

W.P. Carey

SCHOOL OF BUSINESS
ARIZONA STATE UNIVERSITY

Inside

The class of 2015
looks ahead

Alumni artistry
in your life

60 never looked
so good

You're doing it wrong.

Untangling companies and
boards of directors



Business is **personal.**

Support us today!

Take a moment to consider the impact the W. P. Carey School of Business has had on your life. As an alumnus or friend of the W. P. Carey School, you have a firsthand understanding of our entrepreneurial approach to learning and the unique opportunities that we provide our students.

Last year alone, scholarship support provided access to higher education for more than 1,000 W. P. Carey School students. Your opportunity to pay it forward is now.

Inspire the next generation of future business leaders with your gift today. Together we can create positive change on a global scale.

wpcarey.asu.edu/invest

Dear W. P. Carey family and friends,

I've been studying boards of directors for a long time now and one thing that improves their decision-making is considering a variety of opinions: Companies with diverse boards of directors outperform those with more homogeneous boards.

There's a lesson here for all of us, in the big decisions we make professionally and personally. Do you only look for affirmation of your decisions, or do you truly seek advice that might help shape

Getting advice from diverse sources that aren't likely to see the world exactly like you do is important if you want to make better decisions.

those outcomes? Getting advice from diverse sources that aren't likely to see the world exactly like you do is important if you want to make better decisions.

As a student here, you probably were put on teams with classmates from different backgrounds to work on projects. In the workforce, you certainly work with teams who bring different perspectives to the challenges you face. This is because we make better decisions within diverse teams.

Here at the W. P. Carey School of Business we put this

to practice in the form of various "boards of directors." I have a Dean's Council made up of 70 or so senior executives from all types of industries. Some are alumni, but most are not. I turn to them to provide advice on the direction of the school. Similarly, most of our departments have advisory boards to help shape curriculum to match the needs of the workforce, to help keep

our research relevant and to mentor students. We will soon announce a new MBA core curriculum developed with the input of a diverse set of stakeholders. Advancing our organization depends on their advice.

We recently hosted a luncheon for emeritus (retired) faculty, where I caught up with Regent's Professor Emeritis Robert Cialdini, a world-renowned expert in persuasion. He told me about a new book he's working on, and he points out that when you use the word "advice" when seeking input from another person, you also build an ally. I've thought a lot about this since he mentioned it. When people ask for my input or my opinion it does feel different than when they ask me for advice. Advice means we're in it together.

One reason we publish this magazine is to make sure you know we are in this together. This is where you invest (or invested) your time, talent and/or treasure. Whether you are an alum, an advisor to us or a corporate partner who knows that the success of the economy depends on great business school talent, we need your advice as we focus on the future.

I challenge you to do one thing right now, before you turn the page. Send me one piece of advice to improve the W. P. Carey School. We need your ideas to continue advancing your school. It can be brief – Twitter-brief – or you can email me more lengthy advice. I look forward to hearing from you.

Thank you for all you do for us. We are truly in this together.

Amy Hillman

amy.hillman@asu.edu
@WPCDean



W. P. CAREY MAGAZINE
Volume 3, Issue 1, Autumn 2015

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LEFT, MANAGING EDITOR LIZ FARQUHAR WITH THE AMA SPECTRUM AWARD FOR PUBLICATIONS. BELOW, MEMBERS OF THE W. P. CAREY MARKETING AND COMMUNICATIONS TEAM WITH THEIR TRIO OF TROPHIES. FROM LEFT: DANNY MARTINEZ, PAULA MURRAY, HANNAH O'REGAN, JULIE KENT, COLIN BOYD, APRIL OBERST AND ELYSSA DULL.



We experienced a bit of serendipity when we realized that the W. P. Carey School of Business turns 60 this year. It happens that we were featuring Eddie LeVian, the scion of Le Vian jewelry, in our feature about alumni in design. His company is renowned for its Chocolate Diamonds®. Our 60th is, of course, our diamond anniversary. As we researched Le Vian, we discovered that Eddie is making the centuries-old firm an innovation leader in the jewelry business. We couldn't help but notice that W. P. Carey shares his enthusiasm for creativity and change.

Speaking of creativity and change, with every issue of W. P. Carey magazine we have fine-tuned the design and tried out various ways of working together better as a team. We think that what we've learned has improved the magazine with every issue.

So, this spring we decided that it was time to measure our results against the work of others in our profession. We submitted the 2014 issues to the American Marketing Association Phoenix Chapter for a Spectrum Award in the publications category. The photos from the June 11 awards event say it all: we were excited and delighted to win.

Our department includes marketing, design, communications and editorial professionals who efficiently and creatively shoulder a huge workload supporting W. P. Carey's departments, centers and programs. My co-workers would shine at any top

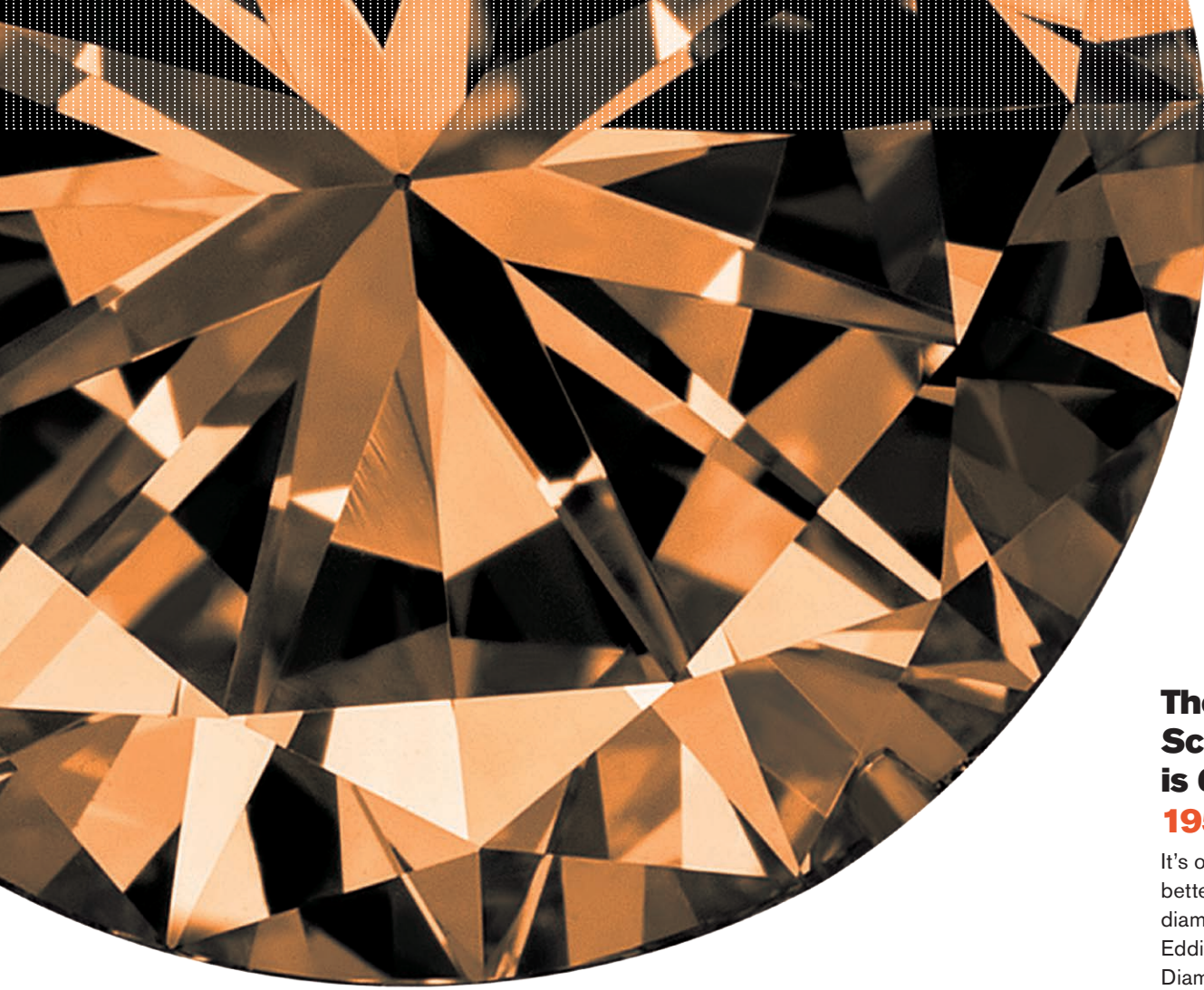
agency you name. This diversity of skills and talent enabled us to win the publication award – and two others. “Greetings from Camp Carey,” about the summer camp experience we offer to incoming freshmen, won in the sales or event video category, and “Zero Snow Days,” staged in chilly Chicago, won for best outdoor billboard or transit campaign.

But it takes more than W. P. Carey staff to produce this magazine. We benefit from talented photographers and writers who take our ideas and give them substance. You will find their names in our masthead every issue. And, we are beyond fortunate to have David Imes, Phoenix-based art director, and Creative Director Paula Murray, who make W. P. Carey magazine beautiful and visually thought-provoking.

In this issue we tackled a technical but very important area of business: corporate governance – specifically boards of directors. We decided to consult some of our alumni and friends who have experience on boards in an effort to get under the hood. Separately, we interviewed two brilliant business leaders who have been on both sides of the table: as directors and as CEOs. We hope you learn as much as we did by listening to their stories.

Please keep us up to date with your stories, too. Drop me a line – I'm looking forward to hearing from you.

LIZ FARQUHAR, Managing Editor
liz.farquhar@asu.edu



**The W. P. Carey
School of Business
is 60 years strong
1955–2015**

It's our anniversary, and what better way to celebrate than with diamonds? Shown here is alumnus Eddie LeVian's signature Chocolate Diamond® (*see page 21*)

Features

- 10 On the agenda:**
Corporate boards
- 18 Alumni Profile:**
Craig Weatherup and Bob Zollars
- 21 Design for your life**

Upfront

- 1 From the dean**
- 2 From the editor**
- 4 Voices**
- 5 All things WPC:** Your school and community

Departments

- 24 Research:** Internet and supply chains; Software development; Going private
- 31 Student experience:** Reflections from the Class of 2015
- 34 Whiteboard:** Making decisions about wildlife
- 36 Class notes**
- 40 The backstory:** A gallery of leaders

bottom line



**Unique and authentic:
W. P. Carey alumni
at the lead of design
businesses**
(*see page 21*)



**60 years of history:
Portraits of the leaders who
have shaped the W. P. Carey
School of Business**
(*see page 40*)



Editor's Note: The following letter responds to Dean Amy Hillman's message in the spring issue. Dean Hillman pointed out that in polling, business is among the least-respected professions in the U.S. She called on business people to shift their messaging from a predominant focus on stock prices and revenues to the value companies deliver to others.

Dear Dr. Hillman,

I just finished reading your Dean's Letter in the latest edition of the W. P. Carey magazine. I completely agree with your message. My experience has been those that account for the money and the marketing actually control the ultimate success of the project. Definitely the effort made to reconnect with the alumni has been beneficial for ASU and for us. I became completely disconnected after graduation having moved to California. Through your efforts and those of the greater university, I have reconnected.

I am very proud to be an alumna of the W. P. Carey School of Business. My daughter is currently studying accounting at ASU and her experience has been absolutely fabulous. My son will start his freshman semester in computer information systems in the fall. I look forward to seeing them continue the legacy and to the continued success of the W. P. Carey School thanks to you and your staff.

JENNIFER (HOWARD) MAYPER
(B.S. Accountancy '89)

Dear Editor,

As an alumnus living outside of Arizona, I really enjoy the updates and photos showing how W. P. Carey is evolving. Keep up the great work!

RON JAVOR
(MBA '02)

Dear Editor,

W. P. Carey magazine is a simple way to read the stories of fellow alumni. I know how large our community is around the world, and this publication brings me individual stories of success. I look forward to every issue.

MAGGIE BRODERICK
(B.S. Finance '12)

Dear Editor,

The magazine keeps me informed of cutting edge innovations to the business school, which will enhance its position as a leading institution in the country. I am proud to be an alumna.

ASHLEY MILLER
(MBA '14)

Overheard in Social Media: **FACEBOOK**

"W. P. Carey is diverse and unique. I don't feel like I have to become someone else. **I can be myself and still get to where I want to go in the business world.**"

MIKAELA NIXON
(B.S. Management '17)



"**This is the place where I discovered a lot about myself,** learned a thing or two about business, made some good friends and grew as a person. It was such a roller-coaster ride. Looking forward to doing great things at Amazon in Seattle."

VIGNESH SOLAIRAJ, (MBA '15)



"It's important to step out of your comfort zone. On a regular basis. **Learn to be comfortable being uncomfortable.**"

AUSTEN SHIPLEY
B.S. Business Entrepreneurship '17)



"**Leadership is about making a difference.** Find out where you fit in, and try to make a difference there."

SCOTT BOHMKE
(B.S. Accountancy '15)



Alumni at a glance (SECOND IN A SERIES)

W. P. Carey International Alumni: Engaging the world

W. P. Carey alumni are leading their businesses and communities to a better future on six continents. These 2,398 alumni (not including alumni living in the U.S.*), who graduated between 1940 and spring 2015, are using the knowledge and skills they learned at W. P. Carey in 95 countries.



Australia

- 15 Australia
- 01 New Zealand

South America

- 02 Argentina
- 02 Bolivia
- 07 Brazil
- 03 Chile
- 10 Colombia
- 01 Ecuador
- 02 Martinique
- 03 Peru
- 03 Venezuela

Africa

- 03 Angola
- 07 Egypt
- 02 Kenya
- 01 Madagascar
- 04 Morocco
- 01 Mozambique
- 01 Niger
- 06 Nigeria
- 01 Reunion
- 01 Senegal
- 02 South Africa
- 01 Swaziland
- 03 Tanzania
- 01 Zambia
- 01 Zimbabwe

*North America

- 01 Bahamas
- 134 Canada
- 01 Costa Rica
- 02 El Salvador
- 02 Jamaica
- 128 Mexico
- 02 Panama
- 01 Saint Kitts and Nevis
- 01 Saint Lucia
- 08 Trinidad and Tobago

Europe

- 02 Austria
- 14 Azerbaijan
- 03 Belgium
- 02 Bermuda
- 01 Bosnia and Herzegovina
- 01 Bulgaria
- 30 Cyprus
- 03 Czech Republic
- 03 Denmark
- 36 France
- 01 French Polynesia
- 01 Georgia
- 18 Germany
- 06 Greece
- 01 Iceland
- 04 Ireland
- 02 Italy
- 01 Kosovo
- 01 Lithuania
- 05 Netherlands
- 65 Norway
- 03 Poland
- 01 Serbia
- 09 Spain
- 10 Sweden
- 09 Switzerland
- 78 United Kingdom

Asia

- 01 Bahrain
- 01 Bangladesh
- 1,100 China
- 39 Hong Kong
- 64 India
- 39 Indonesia
- 01 Iran
- 02 Iraq
- 02 Israel
- 91 Japan
- 08 Jordan
- 05 Kazakhstan
- 64 Republic of Korea
- 23 Kuwait
- 01 Kyrgyzstan
- 03 Lebanon
- 02 Macao
- 54 Malaysia
- 04 Oman
- 12 Pakistan
- 01 Palestine
- 04 Philippines
- 04 Qatar
- 01 Russian Federation
- 46 Saudi Arabia
- 54 Singapore
- 03 Sri Lanka
- 85 Taiwan, Province of China
- 29 Thailand
- 22 Turkey
- 20 United Arab Emirates
- 06 Vietnam



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16

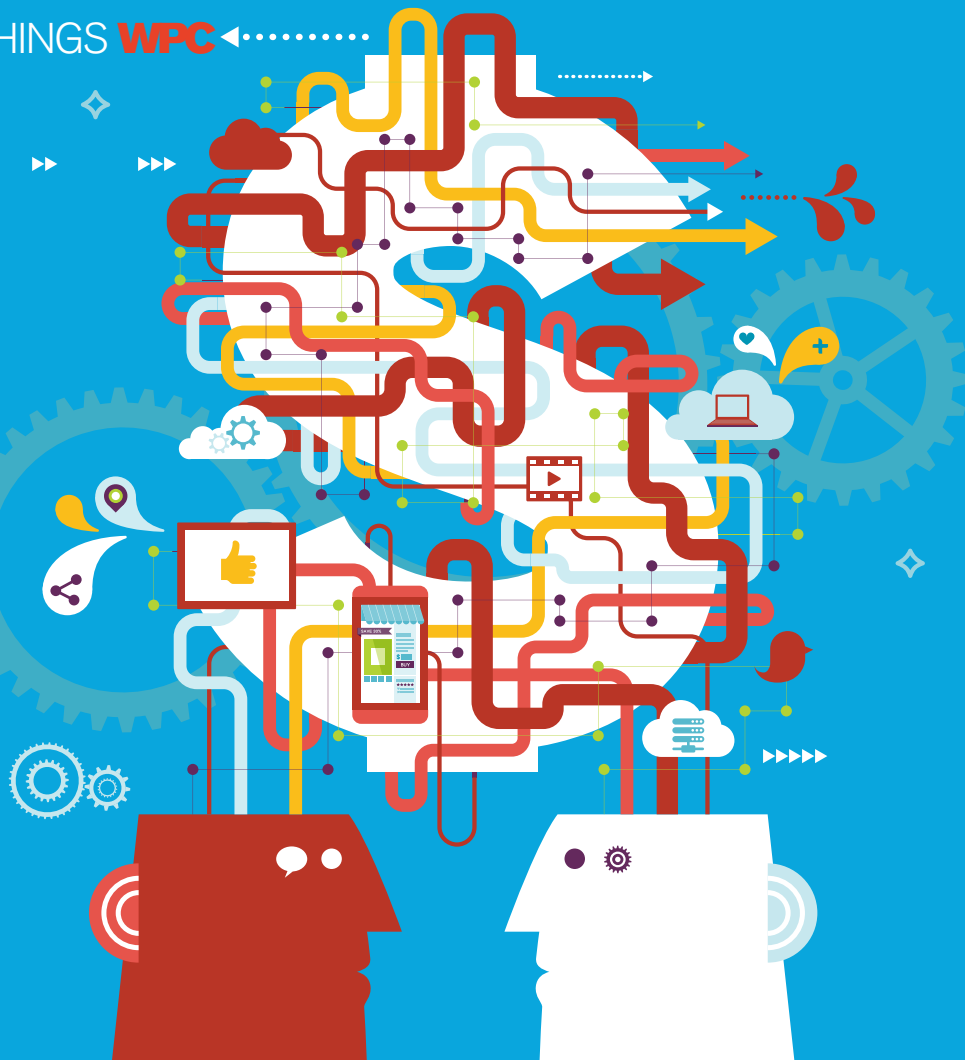
33

35

280

310

1,791



LIFELONG LEARNERS

Come back to the W. P. Carey School to keep your skills sharp and your knowledge base current:

- Monthly lunches at the Economic Club of Phoenix are an opportunity to learn about the challenges facing some of the nation's largest companies from top executives. And, the lunch conversation is as good as the food. econclubphx.org
- The annual Compete Through Service Symposium brings together the brightest minds in services science with the professionals who are using these ideas effectively in organizations. Presented by the Center for Services Leadership, November 4-6 in Scottsdale. wpcarey.asu.edu/cts
- Sometimes you need to go deep in your field but don't want to commit to a degree program. The W. P. Carey School offers online graduate-level certificate programs in supply chain management and business analytics. wpcarey.asu.edu/executive-education
- The Small Business Leadership Academy is an eight-week program that boosts the business acumen of small business leaders through lectures, group exercises and simulations. wpcarey.asu.edu/businessacademy
- Back to Class is an opportunity to be a student again. The event starts with networking and then alumni choose a class taught by a member of the W. P. Carey faculty. alumni.wpcarey.asu.edu

What makes consumers tick?

What makes shoppers dig for the cereal at the back of the shelf? Why do they pass up the magazine with the curled corner?

These are examples of the kinds of consumer behavior studied by faculty in the W. P. Carey School's Department of Marketing. This fall, the department has five researchers working in this area, and many of their experiments are conducted in the Behavioral Research Lab, located in converted offices in the BAC building.

Lab Coordinator Kevin Cosgrove reports that more

than 200 experiments (7,000 hours of research) were conducted in the lab last year, which makes the lab among the most productive in the country. It is cost efficient, too. A large number of participants are students from one of the core marketing classes, who receive extra credit for their time.

The lab is highly respected for the quality of its data, and attracts research partners from other top schools. Contact Cosgrove at Kevin.M.Cosgrove@asu.edu for information.

calendar of events

SEPTEMBER

24 ECONOMIC CLUB OF PHOENIX KICKOFF

B. Ravikumar, Economics Professor, W. P. Carey School of Business
Squires Patton Boggs, Phoenix
5:30 – 7:00 p.m.

OCTOBER

5 BACK TO CLASS ALUMNI EVENT

Networking followed by a faculty-led class experience.
McCord Hall, ASU Tempe Campus
6:00 – 7:45 p.m.

8 ECONOMIC CLUB OF PHOENIX LUNCHEON

Cliff Burrows, Group President, U.S., Americas and Teavana, Starbucks
JW Marriott Scottsdale Camelback Inn Resort & Spa, Scottsdale
11:30 a.m. – 1:30 p.m.

FACULTY IN FOCUS**Research Recap****HENDRIK BESSEMBINDER**

Francis J. and Mary B. Labriola Endowed Chair in Competitive Business

Research focus: Market regulation and design, trading strategies and trading costs, in stock, futures, energy, foreign exchange and fixed income markets.

"Predictable Corporate Distributions and Stock Returns."

Hendrik Bessembinder with Feng Zhang. (2015) *The Review of Financial Studies* 28(4): 1199-1241.

THOMAS CHOI

Harold E. Fearon Chair in Purchasing Management

Research focus: Upstream side of supply chains, where a buying company interfaces with many suppliers organized in various forms of networks.

"Deep, Sticky, Transient, and Gracious: An Expanded Buyer-Supplier Relationship Typology." Thomas Y. Choi with Yusoon Kim. (2015) *Journal of Supply Chain Management*. Forthcoming.

JEFFERY LEPINE

PetSmart Chair in Business Leadership

Research focus: Small groups and teams, job performance behaviors involving citizenship, voice, and adaptability, and the influence of engagement and stress on employee effectiveness and well-being.

"It's Not Fair...Or is it? The Influence of Leadership on the Role of Justice as an Explanation for Relationships among Work Stressors and Job Performance." Jeffery LePine with Yiwen Zhang, Brooke Buckman and Feng Wei. (2014) *Academy of Management Journal* 57(3): 675-697.

MICHAL MATEJKA

Harvey and Missy Jabara Family Accounting Professorship

Research focus: Performance target setting and executive compensation, decentralization and organizational design.

"Earning Targets and Annual Bonus Incentives." Michal Matejka with Raffi Indjejikian, Kenneth A. Merchant and Wim A. Van der Stede. (2014) *The Accounting Review* 89: 1227-1258.

ASHOK MISHRA

Ethel and Kemper Marley Foundation Chair

Research focus: Drought, flood and precipitation extremes, climate change impact on water resources, water-food-energy-climate nexus.

"Is Participation in agri-environmental programs affected by liquidity and solvency?" Ashok Mishra and Aditya Khanal.

(2013) *Land Use Policy* 35(2): 163-170.

AMY OSTROM

PetSmart Chair in Service Leadership

Research focus: Service and well-being, customer adoption of technology-enabled services and the customer's role in creating service outcomes.

"Service Research Priorities in a Rapidly Changing Context."

Amy Ostrom, David E. Bowen, A. Parasuraman, Lia Patricio and Christopher A. Voss. (2015) *Journal of Service Research* 18(2): 127-159.

EDWARD C. PRESCOTT

W. P. Carey Chair in Economics

Research focus: Macroeconomics, general equilibrium, business cycles, monetary policy.

"Quid Pro Quo: Technology Capital Transfers for Market Access in China." Ed Prescott with Thomas Holmes and Ellen R. McGrattan. (2015) *Review of Economic Studies*. Forthcoming.

DAN SILVERMAN

Rondthaler Chair in Economics

Research focus: Public economics and the quality of economic decision-making.

"Who is (More) Rational?" Dan Silverman with Syngjoo Choi, Shachar Kariv and Wieland Muller. (2014) *American Economic Review* 104(6): 1518-50.

SUNIL WAHAL

Jack D. Furst Professor in Finance

Research focus: Capital markets, delegated portfolio management and trading strategies

"High Frequency Quoting, Trading, and the Efficiency of Prices."

Sunil Wahal with Jennifer S. Conrad and Jin Xiang. (2015) *Journal of Financial Economics*. Forthcoming.

Teaching Triumphs

Every spring the W. P. Carey School of Business recognizes faculty whose commitment to teaching and research changes lives. We're proud to congratulate this year's honorees.

John W. Teets Outstanding Undergraduate Teaching Award
Marcie LePine, Management

John W. Teets Outstanding Undergraduate Teaching Assistant Award
Christopher Wishon,
Supply Chain Management

John W. Teets Outstanding Graduate Teaching Award
Reynold Byers,
Supply Chain Management

Huizingh Outstanding Undergraduate Teacher Award
Fernando Leiva Bertran, Economics

Huizingh Outstanding Undergraduate Teacher Award
Srimathy Mohan,
Supply Chain Management

Outstanding Graduate Teachers:
Jenny Brown, Accountancy
Greg Dawson, Information Systems
Andrea Morales, Marketing

Outstanding Doctoral Professor
Jeff LePine, Management

Faculty Research Award
Timothy Richards, Agribusiness

2015 Faculty Hall of Fame Inductees
Michael D. Hutt, Marketing
Donald Keefer,
Supply Chain Management
Craig Kirkwood,
Supply Chain Management
Nancy J. Stephens, Marketing

**14 LAWRENCE R. KLEIN
AWARD FOR BLUE CHIP
FORECAST ACCURACY**

Recognizing the economist with the year's most accurate projections.

The University Club, New York

6:00 – 8:00 p.m.

NOVEMBER**4-6 26TH ANNUAL
COMPETE THROUGH
SERVICE SYMPOSIUM**

Hosted by the Center for

Services Leadership

Hilton Scottsdale Resort & Villas, Scottsdale



Turn up the heat for Sun Devil football

The scorched earth rivalry between the Arizona State University Sun Devils and the University of Arizona Wildcats comes home to Tempe on November 21, and W. P. Carey alumni – including Mike Rosenthal (B.S. Economics '82, MBA '84) – are ready.

Rosenthal's home football gameday ritual begins with a hike: he admits he worries that if he doesn't hike it might affect the outcome of the game. "If any shirts from the opposing team are on the mountain, it is important to beat them to the top," he says. He wears the same shirt to every game – except when it's a "Maroon Monsoon" or a "Blackout." He always goes to two tailgate parties. First, he meets up with a group of fans that sit near him in the stands. Then he goes to a second tailgate on the roof of the stadium parking garage, where he meets buddies from the Sigma Nu fraternity. Finally it's across the street to the stadium, in time for kick

off and Sparky's entrance on the big screen.

Since his graduation Rosenthal has lived on the East Coast, in the Bay Area, Texas, and most recently Orange County, before moving back to Scottsdale this spring. But distance never cooled this Sun Devil's fire for the team. Even while living in California he had season tickets, traveling back to Tempe for game days. He caught the California away games, too, and flew in from Washington, D.C. to see the 1986 team clinch the PAC-10 title and then beat the University of Michigan Wolverines at the Rose Bowl.

For discounted tickets go to **promo.sundeviltickets.com** and enter the code **WPCAREY**. Look for us at the pregame Homecoming Block Party on November 14; we will be in our usual spot in Zone R near Old Main.

Do you have a gameday ritual? Share it on social media using **#iamwpcarey**.

NO JOKE: This banana prevents falls

The "aha!" moment for Patrick Brogan (B.S. Marketing '10) came when he was a medical device rep and saw how often slip-and-fall accidents resulted in vertebral fractures. Even when signage warned of a wet floor, people failed to think "danger."

"After looking into safety sign requirements, it hit me: Mario Kart!" Brogan said. The banana peel, a longtime prop in slapstick comedy, was made even more famous in the video game. The idea of a warning cone shaped like a banana peel was born.

Brogan started Banana Products LLC in October 2012, and just a year later the product won an International Sanitary Supply Association Innovation Award.

Patrick Brogan

Orders started coming in from customers such as the Jamba Juice Company, Pita Pit (Canada), the Walt Disney Company, Universal Studios Inc., Five Guys (Europe), Whole Foods Market Inc. and several professional sporting venues.

Banana Products is self-funded and has eight part-time employees helping with various tasks ranging from operations, logistics, marketing and sales.



102

The number of high school students who sampled the life of a W. P. Carey student this summer in our three residential programs: the Business Scholars Institute, the Accounting Career Awareness Program and the Fleischer Scholars Program.

NOVEMBER

10 ECONOMIC CLUB OF PHOENIX LUNCHEON

Susan R. Salka – CEO and President, AMN Healthcare Services, Inc.
JW Marriott Phoenix Desert Ridge
11:30 a.m. – 1:30 p.m.

12 HOMECOMING HALL OF FAME RECEPTION

Hosted by the Center for Services Leadership
McCord Hall Plaza, ASU Tempe Campus
6:00 – 7:30 p.m.

14 ASU HOMECOMING BLOCK PARTY & TAILGATE

W. P. Carey Alumni Tent, Zone R, Old Main Lawn, ASU Tempe Campus

LEARNING TO LEAD

Education is an experience that cannot be contained by classroom walls. In the W. P. Carey Full-time MBA, for example, students learn about leadership from seasoned business people who volunteer as part of the Executive Connections mentoring program.

The executive mentors work with students to develop six leadership competencies: influencing, communicating effectively, agility, execution, decision-making with integrity and emotional intelligence.

“One of the great experiences of the W. P. Carey MBA program is having real discussions with my executive coach about not only my goals but also my struggles,” says current Full-time MBA student Zuzana Hrubá. “Hearing that he went through similar challenges, and getting suggestions from him on how to deal with my own, has been very helpful.”

Shelby Yastrow, retired general counsel, executive vice president and secretary of the McDonald’s Corporation, adds that the experience is satisfying for mentors, too.

“All of the coaches have achieved success in the business world and bring talent and experience that provides invaluable insight to the students,” he said. “I wish that I had access to this kind of mentoring when I was early in my career.”



Widen their horizons

Last year’s pilot undergraduate Mentorship Program yielded great results for business students and a unique opportunity for alumni and others to connect with the school. So, this year the program is expanding. Program director Jennifer Shick says that in addition to traditional year-long, one-on-one mentoring, the program hopes to offer students “flash mentoring”: short-term, situational opportunities such as informational interviews or job shadows with mentors. Topical workshops and roundtables for program participants are also on the schedule, including special sessions for young alumni mentors.

If you would like to help build this important service, become a mentor yourself! Find more information at wpcarey.asu.edu/mentorship.

2019TH ANNUAL SPIRIT OF ENTERPRISE AWARDS

JW Marriott Phoenix Desert Ridge

Workshop: 10 – 11 a.m.

Luncheon: 11:15 a.m. – 1:30 p.m.

DECEMBER

252ND ANNUAL ECONOMIC FORECAST LUNCHEON

Phoenix Convention Center, West Ballroom

SE Corner of 2nd St. and Monroe St.

11:15 a.m. – 1:15 p.m.

JANUARY

28 ECONOMIC CLUB OF PHOENIX LUNCHEON

Harvey Kanter, President, CEO and Chairman of the Board

Blue Nile

Camelback Golf Club, Scottsdale

11:30 a.m. - 1:30 p.m.

1,200

The number of freshmen who packed a duffel bag, found new friends and made their first college memories in the cool pines of northern Arizona at Camp Carey. This W. P. Carey tradition has been setting students up for success for nine years.



Oversight & Wisdom

Boards of directors shoulder
increasing responsibilities

By Jane Larson



Corporate directors have always borne the serious responsibility of representing all of a company's shareholders and creating long-term value for them. But that role has expanded in recent years in response to mounting regulations, wide-ranging risks and continuous changes in the competitive environment.

"It might look glamorous to make all this money and hobnob and such, but it's hard work," said Shirley Weis, professor of practice in the W. P. Carey School of Business and a director of Sentry Insurance and medical device manufacturer RTI Surgical Inc.

"I work very, very hard to understand the business but also to make sure we're giving the management team good advice," said Weis, who also serves on the W. P. Carey School's Executive Connections board. "There is a fiduciary responsibility and a legal responsibility when you're on a board to oversee, to make sure that there are no irregularities going on, no fraud or abuse."

Contrary to popular thinking, boards are not supposed to manage, much less micromanage, the day-to-day operations of corporations. Instead, directors bring expertise, professional skepticism and prudent judgment to the table as they advise and oversee management on broad issues such as strategy, business models and the long-term health of the firm.

"You have to be the voice of reason, and when things go in a really wrong long-term direction, you've got to make necessary changes," said Dan Mullen (B.S. Finance '66), a director of AMERCO Real Estate Company, the parent company of moving and storage operator U-Haul. "You still have an obligation to all the shareholders of the company to do your absolute best to make sure the company is on solid footing."

Whether growth comes organically or through mergers and acquisitions, directors constantly focus on strategies for profitable revenue growth, said Ed Blechschmidt (B.S. Business Administration '74), a director at Diamond Foods Inc., Lionbridge Technologies Inc., VWR International and Bayshore HealthCare. "Boards, at the end of the day," he said, "are representing the shareholders, who really want one thing: they'd like to have an investment that is growing in value."

It's no wonder, then, that director jobs have become more time-consuming. According to the National Association of Corporate Directors' Public Company Governance Surveys of more than 1,000 directors, time directors spend on boardroom matters keeps setting records. Directors spent an average of 278

(continued)

Contrary to popular thinking, boards are not supposed to manage, much less micromanage, the day-to-day operations of corporations.

**Directors
bring expertise,
professional
skepticism and
prudent judgment
to the table as they
advise and oversee
management on
broad issues.**

hours a year on each board commitment, the 2014-2015 survey found – up 27 percent from an average of 218.6 hours per board just two years earlier.

In recent interviews, Weis, Mullen, Blechschmidt and other directors took us inside the boardroom for a look at the big issues consuming all those hours.

CYBERSECURITY

Target Corp.'s customer records were breached; Sony Corp.'s email was hacked; even the federal government fell prey to an attack on employee data. Information technology tops the list of risks corporations face today. Breaches and hacks can annihilate a business' abil-

ity to function, wreck its reputation and open it to enormous liability. Each piece of bad news reminds boards that they must become even more proactive to ensure that companies keep on top of the rapid changes in cybersecurity.

"The consequences can cost hundreds of millions of dollars to fix, or hundreds of millions in market value if there are concerns that the company has security flaws," said Chuck Robel (B.S. Accountancy '71), former chairman of computer software security company McAfee Inc. and a current director of AppDynamics Inc. and GoDaddy Inc.

Cybersecurity has become a regular item on board agendas, directors say. They must ask tough questions about security levels, the testing done to gauge security and whether

the company has the talent and resources to combat cyberthreats. Are their systems separate from those of vulnerable vendors? Are employees being educated to prevent breaches? How will the company deal with rising technologies such as chip-enabled credit cards or payments via smartphones? Sometimes boards need outside experts to help with these high-level assessments.

The board's job, Robel said, is to oversee a company's

security planning. Management should bring its plans to the board or a subset of its members, so all can discuss whether the plans are comprehensive, whether the company's skill sets are adequate and how managers will execute the plans, benchmark them and report the metrics to the board.

"The board can't literally do it, but it can insist that it gets done by top management of the company," Mullen said. If a company needs more resources to counter cyberthreats, the board needs to ensure it budgets accordingly.

ACTIVIST SHAREHOLDERS

Activist shareholders come in a variety of flavors. So-called "friendly investors" like Warren Buffett aim to make companies efficient and produce more profits and benefits long term. Social or political activists generally come to boards with single-issue causes, such as wages or the environment.

Less easily accommodated are activist investors who push for governance changes so they can profit from the results. They might force companies to sell off divisions or to buy back stock or raise dividends with cash that could be spent on new products or new markets.

"For the most part, activists are interested in short-term profits, and it's a huge distraction for the board and for the management team when you have to fight one of these things," said Robert Mittelstaedt, dean emeritus of the W. P. Carey School of Business and a director of Laboratory Corporation of America Holdings, W. P. Carey & Co. and Innovative Solutions & Support Inc. "There are times when it's appropriate, but there are other times when activists are going after companies that are in decent shape, just because they're looking for a big target. It's not clear to me that many activists add long-term value."

As activism rises, it becomes more common for board members to talk with shareholders about the company's strategies, positions and plans for value creation.

"The way most boards are handling this is they understand the need for open dialog with the activist investors," said Amy Hillman,



dean of the W. P. Carey School of Business and a member of the board of CDK Global. “They are engaging in conversations with them, they are transparently communicating strategic intent to all of their shareholders ... they’re trying to find a common ground between what the activist is looking for and what the long-term interests are of the firm.”

COMPENSATION AND TALENT MANAGEMENT

Executive compensation is inherently one of boards’ top responsibilities, and the public spotlight is increasingly shining – not always favorably – on compensation issues.

First and foremost, boards must attract and retain the best talent available, using all the elements that make total executive compensation look like huge sums to the general public: salary, performance-based bonuses, restricted stock or stock options and other benefits. Given the increasingly short tenure of CEOs today, firing and succession planning also become part of talent management.

“When you think about trying to implement strategy or grow companies, the fundamentals of talent management are so important,” Blechschmidt said. “Getting the right people in the right place, monitoring the performance of the CEO and the CFO and the corporate officers and actually digging down into an organization to make sure the culture is right for what they’re trying to do ... it’s becoming a pretty major part of a board’s involvement.”

Directors also have to consider a company’s performance and the performance of industry peers when setting executives’ compensation. Compensation has become a complex issue, covering a company’s philosophy on aligning management and shareholder interests, and a board’s strategy for setting goals and rewards for management.

Looming are federal requirements to disclose how CEO pay compares to that of a company’s average employees. “The piece that’s difficult is part of a whole, broader social issue, with people politically saying, ‘It’s just wrong for people to make that much money,’” Mittelstaedt said. “But you can’t find

a SEAT at the TABLE

A couple decades ago, boards of directors were often drawn from the CEO’s network, but the rise of shareholder activism and other forces has brought greater scrutiny. Investors today have a keen sense of ownership and understand that the board has impact.

“Science is being brought to the table, literally, to match board composition to the customer base, the employee profile” or some other market profile, says Brian Gentile (MBA ’92), senior vice president and general manager of the analytics product group at TIBCO Software Inc. and an experienced board member. In fact, executive search firms have broadened their offerings to include board member search.

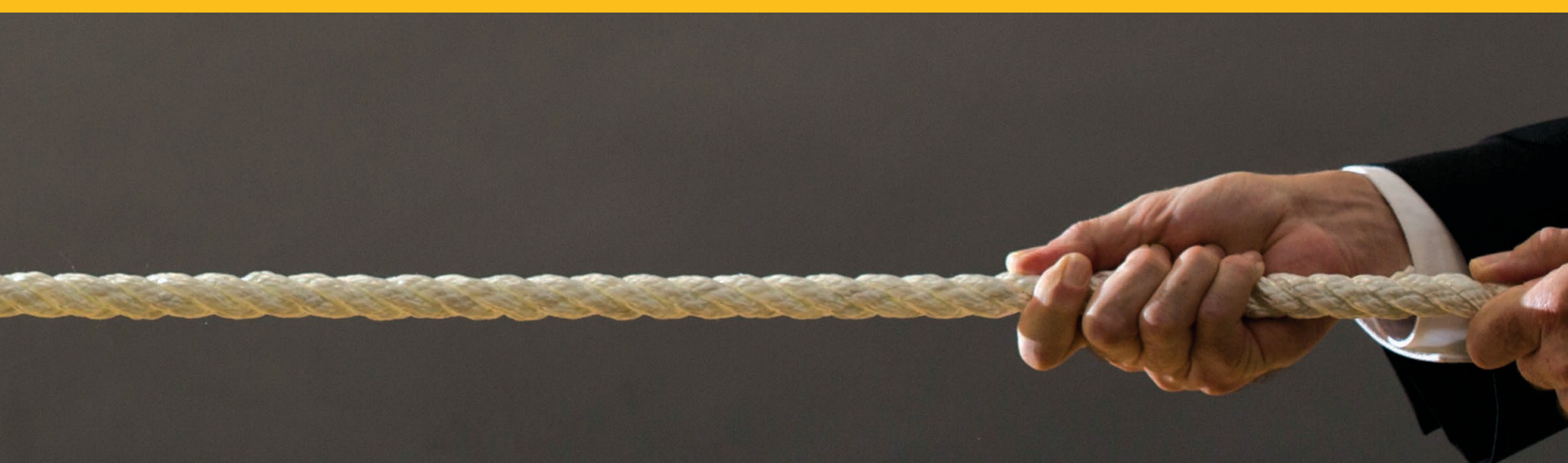
Who are the candidates for these positions? Publicly-traded companies look for skills according to Shirley Weis, professor of practice and experienced board member. Lately, people who have expertise in cyber security or social media are in high demand, she said, as are sitting CEOs and CFOs. The quest for digital skills has made it easier for younger people to get on boards, she added, but characteristics such as a C-suite title on your resume are still important.

Gentile says senior executives who accept board positions understand that there’s some risk involved, although most companies indemnify members. And there is time commitment, and time is “the most precious thing a senior leader has,” he said.

Weis says often the job entails keeping up with the industry. Often board members are called to informally mentor the CEO, a relationship she likened to grandparenting: being the wise and interested, but not controlling, companion.

Gentile adds that although boards are often paid – sometimes handsomely – board service is a way of giving back to companies and organizations you believe in.

that many people who can run a company that has 48,000 people and operates in 100 countries.” The new metrics, he fears, will just throw more gas on the populist fire over executive compensation. **(continued on page 15)**



GOOD DIRECTIONS: <

DO boards of directors composed entirely of white men behave differently when women and minorities are appointed? How does the personality of a CEO affect the chief executive's relationships with directors? Why did firms with female leaders perform better than companies with male chief executives during the recent recession?

These are among the questions researchers at the W. P. Carey School of Business have been studying. The business school has become a leader in corporate governance research, producing important studies on the composition of boards, CEO characteristics, executive compensation and interactions among key players in the corporate world.

"The research in corporate governance is very broad, and it crosses disciplines," said Associate Professor of Management David Zhu, an expert in social and psychological aspects of management. "If there is a common theme at the W. P. Carey School, it would be interactions between CEOs and boards of directors and how they affect corporations. Researchers approach it from different perspectives."

Academic interest in how corporations are governed has grown since the WorldCom and Enron Corporation scandals of the early 2000s and the global financial crisis of 2008. Researchers want to understand why things go wrong in corporate boardrooms and what measures might alleviate or avoid future problems.

DIVERSIFYING BOARDS

Zhu and his coauthors – Associate Professor of Management Wei Shen and Professor of Management Amy Hillman – recently published the results of an extensive study of how boards behave when demographically different directors are appointed. The researchers found that when more women

and minorities became directors, boards are more independent of CEOs and more likely to curtail CEO pay.

The researchers also discovered that female and minority directors are more likely to make their

The W. P. Carey School of Business has become a leader in corporate governance research, producing important studies on the composition of boards, CEO characteristics, executive compensation and interactions among key players in the corporate world.

presence felt on boards if the new members share attributes of existing board members. For example, a woman joining an all-male board would be more likely to have influence if she had attended the same college as an incumbent director.

Shen has been examining the roles that company

insiders and outsiders play on boards. In recent years, activists and investors have pressed for more outsider appointments to encourage boards to be more independent of CEOs.

But simply appointing more outside directors does not guarantee board independence, according to Shen. "The reason is that independent directors do not have very much in-depth, firm-specific information," he said. "If the only insider is the CEO, then the other directors have to rely heavily on the CEO for their information about the firm."

Boards that have a balance of insiders and outsiders tend to be the most independent, according to Shen.

THE BEST BOARD FOR AN IPO

Professor and Management Department Chair S. Trevis Certo has conducted studies on aspects of corporate governance. "What I've typically been interested in is the interface between investors on one hand and executives and boards on the other," he said.

Certo has studied the effects that characteristics of boards of directors have on initial public offerings. He found that IPO underpricing – which owners of a company going public want to avoid – is less likely to occur if boards of a company are larger or have members who have positive professional reputations.

Steve Hillegeist, associate professor of accounting, studies what happens to boards of directors when firms purchase liability insurance for members.

"We found that when a firm has too much coverage, it can cause problems for corporate governance," Hillegeist said. "These firms have a higher risk of litigation and their auditors charge them higher fees."

Associate Management Professors Christine Shropshire, Suzanne Peterson and Peggy Lee (along with their co-authors Emily Amanatullah from



What makes a board effective

the University of Texas-Austin and Erika Hayes James at Emory University), have been exploring how gender differences in risk-taking affect CEO decisions. Their research builds on prior studies that suggest that in the Great Recession, firms with female leadership outperformed other companies.

Scholars have speculated that female-led companies did better because women are less likely than men to take risks. But after surveying CEOs and studying the performance of firms, the W. P. Carey researchers found the explanation to be more complicated.

Female leaders were not always more risk-averse than males, but women were less likely to take risks during economic downturns, the researchers concluded. They discovered that women tend to be more “other-oriented” than men, approaching managerial decisions with greater focus on the interests of the company and its stakeholders, and that economic recession accentuates this trait and its effect on risk-taking.

WHEN CEOs THINK HIGHLY OF THEMSELVES

Zhu has been studying how CEO personalities affect their companies and their relationships with boards of directors. In one study, he looked at how a CEO’s narcissism affects corporate decision-making. A CEO who is highly narcissistic will be unlikely to accept input from directors, Zhu found.

“In many situations, the narcissistic CEO would actually do the opposite of what the experience of fellow board of directors would suggest,” Zhu said.

Zhu conducted his research with Guoli Chen of the international business school INSEAD. To measure CEO narcissism they developed a scale that used several criteria, including how large the CEO’s photo was in a firm’s annual report, how many times the CEO’s name was mentioned in press releases and the pay gap between the CEO and other executives in the company.

In another study, Zhu and Chen found that narcissistic CEOs tended to select directors who were similarly narcissistic and that these directors were more likely to support excessive risk-taking by CEOs.

“When CEOs select individuals who appreciate their narcissism, the executives are encouraged to take even higher levels of risk,” Zhu said.

Assistant Professor of Management Mathias Arrfelt also studies how CEO behavior affects firm performance. One focus of his research is how companies allocate – or misallocate – capital.

“Current performance in relation to expected performance seems to drive allocations. Corporate decision-makers allocate *too much* capital to business units that are performing below aspirations and have relatively worse prospects for future performance, and *not enough* capital to business units that are performing above aspirations and have relatively better prospects.” Arrfelt said.

He compares corporate decision-makers to investors who often add to positions in underperforming stocks while taking profit on better performing ones. “In some sense, you are throwing good money after bad,” he said.

(from page 13)

COMPLIANCE

Banking and financial institutions have felt this most keenly in recent years, as financial crises brought on regulations like the Dodd-Frank Wall Street Reform and Consumer Protection Act. As for other industries, health care has to watch how its services are approved and paid, utilities face monopoly-wary regulators and pharmaceutical makers and airlines must focus on the safety of their products and services.

It all means today’s directors are spending more of their time on compliance, with measures ranging from the Sarbanes-Oxley Act of 2002 which added to a board’s responsibility to ensure accurate financial information, to the Foreign Corrupt Practices Act of 1977. More so than directors of 20 years ago, today’s directors regularly question management about whether the company is in compliance with regulations.

At every board meeting, Robel said, there are three to four compliance issues to review, discuss and

Diversity is expanding, directors say, to include factors such as age and skill sets.

pass judgement on. He feels the conflict between the amount of time directors have to spend on “checking the boxes” of compliance forms and the time they can spend on helping management think about strategies and execution.

“There are only so many hours in the day,” he said. “Boards are facing a whole series of actions that are nontrivial ... but one-size-fits-all (regulations) take a nontrivial amount of time to assess and judge.”

As detailed as compliance issues might be, they also are part of the bigger picture. “Directors just have to be sure that the company is properly provisioned for global compliance challenges,” said Jeffrey Cunningham, professor of practice at W. P. Carey. “Directors have to approve the spending ... and that it suits the strategy, and the strategy right now is if you can out-comply your competitor, you will thrive.”

The burden of compliance tends to be cyclical, Cunningham noted, and what one administration might add, another administration might relax.

DIVERSITY

Most boards have gotten the message about adding women and minorities. Research shows that diverse boards make better decisions and that companies with diverse boards perform better than their homogenous peers. (continued on page 16)

“Getting the right people in the right place ... is becoming a pretty major part of a board’s involvement.”

– Ed Blechschmidt
(B.S. Business Administration '74)

Diversity is expanding, directors say, to include factors such as age and skill sets. Younger directors can provide insight on their generation’s buying habits or use of technology. Directors with expertise in cybersecurity are hot commodities these days, too. Directors with backgrounds in engineering, science, finance, marketing or social media can bring their particular expertise to companies whose board members

(from page 15)

“We were often very quick to say, ‘here’s a form of diversity that’s really important,’ and I do think that having more women and ethnic minorities on boards is critically important,” Hillman said. “But I also don’t want that to come at the expense of thinking about diversity overall.”

came with industry-specific experience.

Change won’t happen overnight, though. Boards generally replace one member a year, because they recognize the value of having members with 10 or more years of institutional knowledge.

BUT WAIT, THERE’S MORE

As if cybersecurity, compliance and the other issues aren’t enough to fill a board meeting binder or three, directors say they also watch for:

- **Management of risks beyond cybersecurity.** Terrorism threats raise concern about the physical safety of employees in global trouble spots and a company’s plans in case of attacks at home or abroad. Currency fluctuations carry financial risk that can pummel the bottom line, while operating in certain countries entails a risk of having to deal with fraud or corruption. Directors need to ask: What are our risks, and what we would do if they happen?



- **Technology, including social media.** Technology can help lower costs, access bigger markets and analyze data to improve products. Directors should ask how management made its technology decisions, whether those decisions are right for the business long term, and weigh whether to make expensive investments and how to execute them well. They also must ask if the company has what it needs to be good at social media and if it has a plan to manage any social media damage.
- **Health care and retirement costs.** Rising health care costs and compliance with the Affordable Care Act have made headlines as companies devise new strategies and budgets for health care. A less obvious concern is how the shift from old-style pensions to 401(k) retirement plans has created a generation of workers who might not save enough or invest wisely. Directors consider how to balance between forcing employees into target funds and letting them make their own choices.

- **Proxy access.** Despite the fact that corporations aren't democracies, and unhappy shareholders could always sell, the issue of who can place what on corporate ballots is becoming more significant. Directors are watching the evolving debate over giving shareholders more than an up-or-down vote on board nominations, and over the percentage of shares investors must own before they can get matters on the ballot.

THE BOTTOM LINE

Today's tough issues put corporate directors under greater scrutiny than ever and require them to be proactive rather than reactive. Yet many find satisfaction in their ability to shape their companies' future for the long term benefit of all shareholders.

"Understand that board service can be very rewarding," Weis said. "It's nice to see the organization that you support moving forward." ■



The special relationship between CEOs and their boards

Conjure up the image of a corporate boardroom. There, the chief executive meets his board of directors – everyone seated around a table that might be considered a metaphor for what they hold in common: the company. The board provides strategic direction and guidance

to the CEO, who must then manage the enterprise. It's a relationship that's critical to the success of the company. Craig Weatherup (B.S. Accounting '67) and Bob Zollars (B.S. Marketing '79) understand the importance of the CEO/board relationship from firsthand experience. Both men had long and successful careers as corporate executives – Weatherup, in the beverage industry and Zollars, in health care. And although retired, they are both still active in business, putting their experience to good use on boards of directors. Their passion for helping businesses deliver value to shareholders is palpable.

So what are the inner workings of this relationship that is so important to the stakeholders? We decided to ask Weatherup and Zollars to share what they experienced.

Weatherup spent the majority of his career within the Pepsi business group. He took his first seat at the head of the table in 1990, when he was appointed CEO of Pepsi-Cola North America. In 1996, he was named president of PepsiCo Inc., and, later that year, appointed chairman and CEO of Pepsi-Cola. He was the founding chairman and CEO of the Pepsi Bottling Group Inc., a position he served in until his retirement in 2003.

Zollars had an active career as an executive in the health care industry. His first seat at the head of the table was at Baxter International Inc., where he served as a division president beginning in 1986. He was a group president at Cardinal Health Inc. and then

chairman and CEO of Neoforma, Inc. Before retiring in 2013, Zollars served for six years as chairman and CEO of Vocera Communications.

Weatherup is currently the presiding director of the board of the Starbucks Corporation, a role that has him working closely with Howard Schultz, who is chairman and CEO. He also serves on the board of Macy's, the Nature Conservancy and on the Board of Trustees of ASU.

Zollars shares the expertise he built over a 36-year career and now as chairman of the board of Vocera Communications, Diamond Foods Inc. and Leiter's Compounding Pharmacy. He also sits on the boards of VWR International, Five9 Inc. and on the Board of Trustees of ASU.

Driving value for the shareholders

"As CEO I viewed the board as a trusted set of advisors," said Zollars. He referred to the relationship as a "partnership based on openness and trust with the common goal of improving shareholder value."

Weatherup explained that what he got from his board, he couldn't get anywhere else. "As CEO I could get advice and expertise from my employees, from

"What board members provided was unique ... they were independent yet committed to both the company and to me."

– Craig Weatherup
(B.S. Accounting '67)



“Board members should be nose in, hands out,” asking the CEO tough questions, but not actively managing.

– Bob Zollars
(B.S. Marketing '79)



external agencies and consultants, from other CEOs. But what the board members provided was unique – because they were independent yet committed to both the company and to me.”

The most effective boards, explains Weatherup, are diverse – in the genders, ethnicities, backgrounds and skill sets of their members. “I’ve always looked for the board to be diverse in lots of ways to provide unique points of view.”

The CEO’s role

“Groups come up with better decisions than one person,” Zollars said. But, the characteristics that make a board effective also make managing it a challenge. Getting consensus in a group of strong-minded people with diverse backgrounds can be tough.

“Ideally we’d come together and have consensus. But that doesn’t always happen. When it doesn’t, it’s incumbent on the CEO to be decisive,” he said. That is not easy either. “It’s hard to take conflicting opinions from a diverse board and decide which to act on and which not.”

Failure to reach unanimous agreement doesn’t mean the board is ineffective, Zollars explains. “Good board members know that they won’t always get their way.” And good boards leave no thoughts unsaid. “There are no sacred cows. Everyone gets his or her opinion out on the table.”

It’s the CEO’s responsibility to figure out the leadership dynamics of the board, Weatherup said, and to identify the members who will help manage the board. Sometimes those are the committee chairs, but not always, he says.

Keeping board members inside their lane is also important, says Weatherup. “It’s easy for the board to get into the business of management,” he explains. “It can be a challenge to keep board members focused on serving the priority needs of the business and the CEO. That might be strategy, or people or providing input into a specific issue. But not the day-to-day operations of the business.”

Zollars says that board members should be “nose in, hands out” – asking the CEO tough questions, but not actively managing.

Navigating roles

It is common for the CEO of a company to also serve as the chair of the board – as both Weatherup and Zollars did. When the CEO and the chair of the board are not the same person, it’s critical to define each person’s role upfront, Zollars explains.

“The CEO is the operating leader of the company. The buck stops with him or her,” Zollars says. “The board chair leads the efforts of the board, organizes the board discussion and ensures good governance.” The two should work together, he says, to ensure the board provides the kind of help the CEO needs.

Since the Sarbanes-Oxley Act of 2002, boards must also have a “presiding” or “lead” director, who helps the board maximize the value that the board can bring to the CEO and to the company. “The advent of the lead director has created a new and positive dynamic,” Weatherup says. “While there was always an informal lead director, now there is a specific role to ensure someone on the board is independent and can ‘speak up’ for the board when needed.”

Advice for both sides

Weatherup advises new CEOs to remember: “The board is there to serve the CEO and the company – not the other way around.”

The CEO needs to be in charge, Weatherup says. “The CEO must organize the board agenda to get what he or she and the business needs from the board. The board is independent, but its role is to support the company and the CEO. Board members should understand that their purpose is to create unique value, and know the expectations that go with that purpose.”

Zollars says the CEO should get to know the board members as individuals. “The relationship has to be based on openness, mutual respect and trust – and everyone needs to know their role and how to contribute,” Zollars says. “Share good and bad news on a timely basis. Ask the board open-ended questions to get their views.”

Retired from their roles as CEOs, Zollars and Weatherup are enjoying their roles on the other side of the table.

“What I love about being a board member,” Zollars shares, “is working with the CEO and management team to help build the business. It’s a lot of work, and it’s busy, but not quarter-to-quarter stressful like being a CEO was. As a board member I take a higher-level view of the business; I’m not as involved in the day-to-day.”

He adds, “I’m having a lot of fun.” ■

CRAIG WEATHERUP capped a career in leadership at Pepsi as the founding chairman and CEO of the Pepsi Bottling Group Inc.

BOB ZOLLARS was a top executive in the health care industry, retiring after six years as chairman and CEO of Vocera Communications.

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BUSINESS BY DESIGN:

While the W. P. Carey School of Business is most often associated with economics, finance, management and other left-brained pursuits, its programs also benefit artistic-minded students. We spoke with three entrepreneurial alumni who have used their business smarts to help their creative spirits soar.

EDDIE LEVIAN

Although the jewelry tradition in his family can be traced back to 15th-century Persia, Eddie LeVian (B.S. Business Administration '80) is a man with an eye toward the future.

"My family's history in fine jewelry spans centuries, from ancient royalty to today's red carpet," he says. "Our plan moving forward is to compel every household to own a Le Vian."

He's been CEO since 2000, but he earned the privilege of running the family business by starting from the ground up. First he interned during summers off from school in the 1970s, then he moved on to stone-cutting and traveling sales. In 1981, a year after graduating, he became a designer and director of the American division his late father, Abdulrahim Ephraim LeVian, founded in 1950 after emigrating from Persia.

"The lessons I learned at ASU have been the cornerstone of what helped me build the Le Vian brand," he says. "The ASU strategy of making sure graduates have a broad background when studying business ... gave me the depth to understand the world better and to understand all facets of running a modern business."

The company designs some 40,000 original pieces each year, many one-of-a-kind or limited

editions. The rings, bracelets, brooches, necklaces and pendants are clustered into brands, including Le Vian, which features the Strawberry-n-Vanilla® collection with Vanilla Diamonds® (white) and Strawberry Gold®.

There is also Le Vian Couture®, Le Vian Bridal®, Le Vian Time® and, perhaps most famously, Le Vian Chocolatier®, featuring the company's natural-colored Chocolate Diamonds® (a selection of the highest quality brown diamonds) from Australia that are exclusive to Le Vian.

The artistry of the brand has attracted a loyal following of jewelry collectors who are dazzled by the innovative designs and exotic gemstones the company is known for. And celebrities – Taylor Swift, Jennifer Lopez, Jessica Chastain, Charlize Theron and other A-listers – regularly choose Le Vian designs to help them sparkle on the red carpet.

"The challenges of a family business are that it may not be a well-funded business run by experts," LeVian says. "The advantages of a family business are that people genuinely care and are passionate about what they do, and you don't have to answer to outside shareholders and boards or worry about short-term strategies because of quarterly earnings reports."

This has given him both the impetus and the freedom to think outside of the box. At JCK Las Vegas, the

largest jewelry tradeshow in North America, Le Vian goes above and beyond the competition every year by hosting a much-anticipated, invitation-only fashion show/trend forecast event. The 2015 show held in June marked new territory for the company: models were decked out in Le Vian from head to toe, from "the dress to the shoes, from jewelry to the timepieces, from the scarves to the pashmina, everything was Le Vian," he says.

This served as the U.S. launch of Le Vian Luxury, the legendary company's first step beyond fine jewelry and into accessories, including handbags,

Eddie LeVian



TOP: LE VIAN BRACELET. ABOVE: EDDIE LEVIAN AND TELEVISION HOST AND ACTOR MARIO LOPEZ AT JCK LAS VEGAS.

LILY KANTER IS EXPANDING SERENA & LILY TO INCLUDE FASHION FOR THE WOMAN AS WELL AS THE HOME.



shoes, scarves and small leather goods, some of which will feature gemstones and precious metals. The items will be offered at a price point meant to “strengthen the base of the brand,” he says.

This year also marked the opening of a store dedicated exclusively to the new brand. Called Le Vian by Jared, it is a boutique dedicated to Le Vian creations, both the fine jewelry they are known for and the accessories that offer just a glimpse of LeVian’s vision for the future of his family’s company.

“The opening of the first Le Vian by Jared store in New York in May was our first foray in turning the storied jewelry brand into a lifestyle brand,” he says. “The future of the jewelry business is not to be an island but to speak to the woman in a language she understands.”

LILY KANTER

The lessons Lily Kanter (B.S. Accounting '87) learned at W. P. Carey have been invaluable in her role as CEO of Serena & Lily, a lifestyle brand offering a wide range of items for the home and the people who live in it.

“I use my accounting degree on a daily basis and feel it’s a great academic background for any entrepreneur,” she says.

After graduating, her degree served her well in traditional accounting and technology roles at Coopers & Lybrand, Touche Ross, Deloitte & Touche and Microsoft Corp. Then she decided to combine her corporate experiences with the “retail pull” she’d felt since college and dive into entrepreneurship in 2000.

“I’ve always had entrepreneurial interests,” Kanter says. “In every position I held in the corporate world, I carved out a new niche and created something. During my time at Microsoft, I wrote the business plan to convince Bill Gates and Steve Ballmer to open the first Microsoft retail store.”

Her interests also leaned toward little ones. First, with Baby & Kids, a children’s clothing boutique she founded in Mill Valley, Calif., then with the company she co-founded with Serena Dugan, a decorative painter and textile designer who walked in the Baby & Kids door one day in 2003. Within 24 hours of meeting, the pair decided to join forces.

“We both saw a clear void in the marketplace and shared an exciting new vision for the nursery,” Kanter recalls. “We launched Serena & Lily as a wholesale brand selling our baby products through 600 specialty stores, including Bloomingdale’s and Neiman Marcus, before launching our own site. Serena, two administrative assistants and I managed everything for the first few years. We worked very long hours and wore every hat.”

Headquartered in Sausalito, Calif., the company currently has more than 100 employees, so Kanter and Dugan have more time to think about the big picture and grow the business in a way that remains true to their aesthetic. They still sell baby-related items, but have expanded to include some fashion items and a wide range of items for the home.

“In terms of strategy, we take an integrated approach in every category,” Kanter says. “It may start with the textiles we design ourselves, then we look at what that gets layered with. Are we staying true to our aesthetic or does something feel out of place? Every new initiative addresses a void we see in the market.”

This has been a successful strategy for the online marketplace, so they expanded their reach with a retail location in the Hamptons in May 2013. Called Beach Market, the store was a “major step” for the brand in that it allowed customers the opportunity to touch, feel and otherwise interact with the products, rather than rely only on photos and descriptions.

More recently, in May 2014, the pair opened Design Shop in San Francisco, which Kanter describes as a “reimagined showroom experience” with key silhouettes, rugs and swatches of fabrics and wallpapers that allow shoppers to mix and match, try

Lily Kanter

before they buy and get expert advice as they go.

Two more stores are scheduled to open this year, one in Los Angeles, the other in Connecticut, and more are planned for 2016. While exciting, growth has its challenges, too.

"The greatest challenges have been managing the funding needs and the ever-changing human resource needs as we have grown over the years," Kanter says. "The greatest rewards have been seeing the baby grow up through the years and creating an amazing workplace for our employees. We believe every company is built differently and we are headstrong on being true to ourselves as we evolve."

JENNIFER BOONLORN

For most women, handbags are a must-have for toting around daily necessities and expressing individual style. For Jennifer Boonlorn (B.S. Marketing '02), they are much more than that. As the creative director of Soul Carrier, she designs handbags meant to "inspire and encourage people to be who they are, to be unique and authentic and have the inner courage to be bold and live the life they want to live," a quest she herself has been on since graduation.

"I lost both my parents in a car accident in college," Boonlorn says. "I was determined to go to law school to fulfill my father's dream of me being a lawyer. But it wasn't my passion. My passion has always been art and design."

So she followed her heart and enrolled in some design classes where she learned about color theory and the history of fashion. There she found "pure joy." That led to two years at The New School's Parsons School of Design, internships at Oscar de la Renta, Women's Wear Daily and backstage during New York Fashion Week, and, after graduation, jobs at the design center for American Eagle Outfitters then at Aeropostale in pre-production. Her goal was to eventually land a product development position at the Ralph Lauren Corp. or Marc Jacobs. But then she got an idea.

"Gossip Girl" was a hit television series at the time, and girls in New York were buying up the elaborate hair accessories worn by the show's main characters. Boonlorn started making headbands and barrettes, and Henri Bendel bought the collection. She had made it in the Big Apple and was loving every minute of it, but the pull of home was strong.

"I did all these things in New York that were amazing, and I can say my stuff was on a mannequin in the window of Henri Bendel on Fifth Avenue. I felt very complete and knew I wouldn't feel like I missed out if I went home," she says. "I'm an Arizona girl at heart and I wanted to be around to watch my niece grow up."

Once back home in the sunshine, one of her close friends from ASU, Bob Wilkinson (B.S. Accountancy '96), encouraged her to continue designing. Phoenix wasn't the market for the hair accessories, so she started designing handbags out of rag rugs, and Soul Carrier was born.

"I started this without a business plan," Boonlorn says. "It was just the artist in me wanting to create something. For a while I thought of myself as a designer and an artist, but I've been trying to shift to 'I'm a design entrepreneur,' because that keeps me focused on building a viable, profitable company. I want to become a benefit corporation, I want to give to charity, I want to make a difference."

As sole proprietor of Soul Carrier, Boonlorn has leaned on the help of consultants and contractors to help build the business. She has also enlisted the help of interns from ASU, including marketing students from W. P. Carey to spread the word via social media, and film students to produce a video for a Kickstarter Inc. campaign she launched in mid-June to debut "Conscious Intentions," her third collection of handbags.

"With the online platform it's cool to be able to get my product in front of a global audience in a matter of seconds, and it cuts out the middleman so I can do production in Leon, Mexico," Boonlorn says. "If I went overseas for production, I could probably have bigger margins, but I want to do it close to home. I want to

JENNIFER BOONLORN VALUES CREATIVITY AND AUTHENTICITY, QUALITIES THAT SHE DESIGNS INTO HER HANDBAGS.



work with family artisans, I want to know the people I work with and make sure it's done in an ethical manner. If I can go to bed at night knowing I ran my business in a conscious, ethical manner, that's success."

Jennifer Boonlorn



First, empowered consumers:

How will the Internet disrupt supply chains next?

Do you remember “You’ve Got Mail”? In the 1998 hit movie, the Internet enables romance to flower between Tom Hanks, who played a big box bookstore owner, and Meg Ryan, an independent bookstore owner. Ironically, that same Internet has now clobbered big box bookstores. It’s been rough on small ones, too. The Internet is fraught with change.

Elliot Rabinovich, professor of supply chain management at the W. P. Carey School of Business, says that the way we now buy media – books, music and video – is a direct outcome of the first phase of the Internet’s impact on supply chain operations. This first phase of Internet disruption, he says, “made the consumer a more integral participant in the supply chain.”

Rabinovich invites us to remember the days of buying books, music and videos before we went online. If you loved a song you heard on the radio, you had to buy a whole album with that one song plus 11 others that, perhaps, weren’t quite as appealing. If you wanted to watch a movie, you went to your local video store and hoped your first choice was in stock. Often it wasn’t.

“Before the Internet, the consumer was a more passive participant in the supply chain,” Rabinovich notes. “You would go to a retail store and buy whatever was available. It was difficult to know what was available until you got to the store.” Now, consumers are more active supply chain participants. We search online for exactly what we want at the best possible price, interact with other consumers to see if they liked what we’re evaluating, then have our purchases delivered to our homes and offices. “That dramatically changed the last mile of the supply chain, which used to end at the retail store. The consumer had to get the product home,” Rabinovich adds.

Since earning his doctorate in 2001, Rabinovich has spent most of his career examining how the Internet impacts retailers and the supply chains they manage. This past April, in conjunction with

JOHN G. BEBBLING PROFESSORSHIP IN BUSINESS

John Bebbling (B.S. Business Administration '71) and his wife, Barbara Bebbling (BAE Elementary Education '71) established the John G. Bebbling Professorship in Business to attract and retain a prominent faculty member of world-class caliber to the W. P. Carey School of Business.

Research by
Elliot Rabinovich
Professor of Supply Chain Management
John G. Bebbling Professorship in Business



W. P. Carey School Professor Dale Rogers, Rabinovich began bringing some of those retailers – plus some noteworthy manufacturers – into his investigations directly through the new Internet-edge Supply Chain Management (I-e SCM) Lab. Created as an ongoing research consortium, the I-e SCM Lab was launched to conduct industry-inspired research that advances understanding of innovations, challenges and new SCM possibilities at the edge between the Internet and the physical world.

To that end, Rabinovich et al will center their studies around three different pillars: e-commerce and omni-channel retailing, social production and the sharing economy and the “Internet of Things” (IoT). Each of these areas has impacts for supply chain management. Read on for a look at the backdrop against which the I-e SCM lab operates as well as a few studies that will soon be underway.

Evolutionary phases

As noted earlier, Rabinovich sees consumer empowerment as phase one of the Internet’s supply chain impact. Phase two is a change in how we match supply and demand, and it reflects our augmented abilities to interact with each other through means of social production. “Social interaction has had a tremendous influence on consumer demand and collaboration,” Rabinovich says. “Now, consumers are not making purchasing decisions in isolation. There is much reliance on other consumers’ behavior.”

He adds that this type of social shopping is the precursor to a new type of supply chain operations that encompass new forms of interactions between consumers and the product or the service providers who have what they want. Rabinovich is talking about the sharing economy represented by services such as Uber or Airbnb, where consumers rent use of assets that are being underutilized: rooms or residences in the case of Airbnb and transportation provided by the car owners themselves in the case of Uber. “It’s just a matching of supply and demand,” Rabinovich explains.

Pretty soon, however, people may not always be involved with the supply-and-demand interplay. This is because the IoT will allow us to connect objects to the Internet, such as cars and electric dishwashers, and these objects themselves will use their online connections to send and receive information, including demand for various supplies or services.

Online appliances

Rabinovich sees tremendous supply-chain insight that will stem from “instrumenting objects that consumers use to consume products.” By instrumenting objects, he’s referring to the various must-have items for a machine to be part of the IoT. These include the sensors that track or measure activity, the microprocessors that give the object some computing power and the connectivity that links the object to the Internet so it can share information gleaned from its sensors and processors with some other machine or process that’s online.

“Before the Internet, the consumer was a passive participant in the supply chain. Now, consumers are more active supply chain participants.”

As an example, Rabinovich uses a household washing machine, which consumes detergent. “If you can instrument that object, you’ll be able to know how consumers use the appliance and also how they consume the detergent they buy,” he explains. Moreover, it will be possible to track not only detergent consumption patterns, but also water utilization.

Why is that important? Retail sales of the detergent tell us when the product was plucked off the grocery store shelf, but this information does not equate to product demand. “The Internet of Things allows you to go deeper into how consumers are using a product,”

Rabinovich says. “It’s a lot more accurate” to track demand for supply chain professionals.

This consumption also could be tied to auto-replenish mechanisms from a retailer, so that people could get their goods when they actually need them, not merely on a pre-set timetable. In addition, the connectivity would also allow manufacturers of things like washing machines, cars, refrigerators and more to track the durability of product components and schedule maintenance more effectively.

So, if IoT technology is installed in the air conditioner in your house, someone will be alerted if the condenser coils are dirty, the refrigerant level is low or the air filter hasn’t been changed in months. “Rather than wait for the air conditioner to break in the middle of the summer, you can do preventative maintenance at more convenient times,” Rabinovich says. Such connectivity would help suppliers of those air filters and refrigerant stay supplied, and it would help consumers save money and headaches. As Rabinovich adds, “It’s a lot cheaper to do preventative maintenance than repair maintenance.”

Research in the making

So, what IoT research is currently underway? “We are looking at what kinds of objects should be instrumented and under what conditions and what kind of information should be captured by those objects,” Rabinovich says. IoT isn’t the only thing that will come under study by the I-e SCM lab. So will omni-channel retailing, in which merchants draw from inventory across channels to fulfill online customer orders. That means goods you can buy at the store are the same items you can order from the website.

“You can buy online, and they’ll have the bags ready for you when you drive up to the store,” Rabinovich notes. “But a problem with omni-channel retailing lies with the execution.”

This is largely due to the environment within retail stores. “Inventory records at stores generally don’t reflect accurately the actual inventory at the stores because store environments are very complex. Customers come and go. They grab products and misplace them. They are not controlled environments, so inventory records tend to be inaccurate.”

On top of that, it’s a tough environment to efficiently pick and pack items. After all, Rabinovich says, stores aren’t warehouses. They’re designed to entice consumers to buy impulse items, not for store workers to efficiently pick out items for someone who will be at the store in an hour. **(continued on page 30)**

Software development:

How to find the right outsourcing partners

In a world connected by high-speed Internet, businesses are increasingly seeking a competitive edge by outsourcing software development offshore. For many companies, the strategy promises dramatically lower labor costs and better access to a vast pool of talent.

But in a pair of research studies, Associate Professor Benjamin B. M. Shao and two of his colleagues in the Department of Information Systems, Kevin Hong and Pei-yu Chen, discovered unexpected risks associated with software development outsourcing. Unless clients manage their outsourcing projects carefully and consider key attributes of vendors, projects are susceptible to failure, the researchers found in their studies, which led to two working papers.

“Technology has made it possible to connect potential vendors and buyers around the world,” Shao said. “Our research finds that unforeseen things can happen when you outsource projects over long distances.”

Data for the research came from a global online platform that uses auctions to match clients and vendors. On the website, clients post information about their software development projects and vendors submit bids. The data contained information about duration of auctions, how proposals were written and whether projects were completed successfully in the end. Geographic locations of clients and vendors were also included.

Among the more surprising findings of the researchers: although long duration auctions attract more bids, they also tend to produce worse outcomes. When clients write lengthy, detailed descriptions of projects, bidders also tend to be less qualified. And being close geographically to a vendor can benefit a client – but only under certain conditions.

“Both studies produce counterintuitive results,” Shao said. “That’s the fun part of doing research.”

How distance matters

IT services outsourcing is an important industry, with revenue estimated at \$288 billion in 2013 and expected to grow steadily in the coming years. With advances in computers and networks, software services “can be provided from anywhere and at anytime,” Shao and Hong wrote in their working paper. Advanced project management tools also make it possible for businesses to monitor projects outsourced at sites far from company headquarters, according to the researchers.

Although offshore software outsourcing is relatively new, academics already have begun studying it. Several studies have found that distance between client and vendor negatively affects the likelihood of a project’s



Research by
**Benjamin
 B. M. Shao**
*Associate Professor
 of Information Systems*

“Our research finds that unforeseen things can happen when you outsource projects over long distances.”

being completed successfully. Using data from the online platform, Shao and Hong decided to try to find out why.

For each software project in the dataset, Shao and Hong recorded not only the distance that separated client and vendor but also each party's coordinates in latitude and longitude.

“Using the geographic distance alone, we affirmed the findings of prior studies that distance has a negative impact on successful completion of offshore software projects,” Shao said.

But by examining distance not only in miles but also in degrees of latitude and longitude, the researchers found that only the longitude or east-west distance mattered.

“Once we broke it down, we found that longitude has a negative impact, but latitude or north-south distance has no impact.”

The importance of longitude is that it measures not only distance but also time zone, according to Shao. With the Earth divided into 24 time zones, vendors and clients can find themselves on very different work schedules depending on their longitudes.

Phone calls in the middle of the night

To illustrate how geography can affect a software outsourcing project, Shao cited a case of a company in New York receiving bids for a project from vendors in Lima, Peru and Madrid, Spain.

“Both vendors are exactly 3,600 miles from the client,” Shao said. “Madrid is 70 degrees east of New York in longitude – a time difference of six hours – but no difference in latitude. Lima is 52 degrees south in latitude but no difference in longitude. New York and Lima are in the same time zone. If you control for other variables, you find that the project in Lima has a higher likelihood of success.”

Shao and Hong concluded that synchronous work schedules explain why being at similar longitudes improves the likelihood of project success.

“If there are any problems with the project, all you have to do is pick up the phone and call or have a videoconference,” Shao said. “Even if you decide to use email, you know the other person will also be working and can get back to you immediately.”

But in cases in which client and vendor are in different time zones, phone calls, videoconferencing, and texting often are not options. “If you run into a problem but you know that the person has left for the day, all you can do is email or leave a voice message.”

To discuss something in real time, the two parties in distant time zones have to make appointments, and it also can mean late night or very early morning phone calls.

“Coordination costs go up as east-west distance increases,” Shao said.

This phenomenon is important in software outsourcing because U.S. companies are on the opposite side of the globe from India and other countries in Asia where many software developers are located, according to Shao.

“They are completely opposite in night and day. There is no overlap in work schedules,” he said.

Designs for project success

The online platform researchers studied uses a reverse auction format, in which buyers solicit bids from sellers. The process is the reverse of what happens on forward auctions, like eBay, according to Shao.

“In a forward auction, the seller posts the item for sale, and the buyers compete with each other, so the price will go up. In a reverse auction, the seller submits the bid, and the price typically will go down over time,” he said.

Shao, Hong and Chen decided to investigate how the design of the software development auctions affects project outcomes. They wanted to find out what roles, if any, the length of auctions and project descriptions played in a project's success.

“The client can decide how much detail to provide about the project,” Shao said. “It can be one sentence – ‘I need someone to build a website for me’ – or it can be 100 or 500 words describing details of the website you want to built.”

On this platform, clients also can determine how long auctions are open. “It can be ten days or seven days or one day. It's up to the client,” Shao said.

Conventional wisdom about auctions holds that the longer an auction and the more details provided about a project, the better the outcome, according to Shao.

“Longer auctions attract more bids, and with more to choose from, you should be able to get a better developer,” he said. “And with more description, potential bidders have more information about what you want, which would attract more bids and result in a better outcome.”

In both of these areas, though, conventional wisdom proved wrong, according to Shao. Holding longer auctions and providing more descriptions did, indeed, attract more bidders, but the projects were less likely to be completed successfully.

In their analysis, Shao, Hong and Chen found that longer auctions and more detailed descriptions tended to attract low quality bidders and discourage high quality bidders.

“If you keep an auction open too long, the capable developers are going to self-select by not submitting bids,” Shao said. “The reason is that they are good. They could easily find other projects, so instead of waiting and enduring uncertainty, they bid in an auction that has a shorter duration and hence a quicker outcome.”

Low quality bidders, however, have little to lose by waiting out a long auction. “We found that even though you attract more bidders with longer durations, there are proportionately more low quality vendors submitting bids,” he said.

A similar pattern occurred with project descriptions, the researchers found. Longer descriptions tended to attract proportionately more low quality vendors.

“Experienced programmers are more competent and don't really need a long description to figure out whether they can do a project or not,” Shao said.

For a business conducting an auction, attracting a large number of bidders is not necessarily beneficial, according to Shao. “It creates information overload. The client has to screen out bidders, and it makes the job of choosing the right vendor more difficult. In essence, more is not necessarily better.” **(continued on page 30)**

Going private:

Is it really a path to better performance?

A long line of academic research argues that privately owned companies should be better managed than their publicly owned counterparts. The reasoning goes like this: A small group of private shareholders, with more of their wealth tied up in the company, will better monitor managers, ensuring that they make smart investments and don't squander resources on vanity projects. This, in turn, should lead to greater firm efficiency and productivity.

Business people often echo these sentiments – especially when their company is being taken private. Thus, when Warren Buffett's Berkshire Hathaway bought BNSF Railway in 2009, the railroad's CEO, Matthew Rose, said he welcomed the chance to escape from the hassles of public ownership. Being owned by Buffett and Berkshire, he said, would let him focus on the long term, as a manager should.

But recent research by Finance Professor Sreedhar Bharath calls this conventional wisdom into question. Bharath, along with coauthors Amy Dittmar and Jagadeesh Sivadasan, both of the University of Michigan, examined dozens of deals in which publicly owned plants were taken private and found no improvement in productivity.

"The newly private firms do well, but so do comparable public firms," Bharath explained. "They do equally well." And that suggests that there's no great advantage in private ownership, at least among the manufacturers that the researchers examined.

"There's a belief that the market penalizes companies if they don't show great numbers now," Bharath said. To achieve these results, the argument goes, managers may feel forced to cut employment and investment, hurting their firms' long-term health and productivity. "If this is really true, when companies go private, they should be freed from all of these short-term pressures and rack up great future numbers. But whichever way we tried to cut the data, we couldn't find that."

Disappearing advantage

The three researchers dug into going-private deals that happened from 1981 to 2005. They were able to go deeper than some prior studies because they analyzed plant-level data collected by the U.S. Census

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Research by
Sreedhar Bharath
Professor of Finance,
Dean's Council
Distinguished Scholar



Bureau. Among the going private transactions in their data set were three kinds of deals: those led by private-equity firms, company managers and private operating companies. The researchers studied more than 400 companies across a variety of industries, comparing them with industry peers of similar size and age.

Before their buyouts, the going private plants were, by some measures, more productive than peers, Bharath said. But when the researchers compared their post-buyout performance with that of their still public peers, the apparent advantage disappeared.

"We find no evidence that going private causes plants to improve their productivity relative to their matched peers," the three scholars write in a paper that was the lead article of *The Review of Financial Studies*. Even six years after their deals, the firms that went private showed no edge in operational efficiency.

What could explain the comparable performance? Better technology might be one answer, Prof. Bharath said. Technological improvements often pulse through an industry, affecting many firms. In the textile industry, for example, many makers of blue jeans switched their process at roughly the same time.

"They used to weave the fabric and then dye it in indigo," he said. "The newer type of technology is you dye the individual strands and then weave the cloth and make the jeans. This change would've been common to public and private firms – all of them would've needed to keep pace, so you'd see a common effect in the industry."

The myopia hypothesis

Deals to take companies private can spark debate. When they involve prominent public companies, they can be among the biggest and most controversial events in the hurly-burly world of mergers and acquisitions. Sometimes, they're triggered by a buyout firm making a bid. Perhaps the most famous example was KKR & Co. L.P.'s purchase of RJR Nabisco Inc. in the late '80s. That inspired the bestselling book "Barbarians at the Gate: The Fall of RJR Nabisco" and a movie, too.

Other times, company managers take their firms private. That was the case in 2013, when Michael Dell led a group of private investors who purchased the PC maker that bore his name. In a letter published last year in *The Wall Street Journal*, Mr. Dell said the move let his company escape the "myopia" of the public market. "Shareholders increasingly demanded short-term results to drive returns; innovation and investment too often suffered as a result," he wrote. "Shareholder and customer interests decoupled."

Dell wasn't the first person to accuse public investors of shortsightedness. Scholars have done the same, calling the behavior "short-termism."

"In the academic literature, the vast majority of the papers have taken the position that short-termism is a problem," Bharath said.

But again, Bharath and his colleagues beg to differ. They point out that a shortsighted manager would value current earnings over the firm's long-term health, and thus would likely slash payroll and underinvest in property and equipment. Jobs and investments cost money now but may not yield immediate

"The newly private firms do well, but so do comparable public firms," Bharath explained. That suggests that there's no great advantage in private ownership.

benefits. If going private liberated managers from having to sweat short-term results, then one would expect to see increases in employment and investments after going-private deals.

"The myopia hypothesis would also predict that there would be productivity gains relative to public firms once the constraint is removed by going private," the scholars write. "We find no evidence that this is the case; thus, our evidence is largely inconsistent with public firms being more subject to myopia."

Simply put, private firms in their study did not appear more oriented to the long term than public firms.

The renovation hypothesis

Just because newly private firms aren't more productive than their public peers doesn't mean they're similar in every way. Bharath and his colleagues did find differences. The most notable was that going-private firms were more likely to sell their least productive plants; the private buyers didn't improve the performance of the plants they kept, but they did get rid of the duds.

This finding, too, contradicts conventional business wisdom, especially as pertains to buyouts led by private equity firms (that is, companies like KKR that specialize in doing these kinds of deals). "There's a view that private equity guys fix things," Bharath said. "They can take these public firms private, fix their problems and then exit through a public stock offering."

While that may be true in some cases, it wasn't true on average among the plants that Bharath and his colleagues studied. "In the kinds of deals we examined, there doesn't seem to be a high value-addition," he said. "They're not adding productive capacity to the plants. It's more that they're removing unprofitable stuff."

Breaking up the empire

This finding does suggest that at least one criticism of public ownership may be true: public company CEOs may be more prone to "empire building" than their private company peers. That is, they may be more likely to try to expand the size of their enterprise, even if doing so doesn't represent to best use of scarce company resources. Warren Buffett has chided public company CEOs for this tendency in his letters to Berkshire's shareholders.

But when firms go private, the new owners often restructure, scaling back the "empires" they acquired, the three scholars found. "The differences in the restructuring activities provide evidence consistent with the reversal of empire building," they write. "However, these reversals do not lead to improvements in productivity within retained establishments."

Implications for investors

Business people might take a mixed message from Bharath's research. Someone faced with lending money to finance a buyout might be encouraged, as the results show that "the private guys do as well as the public guys, and they weed out bad stuff," he said. But someone faced with investing, as a limited partner, in a buyout fund might be less enthusiastic. Among manufacturing firms, at least, "these aren't the deals that are going to give great value," he said. **(continued on page 30)**

Informed consumers (continued from page 25)

So, what happens when the customer buys online and drives up for his or her groceries, but not all of the groceries were in the store that day? "It is possible the customer will simply cancel the entire order," Rabinovich says, adding that this could be an enormous drain on retailers who have staff wasting time filling omni-channel orders for online shoppers.

These and other projects are now in planning stages for I-e SCM Lab participants. Some of the studies will be theoretical examinations of issues, while others will involve partnerships among lab participants. But, all of the research will share one underlying element: the Internet. "Obviously,"

Rabinovich says, "It isn't going away."

A key element of Elliot Rabinovich's research is its practical applicability: he has worked with more than a dozen companies studying electronic commerce. His 2011 book, *Internet Retail Operations: Integrating Theory and Practice for Managers* (Taylor & Francis) will be translated into Mandarin for publication in China in 2015. ■ ~ **Betsy Loeff**

The Internet-Edge Supply Chain Management Lab is working with Intel Corp. and JDA Software Group Inc. to understand the challenges and opportunities at the boundary between the

Internet and the physical world. Supply Chain Management Professors Elliot Rabinovich and Dale Rogers are co-directors of the initiative. Affiliated faculty include Timothy Laseter (University of Virginia), Annibal Sodero (University of Arkansas) and Timothy J. Richards, Bin Gu, Craig Carter, Kevin Dooley and John Fowler from the W. P. Carey School of Business.

Software development (continued from page 27)**Surprising conclusions, practical advice**

These findings have important implications for companies looking to outsource software projects, according to Shao.

Because East-West distance has such a strong influence on project success, clients if possible should look for vendors in the same time zone or at least in a time zone where client/vendor work days overlap, Shao said.

"On the other hand, if a vendor is far away and in a different time zone, you have to monitor the

progress of your project more closely to make sure it is on the right track," he said.

The advice Shao would give to clients designing auctions for software development outsourcing projects is clear: keep it short and simple. Descriptions and auction durations should be as brief as possible.

"You want to make sure that the auction goes on no longer than necessary," he said. While longer durations and descriptions attract more bids, they tend to come from less qualified developers and hence have a lower likelihood of project suc-

cess, according to Shao. ■ ~ **Robert Preer**

Based on the working paper "Global Software Sourcing: Longitude, Latitude and Familiarity" by Yili (Kevin) Hong and Benjamin B. M. Shao, W. P. Carey School of Business, Arizona State University, and the working paper "The Effects of Online Auction Designs: Evidence from a Labor Matching Platform" by Yili (Kevin) Hong, Pei-yu Chen and Benjamin B. M. Shao, W. P. Carey School of Business.

Going private (continued from page 29)

that it focused on manufacturers, which, while important, represent a relatively small part of the total U.S. economy. According to the Economic Policy Institute, a Washington, D.C., think tank, manufacturing directly employed about nine percent of U.S. workers and accounted for about 12.5 percent of U.S. GDP in 2013. What's more, the number of manufacturing jobs has been dropping over the last two decades, as plants have moved to lower-wage countries like China

and Mexico and the U.S. economy has become more service-oriented.

"The U.S. has moved away from manufacturing to services – we can't refute that," Bharath said. But the beauty of manufacturing as a study subject is that offers a wealth of data and that financial economists agree on how to measure its productivity.

So while Bharath and his colleagues may be creating a picture of only a part of the economy, they're confident that it's a finely detailed and

accurate one. ■ ~ **Tim Gray**

*Based on the paper, "Do Going-Private Transactions Affect Plant Efficiency and Investment?" by Sreedhar Bharath, W. P. Carey School of Business, and Amy Dittmar and Jagadeesh Sivadasan, both of the University of Michigan. Published online in *The Review of Financial Studies* in July 2014.*

How did we get here?

VIDEO STILL COURTESY OF FENVOIR CREATIVE



SETH FLEMING

The Class of 2015 reflects on the life-changing skills and relationships they developed at W. P. Carey

Everyone thinks about what their future holds when they walk across that stage and receive a diploma. But graduation is also a perfect time to ask what you got out of the experience. What will you take with you into your new life and career?

Those same thoughts came to mind for the W. P. Carey class of 2015. For Seth Fleming, a Full-time MBA graduate, the time he spent honing his skills for a post-graduation career at Amazon was just the tip of the iceberg. “I made it a point to get everything I could out of the W. P. Carey program,” Fleming remembers. “That means fully investing yourself – engaged in the classroom, supportive to my classmates outside the classroom, involved in social events like happy hour or tailgates. The more that you invest yourself into the program, the more you can reap the benefits

of everything W. P. Carey has to offer.”

Taking that approach, Fleming says, helped build an immediate camaraderie with his classmates. “You feel like you have friendships that have lasted years, but you’ve only been on campus for a few weeks.”

Unlocking potential

Tess Cianfrocco, a Master of Taxation graduate, agrees. “There’s more a sense of community graduating with my master’s. I’ve created this network that I feel I’m a part of. The single biggest takeaway from my time at W. P. Carey is the relationships that I’ve built, both in the MTax program and other programs.”

“I was successful academically,” says Cianfrocco of her undergraduate days. “But with grad school, I feel more involved, both through W. P. Carey and the people I was able to work with. I’ve made connections that will help me moving forward and I’ve made friends I’ll probably stay in touch with for the rest of my life.”

“I made it a point to get everything I could out of the W. P. Carey program. That means fully investing yourself – engaged in the classroom, supportive to my classmates outside the classroom, involved in social events like happy hour or tailgates.”

– Seth Fleming (MBA '15)



TESS CIANFROCCO



MALALAY SHERZADA



ROB MONK

“The single biggest takeaway from my time at W. P. Carey is the relationships that I’ve built, both in the MTax program and other programs.”

– Tess Cianfrocco (MTax '15)

Returning to graduate school is a big commitment and a big decision. And, as it turns out, earning a master’s degree in business is a popular decision, as well. According to the Council of Graduate Schools/GRE Survey of Graduate Enrollment and Degrees, nearly 17 percent of all master’s students enrolled in the U.S. for fall 2013 – nearly a quarter-million in all – were pursuing business degrees.

For many of these students, a graduate degree in business unlocks new skills and expertise, allowing them to transition

to new leadership opportunities or new industries altogether. “I’ve been in the military for 10 years so I really didn’t know how corporate America worked or how it was structured, because I hadn’t been around it,” says Rob Monk, a major in the U.S. Army and 2015 alumnus of the Online Master of Science in Information Management program. “I learned a lot about how the civilian world works, and that was a really valuable takeaway.”

“I feel like I now can speak the language of business,” he adds of his transition to a post-military career. “Before the program, if I had tried to explain my military experience to a potential employer, I don’t think I would have been able to convey the right message.”

Tools of their trade

Developing the toolkit that potential employers want most is a common theme among graduates. Malalay Sherzada earned bachelor’s degrees in anthropology and justice studies before

student success

Growing the extra mile



It may seem a bit silly at first glance (or even the second glance), but “Movember” is serious business. What started in 2003 with 30 Australians growing moustaches throughout November has spread all over the world, with more than four million people a year raising money and awareness for men’s health initiatives.

As they often do with civic and social causes, W. P. Carey School of Business students have fully embraced “Movember,” raising thousands of dollars in 2014 and hoping for even better results this year. Life events led Joe Florentino, a 2015 Executive

MBA graduate, to the movement. “A few years ago my family experienced a medical issue that was caught because of regular screenings and follow-ups,” says Florentino. “Since then I’ve always taken this cause personally and tried to find ways to gain and spread awareness for men’s health.”

After working with his classmates in 2013, Florentino branched out last year. Realizing he had access to hundreds of fellow graduate students who might want to be involved, he enlisted help from across the W. P. Carey specialized master’s and MBA programs to bring attention to the cause and raise funds.

realizing working in those fields didn't fuel her passion. "Before I joined W. P. Carey, I had worked in non-profit. I also went abroad and taught English in China. But I just didn't see myself in the non-profit world," she admits. So, she enrolled in the W. P. Carey Master of Science in Management program, which she now calls her "golden ticket" to a more rewarding career.

"One of the main things I got out of the MiM degree that I didn't innately have before was confidence," she says, adding that all the new know-how she has acquired over the course of the nine-month program – from critical thinking skills, to marketing to project management – will give her an edge with future employers over candidates with no business school experience. Sherzada is already putting her new strengths to work in fundraising positions at philanthropies and organizations that spur awareness of and investment in STEM programs for underserved populations, like women of color and elementary school-aged girls.

The skills that W. P. Carey students acquire certainly do pay dividends on the job. According to the 2014 Gallup-Purdue Index Report, "Great Jobs, Great Lives," the majority of ASU alumni are thriving in their careers. Among the findings:

- Two-thirds of ASU graduates surveyed are employed full time, compared to 59 percent nationally
- Nearly half of fully employed ASU graduates (47 percent) say they are engaged at work versus the national average of 39 percent
- ASU alumni are more likely to be engaged in their work than graduates of other large public universities

ASU graduates indicate that they are more interested in the work they do than their counterparts from other schools and nearly one-third claim that they don't just go to work every day; they go to their ideal job. Among the key factors driving those results are student support and experiential learning, both hallmarks of the W. P. Carey experience.

The Gallup-Purdue Index Report also gives Sun Devils high marks for happiness outside of work. In a word, they're thriving. Surveyed on five critical elements of well-being – purpose, social, financial, community and physical – ASU alumni are

But there was a catch. "We decided to add a kicker," Florentino remembers with a laugh. If his class was able to reach their \$5,000 goal he would let them shave off his hair.

"I think the class bonded and tried to raise funds just to see me get a haircut," he deadpans. Everyone got in on the action, many paying \$20 a pop to take a swipe with the clippers.

As a group, W. P. Carey graduate students and staff raised \$10,464 to support men's health initiatives in November 2014. The Executive MBA class of 2015 was the top

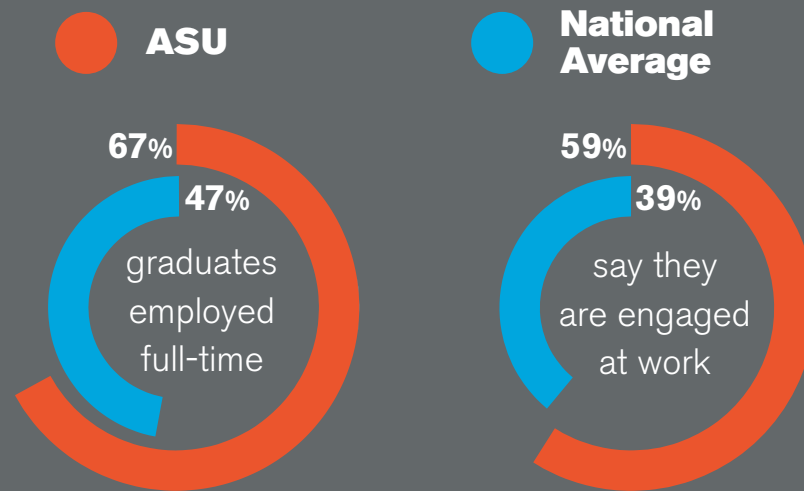
W. P. Carey team, raising \$4,677. Florentino brought in \$2,500 himself. Though the Executive MBA class fell just short of its other stated goal (Florentino's hair), he volunteered for that, anyway, donating his hair to Locks of Love.

Along the way, a number of MBA and master's students sported some pretty serious (and not so serious) moustaches, shining a light on health issues that aren't always front page news. And with "Movember" right around the corner, the bar for W. P. Carey students may be higher than ever before.



Great Jobs, Great Lives

ASU graduates beat the national averages in key areas of well-being and workplace engagement. In fact, according to a 2014 Gall-Purdue Index Report, the majority of ASU alumni are thriving in their careers.



Survey finding: ASU alumni are more likely to be engaged in their work than graduates of other large public universities.

ahead of the national average in three categories and are significantly more likely than their peers to overachieve in all five areas.

For Seth Fleming, there is an extra reason to be happy after graduation. "I never in a million years thought that I would meet my girlfriend in business school," he beams. "There are a lot of demands that come with being a Full-time MBA student and I don't know if anyone could have appreciated or understood those demands if they weren't in the program with me. It's been a great foundation for our relationship going forward."

Whether it's new skills, new confidence and knowledge or new relationships, building great foundations is what we're all about at the W. P. Carey School of Business. ■



Large Landowners Initiative: Speaking up about wildlife protection

Sometimes owners and managers reserve large land holdings for future development, but as economic and regulatory frameworks evolve, their options often erode. Societal concerns change over time and new ideas result in new policy and law. Meantime, owners and land managers worry they are not given an impactful and timely voice in the process and that their input is not seriously considered.

The W. P. Carey School's Large Landowners Initiative is working to address these concerns by bringing to the table regulators, land owners and other impacted stakeholders before decisions with far-reaching impacts on natural resource management and future economic growth are made.

The Endangered Species Act (ESA) is under scrutiny by western states due to its impact on economic development and private property rights. A decision to list a species as endangered can forever alter land use by preventing development and mineral extraction or other revenue-generating use of the land. It can dramatically impact cost of living and the future growth of communities.

In Arizona, the U.S. Fish and Wildlife Service (USFWS) is in the process of evaluating the Sonoran Desert Tortoise for ESA

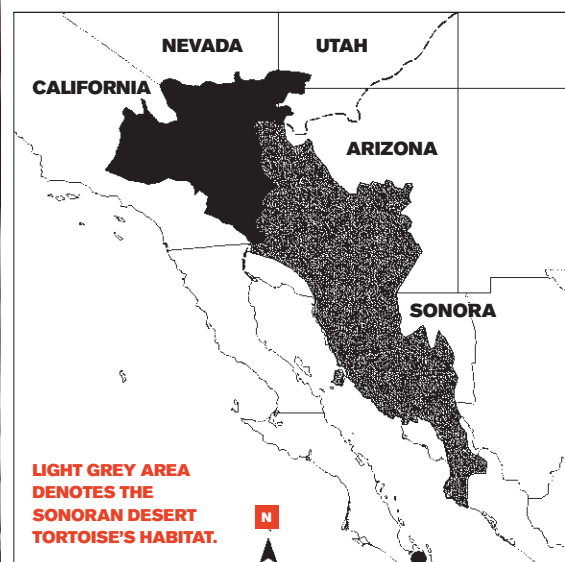
protection. Tortoise habitat covers approximately 27 million acres of land in Arizona, including hundreds of thousands of acres within critical metropolitan growth areas. The USFWS solicits the best available science and other relevant information as it makes its decision to list a species or not. Initial input often comes primarily from parties supporting protection, and landowners speak up only after the preliminary decisions are made. At that point, they must refute already-formed presumptions. Solutions crafted this way are expensive and difficult for all parties.

The Large Landowners Initiative seeks to facilitate discussion between the USFWS and the impacted parties, so that responsible growth, comprehensive planning and stakeholder interests are considered at the beginning of the regulatory process. The goal is to incorporate key information from those who must live with the impact of policy changes, providing them the opportunity to advocate solutions that will not shut down or delay economic development. This new approach could enable all involved to make decisions which will meet the needs of the species and the legal and policy objectives of each party.

Forcing disparate interests to conduct their discussions in the open is never easy. But the output from this process will be a model for future ESA evaluations. ■



Vanessa Hickman is the executive director of The Large Landowners Initiative and associate director of real estate programs at the W. P. Carey School of Business. Hickman was the Arizona State Land Commissioner through January 2015.



Prescription for environmental stewardship: Collaboration and goodwill



A former Navy fighter pilot, Richard Morrison is a lawyer, philanthropist, businessman and priest in the Episcopal Church. He is a farmer, rancher, dairyman and advocate. Richard is a co-founder of the Morrison Institute for Public Policy and serves on the W. P. Carey School of Business Dean's Council. The Morrison School of Agribusiness is named in recognition of his family's philanthropy to ASU.

The more I learn about the Large Landowner Initiative, the more I like its potential to reform the way regulators approach priorities. In the case of endangered species, the initiative is working with landowners to turn the prospect of pure economic loss into an opportunity for value, for the landowner as well as the environment. Wetlands programs provide mitigation banking and financial credits which can be marketed; perhaps such a system could be worked out to protect endangered species.

I am a rancher who voluntarily committed considerable expense to broaden range-monitoring beyond the scope of existing U.S. Forest Service monitoring stations. We did this in the name of better stewardship of the land, but I am not sure my photographs and other data were ever reviewed or used. This leads me to be concerned whether our regulatory agencies are open to landowner initiatives and what they can contribute to the protection of habitat and natural conditions. But despite this experience, I have to believe there is a way to work more effectively together.

My concept of environmental stewardship emphasizes the role of ethics: the role of intention, choice, vision and philosophy in ensuring that the common good is served. In order to be involved at a policy level on agricultural issues, I have served as a trustee of the Farm Foundation in Chicago for the last five years. The foundation's major national effort called A Dialogue on Food and Agriculture in the 21st Century is an effort to find common ground among producers and environ-

IF WE FOCUS ON WHY IT IS SO DIFFICULT TO ACHIEVE OUR GOALS, WE RISK ULTIMATELY FAILING AT THE MISSIONS WE SUPPORT.

~ Richard N. Morrison

our goals, we risk ultimately failing at the missions we support.

Government officials need to acknowledge that their work may require more communication and collaboration with the communities they regulate. This approach could minimize legislative responses designed to thwart regulatory actions.

The regulated community also must bring good will to the table. Some may believe that social ethics require nothing more than conformity to the law, but that is a minimum standard – a poor one considering that the law is of necessity incomplete. Government does not attempt to legislate every possible moral action. Just because the criminal code is silent about an action does not mean it is moral; nor is everything that is immoral rendered unlawful. The gap between what is legislated and what is desired is huge.

I recently read an article that pointed out reducing human footprint on the Earth requires collaboration among people of different knowledge bases. I could not agree more. ■

mentalists, “foodies,” financiers, government representatives, equipment manufacturers and other interests. We hope this will lead to win-win solutions and become a model for our time.

Working together is not easy. Leadership today requires more cooperation and collaboration than ever before. If we focus on why it is so difficult to achieve



60 years and growing



Every birth has a story, and the advent of the W. P. Carey School of Business is no exception. 60 years ago the study of business here was elevated from a department to a college – an evolution that was intertwined in the struggle for Arizona State University to be born. And its growth was part of the development of ASU into the great university it is today.

Roll back to 1946. The post-war education boom was beginning to rock, and the newly-named Arizona State College quadrupled enrollment. Business was a popular major, putting a strain on classrooms. A new building – now called Interdisciplinary – accommodated the growth for the business and agriculture programs. In 1951 President Grady Gammage appointed a committee to address the administrative implications. The report called for the creation of seven schools and colleges, including business. The board of regents went just part of the way, however, establishing the College of Arts and Sciences and the School of Education.

The departments left behind clamored to be similarly elevated, and the regents responded by calling for another study. The Hollis Report – far from calming the waters – actually stirred up waves. The report noted that Arizona State College was rapidly becoming a university, and that steps should be taken to make the transition orderly. Specifically, it recommended that Arizona State College be the sum of four colleges: liberal arts, education, applied arts and sciences, and business.

University of Arizona President Richard Harvill reportedly blustered “for the survey staff to say that Arizona State College in Tempe is a university

does not make it so.” The battle lines were drawn.

November 20, 1954 was a notable day in Tempe for two reasons. Arizona State College would meet the University of Arizona on the football field, and the board of regents would hold its first meeting open to reporters. The Arizona Republic reported that the regents meeting was tense; the room was packed and the board was split on factional lines. Governor J. Howard Pyle broke the tie, and the Hollis Report was approved: business was now a college. Arizona State College lost to the Wildcats that day 57 to 14, but the loss couldn’t dim the excitement over that vote.

And so, on July 1, 1955, the College of Business Administration was established. As the years passed, degrees would be added, centers created, deans would come and go. We constructed buildings for our programs: first BA, then its addition. In 1984 the six-story C-wing was dedicated, and soon after, “Administration” was dropped from our name. More than 25 years later we would open McCord Hall.

In December 2002, Wm. Polk Carey finalized his gift of \$50 million, and the grateful university responded by renaming the college the W. P. Carey School of Business.

So happy 60th anniversary to the W. P. Carey School of Business! We are more than 90,000 strong and we have reason to be proud.

– Adapted from “W. P. Carey School of Business at Arizona State University: A Commemorative History Celebrating 50 Years” by Melissa Bordow; Heritage Publishers Inc. 2003.

**MARIANNE JENNINGS
IN MCCORD HALL**

Retired ... to teaching!

A lifelong scholar, she couldn't leave students behind

Professor Emeritus Marianne Jennings says with a laugh that she “failed miserably” at retirement. “Failure” is a word that Jennings’ friends and students would never associate with her name. She’s better known for her wide smile, her talent for inspiring and engaging students and her forthright opinions.

Jennings retired in December 2011 after 35 years of teaching, but full retirement lasted all of 18 months. In August 2013 the business school needed someone in a hurry. School of Accountancy Director Phil Reckers asked Jennings if she was available to teach ethics for accountants in the Master of Accountancy program. Author of “The Seven Signs of Ethical Collapse: How to Spot Moral Meltdowns in Companies ... Before It’s Too Late,” Jennings was ready for the assignment. She teaches students how to think about ethics, and to be aware of the psychological traps that lead to fraud.

Jennings’ ASU career began with an ad tacked to the bulletin board in the law school library. She had moved to the state from Nevada as a newly-wed, and was keeping herself busy until she learned the results of the bar exam. The business school needed someone to teach business law, and Jennings got the job. That was the beginning of a distinguished teaching career now going into its 39th year.

Jennings enjoys her students, and the feeling is mutual. Many of them stay in touch.

Even if she wasn’t teaching, Jennings would have been busy in retirement. She has written six textbooks, which require regular updates, and her speaking engagements take her around the country. She writes articles and records podcasts, and as a consultant she conducts culture evaluations for corporate clients that are concerned about the ethical standards of their employees.

She has no regrets about choosing an academic career. “I still get to study,” she says, “I would have been a student all my life if I could have. As a professor I can write and do research ... and students are just so entertaining!”

2015 FACULTY RETIREMENTS Beth Walker and J. Peter Reingen, marketing; Barbara Muller, accounting; Louise Nemanich, management

CLASS NOTES

1970s

Paul Faith, B.S. Business '71, is the vice mayor of the city of Litchfield Park, AZ.

Kim Ruggiero, B.S. Marketing '78, is the current sales strategist/chair at Verizon Enterprise Solutions. She is also a professor of practice in marketing at the W. P. Carey School of Business in Tempe, AZ.

1980s

Fredric Fial, B.S. Finance '81, MBA '87, currently holds the position of senior vice president of sales at Nations Equipment Finance in Norwalk, CT.

David Kopf, MBA '83, is the vice president of sales at EventBuilder, which guides companies in planning events, in Portland, OR.

1990s

Maribeth Brady, MBA '95, is a program management executive at Bank of America in Phoenix.

Gunnar Light, MBA '95, is a managing partner for the global strategy company Global G Group in Phoenix.

Andrew Beinbrink, B.S. Business Management '99, is CEO of SportsForce Recruiting in San Diego. SportsForce helps student athletes decide on the college recruiting and scholarship process.

Remembering the 60s



When **Greg Miller** (B.S. Marketing '65) and his wife Corrine (Kuta) Miller (B.S. Advertising '65, M.A. Education '70) were students, our landmark Gammage Auditorium was under construction. Greg was president of the Business Administration Council, which hosted one of the first events held in Gammage when it opened in 1964: the president of Pillsbury was the speaker. Greg went on to start a business and Corrine became a teacher in the Mesa Public Schools. “A good education is a blessing,” she said.

Remembering the 80s

Music runs through **Scott Moffitt's** (B.S. Finance '88) college memories, like the U2 concert "Rattle and Hum" that was filmed at Sun Devil Stadium. Now Nintendo's executive vice president of sales and marketing for the U.S., Canada and Latin America, Moffitt lives in San Francisco with wife Tami (Penberthy) Moffitt (B.S. Finance '88). Back then, aspiring Wall Street financiers wore black Ray Ban Wayfarers, Spooner shirts and Sperry top-siders. And of course there was football: that magical Rose Bowl win over Michigan.



Chandler Yelton, B.S. Global Business/Financial Management '99, is vice president of business development for the printing company O'Neil Printing in Phoenix.

2000s

Kyle Keniston, B.S. Business Management/Marketing '01, is the president of the roof coating company KM Inc. in Phoenix.

MaryAnn Miller, EMBA '01, is senior vice president at Avnet Inc. in Phoenix. Miller was recently included in the National Diversity Council's 2015 Top 50 Most Powerful Women in Technology, the second year in a row that she's been named.

Nicole Bond, MBA '02, is an account director at the marketing agency Covario in Phoenix.

James Heffner, B.S. Business Management '02, is an associate litigator at the law firm Hahn Loeser & Parks LLP in San Diego.

Karen Klimczak, MBA '02, is the director of marketing for the University of Colorado Denver.

Gabriel Salomon Ramirez, B.S. Marketing '02, is the vice president of partnerships for the YouTube channel Pushpin TV in Scottsdale, AZ.

Brooke Sanders, B.S. Marketing/Economics '03, MBA '09, is the director of development at the University of California, Los Angeles.

David Freedman, B.S. Business Management/Commercial Real Estate '05, is the managing member of Salut Kitchen Bar, a highly acclaimed bar and restaurant located a stone's throw away from ASU in Tempe, AZ.

Jason Sweet, B.S. Marketing '05, is the senior client services administrator for Agile 1, a company that helps clients during the hiring process, in San Francisco.

Seth Carstens, B.S. CIS '06, is the current vice president of technology for the sports fan website FanSided in Phoenix.

Jen Clay, B.S. Marketing '06, is a learning specialist for Microsoft Inc. in Denver.

Chris Myers, B.S. Finance '06, is the CEO and co-founder of the small business management company BodeTree based in Denver.

Miriam Swofford, B.S. Marketing '06, is currently an account supervisor for BBDO, an advertising agency in San Francisco.

Rachel Brockway, MBA '07, is on the board of directors for HMA Public Relations in Phoenix.

Eric Manfull, MBA '07, is the current COO of Life Tree Manufacturing LLC. Life Tree is a Tempe-based company that manufactures organic products.

Jeremy Saxey, B.S. CIS '07, is the founder of the Phoenix-based FreeUp Web Studio.

Nate Bitting, B.S. CIS '08, works in business operations and strategy for Cisco in San Francisco.

Peter Hodgson, B.S. Management/Marketing '08, is the director of alumni relations for Teach for America – Phoenix. Teach for America expands educational opportunity by recruiting top college graduates and professionals who agree to teach for two years in urban and rural school districts.

Aaron Oaks, B.S. Finance '08, is a current associate for the consulting firm McKinsey & Company in Chicago.

2010s

Jason Grimwood, B.S. Marketing/Sustainability '10, is the owner of Master Ironworks in Santa Barbara, CA.

Kimberley Hand, B.S. Marketing '11, is the senior social media strategist for the company Sitewire in Phoenix.

Keith Rezendes, Ph.D. Supply Chain Management '11, is the CEO and co-founder of the tutoring company Avidbrain in Phoenix.

Maria Del Sol Pelaez, B.A. Business Communication '12, is a public relations specialist at Urias Communications in Phoenix.

Sara Breeding, B.S. Marketing/B.A. Design Management '13, is the co-founder of It Was Never a Dress in Tempe, AZ. It Was Never a Dress is a viral marketing campaign that is aimed at empowering women.

Katelyn Flores, B.S. Marketing/Management '13, is the marketing manager at Infinite Reach in Phoenix.

Estevan Astorga, B.S. Marketing '14, is a business advising volunteer for the Peace Corps in the country of Senegal.

Bob Collopy, B.S. Marketing '14, is an associate broker for Fort Lowell Realty in Phoenix.



Remembering the 2000s

When the Alumni Sun Devil Marching Band forms up at Homecoming, **Marisa Calderón** (B.S. Marketing, B.A. Spanish '02) will be there playing her alto sax. Calderón played in the band all four years at ASU. She says graduation doesn't seem very long ago, but a lot has changed. Gone are the sunken fountains in the Dean's Patio that made crossing from BAC to BA an up and down journey. McCord Hall rounds out the business campus to the east, and "the MU is completely different," she sighed. And the school name changed: the College of Business became the W. P. Carey School of Business as she was finishing her program.

in memoriam

FACULTY TRIBUTES

Herbert "Mac" Bohlman

Professor Emeritus of Business Law Herbert "Mac" Bohlman, 79, died May 22, 2015. He retired from the U.S. Navy as a Lt. Commander before becoming an attorney and practicing law for 50 years in Arizona. From 1964 to 2004 he was a member of the faculty at the W. P. Carey School of Business. In addition to his wife, Mimi, he leaves four children, 10 grandchildren and one great grandchild.

Robert "Bob" Gwinner

Professor Emeritus of Marketing Robert "Bob" Gwinner, 79, died July 7, 2015. He served in the U.S. Army in intelligence in Washington, D.C. before earning a Ph.D. and joining the Marketing Department at the W. P. Carey School of Business. He taught from 1970 until his retirement in 1998. He published research in the top marketing journals and co-authored a textbook. He leaves his wife, Rose, and four children.

Bevie Truett Sanders

Professor Emeritus of Accounting Bevie Truett Sanders, 98, died June 25, 2015. A veteran of World War II, he was a professor from 1957 to 1982. He and his wife, Virginia, were active in Tempe community affairs, and in 2005, the couple received the City of Tempe's Martin Luther King Jr. Diversity Award for their work with international students. He is survived by his wife, a sister, two sons and three grandchildren.

Keith Alva Shriver

Professor Emeritus of Accounting Keith Alva Shriver, 67, died January 27, 2015. An outstanding high school and college athlete, Shriver was a researcher for the Federal Accounting Standards Board before entering academe. He taught accounting for 17 years and was a respected researcher and a mentor to hundreds of students. He leaves a brother and sister, five nieces and nephews and eight great nieces and nephews.

Rajiv Sinha

Professor of Marketing Rajiv Sinha, 56, died July 17, 2015. He joined the W. P. Carey School of Business in 1989, and held the Lonnie Ostrom Chair in Business. A favorite of students and a prolific researcher, Sinha in 2009 received the James W. Creasman Award of Excellence, a quadrennial award given for outstanding contributions to Arizona State University and the community. He leaves his wife, Anjana, and a daughter, Malvika.

REMEMBERING ALUMNI by class year

1948

William Salomon

1951

Clifford H. Warner

1954

Joan S. Pate

1955

John Rooney

1956

William T. Isabell

1958

Robert E. Benjamin
Thomas J. Heppe

1959

William H. Thelander

1966

Thomas E. Hart

1968

Robert C. Campbell
Helen A. Frantz
Raymond J. Jennett Jr.

1969

Steve L. Sharpe

1970

William Jr. K. Toy

1971

William G. Tyers

1974

Billy D. Bridwell
Paul R. Henry
Keith A. Shriver
Gary L. Sutton

1975

Dennis R. Rogers

1976

Kenneth G. Bruno

1977

Rick Stillion

1979

Bradley K. Grover
Bette L. Tolnai

1985

Edward A. Marshall

1992

Andrew C. Asendorf

2001

Michael S. Warren

2010

Jeffrey P. Mozdén

Remembering the 90s

Michael Coker (*B.S. Marketing '93*) remembers when ASU's Biodesign Institute and the adjacent light rail stop on Rural Road were empty fields. Looking east he would have been able to see the Quadrangle Apartments, where he lived. There was the old post office on Mill Avenue, and Long Wong's – his "favorite place to meet up with fellow students." Now an attorney and a financial planner living in Santa Monica, Coker was "a blue collar kid from Chicago" when he arrived at ASU. He remembers playing frisbee on the lawn in front of the Student Rec Center (now the Sun Devil Fitness Complex).

Keegan Duffy, M.S. Information Systems '14, is an IT project leader for Innovative Project Technologies in Minneapolis.

Holly Reeder, B.A. Business Tourism '14, is as an office manager for the company Cruise Line Agencies of Alaska in Juneau, AL.

Becky Frost, EMBA '15, is the senior manager of consumer education for Experian in Orange County, CA.

Kristen Harris, MBA '15, is an administrator for CareCorp Home Health in Phoenix.

Dave Poskevich, M.S. Information Management '15, is a manager consultant for Sogeti USA in Des Moines, IA.

Jeffre Recker, B.S. Supply Chain Management/CIS '15, is an enterprise information management intern at Choice Hotels International in Tempe, AZ.



Adriana Contreras (*B.S. Management '09*) and **Chris Tabanico** (*B.S. Marketing '09*) are the proud parents of Juliana ElenaMarie Tabanico, born on June 21, 2014 in Phoenix, AZ.



The Hall of Deans: 60 years of leadership

**FROM LEFT: E. J. HILKERT,
GLENN OVERMAN,
L. WILLIAM SEIDMAN,
JOHN KRAFT, LARRY PENLEY,
ROBERT MITTELSTAEDT,
AMY HILLMAN**

The passage that bisects the BA Building, connecting the Dean's Patio to Cady Mall, has come to be known as the Hall of Deans; portraits of all seven W. P. Carey School of Business deans hang in order on the south wall.

Dean E. J. Hilkert, painted in shades of charcoal gray, is the first leader you will encounter if you enter from the patio. Hilkert was chairman of the Department of Business Administration when it became the College of Business Administration in 1955. Just one year later, ASU President Grady Gammage recruited Glenn Overman, whose oil portrait hangs next to Hilkert, to build the new college into a strong business school. Overman tackled the assignment with zeal for the next 25 years.

L. William Seidman, who had held top positions in business and the U.S. government, was the first dean whose portrait

is a photograph. He served from 1982 to 1985, when he returned to Washington, D.C. John Kraft, who served from 1986 to 1990, was photographed outside on campus. Larry Penley, who became dean in 1991, was photographed with the beautiful Sonoran Desert in the background. By the time Penley left in 2003, the college had received an important gift and was renamed the W. P. Carey School of Business.

Our next leader arrived that same year. Robert Mittelstaedt presided over the construction of a new graduate programs building: McCord Hall. His traditional portrait hangs next to our present dean. Amy Hillman is shown in McCord Hall – a striking portrait that ran in the first issue of W. P. Carey magazine in fall 2013.

The next time you are on campus, be sure to stroll through the Hall of Deans. And yes, their eyes will follow you.



The most trusted economic forecasting event in the Valley.

The recovery from the Great Recession continues, but at a slow pace by historic standards. Will the U.S. economy return to its long-term trend?

Join us and hear advice on this issue and more from top national and regional experts.

ASU/JPMorgan Chase Economic Forecast Luncheon

Wednesday, December 2, 2015
11:15 am – 1:15 pm

Phoenix Convention Center
West Ballroom
SE corner of 2nd St. and Monroe St.
Phoenix, AZ

For tickets and registration go to wpcarey.asu.edu/efl

The net proceeds from the luncheon allows the Department of Economics to provide scholarships for outstanding students as well as support other academic and professional activities in the department through the ASU Foundation, a separate non-profit organization which exists to support ASU.

SPEAKERS



Charles Plosser
Former President
Federal Reserve Bank
of Philadelphia



James Glassman
Managing Director and
Senior Economist
Commercial Banking
JPMorgan Chase & Co.



Lee McPheters
Research Professor
of Economics
W. P. Carey
School of Business

Director
JPMorgan Chase
Economic Outlook Center



Elliott D. Pollack
CEO
Elliott D. Pollack
& Company

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