



Alumni assistance is invaluable in recruiting internationally. Manning the booth with St-John in Ankara, Turkey, is Bahysayis (Temir) Firatoglu, '99.

INTERNATIONAL RECRUITING

BY CHRISTIE ST-JOHN

choose prosperity for your country or company." Our mission is to provide an environment where students from various countries and ethnic backgrounds can learn from each other and better understand the complexities of the global economy.

Again this year, members of the Admissions Office traversed the world to find bright, qualified students. Todd Reale, Admissions director, and John Haller, associate director of Admissions and Student Services, covered the U.S. and Canada. Miguel Bota, associate director of Admissions and Marketing, spent three weeks in Latin America, participating in MBA fairs in Monterey and Mexico City, Caracas, São Paulo, Rio de Janeiro, Buenos Aires, Lima, and Santiago. I crisscrossed Europe, targeting Paris, London, Madrid, Milan, Frankfurt, Berlin, Warsaw, Prague, Moscow, St. Petersburg, and Istanbul, then on to Tokyo, Seoul, Taipei, Singapore, Manila, and Bangkok.

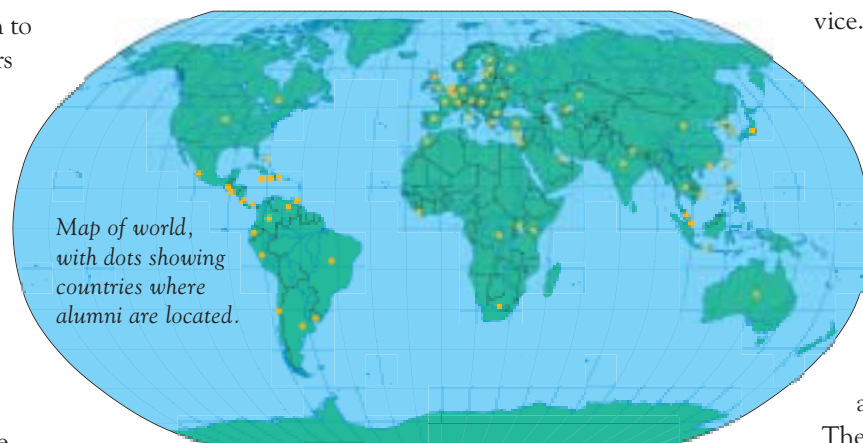
Why do we choose some cities and not others? We participate with 30 to 40 other universities on tours focused on prospective MBA-student markets. The tour agencies conduct research to determine the best cities. Organizers coordinate locations and publicity, gather information on attendees, and oftentimes make our travel arrangements too. On occasion, we may travel with a select group of schools to target areas not covered in the general tours.

It is not easy to break into the international market, and to do so takes name recognition. How do we

market the program? We advertise in key publications, but the best way is through networking and personal contacts. We see thousands of people along the way. We give presentations to students at Kaplan and Princeton Review testing agencies and TOEFL institutes, conduct hundreds of personal interviews, and meet with educational advisors at the Institute of International Education, the Fulbright Commission, and local universities.

Our mission is to provide an environment where students from various countries and ethnic backgrounds can learn from each other and better understand the complexities of the global economy.

We also call on alumni to help at the fairs. Alumni assistance is invaluable because they give practical advice,



More and more alumni are getting involved in alumni activities overseas. Here, St-John relaxes over dinner with a group of alumni in Seoul.

speak to students in their own language, and are proof that an MBA from Owen is a passport to success.

Alumni also spread news about Owen to their employers and prospective students, and are contacts for our current students for job information. We hold alumni receptions and dinners on the road, and it is gratifying to see more and more alumni involved every year. The "Owen Community" is not a myth. Alumni come out in force in South America, Europe, and especially Asia. We are proud of their success and eternally grateful for their help, both with recruiting and career advice.

Recruiting globally is increasingly competitive. More U.S. schools are hitting the road, and a number of business schools from Australia, Great Britain, Japan, and Canada are gaining a share of the market. The tuition is generally

lower at these schools, and their programs have been expanded and accredited by various accrediting bodies.

While the U.S. remains the top choice for many, we must be flexible and creative to continue to attract international students. Luckily at Owen, we are able to move quickly to meet new challenges. We have good communication among our constituents and the support of Dean Bill Christie, the faculty, and Chancellor Gordon Gee to implement new ideas and programs. We are aware of the importance of maintaining a global academic environment to form knowledgeable, far-sighted managers for today's economy. Our efforts have paid off: the London *Financial Times* named Owen one of the top 30 business schools in the world, and France's leading newspaper, *Le Figaro*, rated Owen the 13th best school for international students. But we won't stop there. The next goal: being in the top 10 in the world!

Christie St-John is director of International Relations at the Owen School.

INTERNATIONAL FUN FACTS

- Being agreeable and extraverted is a liability in some types of negotiation in the U.S. But not so in Taiwan, where what makes one a winner in negotiation are such unique Chinese personality traits as concern for social exchange (renqing) and for "Face."
- The words "I take full responsibility for the company's problems" are merely lip service and politeness in the U.S.; in some cultures it means, "I plan to resign."
- U.S. investors historically have ignored overseas stocks. In 2000, the U.S. stock market accounted for only one half of the world's total stock market value, yet U.S. investors on average hold 90 percent of their investments in U.S. companies.
- The average annual country club membership fee in Singapore is \$300,000. The average annual swimming club membership fee is \$25,000.
- The most wired nation in the world is Singapore. Virtually every home is wired with broadband Internet access. The ratio of PCs to students in the public school system is 2 to 1.
- The State Bank of India has more than 17,000 branch offices, some of which operate without electricity.
- In Bangkok, the average travel time from the downtown business district to the airport—a distance of 10 miles—is three and a half hours. The expressway is shared by motorists, bicyclists, and cattle.
- The mean time for a passenger to exit a jet, walk through the terminal, collect luggage, pass through Customs and Immigration, and secure a taxicab at Changi International Airport in Singapore is 10 minutes.

Compiled from Owen professors' research and personal experiences.



OWEN FOREIGN EXCHANGE RATES—RISING ALL THE TIME

Running With the Bulls BY CHRIS NANCREDE

In college I wanted to study overseas, but as an engineering student I found this nearly impossible. So when I decided to get an MBA, I sought out schools with international programs. Owen gave me the opportunity to study and work abroad to learn about other cultures and business ideologies. These experiences equipped me with the necessary skills to succeed in the increasingly global marketplace.

In the summer of 2000, I participated in a month-long program at Wissenschaftliche Hochschule für Unternehmensführung-Otto Beisheim Graduate School (WHU-Koblenz) in Koblenz, Germany. Students from the best business schools in the world go there to study the changing face of international business in Europe. I learned the effects that the European

Union and other changes in Europe are having on business around the world. Following the program, I began an internship at BMW in Munich.

At BMW, I developed a strategic business proposal for an internal e-commerce communications portal for BMW worldwide, headed research on the online auto industry in 12 global markets, and helped launch BMW sites in France and South Africa. I dealt with the issues and effects of e-commerce and telecommunications in a myriad of countries on four continents, and traveled extensively throughout Europe.

At the end of the summer, I returned to Nashville just in time to fly to Japan. I spent the next four months at the International University of Japan through an exchange program. I took a full load of classes, ranging from Japanese securi-

ties markets to a seminar on Japanese, European, and American business practices, structures, and ideals.

I thought I knew what to expect from these exchanges, but it was beyond imagination. Being one of about 15 percent Americans in class forced me to consider issues from other viewpoints. I understood for the first time what it means to be a “foreigner,” something that not only taught me about the business world but about myself. Among the greatest benefits was first-hand exposure to how Japanese and Europeans view, define, and interact within the business world.

We often assume that business overseas is conducted in the same manner as



Nancrede

in the U.S. This is a narrow view considering that less than 5 percent of the world’s consumers live in the states. Studying overseas exposes us to successful business methods we might not consider. For example, American corporations cite increasing shareholder value

Being one of about 15 percent Americans in class forced me to consider issues from other viewpoints. I understood for the first time what it means to be a ‘foreigner.’

as the main objective. Businesses in Japan and Europe, however, often consider the concerns and desires of employees or society to be paramount. It is crucial to remember this alternative paradigm when conducting business

with companies in these countries.

When immersed in other cultures, you also quickly discover how society influences business. For instance, by learning about Japan and its collective society, it is easier to understand why most business decisions are made by groups of employees rather than one team leader or department head. Understanding business and culture in other countries is not only critical in conducting business in those countries but is paramount in understanding business at home.

Not all of my education took place in a classroom or an office. Some once in a lifetime cultural experiences included running with the bulls in Pamplona, attending Oktoberfest in Munich, visiting the World Fair in Hanover, and walking on hot coals in an ancient fire walking festival in Japan. Who said a business education isn’t supposed to be fun? Speaking of

which, I also developed many friendships that will last a lifetime and provide an invaluable international network.

As the world grows smaller and international commerce becomes increasingly seamless, an understanding of international cultures and business practices is necessary to succeed. These fundamentals will assist me in my career and have driven me to look for an international assignment in my current job search. Many Americans fail when working with different cultures because they cannot adapt. An enriching international experience provides the tools necessary to meet challenges that lie ahead in the global marketplace. I fully expect the experiences provided by Owen to allow me to succeed at home or abroad.

Chris Nancrede is an ’01 graduate of the Owen School.

Experiencing Cultural Diversity BY MERITXELL CANCIO

Studying abroad can be seen as a pleasant experience, one full of diversion and entertainment, a “non ending party.”

And...that is not false. Exchange programs offer a world of new experiences, but Owen adds the element of “family” to that list.

I wanted to study in the U.S. to acquire knowledge and be exposed to different points of view. Improving my English was an important but non-decisive factor. You can learn languages in an academy, but to gain a sense of “playing a game by another’s rules,” you must travel and share your life with other cultures—experience

the real world outside.

Why Owen? Because it has been ranked a top 25 MBA school, and top 10 in finance and in e-commerce. And because of Donna Hoffman and Tom Novak, founders of eLab and pioneers and professors in the analysis of consumer behavior in the World Wide Web. The quality of the School was reason enough, but the environment also was key. There are approximately 200 students per class, and 30 per course. This allows for participation and expression of thought. “To learn” is an unavoidable maxim. But at Owen, students and, more important, professors and employees (among them, our

beloved Dean—“the Dean is in”) have a “proper name.” They have virtues and defects, joys and pains. All are really human.

My experience was unforgettable. We worked long hard hours, individually and in groups, but also shared many rewarding experiences. I had lived in a foreign country without friends or family before, but as for many students, Owen’s cultural diversity was new to me and had a major impact. Group work is tricky, even



Cancio

more so in a mixed cultural context, but is a necessary skill for MBAs to learn. (And in the working world, “diversity” is not only cultural, but also social and psychological. Motivations and objectives are never the same things for employees of a company.) Innocent customs in our countries could be interpreted as disrespectful and irreverent conduct. Tolerance is born from knowledge, and Owen was our reference point.

Professionally, Owen gave me access to a wide range of companies. Owen’s reputation opens doors for you, but then you have to demonstrate you have what it takes. I applied to several companies and got an offer. Through it all, employees and stu-

dents helped me. “Solidarity” is definitely a hallmark of this School.

Personally, I learned at Owen that you can reach as far as you want: Strive for your goals using your abilities and hard work. And even while the Owen community encouraged us to pursue our own dreams, it never forgot the dreams of needy people, those whose dreams are as basic and important as a ceiling, an education, equality of opportunities, or just a little present at Christmas time. The service projects illustrate the School’s commitment to society. Owen shows you that time is more valuable than money, and that sharing it with others is the first step toward community.

I returned to Spain with more than an academic certificate. I returned with

new friends, experiences I never will forget, and the pride of having contributed to life at Owen for a period of time.

Owen is a micro system, where to interact is to learn to work and to live. Being an Owen MBA means having specialized knowledge, spirit, the ability to work hard and achieve excellent work, having optimism about the future, the ability to learn from mistakes, and especially having a social conscience with no color or border limitations.

OWEN—four letters that never before meant so much to me.

Meritxell Cancio, supervisor for Andersen Corporate Finance in Madrid, was an exchange student at Owen in 2000.



Learning from the Source BY MARCOS PERALTA

When Hernán Cortez arrived in Mexico, determined to conquer the Aztec Empire, he burned his fleet of ships, signaling to his people that no retreat was possible.

For me, like most international students seeking an American MBA, the story is similar: my wife and I burned our ships by taking our savings and selling our assets—her car, my wonderful TV, even our bed!—and going to business school. An MBA is a gamble for all students, but we “internationals” face the additional challenge of making decisions with incomplete information about schools, city life styles, cost of living, housing, transportation, and job markets.

As with many married students, I asked my wife to put her career on hold, leave her family and friends, and come with me into the “unknown.” Fabiana didn’t speak English and had no idea what she would do while I was at school (working was not an option because of immigration regulations), but she took the challenge. Spouses like Fabiana, with their unconditional support, make many international MBAs possible.

Far from home, seeing your cash fly out of the bank, you seriously wonder “why am I doing this?”

My first answer was, “*I am here to learn from those who write the business books.*” In undergraduate school, in one of the finest Argentinean schools of economics, I learned and interacted with a wonderful faculty. In business, however, most of the thought leadership comes from the U.S. and Europe, and I knew that if I were ever going to pursue an MBA, it had to be abroad.

Owen’s assets include the opportu-

nity to learn directly from thought leaders in such fields as online consumer behavior, service marketing and operations, financial markets, e-commerce strategy, environmental studies, micro-economics, customer satisfaction psychology, negotiations, and time-based competition. And more compelling, Owen’s small size and excellent professor-to-student ratio assured me I would have easy access to the faculty.

The experience exceeded my expectations: I found a faculty—recognized in and out of the classroom—who shared new, unpublished research findings at every class and who personally

At Owen, I found not only the opportunity to learn from those who write business books, but to write with them.

reviewed our deliverables and provided feedback. And to my great surprise, they engaged students in their research and asked them to co-author papers, as Brenton, Pradeep, myself, and others found out.

Today, when I talk to prospective students about Owen, I stress that few schools offer this combination of thought leadership and top faculty access. At Owen I found not only the opportunity to learn from those who write business books, but to write with them.

Fabiana’s reaction was, “*Ok, but is this the only reason to be here?*” At that point, I answered, “*I am also here to learn from those who come from all over the world.*” No matter how much you



Peralta

travel, how many languages you know, and how much you read about international affairs, if you have spent most of your life in a single country, you tend to develop an insular mind-set. Knowing that I was going to be involved in global business for the rest of my life, the idea of studying in a different country, immersed in a different culture, was compelling.

When researching schools, I found that despite its relatively small size and odd location (Let’s be frank: Nobody can imagine that you can “get the global thing” in a 500-person school in the southeast U.S.), Owen not only has a strong international student body with more than 40 countries represented but also a strong international faculty. In this setting, I would have the opportunity to find out, for example, if global consumer marketing makes sense.

Again, it exceeded my expectations. Making friends and sharing classes, group discussions, and negotiations with Germans, Brazilians, Britons, Indians, Panamanians, Lebanese, Chinese, Mexicans, Japanese, Russians, Bulgarians, Ecuadorians, Franks, Thais, Belgians, Koreans, Sri Lankans—to

name just a few—provided me a perspective of how business is thought, felt, spoken, and conducted around the world.

When talking about Owen, I stress that nearly 25 percent of my classes were taught by non-American professors and another 20 percent were taught by American professors active at teaching, consulting, and researching in Latin America, Europe, and the Far East. In this environment, it is difficult not to “get the global thing” and understand—as an Owen professor says—that all who come to Owen—Americans and non-Americans—are really international students.

Fabiana appeared to be impressed by this answer, but fired again: “*What else?*” My third and final answer was, “*I am also here to learn at one of the few schools that respected me as an individual from the beginning of this process.*”

No matter where you are from, applying to business school is a tough process. Admissions scrutinizes everything you say and write, searching for the hint that you are “the right person.” “Selling” yourself to many

schools in a short time frame can make you feel more like an end product than a human.

When Tom Hambury (former director of Executive Education) interviewed me in Buenos Aires, he got the information he needed but also showed a genuine interest in who I was and what I was doing. After meeting admissions staff from more than 10 schools, it was the first time somebody seemed to be listening to me and not just the candidate. I returned home that night in 1996 and told Fabiana: “I have met a guy from a small school who treated me like no one else. If they make an offer, it is going to be difficult for me to turn it down.”

The great thing is that Tom’s attitude is typical among Owen staff. I rarely have found people more willing to go the extra mile to help. And believe me, I asked for enough help to become a pain: how to make my first tuition payment without a U.S. bank account, how to open a bank account without a social security number, how to ask for a SSN, how to get a driver’s license so that I can use my brand-new

bank account opened with my new SSN, etc.

When speaking to people starting the MBA search process, I stress that a faculty can be fine, the school reputation great, job offers attractive, school facilities the best, but also look at how you are treated and respected. At the end of the day, this overlooked factor makes the difference for international students and their families. And in this area, Owen is top.

So, now you know why Fabiana and I—like dozens of other international students—burned our ships and sold cars, houses, and even beds: to meet a great faculty and learn from their leading-edge insights; to meet wonderful people from around the world and “get the global thing;” and to come together with people who listen, support, and make you and your family feel welcome in a new culture and new system. And Fabiana said, “*Well, it sounds good enough then.*”

Marcos Peralta, '99, is an associate with A.T. Kearney, Inc., in Buenos Aires.

A Business “Peace Corps” BY DEBRA ASAY

Many classmates and potential employers could not understand why I turned down great job opportunities to volunteer for a year in a country most had never heard of (Lithuania), and one in which I did not speak or understand the language, for \$200 a month. But seven years later, that experience remains one of the most valuable of my life and a perfect complement to my Owen education.

One of my goals in business school

was to learn about the global economy through international work experience. Exchange programs offered unique cultural experiences but did not include a work component. I saw the MBA Enterprise Corps as the answer.

The MBA Enterprise Corps recruits MBA graduates from top business schools to work in developing and transitional economies as consultants to locally based companies. Owen has participated in this program for approximately 10 years, with nine alumni

serving in Lithuania, Estonia, Poland, Hungary, and Moldova. Owen taught the business concepts (and in some cases, practical application of the concepts), while the Corps provided an avenue to apply what we had learned.

Consistent with the transitional nature of Lithuania (and most countries with Corps volunteers), my initial placement fell through because of a bankruptcy related to the organization’s assets. The Corps arranged for a second placement with AB STOMA,



the first privatized dental clinic and distributor in Lithuania. There, I

- consulted with the largest private dental clinic and equipment distributor in Lithuania;
- initiated international contacts and developed a database of potential partners/investors;
- developed a relationship with the World Health Organization to introduce preventative dental care to Lithuania;
- applied for additional funding to support the organization's growth; and
- reached out to the local expatriate community to increase awareness of the organization.

I also solidified skills in areas essential to global business: effective communication, cultural understanding, and leadership development.

The MBA Enterprise Corps recruits MBA graduates to work in developing and transitional economies as consultants to locally based companies.

Effective Communication: I used to take listening for granted. But when you live and work in a country where English is a fourth, fifth, or sixth language, active listening and comprehension is key. Translation issues and cultural differences make effective communication all the more important.

Cultural Understanding: In contrast to the warp-like speed at which business is conducted in the U.S., my experience overseas taught me the value of patience and inquisitiveness. I constantly asked, "Why is this done this way, why don't we consider this," often to receive the comeback, "This is

our reality." After years of communist oppression, change represented a significant shift for Lithuania. Over time, with a solid rationale, a proposed change could become the new reality. And this, I learned, is not always bad as some ideas get lost in our fast-paced environment. We sometimes learn and accomplish more by getting back to basics. Cultural differences can cause business to operate more slowly, but the rewards include new focus, perspectives, and thoughts brought to the workplace.

Leadership Development: The best part of my experience involved helping to develop leadership. I would only be there a year, but I wanted my contributions to be long-lasting. I was fortunate to work with two "rising stars." I introduced them to the importance of teamwork and watched them grow and prosper during the year.

My Corps experience empowered me to believe that I can do almost anything. Day-to-day life with limited language skills was challenging, but I developed friendships that will last a lifetime and was able to support the positive growth of a company during eco-



Debra Asay and Andruis Josas, a Stoma Star employee, at a Lithuanian dental trade show.

nom ic upheaval. I am more global because of this experience and appreciate diversity in the workplace, especially cultural diversity. Owen and the Corps opened doors to the world for me. I look forward to a time when my husband and I return overseas with our family, and I can share these treasured experiences with them.

Debra Asay, '95, is marketing director for Deloitte and Touche in Nashville.

WORLD BUSINESS OUTLOOK

ALUMNI AND FACULTY OFFER TIPS AND PREDICTIONS FOR INTERNATIONAL BUSINESS

Exchange Rates and International Business

BY DAVID C. PARSLEY

Globalization—the shift toward a more integrated and interdependent world economy—has introduced both business opportunity and risk. Simultaneously there are new markets for products and services, new opportunities to expand and reduce costs, and new competitors. Of course there is nothing new about uncertainty in business. But the sheer scope of globalization—driven both by policy (NAFTA, and the proposed Free Trade Area of the Americas, for example) and technology—implies that more and

Eliminating exchange rate volatility through adoption of a common currency increases bilateral trade by as much as 300 percent.

more business decisions are being impacted.

A specific concern might be how best to expand into a foreign market. Options include exporting, forming an alliance, or building a facility abroad. Which market is best suited for your firm? How is marketing different in, say, Brazil than in the U.S.? What can you expect in terms of labor-management relations? What special legal hurdles exist? Moreover, cross-border transactions generally involve currency conversions. These impact more than re-

muneration and profit repatriation. For example, a foreign operation may appear profitable simply due to a favorable exchange rate shift. How will a foreign operation be evaluated?

Exchange rates complicate and directly impact strategic business decisions. Indeed, they are often center stage in setting national economic policy. The launch of the euro, the recent crisis in Ecuador (where the U.S. dollar was adopted in September 2000), and the persistent recession in Argentina all testify to the importance of exchange rates for international business.

Recent research has quantified the negative impact of exchange volatility on international trade. Eliminating exchange rate volatility through adoption

of a common currency increases bilateral (country-to-country) trade by as much as 300 percent. Such numbers are astonishing. They suggest there are a lot of opportunities in the wings. My research quantifies the impact of exchange rates on economic integration generally. Using a database containing historical prices of specific goods from more than 100 cities around the world (e.g., light bulbs, onions, and tennis balls), I (and co-au-



Parsley

Peter Addei, '00 (Ghana), associate, Wachovia Securities, Philadelphia.

"Fixed income differentiated investment banks have been relatively cushioned against the economic downturn as M&A and equity underwriting activity has suffered. Clearly, the bank/brokerage model has made the investment banking landscape more competitive with commercial banks leveraging their balance sheets to win underwriting business. Long term, the goodwill accounting rule may spur mergers, as European banks seek distribution channels in the United States, commercial banks acquire brokerage capabilities, and brokerage firms acquire fund managers to secure annuity-like revenue streams. **Highlights of international business** include the ability to impact

linkages between various markets/businesses in multiple regions. For example, a United States-located banking origination team that analyzes and presents capital-raising alternatives to a Bermuda-based reinsurance company that funds syndicates at Lloyd's in England, which in turn provides business interruption coverage to companies in South Africa. **Challenges** include managing conflicts of interest ubiquitous in both macro and micro global business scenarios today."





thor Shang-Jin Wei of the Brookings Institution) estimate the improvement in goods market integration resulting from various exchange rate stabilization programs adopted around the world.

We make a conceptual distinction between *institutional* versus *instrumental* stabilization of the exchange rate. The former refers to reducing volatility through dollarization, adoption of a currency board, or another common currency. The latter refers to reducing volatility through intervention in the foreign exchange market or monetary policies, i.e., any arrangement other than institutional stabilization. Institutionalized stabilization implies a greater degree of commitment and a lower probability of reversal in the future. By removing one more layer of uncertainty, it is conceivable that an institution-

alized stabilization can provide a greater stimulus to goods market integration than merely reducing exchange rate volatility to zero via an instrumental stabilization.

We find that goods market integration is increasing over time (about 2 percent per year) and is inversely related to the distance between markets, exchange rate variability, and tariff barriers. Markets farther apart, with higher tariffs, and higher exchange rate variability are less integrated.

In addition, institutional stabilization provides a stimulus to goods market integration that goes beyond instrumental stabilization. The impact of the euro on European integration is equivalent to reducing the tariff rate in each country by 4 percentage points—not a trivial amount.

Among the institutional arrangements in existence, long-term currency unions (e.g., Belgium-Luxembourg, Panama-U.S., Hong Kong-U.S.) demonstrate greater integration than more recent currency boards. All of them, however, can improve their integration further relative to a U.S. benchmark.

All of this is good news for international business. Countries are working to enact systems to establish and maintain exchange rate stability. This research suggests that we have yet to realize all the gains from trade, increased economic growth, and increased transparency that recent and future changes in technology and policy are fostering.

David C. Parsley is associate professor of management (managerial economics).

Barbados offers the advantage of being only one hour ahead of Eastern Standard Time.

As with software development, the lead-time to develop new products also can be vastly reduced by sharing the workload among corporate locations in various countries across multiple time zones. Firms have already been using electronic communication among geographically separate domestic teams in concurrent engineering product designs. The next step, which is starting to be implemented, is for employees in one corporate office to work on the design, and at the end of the day electronically hand off the design to workers in another time zone, who continue to work until their workday is over. In

Some predict that working around the clock will soon not be simply a competitive advantage, but a prerequisite for survival against global competition.

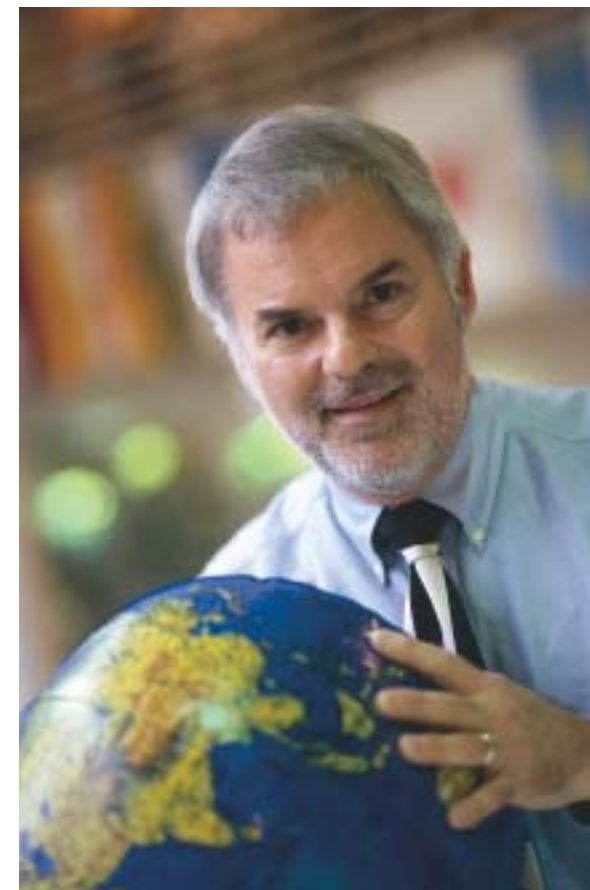
principle, the design can then be handed off to yet another corporate office, where work continues. The design is then returned to the original office. This creates the potential for 24-hour workdays, drastically reducing time-to-market for new products. This also ensures multi-cultural input to the process, another significant advantage. Some predict that working around the clock will soon not be simply a competitive advantage, but a prerequisite for survival against global competition.

A vice president of product technology at one worldwide manufacturing company sums it up: “We’d like to cut our development time by two-thirds. To do that means having people working in Europe. As the sun sets there, development begins in the U.S. When

the sun dips here, Asia comes on line. As Asia goes to sleep, Europe begins again.”

An obvious alternative to the 24-hour workday is a second work shift in the home country. This avoids overhead costs associated with a second team in another country. However, it is hard to find competent professionals willing to work during the evening. If you find people to work, they demand a premium salary. Furthermore, this approach lacks the multi-cultural input essential for global products.

There are potential problems with the 24-hour design system across multiple continents. As information is transferred across global boundaries, companies must protect proprietary design data by storing it in secure databases. Design information is a valuable asset that can be critical for the company’s long-term success. There is also potential for miscommunication among team members who rarely if ever meet in person. Cultural differences also can become a major frustration during international collaboration. For example, employees may differ in respect for hierarchical structure. Western cultures place greater emphasis on equality and interact accordingly. Conflicts between high-context and low-context communication styles also occur. Asian cultures traditionally utilize high context communication, with much of the meaning conveyed implicitly. This implicit communication is difficult for Westerners to interpret, and may be completely obscured in electronic communications.



LeBlanc

Managers of virtual teams are challenged to use technology in the best way to create a sense of collaboration among teams. Teleconferencing, videoconferencing, e-mail, data sharing, Web casts for mass audience viewing, and bulletin boards are all important technologies, but managers must also decide when to have face-to-face meetings. Team facilitators must provide specific objectives to prevent remote team members from going off on tangents. While 24-hour workdays can result in tremendous decreases in lead-time in such areas as software and new product development, it should be recognized that a higher level of management involvement is required to avoid inherent problems.

Larry J. LeBlanc is professor of management (operations).

The 24-Hour Work Day

BY LARRY J. LEBLANC

Utilizing less expensive labor in other countries has long been commonplace for international organizations. However, with dramatic improvements in global communications, some firms are taking this to a new level. To decrease the cost and time for software development, American firms are utilizing professional programmers in India, and European companies are using software developers in other countries as well.

Reasons include lower labor costs and a time zone difference (in the case of the U.S. and India) of approximately 12 hours. American programmers can develop overview designs for software modules during their day and then hand them off electronically to Indian programmers, who write the details during their day while the U.S. programmers sleep. The completed work is

waiting for the American counterparts the next morning. This process repeats until the project is finished. Rapid and inexpensive data communications is the key enabler for this type of “follow-the-sun” operations.

Other countries, including Barbados, Ireland, Israel, Hungary, Malaysia, Mexico, and the Philippines, now are competing with India, offering low-cost, high-skilled programmers. In many cases, labor costs are six times cheaper. Some foreign programmers also are more productive than American or European ones. Low-tech firms such as Citibank, Holiday Inn, Liberty Mutual Insurance, and GE Capital, as well as high-tech Boeing and IBM have benefited from overseas software development. For U.S. firms desiring low-cost professional programmers who can communicate during the American day,

Thomas Eckert, '90, (Germany), managing director, Global Equities, Frankfurt.



“Investment banking is going through a cyclical downturn but will rebound shortly. **When working in international business,** be flexible and always learning. There are new challenges everyday and you never get bored. The hard part is the taxing workload and struggle to balance work and family life. **Why Owen?** I chose Owen because of the reputation of the finance faculty, the flexible curriculum, and the smaller size of the School. At Owen, I established a network of overseas contacts and a sense of global interrelatedness.”



The Team That Isn't

BY DAVID A. OWENS

While it may sound like the title of a *Twilight Zone* episode, “the team that isn’t” describes a trend among today’s global businesses—using teams that don’t actually meet, at least not face-to-face. Focused on information-processing and decision-making tasks, these virtual teams transcend time and geography by using cyberspace as the mode of interaction.

Particularly in global companies, economics drive the adoption of virtual technologies.

Many managers think that a “good working relationship” requires plenty of hands-on contact, but several compelling factors are causing businesses to

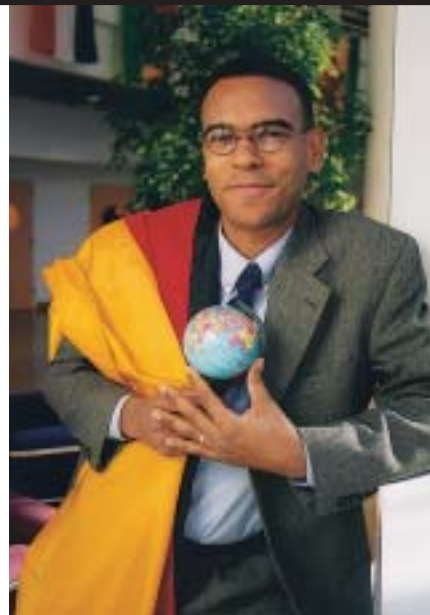
reconsider reliance on face-to-face meetings. The proliferation of computer-mediated-communication (CMC) technologies makes the creation of virtual teams relatively straightforward and inexpensive. Most personal computers come packaged with stable, secure, serviceable, and free applications such as NetMeeting and Instant-Messenger, allowing team members to share documents and to initiate impromptu videoconferences and chat sessions with surprising quality and ease. And for many teams, whose communications primarily take place via email, virtual meetings can represent an increase in spontaneous informal interaction without the overhead that comes with arranging and hosting formal meetings.

Particularly in global companies, economics drive the adoption of virtual technologies. For businesses with offices and clients across the globe, travel costs present a substantial barrier to bringing

school with a strong finance program, an emphasis on emerging technologies, and a diverse student body with at least 25 percent international students, so Owen was a natural choice. Owen also supports strong international candidates and makes it possible for them to attend. While there, I gained an appreciation of various cultures and ‘national personalities,’ and a source of stories I can use as ice breakers with people from around the world.”



Aneta Marcheva Key, '99, (Bulgaria), engagement manager, McKinsey & Co., San Francisco (currently on assignment in Australia). “Management consulting is flexible and relatively immune to economic cycles. With the general downturn, consultancies will shift their focus, e.g., from developing expansionary strategies to helping companies improve profitability. **To be successful in global business,** be culturally sensitive to your business counterparts. Be versed in global affairs. Know your geography. Always smile—what a universal way to establish a connection to another human being! **Why Owen?** I wanted to attend a



Owens

people together. Teams understand the value of insights and innovations derived from working “around the table,” but resulting costs in travel, lodging, efficiency, and lifestyle make routine use of such meetings unappealing.

There are significant benefits to using virtual teams, but care should be taken about when and how to use them. Research suggests that virtual teams are best for identifying and explicitly sharing unique knowledge (for brainstorming or teams looking for a “right answer”), but face-to-face teams are better for tasks involving tacit, subjective, or difficult to express issues. Face-to-face teams also are more effective for tasks that require members’ “buy-in” for ultimate success. Other determining factors include task-type, group size, team culture, and requirements for speed, trust, cohesion, and commitment.

Best performance can be achieved by hybrid teams, which learn the advantages of each interaction technology and appropriate ways to use them.

David A. Owens is clinical assistant professor of management (entrepreneurship).

Globalization of e-Commerce

BY DAVID M. DILTS

The Internet, almost from inception, had the potential to transform global communication. With near instantaneous information transmission capabilities, it is now possible to achieve 24/7 manufacturing and service worldwide at unprecedented volumes.

Prior to the pervasive use of the In-

While B2C e-commerce may generate inches in the popular press, it is the more traditional B2B where the greatest volume of worldwide e-commerce is taking place.

ternet, Eastman Kodak, for example, completed its single-use camera in record time by using advanced telecommunication capabilities. Design engineers worked on the prototype for 8 hours in Rochester, New York, and then transmitted the design to Japan. At the end of the Japanese workday, the design went to Europe. When the Rochester design engineers began work, the design was downloaded from Europe. In this way, Kodak designed a radically new product in only 18 months by working 24/7 worldwide.

With the Internet, such communication extends beyond “traditional” sequential 24/7 through simultaneous collaborative design environments that transcend national boundaries. Current collaborative design technologies allow design engineers in multiple locations to use virtual reality technologies to “walk-through” designs and make joint design decisions. This technology should dramatically reduce develop-



Dilts

ment time while increasing quality.

The Internet and communication technologies also change the general dynamics of the global make/buy decision. Harvey Seegers, CEO of GE Global eXchange Services (GXS), during his talk at Owen, discussed how the company extended its engineering teams beyond the U.S. to Ireland, the U.K.,

India, and the Philippines. For GXS, this global perspective extends to electronic commerce service centers in the U.S., The Netherlands, and Hong Kong.

Another point raised by Seegers is that while business-to-consumer (B2C) e-commerce may generate inches in the popular press, it is the more traditional

Gerd (Gary) Kommer, '93, (Germany), head of project and finance team, HVB Group (HypoVereinsbank AG—third largest bank in Europe), Johannesburg.

“Project finance as a specific financing technique for large industrial or infrastructure investments has a grand future. Several ‘mega trends’ support this view: governments’ cash crunch, companies’ desire to manage their involvement in major projects in terms of risk allocation and book equity return more efficiently, higher possible leverage in project financings, large unmet infrastructure needs in the emerging markets,

among others. **Working in global business** does not automatically further your career. But you will most likely benefit a great deal personally—living and working abroad expands your mind. When I am old, I want to look back on a life in which I saw different places, peoples, and cultures. Experiencing only one culture over my lifetime to me would be disappointing.”





business-to-business (B2B) where the greatest volume of worldwide e-commerce is taking place. For example, GXS has more than 100,000 trading partners in 58 countries, with 1 billion annual transactions accounting for \$1 trillion in goods and services.

Such volume dwarfs all the most popular B2C sites. eMarketer, the Internet marketing firm, estimated B2C dollar volume at \$53 billion worldwide in 2001

Charlie Scragg, '01, (England), associate, Lehman Brothers, Bangkok.

“My group structures financial products around real estate-based projects and has found considerable opportunity in Asia’s economic turmoil. While the U.S. appears to be recovering from its recent slowdown, Asia still has deep-rooted problems to address to ensure a sustainable recovery. One of these problems is working out the large volume of non-performing loans held by domestic banks, and is my current focus at Lehman. **To prepare for the global economy,** try to work or at least travel abroad. It is difficult to get an appreciation for the many different cultures and business practices if you never set foot outside your home country. My solution was showing up in Hong Kong as a 23-year old backpacker and taking my first job working in a bar. **Why Owen?** I wanted to study in the states to learn the U.S. approach to business and finance. Owen’s smaller program provided the perfect environment for this, with the right mix of outstanding faculty and gifted, but more important, friendly student body.

but B2B dollar volume at \$449 billion (<http://line56.com/articles/NewsID=3345>). While B2B metrics vary widely, from estimates at \$245 billion by U.K.-based firm Ovum to \$5.2 trillion by Computer Economics, there is no question that B2B dominates the economics of value in the Internet realm.

Then why do B2C sites get the majority of the press? One reason could be that they generate far more “hits” than do B2B sites. Nielsen/NetRatings in May 2001 estimated that eBay.com and Amazon.com had about 14 million unique visitors each, far more than the nearest B2B, UPS.com, at 2.8 million. Interestingly, when the metric changed to the amount of online revenue generated, B2B sites dominate with Intel.com at \$23.8 million, nearly 11 times that of Amazon.com at \$2.18 million. But these numbers are only for domestic Internet.

Globally, communication on the Internet also underwent a significant change in 2000, when the number of

international electronic mailboxes exceeded the number in the U.S. This trend of higher international growth rates extended to the latest figure of online users, where Canada and the U.S. were 35.2 percent of the worldwide total of 513.41 million (NUA Internet, August 2001).

Clearly, the Internet, while not “born global,” has “gone global” and this globalization will continue to have an ever increasing impact on successful basic business models. The impact can be as beneficial as the ability to perform 24/7 global design or as restrictive as the EU ruling in February that Internet firms selling in the EU must collect value-added tax (VAT) regardless of their physical location. Only time will tell which business models will be the most successful in this ever evolving environment.

David M. Dilts is professor of management (operations) and professor of management of technology.

Intercultural Communication

BY HEIKI MIKI

In today’s electronic and global world, intercultural contact, whether face-to-face or virtual, is a fact of life in most organizations. As general manager of marketing for an international integrated steel manufacturing company, I literally perform intercultural communication every minute, even every second: Talking with our Japanese CEO to create marketing strategy to supply galvanized steel products to American automotive companies, negotiating with Mexican traders to export Hot Rolled steel products to South American construction companies, and exploring new business opportunities with Japanese traders to sell our sound dampening laminated steel sheets to German automotive companies through American owned steel sheet processors. No single busi-

nally how it determines behavior. By not understanding what culture is or how it works, they cannot really know how cultural differences can be problematic in the workplace.

There is no doubt that English is recognized as a de facto international business language because of the rapid spread of Internet/e-mail communication. Therefore, you find a great number of “English dialects” around the world. (e.g. “Japanglish: English spoken by native Japanese. Major characteristic: there is no clear distinction in pronunciation between “R” and “L,” “B” and “V.”) As you begin doing business in the global arena, you will likely encounter heavy accents in cross-cultural settings. What should you do if you find it difficult to communicate with people who speak different English dialects?

Hiring an interpreter is not the best solution. The important thing is to listen carefully, talk slowly, avoid jargon, and be patient in order to foster mutual trust and understanding of the underlying cultural differences. Exploring cultural differences is time consuming but worthwhile if you want to be an active player in today’s global business world.

Most of us want to communicate effectively but do not have a keen appreciation of barriers, particularly “noise,” which is interference between the message sender and receiver, and provides an opportunity for something to go wrong. In global business, cultural differences can be the most serious noise factor, and competent international managers need to be aware of differences and know how to cope. Noise can’t always be overcome, but just knowing that it exists can improve communication flow. Mutual understanding of one another’s cultural back-



Miki

grounds is key to successful intercultural communication.

The difficult part is you cannot gain knowledge of other cultures from books or videos. You must experience cultures firsthand in order to gain an understanding effective enough for the business world.

Owen students don’t need to spend a lot of money visiting foreign countries to study different cultures. They paid that price in tuition to the Owen School. I recruit international students and know Owen has top-notch students from all over the world. The students have within their reach a valuable asset for acquiring skills to deal with different cultures—each other.

Heiki Miki, '96, is general manager/marketing and planning for National Steel Corporation.

Lara Schalken, '97, (USA), former director of Asia/Pacific market development, E.Solutions, EDS, (now living in The Netherlands).

“Asia/Pacific lags behind the U.S. and Europe in terms of e-business penetration, which presents opportunities. Australia and New Zealand lead the region in innovation. China is the largest untapped market but, along with ASEAN countries, is working to create the largest trading block in the world. Japan is ripe with opportunities—many Japanese companies still rely on paper-driven processes in day-to-day business, and e-business solutions can address these challenges. **As an American living abroad,** I am constantly reminded that Europeans tend to



know more about the U.S. than we know about Europe or the rest of the world. Travel abroad, learn a foreign language, and take the opportunity to work overseas with your company. It will expand your view of the world and help you to see solutions from other perspectives.”



International Human Resources

BY RENEE FRANKLIN

The most valuable resources in any company are the human resources.

Most of you probably agree with this, so I will focus on the challenge of maximizing the human resources in your global organization into a force that others admire but fail to copy. Most companies do not know how to do this within their home countries, let alone across borders.

What should you consider? The old saying “think globally, act locally” applies here. Although your company may compete in a global economy, take care to “meet your employees where they are.”

While most corporations recognize market differences in compensation and benefits, they often do not for such areas as communications to employees, performance review systems, recognition programs, and culture change initiatives. As a leader, your challenge is to create an environment where the spirit of the global corporate culture and policies guides local action while keeping methods of implementation flexible.



Franklin

Although your company may compete in a global economy, take care to meet your employees where they are.

Successful maximization of human resources begins person to person. Regardless of location, employees generally want the same basic things. Be aware, however, that basic wants may be the same, but they manifest themselves dif-

ferently in different locations. Employee wants include, but are not limited to, safety, respect, fair treatment, and recognition for a job well done. There is also an unspoken want that is key to a great organization and is hard to copy. Most employees want a commitment that if they do their best for you, you will do your best for them. This doesn't mean employees get everything they want. It does mean that they trust you

to do your best to find a win-win situation for them and your business. Pay attention to these things daily, and insist that others in your organization do so as well.

Lastly, if you undertake an international assignment, use your functional and leadership expertise to teach employees in your host organization, but also remember to learn from your new environment and work partners. Learn

Tim Hough, '95, (USA), director, business development, Asia/Pacific, Retek, Tokyo.

“I am establishing Retek's Japan subsidiary and developing the go-to-market strategy. Competition is ubiquitous—but some competitors poised to dominate the market segment only two years ago are now out of business. The speed of change is remarkable; the message is ‘simply evolve or die.’ **To best pre-**

pare for the years ahead, consider entering the global market. The U.S. is only about 29 percent of Global GDP. If you limit your business dealings to less than 30 percent of the market, ultimately you will be overtaken by those competing on a global scale. **Highlights of international business:** the food, the energy, the culture, being the only non-Chinese person in a city of 800,000.”

the language of your host country. Even if you do not become fluent, understanding the language is part of “meeting employees where they are.”

Someone once said, “If you want everything to be like it is at home, then stay at home.” This applies not only to individuals, but organizations as well. I hope you and your organization accept

the challenge to “meet employees where they are,” and create an environment around the world that delivers awesome business results and has everyone wondering how you did it.

Renee Franklin, '89, is director of human resources for Ford of Mexico.

Roland Seidel, '96, (Germany), management consultant, Arthur D. Little, Munich, Germany, (recently on leave to travel around the world).

“Management consulting is coming out of the growth stage and will stagnate. Strong competition based on cost management and reputation will dominate the market. Expect mergers and acquisitions and shake-out. **In preparing for international business,** learn at least one (better two) foreign languages in addition to management skills. Learn social skills (human resource manage-

ment) but be well prepared in such classic fields as organization and cost management. I have worked throughout Europe, in Asia, and the Middle East, and learned about different cultures and markets. This is valuable experience for working with a global company, but you can lose your roots!”



Gantiah Wuryandani, '93, (Indonesia), economist, Bank of Indonesia, Jakarta.

“As globalization has developed, international economy has become integrated, making every country easily affected by other countries' economic situations. The financial crises since the '90s prove the process of economic integration. With rapid development in high technology, information and telecommunication have become cheaper and readily available, driving the borderless and timeless international transactions that bring increased risk. Increased risk means increased competition and challenges. **In order to survive,** those who work in the global economy need to be prepared for change that can arise in minutes.”

Owen, the Law School, and College of Arts and Science are co-hosting the European Union Studies Association 8th Biennial International Conference in Nashville March 27-29. For more information on the conference, email eusa@pitt.edu or visit the Website: <http://www.eustudies.org>.

faculty NEWS

Bruce Barry, associate professor, presented an invited paper on the role of emotion in negotiation at a conference on culture and negotiation at Northwestern University, and discussed his work on negotiator attitudes toward the use of unethical tactics in a talk at the Department of Psychology at the University of Virginia. A paper (with Ph.D. student Ingrid Fulmer) on “Effects of computer-mediated communication technology on social influence in organizations” was presented at the annual meeting of the International Association for

Conflict Management in Cergy, France, and he chaired a research incubator workshop on “Conflict and New Media” at the annual meeting of the Academy of Management in Washington, D.C. Barry received a secondary faculty appointment in Vanderbilt’s Department of Sociology.

Joseph D. Blackburn Jr., James A. Speyer Professor of Production Management, gave an invited talk on “Understanding Drivers of Productivity in Software Development” to the Research in Information Systems

Excellence Workshop at INSEAD in Fontainebleau, France. He also presented a talk on “Valuing Time in Make to Stock Manufacturing” at the Informs Conference in Miami.

Mark Cohen, professor, hosted an executive management workshop on “Corporate Environmental and Sustainability Reporting: A New Look for the Information Age.” He chaired conference sessions on “The Impact of New Digital Technologies on Information Regulation” at Wharton, and “Capital Markets and Environmental Performance” in Laguna Beach, California. Recent articles include “Information as a Policy Instrument in Protecting the Environment: What Have We Learned?” in *Environmental Law*

Reporter, and “Does the Market Value Environmental Performance?” in *Review of Economics and Statistics*. He served as visiting professor of criminal justice economics at the University of York (UK), where he worked with the Centre for Criminal Justice Economics and Psychology.

Bruce Cooil, associate professor, co-authored a paper (with Sajeev Varki and Roland T. Rust) that was a finalist for the 2001 Paul E. Green Award, presented by the *Journal of Marketing Research* to the paper that “shows or demonstrates the most potential to contribute significantly to the practice of marketing research.” The paper also received the 2001 Donald R. Lehmann Award

MAKING FIRST IMPRESSIONS COUNT

Contrary to what some companies believe, failures with customers cannot always be repaired, says Ruth Bolton, a marketing professor who joined Owen in January. “First impressions are difficult to change, and the chance of salvaging a mistake made early with a customer is small—even if it is an excellent company,” she says.

Bolton begins a three-year term as editor of the *Journal of Marketing*.

Bolton’s information comes from her research in which she tracks individual customers “to see how closely their behavior reflects their opinions and experiences with a company over time.”

She began her academic career by analyzing customer behavior from supermarket optical scanning equipment, later transferring her expertise to GTE’s customer satisfaction and quality program as a member of its technical staff. The Carnegie Mellon Ph.D. graduate returned to academia and focused on linking customer satisfaction measures and operational measures to revenue streams. She most recently served as the Ruby K. Powell Professor of Marketing at the University of Oklahoma.

Now she will be helping Owen make good first impressions through her highly visible position as editor of the *Journal of Marketing*, a leading publication by the American Marketing Association for scholars and practitioners. Bolton will serve as editor for three years, during which



Bolton

time Owen will provide support services. (Website: mba.vanderbilt.edu/jm)

What emerging topics are sure to get ink? Marketing metrics; synchronization of multiple, complementary channels within and across organizations; the role of technology in how markets function and evolve; and global marketing challenges, she predicts, red pen in hand. —Beth Matter

STARTING THINGS



Lynskey

Bruce Lynskey, '85, is always trying to start something. Chief marketing officer for a number of successful high-tech start-ups, and occasional angel investor, Lynskey is now at Owen as a clinical assistant professor working with Professor Germain Böer and David Owens, clinical assistant professor, to accelerate Owen’s entrepreneurial activities.

In his new and unexpected role (“I never dreamed I would be teaching.”), he brings practical experience to the classroom and spends time connecting Owen to the local business community. He has garnered a number of advisory board seats with Nashville companies—both start-ups and established companies—that keep him abreast of business needs and apprised of opportunities for student projects at these companies. “Students working on these projects say it is one of the most valuable parts of their education,” Lynskey says. “The businesses also benefit because they get top caliber talent for free.”

Companies he helped found and their products include Wellfleet Communications (bought by Bay Networks and acquired by Nortel), routers and switches; Top Layer Networks, Layer 7 switching technology for intrusion detection; Kaon Interactive, 3D Web animation software; and Vigilant Networks, embedded network monitoring technology products.

His special sauce for start-up success: a blend of unreasonable ambition, aggressiveness, a natural talent for getting things done (“meetings are the death of a start-up”), and the right corporate culture. “The right culture can’t be manufactured; it just happens,” he says. “And don’t underestimate the role of luck and timing in the success of a company.”

—Beth Matter

from the American Marketing Association.

Ray Friedman, associate professor, launched his worldwide, Web-based negotiation research project (See <http://vanderbilt.edu/negotiation> for more information and to participate). He also has several new working papers on minority employee network groups, and one accepted for publication, “Managing Diversity and Second-Order Conflict,” in *International Journal of Conflict Management*.

Luke Froeb, associate professor, gave a talk last year to the FTC on “Quantitative Benefit-

Cost Analysis of Mergers,” and presented a paper (with Vanderbilt math professors Steven Tschantz and Philip Crooke) at the Miami INFORMS sessions on Second-Price Auctions with Power-Related Distributions.

Amar Gande, assistant professor, discussed a research paper, “Strategic Decision Making of the Firm Under Asymmetric Information,” at the 12th annual conference on Financial Economics and Accounting at Rutgers University. Gande (with David Parsley) co-authored a paper on “News Spillovers in the Sovereign Debt Market,” examining

transmission of news events (specifically sovereign credit rating changes) concerning one country on sovereign bonds of other countries.

Debra Jeter, associate professor, co-authored a paper (with Paul Chaney and L. Shivakumar) that was presented at the AAA meeting in Atlanta last year, and also at the Asia-Pacific Conference on International Accounting in Rio de Janeiro. Another paper, “The Information Content of Restructuring Charges: A Contextual Analysis” (with Chaney and Chris Hogan) was presented at the first annual Hawaii Conference on Busi-

ness. Jeter has been reappointed to the editorial advisory and review board of *Accounting Review*.

Piyush Kumar, assistant professor, presented the paper “The Drivers of Customer and Corporate Profitability: Modeling, Analyzing, Measuring, and Managing the Causal Relationships” at the Annual Frontiers in Services Conference at the University of Maryland. He has been appointed to the editorial review board of *Journal of Service Research*.

Ronald Masulis, Frank K. Houston Professor of Finance, co-authored a paper, “Does

ANSOFF, OWEN'S FIRST DEAN, REMEMBERED

Igor Ansoff, the first dean of the Graduate School of Management—which later became the Owen Graduate School of Management—died July 14 in San Diego, California, from complications from pneumonia. He was 84.

Ansoff also served as founding dean and professor of management from 1968 to 1973 and was the Distinguished Justin Potter Professor of Free American Enterprise from 1973 to 1976.

"The School owes a deep debt of gratitude to Dean Ansoff and his courage in building the School from the ground up," says Dean Bill Christie. "I hope he was gratified by the School's success over the past decades."

Ansoff retired two years ago as a distinguished professor, emeritus, from the U.S. International University in San Diego, where he taught for 17 years.

Ansoff was born in Vladivostok, Russia, and immigrated to the U.S. with his family. After graduating



high school, he studied at the Stevens Institute of Technology where he earned a master of science in "Dynamics of Rigid Bodies." He later studied at Brown University where he received a doctorate in applied mathematics and joined UCLA in the senior executive program. During World War II and into 1946, he was a member of the U.S. Naval Reserve, and an instructor in physics at the U.S. Naval Academy.

To honor his body of work, the prestigious "Igor Ansoff Award" was established by Coopers and Lybrand in 1981 in The Netherlands. It is given for research and management in the study of strategic planning and management. The Japan Strategic Management Society also established an annual award in his name. Vanderbilt established an An-

soff MBA Scholarship. Fluent in Russian, French, and German, Ansoff received many international honors, including being named fellow of the International Academy of Management and Honorary Chairman of the Strategic Management Society of Japan, where he received five honorary doctorates. He also was decorated by numerous other respected organizations, including the Helsinki School of Academia in Finland; Academia Italiana di Economia Aziendale in Italy; the University of Bath in the United Kingdom, and the Manchester Business School.

A celebration of Ansoff's life was held August 31 at San Diego's Scripps Ranch Library. He is survived by his wife, Dorothy, and sons, Peter, Rick, and Chris. The family asks that contributions be sent in his memory to The Ansoff Institute, 2166 Lemon Avenue, Escondido, California, 92029.

Market Structure Affect How Quickly Stock Prices React to News?" accepted for publication in the *Journal of Financial and Quantitative Analysis*. Masulis served as a discussant at the Corporate Governance in the Banking and Financial Services Industries symposium, sponsored by the Federal Reserve Bank of New York, *Journal of Financial Intermediation*, and New York University. During spring, he was a visiting faculty member at Dartmouth.

Neta Moye, assistant professor, served on the panel for the "Genetic Testing of Hyper-susceptible Workers" discussion hosted by Vanderbilt's Cal Turner Program for Moral Leadership. She delivered an invited presentation on "Your Next Employee" at the Ethics Officers Association Annual Conference, and delivered another invited talk on "Motivating Employees to Share Knowledge" at the Air Force Acquisition's Work Culture Transformation board meeting.

David Parsley, associate professor, last year served as a research fellow at the Hong Kong Monetary Authority, where among other things he studied the effects of currency pegs and unions on overall economic integration. He presented his findings to the HKMA and Bank for International Settlements.

Gary Scudder, professor, taught the course "Technology in the Corporate Strategy" at the University of Bordeaux

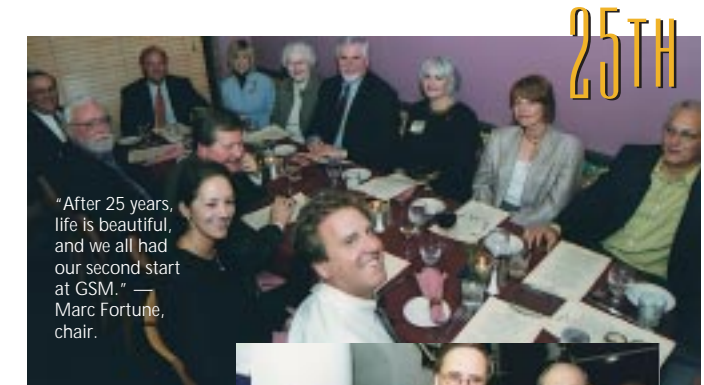
in France last year as part of their Semester in English. Students were from France, Japan, Korea, United States, New Zealand, England, Germany, and Sweden.

Fred Talbott, clinical professor/management communications, shared news media relations and crisis communication advice last year with music industry and entertainment attorneys at ASCAP, hosted by the Tennessee Bar Association.

REUNION SCRAPBOOK '01

WHEN MBAs COME BACK TO CAMPUS, HAVING FUN IS THE BOTTOM LINE

Great company and great food were the order of the day when classes ending in 1 and 6 reunited last fall during Homecoming weekend. Alumni enjoyed a cocktail reception, class parties, a game day brunch, and most of all, seeing each other again. PHOTOS BY PEYTON HOGE AND WOODIE KNIGHT



"After 25 years, life is beautiful, and we all had our second start at GSM." — Marc Fortune, chair.



Dean Bill Christie with Sam and Evelyn Richmond.



Reminiscing about classes in the funeral home raised the spirits of those from EMBA 1981. From left: Turney Stevens, Dean Sam Richmond, John Wilkinson, Henry Lodge, Roger Bowman, and Julia Howell. Roger Bowman and C. Turney Stevens, chairs.



The Class of 1986 speaks for itself. From left: David Jones, David Hornsby, Tom Rose. David Hornsby, chair.



Chancellor Gee mingled with alumni during the cocktail party.



The EMBA 1991 party was a great time, even without a hot tub on a trailer. From left, back: Ray Bowling, Ned Horton, Warren Runion, Louis Buck, Frank Grant, John Abbott; seated: Tracy Grant, Catherine Holsen, Nancy Abbott. Nancy Abbott, chair.



Angie Brittain and Sara Gates, inset, recall finance professor Bill Christie, now dean, walking into class wearing a T-shirt with the words "You don't know me—Federal Witness Protection Program," after his breakthrough research paper on Nasdaq pricing caused a media frenzy in 1994; Sonia Parechianian, Professor Dewey Daane, and Liz Shults enjoy dinner at the Belle Meade Country Club. Sara Gates and Liz Shults, co-chairs.

A different perspective

MAXIMIZING Your Owen Experience



DAVID CRENSHAW

Members of the Owen Alumni Board met with students last year and explained the importance of student and alumni involvement in advancement of the School. From left, back: Don Townswick, '92, Jeff Kudlata, E'96, Brent Turner, '99, Steve Summers, '99; front: Sara Gates, '96, Renee Franklin, '89, Jack Driscoll, '00.

An MBA is a long-term investment, but students reap many benefits before graduation, alumni board members told students at a session on alumni life last year.

Students have the advantage of Owen's small size and excellent student/faculty ratio (10:1), which provides a superb learning and social environment. Students also can tap the global alumni network that is ready and willing to provide job information and contacts, board members added.

But with these advantages, come responsibilities to make Owen an even better school for future generations. Alumni can help advance the School in such ways as donating money,

recommending and mentoring students, and providing jobs.

"Because of our small alumni base, it is even more critical that our alumni contribute than it is for alumni at some other schools," said Jeff Kudlata, E'96, practice leader/leadership for Verizon Communications.

Students can adopt the alumni mind-set early and assist in such ways as promoting the School to prospective students and helping to collect alumni email addresses, used to keep alumni informed of activities at the School.

The result of combined student and alumni effort is a greater school and appreciated Owen degrees, board members echoed.

Join us for Reunion 2002

(October 25-26), sure to be an extraVU-ganza! Activities will include a homecoming parade, tailgate party, and football game; educational events; dinner and dancing; and even more Vanderbilt memories. Check your mailbox and the Owen alumni Website for more information and updates. If you would like to help plan your class event, contact Mercy Eyadiel, director of alumni programs, at mercy.eyadiel@owen.vanderbilt.edu or (615) 322-6468.

SCHEDULE

Friday, October 25
Alumni Board Meeting
 8:30-11:30 a.m.
 Owen School

Registration
 10:00 a.m. - 8:00 p.m.
 Owen south side lobby

Entrepreneurship Conference
 Free admission for the first 30 alumni
 Schedule of speakers and topics
<http://mba.vanderbilt.edu/oec>.

View VU- Owen Cyber Café (demonstration of wireless technology and tour of Owen's latest renovations.)

Coffee and desserts served
 1-4 p.m., Owen south side lobby

Cocktail Reception with Dean Bill Christie
 6:30-8 p.m., Owen lobby

Saturday, October 26
Registration
 8:00 a.m. - 9:00 p.m.
Rob Roy Purdy Field
 (25th Ave. So. at Capers Ave.)

Chancellor's Address
 9:30-10:30 a.m., Student Recreation Center Gym

Homecoming Brunch
 10:30 a.m.-1 p.m., Rob Roy Purdy Field
Tailgate Party
 11 a.m.-1 p.m., Jess Neely Dr./Stadium

Homecoming Game
 Connecticut vs. Vanderbilt
 1 p.m., Stadium

All Owen Alumni Dinner/Dance
 7 p.m. to 12:00 a.m. (Dancing—9 p.m.)
 Owen lobby

class ACTS

Please Note: Class Notes only appear in the print version of this publication.

Paul Chaney, associate professor of management (accounting), in February, led Alumni and Development's first Brown Bag Chat, which focused on the Enron crisis. More than 20 alumni participated. A full transcript of the discussion can be found on the Owen Yahoo Club site at <http://groups.yahoo.com/group/owengsm>.



DAVID CRENSHAW

Dean Bill Christie, right, thanks Robert Falk, E'80, left, for the outstanding alumni reception he held at his home in Nashville in March. For a complete listing of all of the alumni receptions in various cities, check Owen's alumni Website.

ALUMNI PRIORITY # 1



DAVID CRENSHAW

Helping students to find jobs in this tough economic time is priority #1 for the Alumni Board. Last year, students packed Flynn Auditorium at the Law School to hear Owen alumni offer career advice. Ron Ford, E'92, past president (top photo), and Don Townswick, '92, vice president, were two alumni board members leading informational sessions.



DAVID CRENSHAW

FLYING HIGH

It's not a job everyone would want, since September 11 when flying the friendly skies turned potentially deadly. But W. Douglas Parker still loves his work. As chairman, president, and CEO of America West, the nation's eighth largest airline, the buck stops at his door at the company's headquarters in Phoenix, Arizona.

Although he had worked in the airlines since graduating from Owen in 1986, he had held the position of chairman and CEO of America West for barely a week when airplanes hit the Pentagon, World Trade Center, and a field in Pennsylvania in September. Parker admits it was "baptism by fire." The entire fleet was grounded for two to three days. Bookings plummeted; refund requests skyrocketed. A financing deal fell through. Never could Parker have dreamed he'd shortly be among the airline executives testifying before the House Transportation Committee, "We need government assistance, and we need it quickly." In the week after the attacks, air traffic decreased 60 percent in a year already down by 10 percent. "It was devastating, to say the least," recalls Parker.

"We all had to make decisions we had never made before and didn't like making," he says. More than 100,000 people were laid off industry-wide. America West reduced their workforce by 2000 from a total of 14,000. Parker asked the board of directors to forgo all of

his compensation through year-end.

During this time, airline executives also worked with the FAA, which in turn worked with the FBI, to scrutinize passenger lists and identify those who should not be allowed on airplanes.

Time and events blurred together, preventing Parker from attending his lively 15-year Owen reunion last year, something he regrets. Through Owen teamwork, he became part of a contingent of 10-15 friends who remain close to this day.

Following graduation, he started as an entry-level analyst for American Airlines. After five jobs in four years with American, Parker moved to Northwest Airlines as director of finance. "American was a well-run airline, and at the time, Northwest needed help," Parker says.

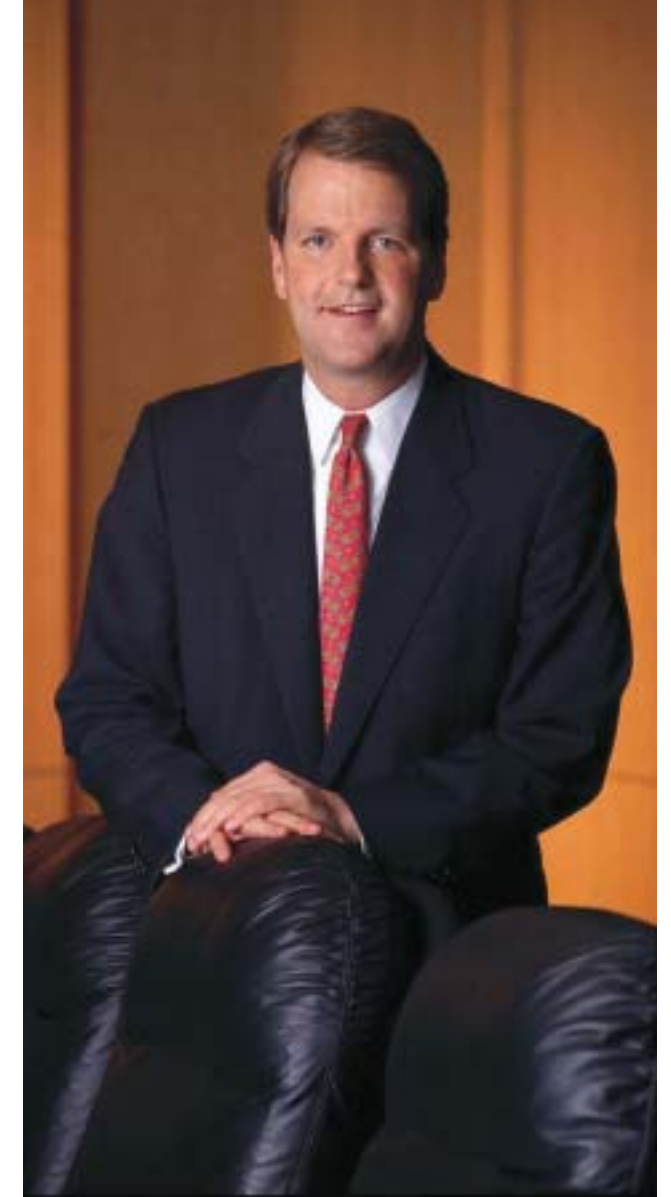
He left Northwest Airlines four years later, in 1995, for another airline in flux. America West had just emerged from bankruptcy, and he took over as CFO. In early 2000 he became president.

"It's a very competitive, fascinating, high profile industry

that has constant change. No one function dominates—they're all intertwined. There's finance, as airlines are heavily capitalized; marketing, because we're a service business; operations as complex as you can imagine; and maintenance, which is basically a manufacturing function. It keeps me interested."

Parker seems to thrive flying high, where the air is thin. "We have one great team. I have the luxury of running a company in an industry I love." And despite the pressures of keeping the jumbo jets safely flying, "I can't complain."

—Carol Wissmann



Parker

RAIG AMBROSIO

Success at Owen and Beyond

Ron Ford, E'92, past president of the Owen Alumni Association and president of Media Arts Group, Inc.; and Sara Gates, '96, secretary of the alumni association and director of product strategy and marketing for Waveset Technologies, offered tips last year to first-year students on how to be successful students and alumni:

FORD:

Follow your heart. You will feel pressure to conform and achieve what others perceive to be success. Do what you love, regardless of what others think.

Challenge the notion that people act rationally. To make complex situations understandable, theorists will ask you to assume that people act rationally. They don't.

Take advantage of Vanderbilt. Attend concerts and events on campus outside of Owen. Make friends with Vanderbilt's award-winning faculty. Learn who the alumni are in your target city and get to know them.

Develop yourself beyond the classroom. Read. Consume current events. Keep physically fit. Learn to communicate: The number two complaint of recruiters is MBAs' inability to articulate. Learn to play well with other children: The number one complaint of recruiters is MBAs' inability to work well with others.

Understand the big picture. Owen is a wonderful institution, but you can make it even better by being a good alumnus.

GATES:

On being a good alumnus:

Help Owen when asked. This certainly includes giving financial support to Owen. But there are other ways to help: Attend receptions for potential students in your city and be an ambassador for Owen. Stay connected with the School, and grow your network by attending alumni events. When a student calls to ask for career advice, take their call and do your best to help them.

Recognize ways to help Owen even when not asked. Encourage talented professionals headed for an MBA program to consider Owen. A reference from a successful alum is a powerful recommendation.

Take advantage of the tremendous Owen and Vanderbilt resources available to you. Leverage the Center for Entrepreneurship. Call the Career Management Center or a faculty member when you need student help on a project. Use the Walker Library for a research project.

Strive to embody this behavior now, and make it a habit, because as a student you are already part of the Vanderbilt and Owen family



Chancellor Gordon Gee connected with more than 100 Vanderbilt alumni and friends, including these young alumni at a dinner, during an alumni trip to the United Kingdom. PHOTOS BY JEN HOWE



Bill and Kelly Christie, center, met with more than 45 alumni and friends of the University, several from Owen, at a reception during the recent alumni trip to Paris.

Keep Up With Global Events— Be a part of Vanderbilt's expanding international team!

Vanderbilt is growing its international network by

- building stronger connections with Vanderbilt's international alumni, parents, and friends throughout the world
- identifying new opportunities for international collaboration, learning, and support and
- strengthening the international reputation of the institution.

If you are interested in the University's international activities and initiatives planned for your region of the world, contact the

Office of International Advancement
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2014 Broadway, Suite 350
Nashville, TN 37203

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GOT CONNECTIVITY?

If not, we need your email address today! Reconnect to the Owen School through your email address and watch your network expand. You'll receive news about Owen and updates on alumni activities in your city. Log onto the Owen Website at mba.vanderbilt.edu and click on alumni directory to update your records. Include the essentials: job title, home and work addresses, email address, and news you may want to share with classmates.

DON'T BE LEFT OUT OF THE LOOP!

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For more information, contact Martin Rapisarda, associate dean for Executive Education, (615) 322-3120; martin.rapisarda@owen.vanderbilt.edu

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