’t take them.”

Appreciate what you have right now. “Happiness is the ability to appreciate fully who you are, what you have and live the way it is now. Treat happiness as a goal, instead of something that happens when you become a success at something. By then it’s too late.”
Leadership for a Better World
Smith’s new Center for Social Value Creation explores the ways profit and social impact align.

Selling beer is not normally the way to solve a severe public health problem in a developing nation. But that is just what happened in Kenya.

Diageo, the largest alcoholic beverage company in the world, bought an East African brewing company. When it was exploring marketing options for its beer, Diageo discovered illegal home-brewed beer had the largest market share in Kenya because of the high tax on beer imposed by the Kenyan government. But home brew was often made with locally available water. Beer made from contaminated water caused blindness, which became a widespread public health problem as a result. Diageo negotiated with the Kenyan government for lower taxes on beer, which would allow Diageo to sell its beer at a competitive price—a win for the company. But safe affordable beer bottled under quality standards also reduced the incidence of blindness in Kenya—a win for the country and its citizens.

This was just one of the stories heard at “Leadership for a Better World,” the inaugural conference of the Smith School’s Center for Social Value Creation, on Sept. 25, 2009, co-sponsored by the Smith School’s Center for International Business Education and Research. Almost 300 attendees from the public, private and non-profit sectors packed the auditorium at the Ronald Reagan Building and International Trade Center, also home to the Smith School’s Washington, D.C., campus. The forum was the official launch event of the Smith School’s Center for Social Value Creation, which was created to support Dean G. “Anand” Anandalingam’s vision and address a growing demand from students, corporate constituents and alumni to make social and environmental impact a Smith School priority. The center will help inspire and equip students to tackle some of society’s most critical environmental and humanitarian needs through an engaging curriculum, real-world field experience, cutting-edge research, and targeted career planning.

THE SMITH SCHOOL’S CENTER FOR SOCIAL VALUE CREATION provides a host of opportunities for students to innovate at the intersection of public policy, non-governmental organizations and the commercial sector. A number of its events and initiatives are also open to Smith alumni.

Please join the center on March 25 for its second annual Social Enterprise Symposium, featuring workshops around social entrepreneurship, environmental sustainability and international development. The center has also partnered with the U.S. Agency for International Development (USAID) to sponsor a national business innovation challenge. Teams from around the country will devise innovative and effective ways for a multinational corporation to participate in the economic development of a given region through a public-private partnership. Finals will be held in Washington, D.C., on April 23. Both events are free of charge.

“Alumni have already done so much to support student opportunities. They’ve opened up their networks, invited students to events, introduced them to employers,” says Melissa Carrier, executive director of the center. “We’d like to build strong relationships between alumni and the center.” Alumni can also:

• Host student Career Treks
• Sponsor a social venture consulting project
• Help open networks and create partnerships
• Provide much-needed funding for center projects

To learn more contact mcarrier@rhsmith.umd.edu.
Rosabeth Moss Kanter, Ernest L. Arbuckle Professor at Harvard Business School, author, and one of the morning’s featured speakers, shared the Diageo story to illustrate the unexpected ways in which profitability and social good align. “Supercorp,” Kanter’s new book, examines the business practices of “vanguard” companies—highly profitable and successful organizations that put social value at the heart of the enterprise. These “supercorps” outperformed their peers even during the financial crisis, Kanter found.

Kanter emphasized the connection between a company’s purpose and values and its ability to inspire enthusiasm among its employees and trust among its customers. IBM garnered its supercorp status when it adopted as one of its core values “innovation that matters for our company and for the world.”

Honest Tea didn’t make Kanter’s supercorp list. But Seth Goldman, its CEO and co-founder, also spoke of the way profitability and social good align in his organization in another morning session. Goldman related some of the challenges his company faced in their pursuit of sustainability. Recently Honest Tea redesigned its bottles to use 22 percent less plastic—a win for the company, because of the lower cost of materials and the lower cost to transport the bottles, and also a win for the environment.

But the lighter plastic bottle had a problem: It buckled under the weight of the beverage inside. In order to be structurally sound, the bottle had to be redesigned with a large divot in the bottom. To some of Goldman’s customers, the divot made it look as though they were getting less tea for their money. Honest Tea is still working on helping consumers understand the reason for the new bottle design, said Goldman.

All the morning’s speakers reinforced the major principles of the Center for Social Value Creation: Businesses can experience economic prosperity while driving transformative social change. “The pace of social innovation is so fast right now; we couldn’t possibly keep up with it from a traditional research model. The center is a critical link for the Smith School. It provides a bridge between theory and what is really happening in the business world,” says Melissa Carrier, executive director of the center. “We give students opportunities to explore these issues as they’re evolving.”

More highlights from the forum, including video and photos, can be viewed at the Smith School Web site. –RW
When Smith School sophomore Scott Shuffield received the notice about an internship in Honduras, he passed it on to fellow members of the Global Business Society—but then decided he'd like to apply as well. That's how Shuffield found himself in Tegucigalpa, Honduras, last summer, working as a junior loan officer for Prisma Microfinance, a privately owned credit union whose CFO is Smith alumnus Kendall Mau, MBA '76.

Junior loan officer duties included shadowing Prisma's Honduran staff on their daily rounds. Shuffield's entire first week was spent on collections, an eye-opening experience. "It was a little nerve-wracking because you're going into quite dangerous neighborhoods to tell people they need to pay you money. I imagine it might have looked like I was the loan enforcer," laughs Shuffield.

Living and doing business in a foreign country was an adventure, from the day it rained so hard the street flooded to the day "Tegus" shut down for the U.S/Honduras soccer matchup (the U.S. won). It also presented some unique challenges. Shuffield is reasonably proficient in Spanish, but he had to learn the business and technical terms for financial services to follow loan officers' conversations. (They don't teach you how to say "mortgage" in most Spanish classes.)

A few weeks later Shuffield graduated from loan collections to face-to-face marketing with potential clients, most of whom were small entrepreneurs and many of whom were women.

When Smith School sophomore Scott Shuffield received the notice about an internship in Honduras, he passed it on to fellow members of the Global Business Society—but then decided he'd like to apply as well. That's how Shuffield found himself in Tegucigalpa, Honduras, last summer, working as a junior loan officer for Prisma Microfinance, a privately owned credit union whose CFO is Smith alumnus Kendall Mau, MBA '76.

Junior loan officer duties included shadowing Prisma's Honduran staff on their daily rounds. Shuffield's entire first week was spent on collections, an eye-opening experience.

"It was a little nerve-wracking because you're going into quite dangerous neighborhoods to tell people they need to pay you money. I imagine it might have looked like I was the loan enforcer," laughs Shuffield.

Living and doing business in a foreign country was an adventure, from the day it rained so hard the street flooded to the day "Tegus" shut down for the U.S/Honduras soccer matchup (the U.S. won). It also presented some unique challenges. Shuffield is reasonably proficient in Spanish, but he had to learn the business and technical terms for financial services to follow loan officers' conversations. (They don't teach you how to say "mortgage" in most Spanish classes.)

A few weeks later Shuffield graduated from loan collections to face-to-face marketing with potential clients, most of whom were small entrepreneurs and many of whom were women.

Shuffield and other Prisma loan officers went door to door, introducing themselves to neighborhood residents and educating them about Prisma's services. Sometimes potential clients were immediately receptive. But often people were resistant to the very notion of credit because of bad experiences. Some had been burned by credit cards. Others were victims of predatory lending practices by large foreign banks or by local strongmen charging usurious interest.

Toward the end of his internship, Shuffield was conducting business evaluations with potential clients—both a thrill and another challenge. "Most people in Honduras don't have computers keeping track of what they're buying or selling," says Shuffield. "They just know, so you have to ask them—what do you want to buy, how much do you want to buy, how will it help your business grow, how will it help you pay back this loan?"

Prisma's loans are small—$200 to $1,000. Shuffield worked with people who were requesting loans on the low end, just $200 or $300. That is often just enough money to purchase a new piece of equipment—a tortilla maker, a sewing machine—that will help expand a tiny entrepreneurial venture into something that can lead to more profits and a better life for the loan recipi-
a small stipend from Prisma. Shuffield’s only out-of-pocket cost was his airfare.

In January 2010, scholarships from the Smith School’s Global Opportunities program made it possible for 33 other undergraduates to experience a short-term study abroad trip. More than 400 undergrads and MBA students go on a global study trips or spend semesters abroad each year. In fact, the Smith School sends more students abroad than any other school at the University of Maryland—a full 10 percent of our student body. But Dean Anand’s vision is to provide every Smith graduate with global experience—through study trips, language learning or globally focused classes or research.

It’s a big goal, but it’s a must for creating students with global competence.” Any student going into business must understand the global dynamics of the business world,” says David Wilmes, director of undergraduate study abroad programs. “Study abroad trips are so important because they give students an understanding of the world that they can’t get in any other way.”

Shuffield would agree. “You have to experience it to really understand the culture and the people,” he says. “You see a totally different way of life. It’s not any worse than life in the U.S., but it’s not any better either. You can’t learn that from textbooks or from classes. You have to go there and see it for yourself.”

Read Kendall Mau’s profile from the September 2008 issue of Smith Business at our Web site.–RW

JUNE 5
After showing me a little of what they do, like calculating “mora” or late fees, I went with Susan (the office manager/head loan officer for the Pedregal Office) and Dilcia to five or six places to seek out avales (a financial guarantee by a third party to assume the burden of a debt in the event of default) of people who are behind on payments.

According to Susan, more people than usual have fallen behind. …

The government raised the minimum wage 45 percent in March. Raising the minimum wage seems like a good thing until businesses are closing their doors because they can’t pay workers. Many people think the president, Manuel Zelaya, did this to gain favor among poorer workers because elections come in November.

JUNE 17
Today turned out to be my most exciting day of work so far. … I shadowed Dilcia, a loan officer, while she performed a new client evaluation. We rode two buses from Pedregal to Flor del Campo where we walked to Catalina’s business. She rents a small space about the size of a bedroom where she sells all types of clothes from children to adults. Her rent for the space every month is 1,300 Lempiras (about $65) Can you imagine renting anything for just $65 a month?

JUNE 20
Work at Prisma the last few days has been really cool. On Thursday, we went out to an area of Tegus called Policarpo to do interviews with… Esperanza, Doris and Claudia. Esperanza sells food from her home (tacos, fried bananas, etc.); Doris sells fruit next door to Esperanza; and Claudia has a pulperia, or a small market. They decided to name their group “Women in Victory.” The women that Prisma works with play a big role in their homes and are always proud to be receiving loans and growing their businesses.

JUNE 26
When I applied for this internship, I thought I would be learning about business, small entrepreneurs and the microfinance industry. Little did I know it would turn out to be an education in political science! As I wrote those last two sentences, I actually ran upstairs to the terrace to look at the main street of the Miraflores neighborhood (where I live) because I heard lots of honking. Turns out “Mel’s” (President Manuel Zelaya) supporters were driving down the street yelling and honking. … There is speculation that there will be a coup tomorrow by the military.

JUNE 29
I feel like I really learned about microfinance and how it can really help people. I also saw the ugly side of any finance company when people refuse to pay. But I realized the huge majority of people who receive microloans use them to better their lives. … Right now, during all of these problems, the poor in Honduras (about 70 percent of the population) will be the most affected. In times like these, more than ever, these people need to continue to have access to microloans through agencies like Prisma.
**SMITH IN THE NEWS**

**THE ECONOMIST**  
Nov. 19, 2009  
An article delves into new research from Tao Chen, assistant professor of marketing, that studies the psychology of why consumers purchase extended warranties.

**CBS NEWS**  
Nov. 19, 2009  
Aviation operations researcher Michael Ball, director of research and Orkand Corp. Professor of Management Science, talks about overhauling the air traffic control communications system.

**BUSINESSWEEK**  
Nov. 2, 2009  
Anil K. Gupta, the Ralph J. Tyser Professor of Strategy & Organization, and Smith alumna Haiyan Wang write about how Western business schools should play Asia.

**C-SPAN**  
Nov. 2, 2009  
The launch of the Center for Financial Policy was carried live for the morning session of the Roundtable on Executive Compensation. Coverage also included the afternoon panel on compensation reforms and remarks by Federal Reserve Board Gov. Daniel Tarullo.

**THE WASHINGTON POST**  
Oct. 27, 2009  
Janet Wagner, associate chair of marketing and associate professor, comments on consumer spending.

**THE WASHINGTON POST**  
Oct. 2, 2009  
Columnist Steven Pearlstein writes about the launch event of the Center for Social Value Creation and quotes Dean “Anand” Anandalingam in a piece about rethinking capitalism.

---

**SCHOLARSHIPS MAKE IT POSSIBLE FOR MANY SMITH STUDENTS TO STAY IN SCHOOL, ESPECIALLY DURING HARD ECONOMIC TIMES THAT MAY STRESS THEIR FAMILIES’ FINANCIAL SITUATIONS. EVERY SCHOLARSHIP RECIPIENT HAS A STORY. HERE ARE A FEW:**

- “This scholarship means more to me than just money. It is the ability to go through a semester without stressing about the costs of attendance, and furthermore it has demonstrated to me personally the importance of generosity.”  
  **FADZAI NHAMBURO**  
  Class of 2010

- “This award will undoubtedly help bring me one step closer to my dreams by easing some of the financial burden inherent in the university process... I will be able to dedicate even more of my brainpower to meeting goals, personal development, career advancement and giving back to the Smith community.”  
  **EUGENE VASSILAS**  
  Class of 2010

- “While I attend the Robert H. Smith School of Business, I also have a part-time job to help pay for my tuition. It’s not always easy to juggle work and school, and I am truly grateful for the assistance that I am receiving because of you.”  
  **RIZWAN SHAMIM**  
  Class of 2011

- “I have always worked hard, at times balancing a full-time work schedule as well as a full-time class schedule in order to be able to pay for my education. Thankfully, I have always had help from generous donors such as BB&T Bank and the Smith School of Business to help fund my education.”  
  **JOSE ALVAREZ**  
  Class of 2010

- “I realize that the current difficult academic times have placed many demands on donors... This scholarship will help me to complete my senior year at the University of Maryland and obtain my degree in accounting.”  
  **SARAH THALER**  
  Class of 2010

---

**SMITH AT A GLANCE**

**SCHOLARSHIPS MAKE IT POSSIBLE FOR MANY SMITH STUDENTS TO STAY IN SCHOOL, ESPECIALLY DURING HARD ECONOMIC TIMES THAT MAY STRESS THEIR FAMILIES’ FINANCIAL SITUATIONS. EVERY SCHOLARSHIP RECIPIENT HAS A STORY. HERE ARE A FEW:**

- “This scholarship means more to me than just money. It is the ability to go through a semester without stressing about the costs of attendance, and furthermore it has demonstrated to me personally the importance of generosity.”  
  **FADZAI NHAMBURO**  
  Class of 2010

- “This award will undoubtedly help bring me one step closer to my dreams by easing some of the financial burden inherent in the university process... I will be able to dedicate even more of my brainpower to meeting goals, personal development, career advancement and giving back to the Smith community.”  
  **EUGENE VASSILAS**  
  Class of 2010

- “While I attend the Robert H. Smith School of Business, I also have a part-time job to help pay for my tuition. It’s not always easy to juggle work and school, and I am truly grateful for the assistance that I am receiving because of you.”  
  **RIZWAN SHAMIM**  
  Class of 2011

- “I have always worked hard, at times balancing a full-time work schedule as well as a full-time class schedule in order to be able to pay for my education. Thankfully, I have always had help from generous donors such as BB&T Bank and the Smith School of Business to help fund my education.”  
  **JOSE ALVAREZ**  
  Class of 2010

- “I realize that the current difficult academic times have placed many demands on donors... This scholarship will help me to complete my senior year at the University of Maryland and obtain my degree in accounting.”  
  **SARAH THALER**  
  Class of 2010
Buying Extended Service Contracts

You’ve been there: standing at the register at a big-box electronics store, waiting for the cashier to ring up your purchase, when he or she asks you if you’d like to purchase an extended service contract (ESC) to lengthen the coverage provided by the manufacturer warranty.

ESCs are extremely profitable for retailers, with an average margin of 50 percent to 60 percent—eight times the margins for the products themselves. In 2003, ESCs represented about 50 percent of Best Buy’s profit.

Experts recommend against buying ESCs, feeling they provide little value; but consumer demand for them remains high. Why are people willing to shell out an extra $50 or $100 for something they may never use?

Tao Chen, assistant professor of marketing, conducted a study examining the purchasing records for consumers from the electronics department of a retailer during the course of a year to learn why consumers are purchasing service contracts.

Product category matters. Chen found consumers were more willing to buy ESCs for products like game consoles that were more “hedonic” (more fun), than for products that were more utilitarian, like printers. This could be due to the fact that consumers may perceive a higher value for the fun products than the utilitarian products, even when both cost the same amount.

Price promotions also play a factor in consumer willingness to buy a service contract. “According to other research, if you buy a product on sales promotion, you know that you have saved money, and you are likely to put your savings toward the purchase of another product,” Chen says. Chen found this tendency held true for ESCs as well. If you purchase a product on sale, you are more likely to purchase a service contract.

The effect is even more pronounced if the product is sold through an unadvertised, in-store promotion. The unexpected savings puts consumers in a positive mood, says Chen, and this elevated mood affects their attitude toward risk. People who have a positive mood are more risk-averse, and are more willing to purchase a service contract to guarantee their peace of mind.

People who have experienced product failure are also more likely to purchase a service contract. Once bitten, twice shy: People who have experienced the pain of purchasing a replacement product are more likely to think that products are inclined to break, and are thus more willing to pay for a service contract rather than experience the same aggravation again.

Lower-income consumers are more likely to purchase ESCs than higher-income consumers. Someone who can afford to replace his or her DVD player does not purchase a service contract because he or she is not as concerned about the replacement cost, says Chen. Lower-income consumers purchase ESCs because they worry about not being able to afford a new DVD player if the current one breaks. So the people who tend to purchase ESCs as product insurance are the ones who can least spare the added expense of the ESC.

Men and women may buy ESCs for different reasons. Men are more sensitive to the expected replacement cost, while women are more risk-averse. This may be because men are more sensitive to the cost of replacing a product than women. “Or it may be because there’s some truth to the stereotype that men are more responsible for maintaining and taking care of the family electronics and appliances,” says Chen.

What about Chen? Does she buy extended service contracts? “Personally, I do. I always did when I was a graduate student, when I knew I couldn’t afford to replace things,” she admits. “It gave me peace of mind. Now, it might be a different situation.”

“Why Do Consumers Buy Extended Service Contracts,” co-authored by Tao Chen; Ajay Kalra, Rice University; and Baohong Sun, Carnegie Mellon University; was published in the Journal of Consumer Research. To learn more about this research, contact tchen@rhsmith.umd.edu.

–RW
Want to Develop Leadership for the Next Generation? Try Stretch Assignments.

On-the-job experience can be a powerfully transformative tool for professional growth. In fact, research indicates it may be the primary vehicle for learning critical leadership skills. Many companies use job assignments to groom high-potential managers, but what kinds of experiences are really valuable for developing manager potential? And what kinds of managers benefit most from these experiences?

Paul Tesluk, Ralph J. Tyser Professor of Organizational Behavior and Human Resource Management and chair of the Department of Management and Organization, and Joyce E. A. Russell, Ralph J. Tyser Distinguished Teaching Fellow, examined the effectiveness of “stretch assignments”—experiences which challenge and potentially broaden a person’s current capabilities—from the lens of individual goal orientations.

“Stretch assignments are those that require someone to manage and negotiate change, exert influence over others and build coalitions. These assignments are highly developmental because they require new managers to learn new skills in order to be successful in the assignment, and they have significant challenge, which motivates new managers to work hard to improve their capabilities,” says Tesluk.

Which employees are most likely to seek out and benefit from stretch assignments? Tesluk and Russell found that employees with a strong learning orientation benefited most from stretch assignments. Learning-oriented people are motivated by a desire to demonstrate mastery of new skills and behaviors. They enjoyed being challenged and learning something new and were more likely to seek out critical feedback.

Senior executives responsible for developing high-potential talent in their organizations should identify those with a learning orientation in their groups, and then create an environment where stretch assignments are valued and where people are given access to them. The best stretch assignment opportunities are often guarded, says Tesluk. Companies may not want to lose a person who is already doing a fine job in a mission-critical position in order to give a high-potential junior manager the opportunity to grow in that position. “It requires some organizational discipline to have rotational programs and create incentives for managers to take stretch assignments,” says Tesluk.

“Yet, this has become increasingly important for organizations since today’s employees are much more likely to be looking for rotational opportunities in order to enhance their own marketability,” says Russell.

In an economy where many companies have had to lay off employees, stretch assignments may be more a matter of necessity than of opportunity. Juggling workloads and reassigning tasks can be framed as an opportunity for junior managers to gain new skills. Managers should consider how they are developing leadership for the next generation and use challenging on-the-job experiences, in combination with active mentoring and review processes, to help high-potential employees grow. “This is especially critical today,” says Russell, “given the pending retirements of the baby boom generation and the large number of Generation X and Y employees who will need to be developed to assume those managerial positions.”

“Companies have cut back on leadership development activities because of tight budgets, but firms will need that leadership to help them surmount the challenges of a difficult economy,” says Tesluk. “Managers need to present assignments by saying, ‘Here is what you’re going to learn through this process, these are the things at which you will have to become highly proficient, I know you’re going to struggle and here is how we’re going to help you through the process.’ Then it becomes less about the end result and more about performing through the process.”

“Understanding Managerial Development: Integrating Developmental Assignments, Learning Orientation and Access to Developmental Opportunities in Predicting Managerial Competencies,” was published in the August issue of the Academy of Management Journal. For more information about this research, contact ptesluk@rhsmith.umd.edu or jrussell@rhsmith.umd.edu. –CH
Avoid Impulse Purchases

Ever unload your shopping cart wondering how you ended up with so many extra items when you intended just to grab the essentials? Those extras may have seemed like a good idea at the time, but might sting a bit when it comes time to pay.

Rosellina Ferraro, assistant professor of marketing, studied the habits of 2,300 grocery shoppers across 28 stores in 14 cities and found there is an average 46 percent chance shoppers will make an unplanned purchase. She and co-authors J. Jeffery Inman of the University of Pittsburgh and Russell S. Winer of New York University used the data to pinpoint some causes of unplanned purchases and come up with some strategies for changing habits.

The researchers found that product displays have the greatest effect on likelihood of unplanned purchases—an eye-catching display can increase the chance a shopper will buy an unintended item to 64 percent. Customer shopping habits can also increase unplanned purchasing. Shopping all aisles in a store boosts the probability of leaving with unplanned purchases to 57 percent. Paying with a credit card increased the probability of unplanned purchases by an additional 9 percent for every item in the basket. And consumers who spent extra time shopping—in the study, an extra 18.6 minutes more than the mean of 42.5 minutes—increased propensity for unplanned purchases to 52 percent.

So what’s a budget-conscious shopper to do? Ferraro and her co-authors have some easy-to-enact strategies for consumers who want to curtail unplanned purchases:

1. Use a shopping list.
2. Make more frequent, fewer-item trips: Get in, get the items you need, and get out!
3. Limit browsing because visiting all the aisles increases the chances you’ll make unplanned purchases.
4. Limit the time you spend in the store—it will force you to focus on the task at hand: getting what you came for!
5. Pay in cash. Make the decision to use cash before you enter the store. Paying by credit or check lessens the “pain of paying” and makes it easier to pick up things you hadn’t planned on buying.

On the flip side, retailers can use Ferraro’s research findings to encourage shoppers to buy more by making it more enticing to walk down as many aisles as possible to expose shoppers to more product categories and in-store displays. The research suggests using innovative aisle layout and shelf design, or targeting specific shoppers with frequent-shopper programs to increase store familiarity. The more pleasant the shopping experience, the more time a shopper is likely to spend in store. And if manufacturers and retailers move beyond category management of products to “aisle management,” they can be strategic about increasing customers’ in-store decisions to buy. –CH
Information Security Breaches Don’t Bother Us Anymore
Or at least not as much as they used to.

Investors and consumers may be desensitized to the dangers of information security breaches, according to a recent study by Lawrence Gordon, Ernst & Young Alumni Professor of Managerial Accounting, Martin Loeb, professor of accounting and information assurance and Deloitte & Touche LLP Faculty Fellow, and Lei Zhou, visiting assistant professor of accounting and information assurance.

The study examined the stock prices of companies that experienced information security breaches between 1995 and 2007, a huge dataset that encompassed the longest period and the most companies ever studied. Before 2001, an information security breach had a noticeable negative impact on stock prices. But post-9/11, the effects of a breach on a firm’s stock price was insignificant.

That may be because these events have become so common, says Gordon. A few months ago his credit card company sent Gordon a letter saying the firm’s system had been breached and personal customer information had been compromised. Rather than getting upset and canceling his account, Gordon just cut up his old card and activated his new one. Consumers don’t appear to be penalizing companies for security breaches, which means investors aren’t raising the red flag either.

“That’s one of the dangers. You get lulled into looking at the averages, but a few companies every year suffer disastrous consequences as a result of a significant security breach,” says Gordon. “I think it makes it tougher for firms to make the financial case for investing in information security.”

A lax attitude toward the effect of breaches may lead to less vigilance, which could be problematic for national security, said Gordon. It is estimated that 85 percent of critical infrastructure in energy, health care, telecommunications, and similar industries are part of the private sector. Loeb adds, “A breach of a single firm’s data and IT system can spill over to other firms, with the potential of causing severe harm to the nation. Thus, it’s not surprising to see Homeland Security and other government agencies interested in boosting incentives for investment in information security.”

The type of breach may also affect the impact—in a way the authors found surprising. Breaches of confidentiality, where customer information is compromised, actually had less of an impact on stock prices than breaches of availability, where customers can’t get onto the company Web site.

One silver lining may be that consumers—and thus investors—display less worry about breaches because companies have been quicker to detect and address security breaches and more transparent with their responses, leading to greater trust that companies will handle breaches effectively and safely. Gordon and Loeb plan to investigate this possibility in further research.

“The Impact of Information Security” is forthcoming from the Journal of Computer Security. For more information about this research, contact lgordon@rhsmith.umd.edu or mloeb@rhsmith.umd.edu.

MICHAEL BALL APPOINTED ASSOCIATE DEAN OF RESEARCH

Michael Ball, MES ’72, MSE ’77, PHD ’77, the Orkand Corporation Professor of Management Science for the Robert H. Smith School of Business, has just added a new title to his long list of accolades.

Ball, who began his career at the university in 1979, was recently named the associate dean of research for the Smith School. Ball will work to enhance the Smith School’s external research funding, manage internally funded research and organize an annual faculty and staff workshop for the Centers of Excellence to report on their annual activities and present their plans for the next five years.

Ball previously served as director of research for the Smith School.

This busy professor, who was born in Washington, D.C., and lives in Silver Spring, Md., teaches at the undergraduate and graduate levels. He is the former chair of the decision, operations and information technologies faculty department at the Smith School and the former chair of the executive committee of the Institute for Systems Research in the Clark School of Engineering.

Ball is co-director of NEXTOR, the National Center of Excellence for Aviation Operations Research. He is widely published and serves as an editor for Operations Research—Technology and associate editor for Transportation Science.
KARYN S. BERGMANN, et al.,

Plaintiff Class Representatives,
Plaintiff Class Members,

v.

UNIVERSITY SYSTEM OF MARYLAND,
et al.

Defendants.

IN THE
CIRCUIT COURT
OF MARYLAND FOR
BALTIMORE CITY

Civil Case No. 24-C-02-005740

AN IMPORTANT NOTICE FROM THE CIRCUIT COURT OF MARYLAND FOR BALTIMORE CITY ABOUT A CLASS ACTION INVOLVING A TUITION REFUND THAT YOU MAY BE ELIGIBLE TO RECEIVE

A class action has been certified by the Circuit Court of Maryland for Baltimore City and steps have been taken by the parties to notify all class members of their rights and involvement in the case. The class action seeks partial tuition refunds for students charged out-of-state tuition after applying for in-state tuition at any one of the following University System of Maryland ("USM") schools: (1) University of Maryland, Baltimore; (2) University of Maryland, Baltimore County; (3) University of Maryland, College Park; (4) University of Maryland, Eastern Shore; (5) University of Maryland, University College; (6) Bowie State University; (7) Coppin State University; (8) Frostburg State University; (9) Salisbury State University; (10) Towson University; and (11) University of Baltimore. Students who qualify as members of the class include those who: (1) petitioned any USM school for re-classification from out-of-state status to in-state status for any semester from the Spring 2001 to the present, and (2) were denied in-state tuition status based upon a failure to overcome the "financial dependence" or "residence at application" presumptions of the relevant USM policies, but otherwise met the requirements of the policy and the school's procedures for obtaining in-state tuition status, including exhaustion of the institution's administrative process. Class members are entitled to the original decision to charge out-of-state tuition reconsidered by the institution, based upon revised standards for determining how these presumptions should apply (Those standards may be found at www.usmd.edu/regents/bylaws/SectionVIII/VIII270). Depending upon the results of that review, you may be eligible for a refund in the amount of the difference between the out-of-state tuition that you paid and the in-state tuition rate applicable at that time.

If you believe you are a member of the class but have not received a personal notice and wish to be part of the class, you should immediately contact the class plaintiffs' attorney Anthony M. Conti at CONTI FENN & LAWRENCE LLC, 36 South Charles Street, Suite 2501, Baltimore, Maryland 21201, to learn more about your possible rights in this matter, as you may be entitled to a tuition refund.

To learn more about your possible rights and to make a request to be considered as a member of the class, please contact Anthony M. Conti, CONTI FENN & LAWRENCE LLC, by calling (410) 837-6999 or by e-mailing info@lawcfl.com. All e-mails should include the following information: full name, day and evening telephone number(s), current mailing address, name of constituent institution attended, and the years applied for and denied in-state tuition.

/s/
Judge M. Brooke Murdock
GET CONNECTED WITH SMITHCONNECTOR

There's a theory that anyone on earth can be connected to anyone else in an average of six steps. The problem, of course, is finding the right six connections to get you to the person you want to meet.

In the olden days this would have required good old-fashioned footwork—attending an event, working a room, collecting business cards to fill out your Rolodex. These days, new technologies have made it easier, quicker and more seamless to get to the people you want.

Our new alumni networking site, SmithConnector, combines the power of online social networking with the power of your alumni connections. More than 47,000 living Smith alumni will be part of the network.

Your paths may have started at Smith, but since then they have diverged in exciting ways. There are many more connections beyond the University of Maryland that you may share with fellow alumni. SmithConnector offers you the chance to discover them—to connect at a different level.

And it can help you forge business and personal connections—to seek out former classmates at companies you’re interested in working for, or reconnect with an old friend, or find the perfect partner for your new venture.

Activate your alumni network to decrease the degrees of separation between you and the people you want to know, for your mutual benefit.

Professional Connections

SmithConnector’s Webcard functions like an online business card, letting others see basic information about your job—title, company, industry, job description. You’ll be able to view fellow alumni Webcards as well.

Looking for an IT specialist, a marketing guru, a caterer? Browse Webcards first to find a Maryland alum who can meet your need. You can also import your entire resume into SmithConnector. Turn it on when you’re searching for a new position, or turn it off when you’ve found the perfect fit.

Social Connections

Wondering where that old classmate got to? SmithConnector can help you find him or her—we’ll be sharing our complete alumni database. Then add your old friend to your friends list.

It’s easy to find other people with whom you share a common bond (beyond the fact that you’re both Terps). Through SmithConnector you can meet alumni who were part of your club or fraternity, played the same sport, have the same hobbies or

THINGS YOU CAN DO WITH SMITHCONNECTOR.COM

Social Networking

• CONNECT to Facebook and LinkedIn automatically
• JOIN a program-based peer group
• CREATE a “friends list” and build your network
• ADD photos, blogs, widgets, and RSS feeds to customize your profile

Professional Networking

• ACCESS a Web-based directory of Smith alumni from around the world
• SUBMIT a “class note” and share your news with the community
• CREATE your own industry-based alumni group
• REGISTER for and attend alumni events in your region

Alumni News & Information

• CHAT with members of the Alumni Chapter Board
• READ what alumni are doing in “Alumni Spotlight”
• SHARE your point of view on a particular topic in “Alumni Perspective”

Alumni Career Services

• SEARCH career opportunities around the world
• POST your job and help recruit Smith alumni
• LEARN about alumni career panels, workshops and career coaching seminars

For more information or for help getting around in SmithConnector, call 301-405-4900 or e-mail alumni@rhsmith.umd.edu. Allow 48 hours for a response.
BILL GOSSMAN, MBA ’91

FAST FACTS: CEO of hi5, the third-largest social entertainment Web site in the world; a serial entrepreneur who has a track record for monetizing online audiences in the digital media space.

Bill Gossman knows how to network. “I can pretty much find my way to anyone in the digital industry anywhere in the world,” Gossman says cheerfully. He’s parlayed that skill into a long, successful career of launching or turning around more businesses than he can count. He uses online networking to ease his path to the people who can make a difference to his business.

“Online networking is a friction-free environment,” says Gossman. “It’s easier than picking up a phone and saying, “What’s new?” I recently saw that a friend was in San Francisco on business so I was able to arrange to have lunch with him.”

Social networking sites can be a great place to start making yourself known if you’re looking to change career paths as well, says Gossman. “If you want to build a network in the cloud computing business, start to friend a lot of people in the industry, and soon you’ll be popping up on other people’s friend recommendations.”

Gossman acknowledges that face-to-face communication is important to relationship-building, but he appreciates the fact that he can easily and conveniently share a huge part of his life through social networking, constantly telling people about himself and learning things about others.

“Social networking sites are like a very persistent directory of people I want to stay in contact with for personal or for professional reasons. It’s a way I can store value—I can publish pictures, I can put my resume on LinkedIn, I can publish my scores for the games I play on hi5. All these things build up affinity connections,” says Gossman.

It’s often easier to do due diligence with social networking sites too. Gossman was recently at dinner with someone from New York who wanted to talk to him about starting a business. “This guy was able to practically recite my résumé, which he’d gotten through LinkedIn,” says Gossman. “He was able to use the social network to do his homework so that when he met me, he could get the most out of it.”

Bill Gossman lives in Seattle with wife Cheryl, sons Hunter and Connor, daughter Elizabeth, and two dogs. He says it doesn’t rain there nearly as much as you think it does. Connect with Bill on SmithConnector.
WAYNE KIMMEL (ARHU ‘92)

**FAST FACTS:** Managing partner of SeventySix Capital, the top-ranked venture capital firm in the United States that under Kimmel’s direction has invested in several successful companies such as SeamlessWeb (acquired by ARAMARK; CEO Jason Finger, is a Maryland alum), Take Care Health Systems (acquired by Walgreens), and NutriSystem (NTRI), ranked by Forbes as the best small company in the United States.

Wayne Kimmel was a history major at Maryland, went on to Widener Law School, and then worked in his father’s law firm before starting SeventySix Capital in 1999 during the Internet boom. He’s also active politically and with philanthropic causes in the mid-Atlantic region, and helped launch the Center for Financial Policy as one of its first board members. So he knows the power of networking, and he’s been an early adopter of technologies that allow him to network more efficiently and effectively.

“Technology creates a frictionless environment,” says Kimmel. “It’s easier to connect and communicate. Building a relationship goes beyond a simple contact, so it’s still important to invest in relationships with people. But online networking tools can help you make introductions. It makes it easier to stay in touch with people.”

Kimmel is still very engaged with members of his Maryland fraternity, Tau Epsilon Phi. “We stay in touch through phone calls, e-mail, Facebook, Twitter,” reports Kimmel. “Facebook and Twitter are both great ways to keep tabs on each other.”

Kimmel says that social networks also allow him to be “more personal with more people.” Kimmel checks the Facebook pages of business associates to see when to send a birthday card or congratulations if someone’s child is getting married or bar mitzvahed or has hit a home run in Little League. “Business is global, but I can’t be everywhere at the same time. I want to be with my wife and kids. This lets me stay in touch more efficiently, learn more, help more.”

Kimmel also values the opportunity to see exactly what kind of person he is doing business with. “I want to be known as a good businessman, a good parent and a good philanthropist, and I also want to work with those kinds of people,” says Kimmel. “I like to do business with friends and with like-minded, good people.”

Kimmel lives in the suburbs of Philadelphia, with his wife, Kimberly, and their two children. Kimmel is a Philly sports fan and a Maryland fan, with a particular penchant for basketball. Connect with Kimmel on SmithConnector.
SmithConnector lets you upload photos too. You can link to your Facebook page from SmithConnector, so friends can find your personal and family news. Link to your LinkedIn page and your professional network can do the same. Plan to attend an alumni event? SmithConnector can publish that information directly to your Facebook profile, so your friends can see that you’re going.

**Smith School News**
Learn about career services and educational opportunities offered strictly to Smith alumni, as well as all the latest school news and events.

**Games**
Need a break? SmithConnector isn’t all about work—it lets you play, too.

**Security**

SmithConnector is a safe space, password-protected and open only to members of the Smith community.

The value of the network expands in direct proportion to the information it holds. A telephone is a powerful tool for connecting—but only if the other guy has a phone too! And once most people have phones, the network of phones gets truly powerful and useful. The larger a network, the faster its value increases.

To get the most out of SmithConnector, you’ll need to fill out your profile with as much detail as possible. That will allow you to find people with whom you share a connection—and let them find you as well.

SmithConnector is going to be a great tool to strengthen your network. But don’t take our word for it! Check out SmithConnector for yourself. Fill out your profile, add friends to your network and enjoy this sophisticated, easy-to-use tool. And play a game or two—we won’t tell.

---

**Your SmithConnector ID number is located on the back cover of this magazine, above your name. You’ll need to use your SmithConnector ID when you log in for the first time—and when you do, it will automatically fill out some of your profile fields for you, saving you some time! So please keep this issue of the magazine handy so you can get started with SmithConnector.**

**SMITHCONNECTOR.COM**

---

**SmithConnector lets you get in touch with each other. Here are some ways you can connect with the Smith School:**

**BECOME A FAN** of the Smith School on our Facebook page.
WWW.FACEBOOK.COM/SMITHBUSINESSSCHOOL

**FOLLOW** our Twitter site.
HTTP://TWITTER.COM/SMITHSCHOOL

**VIEW** our videos on our YouTube channel.
WWW.YOUTUBE.COM/USER/SMITHBUSINESSSCHOOL

**DOWNLOAD** video and audio podcasts on our Web site.
WWW.RHSMITH.UMD.EDU/NEWS/PODCASTS/
AN INTELLECTUAL

Smith School Launches New Center for Financial Policy
Executive compensation practices have generated a lot of heated conversations in the media and around the water cooler. On Nov. 2, under the lights of camera crews from C-SPAN, CNBC, CNN, and Bloomberg, the Smith School’s new Center for Financial Policy shone a spotlight on this controversial issue at its first roundtable discussion, “Executive Compensation—Practices and Reform.” The event featured keynote speaker Kenneth Feinberg, the well-known lawyer and mediator appointed to serve as the Obama administration’s special master for compensation.

PAY PRACTICES—AND REFORMS—IN THE SPOTLIGHT

Two panel discussions allowed the almost 200 participants, mostly high-level executives from the public and private sectors, to explore best practices and engage with experts in the field through question-and-answer sessions. The discussions were wide-ranging, thought-provoking and occasionally controversial. One panelist argued that companies which took TARP funds should be “wound down” and their top executives fired outright, in order to allow “more prudent organizations” to expand and grow. But there was agreement among many of the day’s speakers as well. Compensation structure and transparency were key issues, but the amount of total compensation seemed to be less at issue. Failures of corporate governance were also pointed out: Several panelists said that boards needed to be truly independent of both management and CEOs in order to perform properly and that greater expertise on compensation committees and directors with more industry-specific expertise would be better able to judge which incentives were embedded in pay practices and what would create most value for the company. Best practices were few, and many panelists thought it was time to go back to the drawing board to create pay practices that foster long-term firm value yet still allow for safe risk-taking.

The roundtable was one of several events this fall that launched the
Big Ideas, Big Impact

The issues facing the financial world are big and complicated. The Center for Financial Policy brings Smith’s intellectual capital to bear in areas where it can make the most impact on federal policy—and through policy, on the day-to-day lives of people doing business all over the world.

The center will encompass the broad range of research areas in which Smith faculty are already world experts, focusing on corporate governance, led by Senbet; financial institutions and consumer finance, led by Haluk Unal, professor of finance; emerging markets, led by Vojislav Maksimovic, Dean’s Chair Professor of Finance; asset management and market design, led by Albert “Pete” Kyle, Smith Chair Professor of Finance; and risk management, led by Alexander Triantis, professor of finance and finance department chair, and Cliff Rossi, the center’s managing director.

Senbet is a world-renowned and widely published researcher in the field of finance. He has advised the World Bank, the IMF, the UN, and other institutions on issues of financial sector reforms and capital market development, and his recent research has taken him into the heart of African economic development.

Senbet has been working with Franklin Allen, a professor at Wharton; Robert Cull, an economist with the World Bank; Elena Carletti, a professor at the European Union Institute; and Qyan Zhie, a professor at Boston College; to study African financial development, courtesy of a grant from the National Bureau of Economic Research. They looked at key indicators of development, such as liquidity and stock market development, using an immense dataset from the World Bank. When compared to other developing economies, most African nations ranked very low on financial development indicators.

But there was variation in the degree to which each African nation lagged behind the norm. Senbet found that there are factors that matter for financial development in Africa that don’t matter so much in other countries. Population density turned out to be very important, because banks need to be able to get to their customers in order to offer financial services. Access to technology can make a big difference here. Mobile banking services based on cell phones—letting people make purchases or pay bills with their phones—have helped Kenya bridge that development gap, says Senbet.

Few financial researchers are looking at Africa, says Senbet, but studying African financial development is important for understanding the impact of policy on an economy. He believes it is important to bring this continent and its billion inhabitants into the financial policy framework—not just to understand Africa, but also to understand ourselves. “We worry about market imperfections. We don’t have final answers on issues like investor protection or asymmetric information,” says Senbet. “Africa is one of the best labs to study the impact of these imperfections.” –RW

But there was variation in the degree to which each African nation lagged behind the norm. Senbet found that there are factors that matter for financial development in Africa that don’t matter so much in other countries. Population density turned out to be very important, because banks need to be able to get to their customers in order to offer financial services. Access to technology can make a big difference here. Mobile banking services based on cell phones—letting people make purchases or pay bills with their phones—have helped Kenya bridge that development gap, says Senbet.

Few financial researchers are looking at Africa, says Senbet, but studying African financial development is important for understanding the impact of policy on an economy. He believes it is important to bring this continent and its billion inhabitants into the financial policy framework—not just to understand Africa, but also to understand ourselves. “We worry about market imperfections. We don’t have final answers on issues like investor protection or asymmetric information,” says Senbet. “Africa is one of the best labs to study the impact of these imperfections.” –RW

BANKING ON INDUSTRY EXPERTISE

The center is also drawing on the extensive industry experience and connections of Smith alumni. One such alumnus is William Longbrake, PhD ’72, who joined the center as an executive-in-residence. Longbrake has extensive experience in finance, macroeconomics and monetary policy,
Kyle’s Economic Report Card

Timothy Geithner should be glad he is not getting a letter grade for his economic policy performance in both the Obama and Bush administrations. “I’d give him a ‘D’—and that’s being generous,” says Albert “Pete” Kyle, Smith Chair Professor of Finance. Kyle has been closely following the economy, analyzing how turmoil in the banking system will affect economic recovery.

Kyle says Obama’s treasury secretary, Timothy Geithner, following in the footsteps of his predecessor Henry Paulson, has done a “spectacularly bad job, letting the banking system bluff its way through a recovery.” Kyle says the TARP program has wasted tens of billions of taxpayer dollars by overpaying for securities of dubious value at the time they were purchased by the Treasury, all with the effect of rewarding investors whose bad decisions caused the financial crisis.

The Obama administration’s fiscal stimulus gets slightly better marks from Kyle—a “C.” Right now, the federal government can tax and borrow more efficiently than the states, Kyle says. But the states can make more efficient decisions than the federal government concerning how to spend money locally. By not structuring the fiscal stimulus as fully unrestricted block grants to states, we see states inefficiently insulating homes in poor neighborhoods while funding for schools, police, and fire protection is threatened.

Kyle says the class star has been Federal Reserve Chairman Benjamin Bernanke—“Since the crisis started under the Bush administration, Bernanke has saved the day and well deserves reappointment.” Kyle says that most of the economic growth we are seeing today comes from Bernanke’s aggressive monetary policy, not from the Treasury’s TARP program and not from the fiscal stimulus.

As the financial system was collapsing in fall 2008, the federal government swept in to clean up the mess and prop up what was left. The Fed, with Bernanke at the helm, did an outstanding job of lowering interest rates and expanding its balance sheet to stem the liquidity crisis resulting from all of the bank failures, says Kyle.

At the same time, the Treasury spearheaded the $700 billion TARP bailout to inject more capital into the banking system. But Kyle says the cash was not enough to create healthy banks. The problems stemmed from banks being far too undercapitalized to begin with—so when the financial crisis hit, the banks that had not collapsed stopped lending money. And now many of them are so crippled they cannot contribute adequately to economic growth, says Kyle. The Fed has helped offset the loss of banking capacity by expanding its own balance sheet dramatically, says Kyle. Even so, with the expectation of continued writedowns on credit card debt, prime home mortgages and commercial real estate, it is clear that the economy is nowhere near out of the woods yet.

Kyle says it is important to see how fast the Fed creates inflation, which will help housing prices recover. Bernanke needs to keep the interest rates near zero, mortgage rates low and

Report Card:

FED: A
Since the crisis started, Bernanke has saved the day

TREASURY: D
(And that’s being generous)
Geithner and the Treasury have done a “spectacularly bad job, letting the banking system bluff its way through a recovery”

OBAMA ADMINISTRATION: C
The Obama administration’s fiscal stimulus has not actually done enough to stimulate the economy

To read the center’s white papers, learn more, or register for the April 2010 session of the Director’s Institute, visit the Web site at www.rhs smith.umd.edu/cfp.
Spotlight: Sol Systems

You know the old adage “make hay while the sun shines?” George Ashton, MBA ’06, knows that you can make energy while the sun shines—and a tidy profit, too. Ashton is a pioneer in the solar renewable energy credit market. Sol Systems, the business he co-founded with partner Yuri Horwitz, trades in market-based solar subsidies. By helping people recoup the cost of installing a solar energy system, Sol Systems is also helping to make solar more affordable for businesses and homeowners.

Sol Systems sells and manages solar renewable energy credits (SRECs), tradable credits that represent the clean energy benefits of electricity generated from a solar electric system. Each time a solar electric system installed in a home or business generates 1000kWh (1MWh) of electricity, an SREC, which can be sold or traded, is issued. Power companies purchase SRECs to meet their state’s renewable energy requirements. The values of SRECs can vary dramatically from state to state depending on the supply and demand of the credits in that state and by how much the state requires utility companies to pay when they do not use enough solar power. Sol Systems helps businesses and homeowners register their solar power systems and then purchases their SRECs, reselling them to power companies across the region.

Like the cap-and-trade system being proposed to control the emission of greenhouse gases, SRECs are a market-based incentive that can bring about a valuable societal change in advance of government regulation. “Sol Systems is creating a solar credit market in the city of Washington, D.C. We’re the biggest player here and we’re helping to make renewable energy more affordable for consumers,” says Ashton. “We’re involved in many other states as well, from Michigan to Massachusetts to North Carolina.”

Ashton has always chosen careers that included a component of social value creation. He worked for Fannie Mae in the sale and trading of mortgage-backed securities earlier in his career because, he says, it “married capital markets with social responsibility.” During that time he pursued an MBA through the Smith School’s part-time program and started seriously considering what it would take to start his own business with good friend Horwitz, a renewable energy attorney.

Both men were driven; both had a hunger to contribute to the betterment of the world. “Yuri and I would say we got that hunger from our mothers,” says Ashton. “My mother instilled in me the desire to help other people and the planet. It’s a choice. Do you just want to give $10 a year to charity? Or do you want to have more of what you do and who you are involved in something that makes the world a better place?”

The skills he learned in business school were stepping stones to Ashton’s big dreams. He found the Smith School’s systemic approach to teaching management particularly helpful. “The best thing I learned at b-school was combining corporate finance with accounting with strategy. Wrapping all that together was really important, so that when you make a decision you can take into account all of the consequences and benefits,” says Ashton.

Ashton found the Smith School to be a great resource as well. Ashton was very appreciative of the advice offered by Ben Hallen, assistant professor of management and organization, and Asher Epstein, managing director of the Dingman Center for Entrepreneurship, when Ashton was approaching venture capitalists and thinking about how to grow his business. Sol Systems is applying those lessons to engage investors and strategic partners.

Ashton sees plenty of room for growth because states will be stepping up to facilitate a good deal of solar development during the next 10 to 15 years. “We see ourselves as a financial intermediary within the solar space. We’re not interested in cashing out and going to sit on a beach somewhere,” says Ashton. “We want to stay involved and help renewable energy succeed so that we can ultimately enable people to protect the environment and our planet for future generations.” –RW

Connect with George Ashton on SmithConnector.
Eleanor Rutland ’79 did not plan for a career in the nonprofit sector but feels “incredibly fortunate” to have ended up in an organization where she can give back in a very unique way.

Rutland majored in accounting and went on to a 20-year career in finance with Riggs Bank, an international financial institution headquartered in Washington, D.C. She was a senior executive for the bank when she learned through a colleague of an opportunity with another regional institution, the Morino Group, headed by Mario Morino, co-founder of the software firm Legent Corporation and famous for his deep commitment to the local community.

In June of 2000, when Rutland joined Morino, he was in the process of creating Venture Philanthropy Partners (VPP), an organization that blends some of the techniques of private equity investing with the best practices of the philanthropic sector all for the benefit of children and youth of low-income families. Today Rutland serves as the organization’s CFO, putting her business experience and financial acumen to use on behalf of nonprofits in the National Capital Region.

Unlike foundations or many other grant-making organizations, VPP doesn’t provide programmatic funding. Instead it invests to build institutional strength, providing large amounts of scarce growth capital. VPP doesn’t accept applications. It identifies strong leaders of effective nonprofits—those who can transform their organizations to significantly scale their results. It sources its portfolio investments by quietly talking to stakeholders in the community. Often the organization doesn’t even know it is being considered for a VPP investment until adequate work has been done to determine if there is alignment with the organization’s aspirations and VPP’s approach. Rutland says, “VPP looks for organizations that already do great work in the community but aspire to do more.”

“Like a venture firm, we bet on leadership,” says Rutland. “We are always looking for the best leaders in the community who have demonstrated solid performance and who have aspirations to reach more kids or have greater impact through their programs and services.”

But VPP’s high-engagement model means that it doesn’t just hand out “two-comma investments”—it also helps the nonprofit clarify its goals, develop its business plan and implement the strategic initiatives it has defined for its success. VPP takes a seat on the organization’s board and provides practical, hands-on strategic assistance—board development, sourcing consultants, identifying talent and building internal systems. By working shoulder-to-shoulder with nonprofit leaders in this way, VPP is providing not just funding but also vital expertise.

VPP raised $32 million in its first funding cycle and disbursed those funds to 12 portfolio organizations, all of them working to improve the lives of low-income children and families in the National Capital Region. VPP is now in the midst of raising a second fund with a goal of $50 million from individual investors, corporations and foundations. VPP investors make significant financial commitments and they rely on VPP to effectively steward and invest their money for improved social returns.

“Our investors aren’t looking for a financial return,” says Rutland. “They expect us to invest wisely in the nonprofits in our community to yield better impact for kids and families of this region.”

Rutland finds deep personal fulfillment in knowing that her years of financial expertise are being used to bring much-needed funding and expertise to the organizations that are making a difference in the lives of local kids. “There’s a young woman on our video who is so excited about going to college that she just lights up the screen with a smile that warms your heart. We can’t take credit for that student going to college, but we can take credit for helping that organization help even more students just like her build their futures,” says Rutland.

Rutland and her husband, Tim Lex, live in Rockville, MD. She has two children, Ellie and Mazzie, and three stepchildren, Charlie, James and Sophie.

View a video about VPP at our Web site. –RW

Connect with Eleanor Rutland on SmithConnector.
‘60s

David C. Cooke ’68 joined the board of directors of LML Payment Systems Inc. He works part-time as a consultant and teaches graduate-level finance.

Paul Emery, MBA ’64 was appointed as partner in the San Francisco Bay Area office of TechCFO, leading provider of outsourced CFO-level financial management services for emerging growth companies.

Jay H. Nussbaum ’66 is a member of the board of directors of Triplecrown Acquisition Corp.

Robert S. Roath ’66 has been elected to serve as non-executive chairman of the Board of Directors at Standard Parking Corp., one of the nation’s leading providers of parking management, ground transportation and other ancillary services.

Sheldon B. Saidman ’64 is director of ShengdaTech Inc. He has his own business management consulting practice and serves on another board of directors at Roscoe Inc., a medical equipment and supplies company owned by a private equity group.

‘70s

Drew Bernstein ’78 was recently appointed as director of Orient Paper Inc. Bernstein is co-founder and managing partner of Bernstein & Pinchuk LLP, an accounting firm headquartered in New York, a position he has held since 1983. He is a member of the American Institute of Certified Public Accounts, The New York State Society of Certified Public Accounts and The National Society of Accountants. Bernstein also serves as a director of China Wind Systems Inc.

Dominic Bruno, MA ’75, serves as senior vice president of MD Sass Investor Services. Prior to joining MD Sass, Bruno was a futures and options analyst for Merrill Lynch.

John Colin ’78 has joined the board of directors of Beacon Energy Holdings Inc., a producer of biodiesel from animal fats and secondary oils. Colin is president and chief executive officer of LifeStar Response Inc., a health-care transportation and logistics company. He is also a member of the boards of directors of Perma-Fix Environmental Services Inc., a publicly traded company, and Environmental Quality Management Inc., a private equity-backed company.

George D’Angelo Jr. ’78 married Laura St. Clair, a senior consultant on community development and investments for Colliers Arnold, a commercial real estate firm in Clearwater, Fla. D’Angelo is an adjunct professor of advanced investments at the St. Petersburg campus of the University of South Florida.

Robert Levin ’70 is the president of Statewide Remodeling, which was founded in February 1994 by Levin and Frank Manzare.

Wayne Lowell ’77 was appointed to TriNet’s five-member board of directors. TriNet is a leading provider of payroll, benefits and human resources outsourcing services to small businesses.

Joel Mostrom ’78 is a senior director in New York at Alvarez & Marsal Private Equity Performance Improvement. Prior to joining the firm, he was executive vice president and chief financial officer at Chesapeake Corporation.

Jim Oles ’72 is senior project leader at Darden Restaurants Inc.

Maj. Gen. David F. Wherley Jr. ’77 and his wife, both 62, were among the nine people killed in the Washington Metro rail collision near Fort Totten Station in June 2009 that sent more than 70 other people to the hospital. Wherley was awarded more than a dozen major medals and honors during his career, including a legion of merit and national defense service medal. He retired from his post at the District of Columbia National Guard in June 2008.

‘80s

Reena Aggarwal, PhD ’85, was announced as Georgetown’s McDonough School of Business’ Robert E. McDonough Professors. Aggarwal previously served as the Stallkamp Fellow in Finance at the business school and is one of the first two to receive this professorship.

Phyllis Caldwell, MBA ’87, left the Washington Area Women’s Foundation to join the Treasury Department as the chief of homeownership preservation. Prior to joining the Washington Area Women’s Foundation in 2007, Caldwell headed community development and banking for Bank of America.

Fari Ebrahimi, MS ’86, is senior vice president and chief information officer at Verizon Services Operations. Previously, Ebrahimi led the information technology for retail customer management and billing systems organization.

Beverly Eichel ’80 serves as executive vice president—finance and administration, chief financial officer and secretary at Hirsch International Corp.

Cindy Henning ’88 was named Honors Program director at Columbia State University.

Timothy B. Knep ’81 serves as portfolio manager for Genworth Financial Asset Management. Knep is chief investment officer of the advisor and leads a team of investment analysts.

Christopher E. Kubasik ’83 was recently appointed to serve as president and chief operating officer of Lockheed Martin Corp.

Christian E. Langenstein ’87 is a senior financial advisor and assistant vice president at the Palm Beach office of the financial services firm Merrill Lynch. Prior to joining Merrill Lynch, he worked with the high net worth group at Lehman Brothers in Palm Beach, Fla.

Mike Lanman ’80 is president, enterprise and government markets, for Verizon Wireless. Prior to assuming his position in October 2009, he was vice president and chief marketing officer for Verizon Wireless.

Phillip Reyes ’86 has joined the Whitlock Group as director of government sales.

Patrick Richitt, MBA ’84, is the owner of the music entertainment agency and artist development company Entertainment Exchange Inc., which serves the Washington, Maryland and Virginia areas. He also is also a professional singer and performer.

Craig Rosato ’86 is consumer credit risk executive at Bank of America. Prior to his current role, Rosato was the controller for Bank of America’s Global Consumer and Small Business Banking Group.

Pamela Schumann ’88 is president of consumer services division at IntegraMed America, Inc. Prior to that, she served as vice president of consumer services at the company.

Martin T. Stanislav ’86 has been named vice president, finance and business operations for Information Systems & Global Services Business Area at Lockheed Martin.

A.J. Verdecchia ’89 is resigning from his positions as vice president, chief financial officer and treasurer of Union Drilling Inc. to pursue an opportunity outside the industry.

‘90s

Yun Callahan ’97 is controller and interim chief financial officer at Steben & Company Inc.

Martin Friedman ’92 was appointed to the board of directors at Access National Corporation, holding company for Access National Bank. Friedman was also appointed to the board of Access National Bank and will serve on the Bank’s Loan Committee. Friedman is co-founder and CEO of FJ Capital Management.

John P. Giere, MBA ’98, serves as senior vice president, products and marketing since July 2009 at Openwave Systems Inc. Previously, Giere served as the president of G4G Advisory Services, a private advisory services company. He also serves as a member of the board of directors and the executive committee of the Telecommunications Industry Association.

Stephanie R. Irish ’92 has served as Vanda’s acting chief financial officer and treasurer since January 2009 and Vanda’s controller since February of 2005. Prior to joining Vanda, Irish was controller at Avalon Pharmaceuticals Inc.

Andrew Jose ’92 is co-founder and
COO at FJ Capital Management, an investment fund firm based in Arlington, Va.

Brian King ’99 is managing director of Cobiana Records, and is driving label specializing for Bissau-Guinean music to make an impact in Guinea-Bissau, Africa, for a new political environment.

Matt Leech, MBA ’94, was appointed as senior vice president and managing director for DP World’s Americas Region, a global marine terminal operator.

Steven H. Rosen ’92 is the managing partner and co-founder of Resilience Capital Partners, a private equity firm.

Marc Russo, MBA ’96, is vice president of Blue Shield of California’s Individual, Small Group, and Government Business Unit (ISGBU).

Koichi Takahara, MBA ’94, was appointed as non-executive director of Tata Teleservices (Maharashtra).

Joseph Valeri, MBA ’99, the original co-founder, is an innovator of the board of directors at Lucernex Technologies, an innovative developer of business intelligence software for real estate management and development.

Matthew Wolkofsky ’92 is national account executive at CareerBuilder. Matthew is also the president of MyClothingCalendar, an online clothing journal, and currently sits on the board of directors for the Embrace Kids Foundation, a non-profit organization that supports children with cancer, sickle cell disease and other blood disorders.

’00s

Amanda Buchanan, MBA ’08, was promoted to UK market manager at Mercer Limited Inc. in London.

Christian Dawson, MBA ’05, was promoted as chief operating officer at ServLnt, a pioneering provider of high-reliability, managed Web hosting for businesses worldwide.

Katherine DeCelles, PhD ’07, is an assistant professor of organizational behavior and human resources management at University of Toronto’s Rotman School of Management.

Rob Franson, MBA ’00, has joined Energy Investors Funds as a vice president in its Needham, Mass., office, where he is responsible for the management of portfolio investments.

Joshua Louis Levine, MBA ’04, is a vice president in bond sales at the Minneapolis investment bank Piper Jaffray.

Brynne Hayes Moore ’03 is senior director of development and marketing for the Life Crisis Center, the lead agency on domestic emergency assistance on the eastern shore of Maryland.

Nicole Newman, MBA ’00, is operations manager at Premiere Brand Marketing LLC. She created processes and systems to drive Premiere Brand from a small business to a big business. Nicole is also owner, CEO and president of Newman Networks, whose mission is to bring economic empowerment in the minority community.

Andrew Pilso ’04 is a CFA charterholder with Morgan Joseph & Co.

Ira Rothberg ’02 serves as co-portfolio manager of the FBR Focus Fund for FBR Fund Advisers Inc., mutual funds division at FBR Capital Markets Corp.

Jason T. Sanford ’02 is senior vice president and chief financial officer at Elmira Savings Bank.

Drew Schiff, MBA ’08, is a new vice president of business development and operations at Zadby Inc., an online marketplace that connects brand marketers with top online video producers for brand integration.

Jaimin Shah, MBA ’08, is an associate attorney at RatnerPrestia P.C. where he previously served as summer associate. He focuses his practice on patent procurement, IP strategy and risk management, and IP transactions.

Cheryl Staab ’02 is the founder of DogCentric Inc., which provides a dedicated dog walker and personalized service for clients in Montgomery County and northwest Washington.

Nathan Douglas Tibbits, MBA ’01, accepted a position with the Center’s Presidential Personnel as the special assistant to the president. He previously was chief operating officer at the Center for a New American Security.

Joshua W. Welle, MBA ’08, is a Navy surface warfare officer.

Alumni Spotlight

Joe Berry ’69
Joe Berry recently retired from his demanding job as owner of Pop’s Seafood restaurant in Landover Hills, Md., where the teenage help affectionately referred to him as “Crabby Joe.” Berry credits his success in part to a single lesson he learned during business school—the importance of running an ethically sound business.

“Professor Cook instilled values like fair pricing and the importance of treating customers and employees with respect,” says Berry. Berry’s life has been about much more than serving quality seafood. He is also a living example of community service. A man of great faith, he wakes up each morning with the personal mantra, “The more you give away, the more He gives you back.” His weekly volunteer activities read like a full-time job: Three days a week he delivers food to Food Link, an Annapolis-based non-profit responsible for delivering more than 1.7 million pounds of food in 2008 to people in need. He offers counseling to newly engaged couples with his wife, Fran, with whom he shares landscaping and gardening duties around his church. He enjoys any downtime by doting on his grandchildren with Fran, enjoying sunsets over the Chesapeake Bay and living the belief that “a rich man is one who doesn’t want anything.”

Lacey Brauer ’09
Lacey Brauer caught a lucky break on popular game show “Wheel of Fortune.” Brauer made it to the final round and ended up solving the puzzle, which read “Lucky Break.” She won $46,390 in cash and prizes, including an $8,000 trip to Grenada, during her appearance on the Oct. 26, 2009, episode. Brauer gave a shout-out to the University of Maryland while she was on the show. “As soon as the letters I’d guessed came up, I knew what the answer was,” says Brauer. “I was so excited, because so often you see the contestant get unlucky with the final puzzle. I hugged Pat Sajak! My dad and my friend ran onto the stage to help me celebrate. Sometimes I still can’t believe it!”

Brauer currently works in the ticket office for the Baltimore Ravens in the processing department. She says her main responsibilities include maintaining accounts, processing season ticket and event payments and distributing tickets. She bought her parents a new flat-screen HDTV with some of her winnings and says she plans on putting a down payment on her first house, which will be somewhere in Baltimore, sometime this spring.
Remembering Jack Ivancevich, MBA ’65, DBA ’68

John (Jack) Michael Ivancevich (1936-2009), one of Smith’s first two doctoral students, had a storied academic career, from star faculty to chaired professor to dean to provost and head of a major institution. He is remembered at the University of Maryland.

Ivancevich was born on Chicago’s South Side, in a neighborhood teeming with immigrants and the children of immigrants, and his vast extended clan placed a high value on education. Ivancevich received his BA from Purdue University, and after a stint in the Army (first lieutenant, 1961 to 1963) he came to Maryland to pursue a doctorate in business administration. Actually, his original intent was to get his MBA and then head out into the real world to earn a living for his young family. But then-department head Charles Taff convinced Ivancevich that teaching was his real strength, and Ivancevich never looked back.

Rudolph Lamone, professor emeritus of management science and former dean of the Smith School, was one of the young professors instrumental in getting the doctoral program started. He remembers Ivancevich as a focused, intense, dedicated student, often laboring away in his office on the fifth floor of Tydings Hall from early in the morning till late in the evening.

“Jack had a real love and respect for the academic life,” says Lamone. “He was a prolific writer and he had an extraordinary career.”

James Bedingfield, professor emeritus of accounting, and Burt Leete, professor emeritus of legal studies, who were contemporaries of Ivancevich in the doctoral program, remember how subsequent doctoral students benefited from Ivancevich’s dedication. To prepare for their comprehensive exams, the first ever given to doctoral students at the Smith School, Ivancevich and fellow Smith doctoral student James Donnelly (now Thomas C. Simons Professor of Business, University of Kentucky) prepared obsessively. Eventually they created a collection of study notes that, typewritten, stood in a pile some two feet high. This treasure trove of information was passed on to subsequent doctoral students, who used them to prepare for their own exams. Later, those notes were turned into the manuscript for a textbook—“Fundamentals of Management,” co-authored with Donnelly—that went on to sell more than a million copies and is now in its ninth printing.

Ivancevich was one of the nation’s most recognized scholars in the field of organizational behavior. He was a faculty member at the University of Kentucky from 1970 to 1974. Ivancevich then went to the University of Houston as a faculty member, served as associate dean for research from 1976 to 1979, the dean of the College of Business Administration from 1988 to 1995, and executive vice president for academic affairs and provost from 1995 to 1997.

But he is remembered at the Smith School for being a wonderful asset to the Smith community—for his genuine likeability, his passion for his work and his commitment to passing on knowledge to the next generation.

Ivancevich passed away in October 2009. He is survived by his wife of 37 years, Margaret (Pegi) Karsner Ivancevich; son Daniel Michael and wife Susan; daughter Jill Marie and husband David Zacha Jr.; grandchildren Kathryn Diane and Amanda Dana Ivancevich and Hunter David Michael, Hailey Dana and Hannah Marie Zacha; sisters Georgene McAulauhin and Donna Miles, brother Steven Ivancevich and their families.

YOUR CAREER

Interview-landing Résumé Rules

There is a major misconception about résumés: Your résumé does not get you a job. Your résumé gets you an interview. It is a teaser to entice people to call you for an interview. The interview is your opportunity to land the job. Consider this: You will not get an interview with a lousy résumé, and you will not get the job with a lousy interview. So how do you create a résumé that lands interviews? Here is a countdown of the four rules you should always follow:

RULE NO. 4) Stay positive and realistic

In 2008, the Bureau of Labor and Statistics found that it took candidates in management and professional occupations an average of five months to find a new position after becoming unemployed. In addition, the outplacement firm First Transitions approximates that a job hunt takes about one month for every $20,000 in earned annual income (in a previous position). So, remember to set realistic expectations and to give yourself a break if you have been job hunting for a while.

RULE NO. 3) Everyone has an opinion

If you ask 10 people about your résumé, you will get 10 different opinions. Learn from good sources, but remember you need to create a document that reflects you and of which you are proud. Only you can make the final decision about the content and look of your résumé.

RULE NO. 2) Remember your limits: space and time

You have limited time (how long someone will spend on your résumé) and limited space (how much you can fit on a page). When adding anything to the page, first consider your limits. Ask yourself: Does this new information tell the reader something different and important about me? What do I have to leave out to include this? Learn to ruthlessly edit.

RULE NO. 1) Think from the employer’s perspective

If you follow only one rule, let this be the one. Think about every word on your résumé from the perspective of the employer. The employer has a problem: his open position. Your goal is to be the solution. And you only can do this if you accurately represent your expertise in relation to the employer’s needs, rather than your wants. On average, recruiters spend less than a minute on an initial scan of a résumé. Make every word count. If you have a difficult time editing, remember that your résumé does not represent who you are as a person. It is a snapshot of your career. It is a tool to get you an interview.

What now?

For tips on how to apply the four resume rules, visit the new SmithConnector at www.smithconnector.com.

Alumni Career Services provides full-spectrum career coaching, workshops and career panels for Smith School alumni. For more information, contact Alumni Career Services at 301-405-1418 or alumnicareerservices@rhsmith.umd.edu.

You have a great résumé, what's next?

To turn your interview into a job offer, check out the tips on interview skills on SmithConnector at www.smithconnector.com.
**Campaign Profile**

**Ernst & Young Foundation**

**Your first weekend** in college is important. The Smith School set the tone for the next four years with two days of team-building, top-rate keynote speakers and seminars and real-life ethics training for the 350 freshmen in attendance at the Ernst & Young Freshman Fellows Orientation program. The program was funded with a $250,000 endowment from Ernst & Young, and was one of just five grants awarded in a highly competitive 2009 grant-making cycle.

The endowment is part of a larger program at Ernst & Young, which has a strong corporate focus on philanthropy, particularly in the area of education. The gift was part of its university fund initiative, designed to give Ernst & Young the opportunity to consider larger gifts to academic institutions, especially with schools like Maryland that are considered a recruiting priority.

Ernst & Young employs nearly 200 alumni in 25 offices across the region, and several of those alumni were part of the program. From performing in skits to putting on a “Dress for Success” fashion show, Ernst & Young’s Smith alumni created an engaging and enthusiastic learning experience.

While Ernst & Young appreciated the opportunity to interact with students at the beginning of their careers and build brand recognition among possible future recruits, Patricia Cleveland, associate dean of undergraduate programs, appreciated the high-level educational content of the weekend.

“Because of this partnership with Ernst & Young, we were able to create a rich learning environment while really building community among this large group,” says Cleveland. “The young alumni were such fabulous role models. Undergraduates find it hard to imagine what they’ll actually do in their professions, so it is encouraging for them to see where they might be in four years’ time.”

Cleveland also appreciated the energetic, enthusiastic participation of Ernst & Young staff, particularly Robert Myers, senior manager of the McLean, Va., assurance practice, and Anthony Calderazzi ’92, assurance partner. Both were involved in planning the weekend’s events and bringing in top speakers, such as Jeff Hoops, senior compliance officer, whose powerful and candid discussion of workplace ethics resonated with students long after the event was over.

Calderazzi, who majored in accounting at Smith, was excited about the practical nature of the program. “We brought our resources and talent together to support the school’s goal for orientation—to help students start preparing themselves to be business professionals,” says Calderazzi. “When I was in school no one talked about that till you were ready to go out the door and graduate.”

Myers recruits at Maryland for Ernst & Young. “We had a lot of fun planning this with the school, working with Dean Cleveland and her team and spending time with the students over the course of the weekend,” he says. “The entire program was terrific. It focused on a lot of the things we think students need in order to become successful—in order to become the kind of people Ernst & Young wants to hire in four years.”

Ernst & Young has been a key resource and partner with the Smith School over the course of a 30-year relationship. Their support of the school totals more than $1 million, including construction of an Ernst & Young classroom and the establishment of student scholarships.

The endowment for the Freshman Fellows Orientation program is a gift that will keep on giving many years into the future, creating a great first memory for Smith students and setting them on the road toward collegiate and career success. —RW
Here at the Smith School, we who worked on a frequent basis with Bob Smith are affected deeply by the news of his unexpected death on Dec. 29, 2009.

His passing is such a loss to us—not just because of his tireless advocacy on our behalf or his incredibly generous financial support. More than all those things, I will miss the way Bob challenged us to pursue ever greater, higher and better dreams.

The greatest of the gifts he gave us was his unwavering commitment to excellence. Bob was never content with the status quo; he was never satisfied with ‘good enough.’ Whenever new rankings were published, he would call me—eager to discuss our current standings and the standards by which we were judged. He always asked penetrating questions. And he always ended the conversation by saying, “I know that with you at the helm we are going to do even better.” Bob’s confidence in me was almost scary. I always felt like I had no choice but to succeed!

I believe the best way to honor the life and memory of this remarkable man is to become what he hoped for: a top-ranked school delivering excellent programs that have great impact on our students and the world around us.

Greater engagement is going to be one of our keys to greater impact. We are working on getting our thought leadership out where it can make an impact on business practices and government policy. Our new, practitioner-oriented centers will help us develop strong ties with leaders in the corporate community and in governmental and nonprofit agencies, solving problems and addressing urgent challenges in a relationship that is mutually beneficial to both the school and the organization.

We are also committed to lifelong learning for executives and our alumni. Our series of ThoughtLeadership@Smith breakfasts in the Washington-Baltimore metropolitan area give practitioners and policy makers a chance to hear top faculty deliver short presentations on their latest research. We plan to roll out new open enrollment programs through our executive education department. Our centers will begin offering more programs for executives through conferences and forums.

We’ve already made some progress as we move toward greater engagement and influence, but as Will Rogers said, “Even if you are on the right track, you’ll get run over if you just sit there.” So we’ve got to keep moving!

And for that I’ll need your help. Please take advantage of these new opportunities to engage with our faculty and our Centers of Excellence, and help us make connections with your organizations as well.

I also hope you’ll take the time to be engaged with each other, and with us. The Smith School’s influence is judged in part by the reach of our alumni, and your reach is multiplied a hundredfold when you work with other alumni—helping each other, hiring each other and widening your reach together. Visit SmithConnector today—right now!—and log in. Join your fellow alumni in creating greater opportunities for yourselves, for each other and for the Smith School.

There is still much to do in our pursuit of excellence, and we are committed to the task of sustaining Bob Smith’s vision and becoming one of the best business schools in the world. We are honored to be part of his legacy—a legacy that is reflected in each and every alum. He had an unwavering belief in the potential of his fellow alum to do what he himself had done: pursue their careers with integrity; succeed beyond their wildest dreams; and go on to give back in ways that would make the world a better place forever.

G. ANANDALINGAM, DEAN
1928-2009
Remembering
ROBERT H. SMITH ’50
The Washington Post described him as a “visionary builder-developer” who “transformed more than just the local landscape.” Mr. Smith gave away hundreds of millions of dollars to support education, health care and the arts; beautify and preserve important historic sites; and assure the continuity of Judaism. He is also the University of Maryland’s single greatest benefactor. “Bob Smith is the greatest philanthropic supporter of public education in the history of the state of Maryland,” University of Maryland President C.D. Mote, Jr. has said.

Mr. Smith is survived by Clarice, his wife of 57 years; two children, Michelle and David; four grandchildren, and sister Arlene Kogod.

MEET BOB SMITH
Robert Hilton Smith was born July 21, 1928, in Brooklyn, N.Y. His family moved to Washington in 1942, and he graduated from Anacostia High School in 1946, the same year his father formed the Charles E. Smith Construction Co. He joined the firm after graduating from the University of Maryland in 1950.

As the child of hardworking Russian immigrants, Mr. Smith grew up with big dreams. Mr. Smith took over his father’s business in 1967 and ran the company for more than three decades with his brother-in-law, Robert P. Kogod. They transformed the family-owned construction firm into a multifaceted real estate empire, building office complexes and apartment houses and eventually becoming Washington’s largest commercial real estate landlords.

Among his successful ventures as a builder-developer is the vast and sprawling Crystal City complex in Arlington, Va. When Mr. Smith first surveyed the area in 1961, it was a dilapidated, somewhat desolate neighborhood far removed from the District’s corridors of power. But Mr. Smith had the gift: He could see great potential where others saw only a bare piece of ground. It was a gift that would serve him well in both his career and his philanthropic pursuits.

SETTING A COURSE FOR THE FUTURE
He also had a knack for making smart choices. By the time he was 15 or 16 years old, Mr. Smith knew he wanted to be a builder-developer. So he enrolled in the university’s School of Engineering, thinking that would be the best preparation for his future career. A mechanical drawing course soon proved that his gifts and talents lay elsewhere. He did have an aptitude for accounting and finance, though, so he transferred to the business school. “I figured a background in business would serve me well, and I could always hire engineers,” he said.

Mr. Smith’s stratospheric success gave him the wherewithal to hire many engineers. That success also allowed him to make significant investments in art and music, education, health care, Jewish cultural organizations and important monuments of our nation’s history. Mr. Smith took his philanthropy seriously, concentrating on giving the transformational gift—the one that would enable the recipient organization to move to the next level, achieve the next big goal, create the next big idea. He was an important supporter of institutions such as George Washington’s Mount Vernon Estate and Gardens; Hebrew University.

In 2009, Smith received the National Humanities Medal from President George W. Bush in recognition of his philanthropic efforts in the Washington, D.C., region and around the world.

You make a living by what you get; you make a life by what you give.
of Jerusalem, Robert H. Smith School of Agriculture; the Mayo Clinic; the National Gallery of Art; the Newseum; the University of Maryland’s Clarice Smith Performing Arts Center; the Wilmer Eye Institute at Johns Hopkins; Thomas Jefferson’s Monticello; the New York Historical Society; and many more.

And at the Smith School, his naming gift in 1997—and his continued influence and involvement—helped set our course for years to come. Mr. Smith invested in the school in ways that helped build our capacity to deliver excellent programs, and he always challenged us to consider how those programs supported the school’s mission and aspirations. He served as a springboard for new projects and helped inspire his fellow alumni and friends to draw alongside him in support of the school’s mission.

When Mr. Smith committed to a project he was keenly interested in every detail—particularly ones that would enhance the student experience. He wanted to know about the finishes for the interiors, the kinds of trees in the landscape, the particulars of the coursework. Nothing but the best would do. He wanted everything he was involved in to be the highest quality possible—as excellent as it was possible to be.

This wasn’t a self-centered or self-aggrandizing interest. Mr. Smith was convinced that his funds, invested wisely, could make the world a better place. He wanted to invest in ways that would challenge and inspire the institutions he partnered with to be the best they could be.

“I am a firm believer that life is a two-way street,” he told Smith Business magazine in 2004. “Giving back to institutions you believe in is part of that philosophy. You don’t have to give millions of dollars. The important point is to participate at the level you are comfortable with. Financial success is not a destination; it is only part of the journey, enabling you to reach your ultimate fulfillment, and that is to give something back to help make a difference.”

PURSUING THE DREAM

“It isn’t a calamity to die with dreams unfulfilled, but it is a calamity not to dream. When you cease to dream, you cease to live.”

That was one of Mr. Smith’s favorite quotes; anyone who spent time with him heard it. If Bob Smith died with a dream unfulfilled, it might have been this one: to see the school that bears his name, the school in which he had invested so much hope for the future, achieve global recognition in the highest ranks of business schools.

The Smith School has enjoyed enormous momentum over the past few years. Mr. Smith’s support of faculty appointments allowed us to bring in some of the best scholars in the world in every academic area. His support of scholarships allowed us to attract and keep high-potential students regardless of their financial situation. His support for our facilities allows us to provide our students with the most beautiful, up-to-date learning environment on campus. His support of our programs allows us to challenge students with a rigorous, relevant education.

There is still much to do in our pursuit of excellence, and we are...
committed to the task of sustaining his vision and becoming one of the best business schools in the world. We are honored to be part of his legacy—a legacy that is reflected in each and every student. He had an unwavering belief in the potential of Smith School students to do what he himself had done: pursue their careers with integrity; succeed beyond their wildest dreams; and go on to give back in ways that would make the world a better place forever.

You may have never met Bob Smith, but he also had a dream and a charge for you, his fellow alumni. In his commencement address to the graduating class of 2008, Mr. Smith said, “It is everyone’s duty to be useful and fulfilled. It is your privilege as a human being to identify with causes beyond yourself, to contribute to your community and make a difference to the world around you. The world today is very different from the day I graduated from this school, and it is changing almost too swiftly to comprehend. It is vital that you become involved, that you take an active part in shaping the world which you are going to inherit from my generation.”

“I’ve taken the opportunity to be involved with this school because it is my dream that each student who graduates from it will be an ambitious dreamer, a courageous risk-taker, and a principled, ethical leader, who will work to make this world a better place,” Mr. Smith said to the graduates of 2008. “It is a great honor and a privilege for me to have my name associated with yours, as you go out into the world to pursue your dreams.”

It is a great honor for us, the Smith School, to carry his name into the future.

Memorable words FROM ROBERT H. SMITH

Bob Smith loved wise words and proverbs of every kind, and he loved to pass them on. Here are a few of his favorites—ones we heard him quote often.

☞ You may be disappointed if you try something and it doesn’t succeed. But you are doomed if you don’t try.

☞ One of the greatest mistakes you can make in life is to be continually afraid you will make one.

☞ Success isn’t permanent, and failure isn’t fatal.

☞ The measure of success is not whether you have a tough problem to deal with, but whether it’s the same problem you had last year.

☞ The tragedy of life doesn’t lie in not reaching your goal. The tragedy lies in having no goal to reach.

☞ High expectations are the key to everything.

☞ Being defeated is often a temporary condition. Giving up is what makes it permanent.

☞ God gave us the gift of life. Our gift to God is how we live it.
CONSIDER MAKING A GIFT TO THE ROBERT H. SMITH SCHOOL OF BUSINESS THAT HELPS THE SCHOOL, YOU AND YOUR HEIRS. HERE ARE SOME OPTIONS.

**LIVING TRUST**
Name the Smith School of Business as a beneficiary of assets in a living trust
*Your Benefit:* Control of trust for lifetime; possible estate tax savings

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

**RETIREMENT PLAN GIFT**
Name the Smith School of Business as beneficiary of the remainder of the assets after your lifetime
*Your Benefit:* Avoidance of heavily taxed gift to heirs, allowing less costly gifts

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

FOR MORE INFORMATION ON THE VARIOUS WAYS TO MAKE A GIFT TO THE SMITH SCHOOL OF BUSINESS, GO TO WWW.RHSMITH.UMD.EDU/GIVE OR CONTACT:

Kelly Brown  
Assistant Dean for External Relations  
301-405-1786

Elizabeth Mitchell  
Director of Development  
301-405-8141
WE'VE GOT YOUR NUMBER.

P13 P12 **********AUTO**3-DIGIT 070
0123456789
John Doe
123 Main Street
Anywhere, USA 00111

AND NOW, SO DO YOU.

CHECK OUT THE ADDRESS PANEL ON THIS ISSUE OF SMITH BUSINESS MAGAZINE. IT'S WHERE YOU'LL FIND YOUR OFFICIAL TEN-DIGIT SMITHCONNECTOR ID—YOUR TICKET TO ALL THE EXCLUSIVE CONTENT AVAILABLE ON SMITHCONNECTOR. READ MORE ABOUT IT INSIDE THE MAGAZINE. AND PLEASE KEEP THIS ISSUE OF SMITH BUSINESS MAGAZINE, SO YOU CAN FIND YOUR ID AND LOG IN TO SMITHCONNECTOR.COM!

UNSTOPPABLE STARTS HERE