Just a few months ago, Eastman Kodak—the company whose brand was synonymous with taking pictures for more than a hundred years—declared bankruptcy. The photography pioneer invented digital cameras but failed to leverage its own innovation. My colleague Hank Lucas, in his new book “Surviving Disruptive Technologies,” takes an in-depth look at the challenges faced by Kodak and other companies in this issue of Research@Smith.

Kodak is by no means the only company with a very strong brand and dominance in its industry to fall victim to the disruptions caused by technology innovation. Think of Blockbuster, done in by Netflix; or Netflix, which is now struggling to adapt its own business model in a post-DVD world. Teaching leaders and future leaders how to deal with emerging technologies is a true challenge for business schools. Emerging technologies represent both a threat and an opportunity for businesses, and it takes a great deal of courage to contemplate changing your business model, especially in the face of inertia or hostility from within the ranks of company management.

That kind of courage can’t always be taught, but it can be learned—often from a mentor or by hearing the experiences of others. That’s one of the reasons why we work so hard to bring CEOs and business leaders into our classrooms, to give both students and faculty the benefit of your real-life experiences and insights.

We are eager to hear your perspective. I hope you will connect directly with me or Elizabeth Rowan, our assistant director of corporate relations, to learn more.

G. “Anand” Anandalingam
Dean, Robert H. Smith School of Business
University of Maryland
Managing the Message  
Research by Rhonda Reger and Debra Shapiro  
Firms can influence media coverage after wrongdoing by carefully choosing the type of information released to the press.

Item-Based Loyalty Programs  
Research by Jie Zhang  
Customers are more responsive to reward point programs than to price discounts of the same monetary value.

New Book: Surviving Disruptive Technologies  
Research by Hank Lucas  
Companies succeed or fail based on how they handle emerging technologies.

Experts Speak on Women’s Leadership Savvy  
Research Briefs  
Smith Expert Commentary  
Tips from Surviving Disruptive Technologies

Executive Profile: Sandra Brummitt, Director of Investor Relations, Constellation Energy
British energy giant BP spent $93 million dollars on advertising in the quarter following its massive Gulf Coast oil spill to try to protect its corporate image, respond to consumer demand for transparency and show that it was actively managing the crisis. Managing negative media coverage after a firm has been responsible for wrongdoing is a tricky issue for any firm. Worse, negative media coverage of one firm’s wrongdoing can spill over to its competitors in the same industry—even if they are completely innocent. How can firms influence media coverage to change consumer perceptions in times of wrongdoing, or protect themselves from a negative view of their industry?

The way a firm responds after wrongdoing has a significant effect on how it is perceived, according to research from Rhonda Reger, associate professor of management and organization; Debra L. Shapiro, Clarice Smith Professor of Management; Anastasiya Zavyalova, a Smith School doctoral candidate; and Michael D. Pfarrer, Smith PhD ’07, University of Georgia.

The authors examined media coverage of U.S. public toy firms in each quarter over a 10-year period, and more than 5,500 press releases generated by the firms during that time. Almost half of the firms they surveyed conducted a toy recall, for a total of 56 million toys associated with thousands of reported injuries or incidents, during the study period. Those recalls were indications of a firm’s “wrongdoing,” defined as firm behaviors that placed stakeholders at risk or violated consumer expectations for standards of conduct.

As one might expect, the authors found that the worse a firm’s wrongdoing, the more negative the media coverage it received. But whenever any toy firm conducted a recall, other toy firms often suffered from a negative media backlash against the entire industry, making every firm guilty by association. In the case of toy recalls, media reports often did not name the companies involved, using general phrases like “children’s product recalls.”

After a toy recall, firms in the industry released information to the press that was either technical or ceremonial in nature. Technical information deals with the specific actions a firm takes to address wrongdoing, while ceremonial information deals with actions the firm takes to create or highlight positive differentiators.

Technical press releases were effective for improving the tenor of media coverage about the firm that was conducting the recall of defective toys.

“If you’re the perpetrator, it’s better to put out a substantive press release. The media likes to see that you are addressing the problem,” says Reger. “Say that you fired the production manager, or increased standards for quality in manufacturing.” Technical press releases detailed changes in production management, improvements in manufacturing,
compensation for defective products, and cooperation with regulatory agencies investigating the recalls.

Firms that aren’t guilty of wrongdoing should be careful to avoid a technical-type press release, the authors warn, as it can draw unwanted media scrutiny. Detailing the ways in which its toys were not defective actually worked against a firm.

Rather, when a firm’s brand had been tarnished by a competitor’s recall, it was more effective to release information designed to take attention away from the wrongdoing—to point out the ways in which the firm is different from others in the industry. These ceremonial press releases included information about firm initiatives such as starting a foundation, engaging in a charity function, or hiring a celebrity to promote products. Those kinds of actions were effective because they divert attention from the negative coverage surrounding the industry in general.

However, recalling products during a period when other firms were also conducting recalls resulted in media coverage that was somewhat less negative for individual firms. That indicates that there may be “safety in numbers.” It is less damaging to be engaged in recalls when other firms are doing the same.

Bad publicity has been elevated to a C-suite issue because it can affect earnings, stock prices, even the organization’s future.

“The ‘guilt-by-association’ dynamic found in our study suggests that the image of many firms in an industry benefit whether they—or their competitors—receive positive media coverage,” says Shapiro. “As such, firms help each other, not just themselves, when media portrays them positively. On the other hand, mudslinging hurts everyone, not only the thrower.”

This is an early area of study within strategic management, says Reger, but it is becoming more important. “There is something of a crisis of confidence right now concerning our institutions, corporations and government,” says Reger. “Bad publicity has been elevated to a C-suite issue because it can affect earnings, stock prices, even the organization’s future.”

In an attempt to attract and retain loyal customers, more and more retailers are offering loyalty programs, and marketing researchers continue to study their effectiveness.

Jie Zhang, associate professor of marketing and the Harvey Sanders Fellow of Retail Management, and co-author Els Breugelmans, assistant professor of marketing at the Lessius University College in Belgium, looked at a new kind of loyalty program introduced by a European online grocer. Previously, the retailer had a conventional loyalty program in place, where members received reward points based on their total spending at the store and could earn merchandise credit once the reward points reached a certain threshold. Under the new program which was implemented in 2005, instead of offering traditional price discounts on specific items, the retailer offered customers reward points, which needed to be accumulated and redeemed later. For example, rather than receiving 20 cents off for a container of yogurt, a shopper might receive 20 bonus reward points for purchasing the yogurt. This new program was called an item-based loyalty program.

Zhang and Breugelmans wanted to find out how the new item-based loyalty program impacted consumers’ purchase behavior and the grocer’s sales revenue. They culled through purchasing data from the online retailer’s customers and utilized advanced statistical models to tease apart the puzzle.

The researchers found that the new program paid off for the grocer. It attracted new shoppers to the store and increased the grocer’s customer retention. It also raised shoppers’ responsiveness to promotions, now in the form of reward points, compared with price discounts of the same monetary value. Overall, the new program boosted the grocer’s total revenue by nearly 4 percent, a significant increase in a retail sector with razor-thin margins. But the new program had the surprising effect of alienating some existing customers who had been enrolled in the previous store-spending-based loyalty program where they could get conventional price discounts.

“I actually thought the current members would have reacted more positively—turns out it’s the other way around,” Zhang said.

The negative reactions by many existing loyalty program members were mainly due to the drop in promotion activities in the store after switching to the new program. In the grocery retailing industry, most promotions are subsidized by national brand manufacturers. The retailer may have had trouble convincing some manufacturers to support the new program, and the number of promotions in the store decreased by about 20 percent. This didn’t sit well with some shoppers who had been members of the grocer’s previous loyalty program. They took their grocery dollars elsewhere, decreasing spending by more than 7.5 percent. “A key takeaway of this
study,” Zhang said, “is that increased promotion responsiveness resulting from the new program is a double-edged sword. A retailer will lose sales if customers become more eager to get discount deals yet the store drops its promotional offerings.”

Even with the loss of some previously loyal customers, the retailer still had non-trivial revenue gains. The researchers saw the potential for even greater revenue gains if the retailer could offer the same level of promotions it had under the old system. They ran the numbers based on this scenario and figured the store would have gained more than 6 percent in revenue.

“Our results offer a nuanced picture of the impact of this new loyalty program. Retailers have the potential to gain big, but they have to convince manufacturers to support them in order to maintain their levels of promotion activities,” Zhang said.

Right now, Zhang says most U.S. supermarket retailers don’t offer much incentive for customer loyalty yet. Cherry-picking consumers simply shop around to get better deals. But, she says as retailers become more sophisticated with their loyalty program designs, such as using the program they studied here, consumers stand to win by being loyal to a particular retailer.

“If more retailers implement this kind of program, eliminating temporary price discounts and offer promotion points to accumulate and redeem later, it would pay off to be a loyal shopper to one retailer rather than spreading your spending across several stores,” Zhang said.

“The Impact of an Item-Based Loyalty Programs on Consumer Purchase Behavior,” was published in the February 2012 issue of the Journal of Marketing Research.
Innovators applying information technology did not set out to bankrupt Blockbuster and Borders, destroy Kodak’s film business, demolish the market share of the New York Stock Exchange, or sink the U.S. Postal Service, but all of these things have happened. This passage opens Smith School Professor Hank Lucas’ forthcoming book: *The Search For Survival: Lessons from Disruptive Technologies.*

While innovation has disrupted dominant systems through history, the fall of Blockbuster and Borders illustrates the more recent effect of information technology, which has turned innovation into a powerful disruptive force.

Henry C. Lucas, Smith Professor of Information Systems, addresses how and why this phenomenon threatens the survival of many companies today. His new book presents a model of survival to guide managers in responding to potentially disruptive technologies. It presents numerous examples of firms that have not been able to respond successfully to innovators that have disrupted their businesses.

A company’s survival depends on an early move to either adopt an entirely new business model or morph the existing model to take advantage of the disruptive innovation. The latter option, said Lucas, is more feasible and has been the approach of the early survivors.

Kodak is a highly visible example—disrupted by the commercialization of digital photography—it has faltered and recently filed for bankruptcy under such pressure. Lucas devoted a chapter to the latter in his latest book. “I’ve followed Kodak for five to six years, studying their annual reports and collecting analyst stories about the company,” he said. In the process, he collaborated with Maryland Public Television for a 2008 documentary, *The Transformation Age,* which aired on about 200 public television channels.

For the new project, Lucas studied companies and industries that are having trouble responding to disruptive technologies along with survivors like Apple and Verizon. He addresses looming disruption in such areas as cloud computing, PC tablet production, television and movies (with the advance of online video content via Hulu, YouTube and Facebook) and the GPS industry where cell/smart phone manufacturers have found it inexpensive to include GPS capabilities. With consumers starting to abandon the fixed GPS devices, sales are dropping for the likes of Magellan, TomTom and Garmin.

Such industry players could learn well from IBM and Kodak—both initially hampered by insular cultures and resistance to change. “The stakeholders assumed their firms’ longstanding success made them unsinkable,” Lucas said.

**Surviving disruptive technologies**

Companies must make an early move to either adopt a new business model, or morph the existing model to take advantage of the disruptive innovation.
Kodak stayed loyal too long to its outmoded business model. With 100-plus years of success, a market share that at times exceeded 90 percent and a rigid bureaucratic structure, the company wanted to protect its cash cow film business as long as possible, Lucas said. But the market flood of digital cameras, combined with the Internet, changed how consumers capture and share images. Kodak’s slow response to this disruptive technology cost it dearly. The workforce shrank from 145,000 in the 1980s to around 19,000 at the time of its January 2012 bankruptcy filing.

IBM perhaps unwittingly saved itself by turning to an industry outsider, Lou Gerstner. Previously head of RJR Nabisco, Gerstner took command in 1993, as IBM’s board of directors was contemplating a plan to carve up the financially struggling firm into five smaller companies. “Unfettered with no history inside the company or technology-industry experience, Gerstner looked at the plan and said ‘I am a lifelong IBM customer and do not want to deal with five IBMs,’” Lucas said. “So he developed a strategy based on providing a one-stop solution, recognizing that customers didn’t care whether they have an IBM problem or an AT&T problem. They simply want business solutions. Now the company profits more from services and consulting than from its software and hardware divisions.”

Ultimately, executing the change takes extraordinary courage. It may mean changing the company power structure and taking stakeholders from a comfort zone into unchartered territory, said Lucas. “These are very difficult, but necessary, decisions.”

A company’s survival depends on an early move to either adopt an entirely new business model or morph the existing model to take advantage of the disruptive innovation.

Published by Praeger, The Search For Survival: Lessons from Disruptive Technologies will be available from booksellers in June.
The question of whether more women belong in corporate boardrooms is no longer a gender equity issue. It's an economic growth strategy.

This was a repeated theme at the “Women as Entrepreneurs, Consumers and Agents of Change” forum, hosted April 13 by the Robert H. Smith School of Business at the Ronald Reagan International Trade Center in Washington, D.C.

Experts representing academia, government and business discussed the way women are thriving in public and private sector leadership roles, including those who have capitalized on microfinance and governmental reforms designed to spur developing economies.

Participants also discussed whether women have sufficient access to leadership roles in U.S. companies and other established economies.

Keynote speaker and former Hewlett Packard CEO Carly Fiorina, MBA ’80, epitomized the theme and conversation. She recounted witnessing entrepreneurial success by women in underdeveloped economies and her climb from small company secretary to the first female CEO of a Fortune 20 company. Before leading HP from 1999 to 2005, she leveraged her Smith degree and other educational and professional experience to almost 20 years of advancing through various leadership roles with AT&T and Lucent Technologies. More recently, as chairman and CEO of Carly Fiorina Enterprises, she has been a best-selling author, sought-after speaker, business commentator and strategic adviser.

In India, women are increasingly taking on leadership roles and improving their communities because electoral quotas require females to occupy 40 percent of village council seats, according to a recent study led by Harvard public policy professor Rohini Pande, who detailed the findings as opening speaker.

India also is recognized as the late 1970s birthplace of modern-day village banking by which heads of households—predominately women—in developing economies administer small loans to prospective entrepreneurs in their communities from funds seeded by institutions such as the Foundation for International Community Assistance (FINCA).

FINCA President and CEO Rupert Scofield said this form of microfinancing has increasingly helped women thrive as entrepreneurs around the globe, especially in sub-Saharan Africa. He gave an example of a Tanzania woman borrowing $1,500 to open a bakery in 2004 with two employees. Now, she produces 10,000 loaves of bread daily with 60 employees and has subsequently opened a market for local suppliers to her business.

Fiorina said she foresaw such a phenomenon as a 14-year-old in Ghana, where she and her family resided briefly.

“The women were incredible multi-taskers,” she said. “They literally carried babies on their backs and water on their heads, and at the market they stood behind the stalls and bargained furiously to make money for their families—they were the commercial...
underpinning of their communities. They did it all. It made a huge impression on me.”

Such opportunity has not reached all regions, especially Asia Pacific. The U.N. recently reported that region’s GDP is shortchanged by $43 to 47 million yearly due to a lack of participation by women, said Wendy Yu, representing the State Department’s Global Women’s Issues Office. In response, the State Department convened a summit in 2011, resulting in 21 Asian Pacific economic ministers signing a pact—the San Francisco Declaration—to promote women’s access to markets, capital, capacity and skill-building, and leadership.

**LEADERSHIP IN CORPORATE BOARDROOMS**

Such optimism and success in developing economies should translate to the boardrooms of corporate America where women remain underrepresented, said Dan Konigsburg, managing director and global leader for Deloitte’s Global Center for Corporate Governance.

He said women on corporate boards range from 3 percent in Italy to approaching 40 percent in Holland, where a recent legislated quota calls for that percentage of representation by both genders. But “disappointingly,” women are absent from 40 percent of the world’s largest publicly listed companies, and their representation (about 16 percent of Fortune 500 board seats according to GovernanceMetrics International) in U.S. company boardrooms has essentially stagnated over the past several years.

While quotas are providing women access to power in some developing and more socialist societies, the formula appears less likely applicable in the United States.

However, Yu said women are forging ahead as U.S. business leaders, apart from the corporate boardroom. “According to the Guardian Life Small Business Research Institute, future U.S. job growth will increase primarily from women-owned small businesses, and by 2018, women entrepreneurs will create up to 5.5 million new jobs.”

World Bank representatives Rita Ramalho and Mary Hallward-Driemeier; USAID Microenterprise Development Director Shari Berenbach; Dolly Oberoi, CEO of C² Technologies, Inc.; Smith MBA graduate Hayian Wang (‘95), founder and managing partner of the China India Institute; Pete Freeman, a Peace Corps volunteer recently returned from Senegal; and Ximena de Sanchez de Lozada, former First Lady of Bolivia, also spoke at the event.

“Each participant can take new insight and contribute in some way to furthering this recent emergence of women leading social and economic growth,” said forum organizer Kislaya Prasad, research professor and director of the Smith Center for International Business Education and Research (CIBER). “The effectiveness of India’s electoral quotas and the entrepreneurial savvy of women capitalizing on microfinance loans should be signaling to leaders in developed economies the potential for greater prosperity by having more women in leadership positions.”

The event, the annual Emerging Markets Forum, is presented by CIBER and the Center for Social Value Creation. Review highlights from the 2011 forum.
Which IT investments benefit the bottom line

Investment in IT has more of an impact on firm profitability than either advertising or research and development, according to a study by Sunil Mithas, assistant professor of decision, operations and information technology. The study uses proprietary, archival data from more than 400 global firms collected over six years. “IT investments” include all hardware, software, personnel, training, disaster recovery, facilities, and costs associated with supporting the IT environment, from servers and desktop machines to help desk staff.

IT investments to support sales growth— customized offerings, new marketing channels to promote awareness of the company’s products and services, improvements in the way firms manage customer lifecycles—had a big positive impact on a firm’s bottom line.

The pathways leading to profitability aren’t always compatible, so knowing the impact of an IT investment can help managers make savvy choices among discretionary expenditures. “This is a question of interest to many in the business world—what really affects firm profitability?” says Mithas. “We can now be sure that IT does impact firm profitability, and our findings suggest that its effect is greater than that of R&D or advertising.”

Information Technology and Firm Profitability: Mechanisms and Empirical Evidence” was published the March 2012 MIS Quarterly.

Facebook creates jobs

The proliferation of Facebook and mobile technology applications has spawned an entirely new industry—dubbed the “App Economy”—that added at least 182,000 new jobs to the U.S. economy in 2011. Il-Horn Hann and Siva Viswanathan, co-directors of the Center for Digital Innovation, Technology and Strategy and associate professors of information systems, measured the number of people employed to build, develop and consult on Facebook applications using data provided by Facebook.

The App Economy has also led to job creation at businesses that supply app developers, and in sectors that reap the benefits of increased household spending by app developers and suppliers from new app economy jobs. Hann and Viswanathan conducted an economic impact analysis to estimate that between 129,000 to more than 182,000 people are employed in jobs supported by the app economy.

The researchers calculated the sum of wages and benefits earned by those employed in and supported by the app economy total between $12.19 billion to $15.71 billion.

“Our findings confirm that social media platforms have created a thriving new industry,” said Hann. “As Facebook and other platforms grow, we will continue to see job growth and the ripple effects of these advances in the U.S. economy.”

The results of the study are published in a white paper available on the center’s website, www.rsmith.umd.edu/digits.

Identifying difficult employees

Cynthia Kay Stevens, associate professor of management and organization at the Smith School, studied “difficult colleagues” and their behaviors in the workplace. Difficult employees create inefficiencies when others have to pick up their slack, create work-arounds, or become distracted by the situation. Performance declines can lead to lost revenue for the organization, damaged client relations and employee turnover. So what’s the difference between a colleague who is simply irritating and one who is truly difficult? Signs to watch for include intimidation, sarcasm or personal attacks; poor communication style; micromanaging on the one hand or inadequate oversight on the other; emotional displays; unethical behaviors; and of course sub-par work quality.

For managers dealing with “difficult” employees, Stevens recommended meeting with team members to fully understand the level of the problem and document the consequences of the difficult co-worker’s behavior. That information can be used to confront the difficult person with constructive advice and solutions for improvement, and to set goals for which the employee can be held accountable.

This research is from a working paper delivered at the 2011 Academy of Management Conference.

Your cellphone makes you selfish

Using a cell phone—even thinking about using a cell phone—makes you more selfish, according to a series of studies from Rosallina Ferraro and Anastasiya Pocheptsova, both assistant professors of marketing.

In the experiments, some participants used their cellphones for a few minutes and others used a toy, and then asked how much they would have to be paid to participate in a second study. In another study, participants used their cell phones or Facebook for three minutes, and were then told that a local charity was looking for help and asked if they would be willing to volunteer. In both studies, those who used their cell phones were more self-focused and less likely to offer their time to help others.

This self-centered point of view held true even when participants were merely asked to draw a picture of their cellphones and think about how they used them.

“Cellphones seem to function as a part of you, as an extension of yourself,” says Ferraro. “In many ways it’s like a physical extension as well as a psychological extension of who you are, more so than Facebook or other programs you might use.”

This research is from a working paper.
Gerard Hoberg, associate professor of finance, on the Facebook IPO:

“Facebook will dramatically change its access to capital markets, and in other ways, its public perception. Publicly traded firms can issue equity to fund new investment, or to fund acquisitions. It can also use its own stock as a way to buy other firms that it may wish to merge with. These issues increase its flexibility, and allow it to be more agile in its market. On perception, you will have many institutional and retail investors reading its financials, and making investments. This will increase the publicity received by the firm, and perhaps also public confidence in the strength of its business model. In turn, this may help to secure its market share.”

Ethan Cohen-Cole, assistant professor of finance, on the recent $26 billion Foreclosure Abuse Settlement:

Cohen-Cole says the agreement is unlikely to have any impact on the housing market in the short run. “The agreement allows banks to dispense with considerable legal risk in exchange for a relatively small sum — ‘small’ in the sense that there is about $700 billion in underwater equity right now.” He also sees no deterrent effect. “The payments are not punitive,” he said. “(The payments) are largely structured to ensure that the banks can pay them without significant harm. This provides some short-term, minor relief to some homeowners without the specter of undercapitalized banks.”

Joseph Bailey, research associate professor, on Maryland’s Proposed Digital Goods Sales Tax:

If Maryland Gov. Martin O’Malley convinces lawmakers to pass his proposed digital goods sales tax in the 2013 fiscal year budget, the policy would be difficult to execute. State officials estimate the new tax would yield about $26 million, but Bailey said the projection is probably too high. “There would be a lot of noncompliance, not from nefarious intentions, but more from a lack of awareness and understanding of the policies,” he said. “For example, if I, as a Maryland resident, purchase a download while traveling through California, how does the (national) seller count that transaction, when the packets do not travel through Maryland? The fundamental question would be ‘What is the technology that enables this and how do we count and measure these numbers?’” About 25 states have recently enacted or are considering similar policy. “I wouldn’t look to any of the states that have put in these policies as having success,” he said. “Even the small successes have yet to be played out in terms of enforcement and the impact it’s going to have in terms of competition.”

Curt Grimm, Dean’s Professor of Supply Chain and Strategy, on Insourcing vs. Outsourcing Jobs:

The Obama Administration’s recent “Insourcing American Jobs” forum brought together business leaders who have shifted employment back to the United States. The president had promoted the event as a means to discuss ways business leaders can return more jobs to the country. “With about 13 million people unemployed, companies have a deep labor pool they can tap,” Grimm recently told a reporter for Dow Jones Newswires. “And with high fuel prices and increasing wages in China and India, the cost advantages for outsourcing are thinning.”

TIPS FROM The Search for Survival

Looking to take advantage of disruptive innovations? Here are five tips from Professor Hank Lucas’ forthcoming book to help your organization do just that.

- Understand your business. Kodak thought it was in the business of “taking pictures” rather than “capturing and sharing images.”
- Prioritize assessing future technologies, even if it means going outside to a consultant.
- When facing technology disruption, look to establish a new market position. Quickly abandon an existing business model whose days are numbered and move on.
- Determine whether you have the resources and expertise to deal with the disruption in-house. Explore options for merging with a new venture if it threatens your business.
- Beware of internal resistance to change and strategize to proactively overcome it.
Some children dream of being astronauts or firefighters or rock stars. Sandra Brummitt, director of investor relations for Constellation Energy, always knew she wanted to be an accountant. But the executive MBA program at the Smith School helped Sandra take her skills in a new direction and pursue some career-stretching opportunities.

Brummitt joined Constellation Energy in 2001 in a tax role, building on her early career doing public accounting in California and then in Baltimore, Md., for KPMG. She found the energy sector fascinating and enjoyed her role as director of tax planning for Constellation.

But Brummitt also hoped to grow into a broader leadership role within the company. “When I joined the new energy group I knew I wanted to get an advanced degree because I wanted to be part of the leadership team,” says Brummitt. She originally considered pursuing a masters of taxation, but with three children, two stepchildren and a full-time job, scheduling class time was a concern.

Brummitt heard about the Smith School’s Executive MBA from her boss, who suggested that the every-other-weekend class schedule might fit Brummitt’s life, and that the MBA curriculum would help her career development goals.

“The Smith School’s EMBA allowed me to continue my career progression within the company. I didn’t have to choose between career and education. I didn’t want to take a step back in my career to pursue a degree,” says Brummitt. “And my leadership felt like they could commit to me being out of the office on Friday and Saturday.”

Six months into the EMBA program, Brummitt says she was thinking more broadly about the issues her company and industry were facing, but discovered that “there was so much more I needed to know to run an organization.” Brummitt told her boss that she was interested in pursuing opportunities outside the tax realm to widen her experience, and she transitioned to a role in investor relations in early 2011, just before Constellation Energy merged with Exxon Mobil. Brummitt was able to work on the organizational restructuring process with leadership from both Constellation and Exxon.

She served as the finance integration lead, preparing for the close of merger process. “It allowed me to leverage so many of the things I’d learned as I was learning them,” says Brummitt. “And it was amazing to have a front-row seat and get a birds-eye view of what was happening at the company during such an exciting time.”

Brummitt continues to leverage her EMBA skills at Constellation — and while she still loves taxation, she’s delighted to be able to have a broader impact on her company.

“The Smith School’s EMBA allowed me to continue my career progression within the company. I didn’t have to choose between career and education.”

—Sandra Brummitt
UNIVERSITY OF MARYLAND
The University of Maryland, College Park, is one of the nation’s top 20 public research universities. In 2007, the University of Maryland received approximately $407 million in sponsored research and outreach activities. The university is located on a 1,250-acre suburban campus, eight miles outside Washington, D.C., and 35 miles from Baltimore.

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