

Spring 2013



Steve Buchanan,
BS'80, MBA'85

A SEAT AT THE TABLE

Corporate needs elevate human resources and create demand for Vanderbilt MBAs

MEETING MR. BUFFETT

The adventures of Owen students with the Oracle of Omaha

Nashville's
Champion

Co-creating TV's hit show *Nashville* is just part of Steve Buchanan's lifework

Meyers Stallings

Meyers benefited greatly from the leadership development programs offered by Deloitte, his former employer. In his new role as Associate Director for Performance Improvement for a large medical center, he sought out similar practical and proven training to for his management team. He found it at Vanderbilt. After completing the four courses required to earn his Certificate in Leadership Excellence, Meyers is putting his entire team through the common curriculum.

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Spring 2013

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Photo by JOHN RUSSELL



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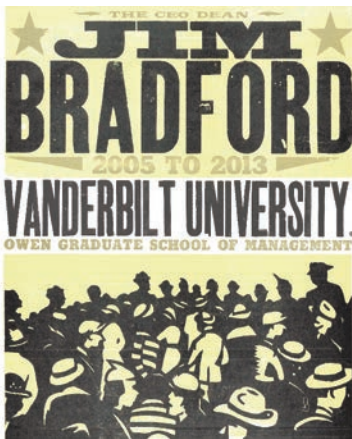
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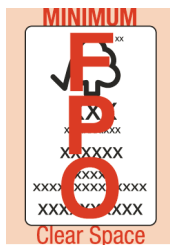


PHOTO ESSAY

32 ON THEIR OWN TIME

By JOAN BRASHER
Photos by DANIEL DUBOIS
JOHN RUSSELL

YOU NEVER KNOW WHERE A BLIND AD WILL lead you. It led Tim Murray from Knoxville, Tenn., to the Kingdom of Bahrain in the Middle East.

Murray is CEO of Aluminium Bahrain (Alba), one of the world's top 10 aluminium producers. He joined Alba in 2007 as general manager of finance after applying to an ad in the *Economist*

Then things moved fast. Murray served as Alba's chief finance and supply officer, chief financial officer and chief marketing officer before being appointed CEO in October 2012.

In 2010, Murray was instrumental in launching Alba's initial public offering on the London and Bahrain stock exchanges. "I was responsible for running the Alba team as well as working with the army of advisers to develop the prospectus. When it came to the roadshows, I was the one who did all the presenting," he says. "The skills I gained at Owen were very helpful, as the IPO Information Memorandum was like doing a case study on steroids."

Murray says people thought he was crazy to move from Middle Tennessee to the island nation of Bahrain, which he calls the one of the most welcoming places he's ever been.

"I had a nice life in Knoxville and both my kids were born there," says Murray, who had spent 10 years at Knoxville's ARC Automotive, the last as vice president and CFO. "However it was a great opportunity and my wife was very supportive."

The adjustment to life in Bahrain was easier than Murray expected, he says. "What surprised me the most is how western Bahrain is. I find it easy to relate to most people," he says. "I have learned how little we in the U.S. understand the world. I have also learned that people outside the U.S. are much more tolerant than we are."

He's continuing to learn as CEO. "In my career, I have handled just about every function there is, but when you are the guy at the top, it is a different feeling of responsibility," he says. "Alba and the aluminium industry contribute around 10 percent of the GDP of Bahrain. It is a humbling experience knowing you are running a company that is so important to the country and the families of Bahrain." **VB**

VB TV

Global Element

Tim Murray, EMBA'03, proves his mettle at Aluminium Bahrain

By **NANCY WISE**

Tim Murray leads Aluminium Bahrain, one of the world's top 10 aluminium producers.



A Final Message FROM THE DEAN

President Franklin Roosevelt pioneered the notion of a leader's first 100 days—the idea that new executives use the strength and goodwill of their position to push through a flurry of bold strategic plans.

Yet, it's just as important—if not more—for leaders to be guided by what they want the last 100 days in office to look like. Jack Welch at GE and Meg Whitman at eBay offer two examples of extraordinary leadership exits, passing on an organization that was both stronger than when they found it, and primed for a new period of growth. Compare that to someone like Kenneth Lay, whose Enron career ended in scandal and disgrace.

That's not to say one should attempt to cram all the work of a meaningful and enduring legacy into little more than three months. Rather, thinking about your last 100 days is a state of mind that should pervade the everyday actions, as well as the major decisions, of anyone heading an organization. Leaders need to ask themselves how their actions today will help build upon a solid foundation that any successor could add to starting in the next 100 days, if not the next week.

As I consider the Owen Graduate School of Management, I'm pleased to see that many of the initiatives we started with a community effort are now thriving. We have expanded our suite of programs to meet the needs of a wide range of backgrounds and experience. Along with Vanderbilt University as a whole, Owen continues to attract some of the



DANIEL DUBOIS

brightest minds in the world, both among faculty and incoming students. We have also worked closely with industry and employers to ensure that our graduates are fully equipped to compete in a complex global business landscape.

Owen's next dean, Eric Johnson, will have his own priorities, of course, but I feel fully confident that together we have set the stage for a new era of growth in several different areas, which I reflect upon in a piece on page 12.

While this will be my last letter in ~~as dean~~ *Vanderbilt Business*, it is not goodbye. I plan on taking a yearlong sabbatical to spend time with my family, ride my bike, shoot pictures, teach at Escade in Barcelona, and continue to work with the Graduate Management Admissions Council before returning to Owen in 2014.

I've often said that this has been the hardest—yet most rewarding—job I've

ever had. Please know that I will forever be indebted to the entire Owen community for all your hard work, support and wise counsel to help make my tenure as dean a success. I hope you feel confident, as I do, that this very special institution stands well positioned not only to endure, but also to embark on an exciting new phase of its journey.

Please join me in supporting this great school and Dean Eric Johnson in the coming years.

Sincerely yours,

James W. Bradford
Dean, Vanderbilt Owen Graduate

School of Management
Ralph Owen Professor of Management

EDITOR'S MEMO

SPRING 2013

DEAN

JIM BRADFORD

EDITOR

NANCY WISE

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Transitions

Smooth, natural and part of the fabric of life

By NANCY WISE

A PERFORMANCE OF NASHVILLE'S GRAND Ole Opry is entertainment unlike any other. The Opry broadcasts as a radio show, so the action on stage is geared to a radio audience first, then to the people in the auditorium. The live audience sees announcers reading from behind a podium and performers bustling on stage, plugging in equipment and launching into song or a story. If equipment needs to be moved or adjusted, the audience sees that, too. The transitions are part of the fabric of the evening.

The subject of our cover story knows all about the Grand Ole Opry and transitions. As president of Opry Entertainment and executive vice president at Ryman Hospitality Properties, Steve Buchanan, BS'80, MBA'85, handles the business and entertainment sides of the Grand Ole Opry, celebrated Ryman Auditorium and legendary WSM radio. He was also instrumental in the development of the hit ABC television show, *Nashville*, for which he serves as an executive producer. As you'll read, Steve was also responsible for transitioning the historic Ryman Auditorium from a candidate for demolition to an acclaimed performance venue.

Owen itself is going through some transitions. In this issue, we reacquaint (or introduce) you to Christie St-John, MA'94, PhD'99, the new head of admissions.

Christie has returned to Vanderbilt from Dartmouth and she has some wonderful ideas for recruiting future Owen students.

The big transition we're facing, of course, is that Jim Bradford is stepping down as dean of Owen and a new dean, M. Eric Johnson, will soon be at work. Fortunately, Jim is leaving the school in a strong position and Eric will have a powerful foundation on which to

build. We asked Jim to talk about what's next. What we got instead was a manifesto that every business leader should follow: Jim's wisdom about how leaders should spend their last 100 days in office is profound and visionary.

Speaking of changes, you've probably noticed a new author of this column. Seth Robertson, who edited *Vanderbilt Business* for more than five years, has joined *Vanderbilt Magazine* and passed the editorship to me. I'm enjoying learning about Owen and discovering all its wonderful people and stories.

There are other changes ahead for *Vanderbilt Business*. We are beginning work on a redesign of the magazine. That means a fresh look as well as new features and departments. Are there regular features you like? Never read? Would like to see expanded or changed? Should we do more alumni profiles? More stories about students? Email me at owen.magazine@vanderbilt.edu. I look forward to your feedback.

VB



I N S I D E

Administration *M. Eric Johnson Named New Dean* | Faculty *Three New Professors Emeriti* | *Newly Tenured Professor*



Johnson

ADMINISTRATION

M. Eric Johnson Named New Dean, Starts July 1

M. ERIC JOHNSON, CURRENT ASSOCIATE DEAN at the Tuck School of Business at Dartmouth College and former Owen faculty member, has been named dean of the Vanderbilt Owen Graduate School of Management effective July 1. He succeeds Dean Jim Bradford, who announced his retirement in December.

Johnson said that Owen is a true gem among the world's best business schools.

"I am honored to be given the opportunity to lead the school to even higher achievement," he said.

At Dartmouth, Johnson oversaw Tuck's top-rated MBA program and its nine centers and initiatives. He was responsible for launching several of those

centers in the areas of digital strategies, energy, entrepreneurship and health care, and also held a named chair.

Johnson taught at Owen from 1991-99, first as assistant professor of management, then as a tenured associate professor of operations management. He twice won awards for teaching excellence.

Johnson's teaching and research concentrate on the impact of information technology on the extended enterprise. His latest book, *The Economics of Financial and Medical Identity Theft*, examines the security failures and economic incentives that drive identity theft. He holds patents on interface design and has testified before Congress on information security. Additionally, he has held positions with Systems Modeling Corp. and Hewlett-Packard and has consulted for top companies around the world.

An expert in information technology as well as supply chain management,

Johnson holds bachelor degrees in engineering and economics and a master's in engineering and operations research from Pennsylvania State University. He received his doctorate in industrial engineering and engineering management from Stanford University.

FACULTY

Honoring Three of Our Best

THE VANDERBILT UNIVERSITY BOARD of Trust has bestowed emeritus status on three of Owen's most acclaimed faculty.

Germain Böer, Richard Daft and Hans Stoll were honored during Commencement as the school's newest faculty emeriti.

Böer, who was professor of accounting, as well as director of the Owen Entrepreneurship Center, is now professor of accounting, emeritus. Daft, formerly Brownlee O. Currey, Jr. Professor of Management, is now professor of management, emeritus. Stoll, the Anne Marie and Thomas B. Walker Jr. Professor of Finance, is now professor of finance, emeritus.

"Together, these three professors have dedicated more than 90 years of



Böer



Daft

DANIEL DUBOIS

E O W E N

Rankings *Global Acclaim* University *Vanderbilt's \$8.6 Billion Impact on State*

JOHN RUSSELL



Stoll

scholarship and teaching to Owen. They have been favorite professors to hundreds of students and outstanding colleagues with whom it has been a pleasure to work," says Dean Jim

Bradford. "I regret that their retirement will rob future students and faculty of the opportunity to learn from them."

Newly Tenured

TIMOTHY J. VOGUS HAS BEEN PROMOTED to associate professor of management and organization studies, with tenure, effective fall 2013. Vogus, who joined Owen in 2004, teaches in the MBA core curriculum on leading teams and organizations as well as an elective MBA course on negotiation. Vogus' area of research involves the mechanisms through which organizations create and sustain a culture of safety. Currently, he is interested in these dynamics in health care settings and their effects on the incidence of medical error at the point of care delivery. Vogus was recently named one of the 50 most influential business professors of 2013 and earlier named one of the Top 40 Business School Professors Under 40 by poetsandquants.com.

RANKINGS

Global Acclaim

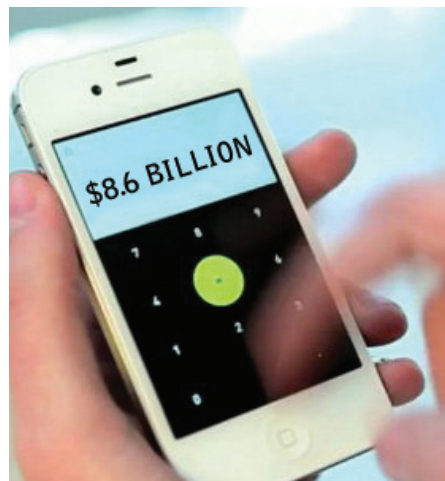
IN THE 2013 GLOBAL MBA SURVEY

by the Financial Times. Owen climbed five spots to No. 25 among U.S. MBA programs and eight spots to No. 53 globally. In addition, Financial Times ranked Owen No. 35 globally for job placement and No. 37 globally for academic research. This continues a strong showing in popular rankings. Bloomberg BusinessWeek just ranked the Vanderbilt MBA program No. 25 overall and No. 9 in leadership. And Vanderbilt once again made it into the top-30 MBA programs as ranked this year by U.S. News & World Report. Regardless of ranking publication, Vanderbilt can always be found among the top 10 percent of the AACSB-accredited B-schools in the world.

UNIVERSITY

Vanderbilt's \$8.6 Billion Impact on State

A RECENT INDEPENDENT ECONOMIC ANALYSIS has found that Vanderbilt



University had an \$8.6 billion impact on the Tennessee state economy during fiscal year 2011-12.

Among the factors measured were Vanderbilt's direct spending on operations and construction, spending by students and visitors, and spending by businesses as a result of Vanderbilt's presence in the state.

The analysis, prepared by Austin, Texas-based TXP Inc., reported that Vanderbilt, the second largest private employer in Tennessee, generated an economic impact of \$8.6 billion for the fiscal year ending June 30, 2012.

- The economic activity supported 58,000 total jobs with wages and benefits in excess of \$3.4 billion.
- Vanderbilt spent \$86.6 million on construction, building and leasehold improvements. These expenditures supported hundreds of jobs in the construction and building maintenance sector.
- University-related activity attracted 700,000 visitors to campus, including patients, parents and athletic enthusiasts, creating jobs and wages for businesses and vendors in the community.
- Tax revenue generated by Vanderbilt and related activities drove estimated Tennessee tax revenue of \$221.6 million into state coffers.

The TXP report said that the impact potentially exceeds the calculations, since a university's economic impact extends well beyond the traditional workplace due in part to factors not easily quantifiable such as "a highly capable workforce,

I N S I D E

Marketing Consumers can be of two minds—at the same time **Finance** Hedge funds may have overlooked risks

MARKETING

When Is Cheap Not Cheap?

Consumers can be of two minds—at the same time

BY AMY WOLF

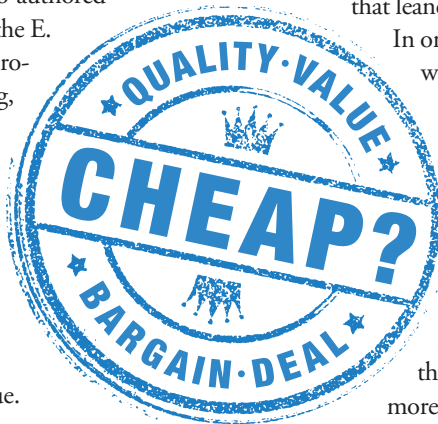
LOWEST PRICES OF THE YEAR! MARKDOWNS! Exclusive Dealer! Top Quality! We've all been

exposed to them—the marketing strategies promising bargains or high value. Yet as alluring as those pitches can be, consumers draw very different—and sometimes contradictory—conclusions when it comes to sale prices or value. To make it even more challenging, consumers often fill in gaps in their knowledge by drawing inferences about products.

New research co-authored by Steve Posavac, the E. Bronson Ingram Professor in Marketing, finds that in some consumers' minds, price denotes quality. Yet for others, low price leads a consumer to believe he or she is getting a good value.



Posavac



“Consumers rarely have complete information and use various strategies to fill the gaps in their knowledge as they consider and choose products,” the researchers wrote in an article published in the April 2013 *Journal of Consumer Research*. “One of these strategies involves using naive theories: informal, common sense explanations that consumers use to make sense of their environment. For example, consumers may believe that popular products are high in quality while also believing that scarce products are high in quality.”

Posavac and collaborators Hélène Deval, Susan P. Mantel and Frank R. Kardes found that consumers use a series of theories when considering value and price. How they size up a possible purchase depends on what is on their mind when they're thinking about a given product—something marketers need to take into account when crafting ads, marketing strategies and promotions.

Price vs. Quality Experiments

The researchers conducted eight experiments that tested marketing techniques that leaned toward price or quality.

In one experiment, consumers were shown an ad for a bottle of wine with either a high or low price. When subtly reminded of quality, consumers evaluated the expensive wine more favorably than the cheap wine. However, when subtly reminded of value, they rated the cheap wine more favorably.

“In the case of price, most people simultaneously believe that low prices mean good value and that low prices mean low quality. But these two beliefs are not equally present in consumers' minds all the time,” the authors wrote. In short, people can hold opposing beliefs about the same product.

When Product Marketing Backfires

Sales promotions succeed when consumers perceive that they are getting a good deal, but they can also backfire if consumers perceive that lower prices indicate poor quality. And if the company makes assumptions that one naive theory guides consumers, they run the risk that the strategy could actually cause a decrease in sales and perceived value. “For example, a marketer who feels that low prices signal value may go all in on a low-price strategy in an attempt to drive sales but may succeed only at reducing brand value and alienating consumers if a substantial percentage of the firm's customers believe that low prices are commensurate with low quality,” they wrote.

Posavac and his fellow researchers cite retailer J.C. Penney as an example. The company moved to a new strategy of abandoning sales events in favor of everyday low pricing. However, J.C. Penney customers had been so conditioned to the naive theory that sales promotions signified good deals that the absence of such events was taken by many long-term customers to mean that there were no longer opportunities to get good deals—and sales dropped.

“[Companies] design a strategy by

BUSINESS

assuming that a certain naive theory is going to drive consumer evaluation and choice when, in fact, several naive theories are available to the consumer,” the authors conclude.

So what’s the best strategy? The authors suggest that, in practice, marketing communications that set the stage by suggesting a given naive theory—quality, for example—and then make a product appeal in keeping with that theory will have the best results.

FINANCE

Not So Safe

Hedge funds may have overlooked risks

BY RYAN UNDERWOOD

THE ORIGINAL PREMISE OF A “HEDGED FUND,” as a financial journalist originally described the concept in 1949, was simple: A portfolio balanced between long and short positions could profit in nearly any market.

That idea may have taken a while to seep into the mainstream, but as it has over the past decade, the hedge fund industry has exploded, rocketing from \$310 billion in assets under management in 2002 to more than \$2 trillion today. Institutional investors and high net-worth individuals flocked to these largely unregulated, non-public funds in no small part because they offered access to assets and trading strategies that are all but impossible to replicate.

But new research from Nicolas Bollen, the E. Bronson Ingram Professor of Finance, says those hedge funds that are hardest to imitate—something

investors look for and for which they often pay a premium—are the ones most prone to failure.

In addition, Bollen finds that these types of funds contain a significant amount of volatility, indicating that they are vulnerable to the type of risks they are supposed to guard against. “This result suggests the presence of an omitted but potentially catastrophic risk factor in funds for which standard regression analysis fails,” Bollen writes in the study, forthcoming in the *Journal of Financial and Quantitative Analysis*

Those previously undetected risks raise the annual probability of failure for hard-to-replicate funds from 10 percent to 12 percent. The findings have implications for investors who rely on statistical models to screen funds for heightened risk factors as part of their due diligence process.

Determining Hedge Fund Performance

The difficulty in assessing hedge fund performance lies in the industry’s opacity. Fund managers report returns publicly at their discretion, leaving wide gaps of data about holdings, accuracy, and even whether a fund is still operating. (In October 2011, hedge funds with more than \$1.5 billion in assets under management were required to start disclosing fund details to U.S. regulators, but that information will not be made public.)

As hedge funds have grown, academic



researchers have developed statistical models designed to correlate hedge fund returns with known investment strategies. Using these models, along with data from a broad cross section of funds from 1994-2008, Bollen found that more than one-third of all funds cannot be correlated to known style factors. The phenomenon becomes even more pronounced in funds with short histories.

Bollen suggests those results indicate that using hedge fund regression models to learn about a fund manager’s trading style and selection of assets may be even weaker than previously thought. Further, he says it may be a Sisyphean task to try to develop a complete set of risk factors, especially those representing catastrophic losses during rare events.

Where does that leave investors? For the time being, relying more heavily on qualitative judgments about things like a fund manager’s background and strategy mix than the quantitative analyses of

Matter of Life and Death

Hospital leaders must focus as much on safety and quality as the bottom line

By RANGA RAMANUJAM

MOST PEOPLE KNOW PARKLAND Memorial Hospital in Dallas for its heroic efforts to help President John F. Kennedy after he was shot in November 1963.

Fifty years later, Parkland is once again drawing national attention, only this time, not for its service to the nation, but rather for its woeful record of violating basic patient safety procedures.

In August 2011, the hospital received a damning 600-page report issued by federal and state regulators detailing scene after painful scene of chaos and confusion. Emergency room patients were repeatedly placed in soiled bedding, children were discharged without proper medical screening, and unqualified medical residents were treating patients. In one instance, on-site regula-

tors were forced to intervene to help lost patients seeking medical attention who were left wandering the halls.

In short, there have been few—if any—instances of such a large, high-profile public hospital facing similar funding cuts for regularly placing patients in “immediate jeopardy” as a result of the facility’s systemic violation of basic safety practices.

But the truth is that even without the scathing reports issued by the Centers for Medicare & Medicaid Services, Parkland would have been in crisis. Like most public hospitals, Parkland is an anachronism that has been propped up by a too-important-to-fail mentality.

In an environment that includes a shrinking margin for medical errors,

relentless pressure to cut costs, uncertainty over how to implement the Affordable Care Act, and acute physician and nursing shortages, the status quo is no longer good enough. Safety is more than a matter of operating for a long period without major adverse events—that’s just getting lucky. Instead, safety must be purposefully managed throughout every layer of an institution.

And doing that requires a fundamental shift in today’s health care organizations. Issues of quality and safety are intensely local and as such, they are not items that can be managed from a suite of executive offices.

Rather, the hospital of the 21st century demands that management build and maintain organizations designed to encourage what former Treasury Secretary and Alcoa chairman Paul O’Neill calls habitual excellence. Hospital leadership teams should seek to build an organizational infrastructure where employee engagement and continuous improvement are paramount. Improving care for patients can be brought about only by identifying and solving problems in the delivery of that care.

Hospital CEOs must start these transformations by expanding their traditional definitions of success. While financial outcomes and regulatory compliance remain crucial, management must also set audacious goals around employee engagement, communication and learning.

Patient safety is more likely when clinical employees are treated with



Ramanujam

DANIEL DU BOIS

JIM BRADFORD

Passing THE BATON



After nine years as dean of the Vanderbilt Owen Graduate School of Management, Jim Bradford is stepping down from his position at the end of the academic year in June. Jim recently discussed some of the highlights of his time as dean with *Vanderbilt Business* magazine. He also laid out some of the broad areas he thinks will shape Owen in its next era of leadership. Here's Jim in his own words.

WHEN WE WERE WRITING THE announcement that I'd be stepping down, it felt at times like crafting my own obituary. What do you say about a 40-year career in both the private sector and academia in just a couple of paragraphs? It reminded me of the book *Tuesdays with Morrie*

What's been great fun and interesting is visiting with alumni. My message to them is simply that this is an incredible school worthy of their time, energy and support. And in that process, I've greatly enjoyed hearing how Owen has influenced people's dreams and how appreciative they are of the education they received here.

Of course, anytime there's change you'll find pockets of worry. But I tell people this is a team sport, that whatever course a new dean charts, the intimate, collaborative culture of Owen will carry the school forward. That's one of the most valuable lessons the

alumni taught me when I started my tenure: Make whatever changes are necessary to help the school thrive, but don't lose the culture.

On Strategy

I believe the school—or any organization—has to be guided by two things. First, it needs a mission or a vision that works for it. What are we about? What are we doing? Second, there needs to be a sustainable business model that allows for smooth functioning. If those two priorities get out of whack, it doesn't matter how great the mission is if you can't make it work financially. Likewise, if you are rudderless and just go where the wind blows, you might get through in good times, but if you forget who you are and what you're doing, you won't be able to make it through in hard times.

For me personally, it has been gratifying to see the Leadership Develop-

ment Program reach the levels it has. It's sustainable and it's something that we're now being noted for by incoming students, employers and peer schools. We've also been fortunate that—starting with the Accelerator program in 2004, the Health Care MBA and MS Finance degree in 2005, then adding a Master of Accountancy, Master of Management in Health Care and the Americas MBA—all these new programs continue to thrive. They may need to morph over time to accommodate what the global economy demands. But I feel like we have met an obligation to build programs that business wants.

On Priorities for the Last 100 Days

The last 100 days are a wonderful time to look back at what has been accomplished and what's still left to do. When I began thinking about this notion of the last 100 days, I remembered when I

MORE THAN A DECADE: JIM BRADFORD AND OWEN

JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC

2002

2002
Jim Bradford begins teaching strategy in the Vanderbilt MBA program after nearly two decades of experience as a corporate executive.

2003

November 2002
Following his role as president and CEO of United Glass Corp., Bradford is named associate dean for corporate relations at Owen.

2004

June 2004
Bradford is named acting dean of Owen.

2005

December 2004
Owen launches Accelerator, the Vanderbilt Summer Business Institute, targeted to undergraduates seeking business skills.

March 2005
Bradford is named dean of Owen.

July 2005
Owen announces the formation of a specialized Health Care MBA program.

sent my own kids off to college. As a parent, you want to impart every article of wisdom that you can. Of course, you can't do that in the last hour—the morals and values you instill have to begin at a very young age.

So while I certainly can't plot a strategy for Dean Johnson, I want to do whatever I can to leave Owen in the best condition I possibly can. Right now that means communicating just how strong this school is. You can see that in the quality of our faculty, our students, and our staff. The rankings have all validated our strengths as well.

Second, I feel confident that as some optimism comes back into the economy—and we at least know that we'll see some interest rate stability—our base of giving will continue to grow. It's important to keep raising money for scholarships as a way to help recruit the best students possible.

I also have an eye on the faculty

recruiting process. We have three major faculty members taking emeritus status this year—Germain Böer, Dick Daft and Hans Stoll—and I want to ensure that we are supporting and identifying the next generation of stars.

On Areas for Growth

The levers are there to ensure the continuing quality and vigor of the faculty. Along with that, you want to have the resources and facilities to attract the best students and stay plugged in to the employment market. Those types of levers can be pulled to guarantee our continued status as a highly ranked, intellectually robust school.

And when I talk about facilities, I don't just mean a new building or additional classrooms. I also mean technology. What is Owen's role in the world of MOOCs (massive open online courses)? Vanderbilt University and Owen have already taken a lead in this.

So while technology may ultimately help lower the cost of providing an education, we want to make sure we protect the quality of what we offer. How, for example, do you stay in control of a classroom with 40,000 students? The school will need to understand those hurdles and be able to jump over them.

I think you'll also see the nature of global education change. We've already come down that path somewhat with the Americas MBA, where students are having more immersive experiences and working with teams across borders, for example.

In addition to being dean of the Vanderbilt Owen School of Management, Jim Bradford is the Ralph Owen Professor of Management. He plans to take a yearlong sabbatical before returning to Owen, where he

JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC

2006

2007

2008

2009

August
2005

Owen seats its first one-year Master of Science in Finance (MSF) class.

December
2005

In partnership with the Center for Nonprofit Management, Owen offers annual tuition sponsorship for a nonprofit executive enrolling in the Executive MBA program.

November
2006

Owen establishes a Board of Visitors, an advisory group of leading corporate executives, to help the school stay connected to important issues in the global business community.

August
2007

Owen seats its first one-year Master of Accountancy (MAcc) class. The program is designed in consultation with an advisory board made up of accounting industry leaders.

July
2008

Owen launches a one-year Master of Management in Health Care program.

June
2009

Bradford is appointed to the Graduate Management Admissions Council (GMAC) Board of Directors.



Bradford (center) joined students for the last Thursday Social at Owen in April. He also presented the 100% Owen Clash of the Class Trophy to the Class of 2014.

will once again teach strategy.

JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC

2010

2011

2012

2013

October
2009

Owen partners with Korn/Ferry International to create a one-of-a-kind leadership development program for graduate management students.

March
2011

Vanderbilt's Executive MBA program adds Americas MBA program, a unique partnership with three other business schools throughout North and South America.

August
2011

Owen adds a valuation track to its MAcc program.

November
2011

Leadership Excellence ranks Vanderbilt's Leadership Development Program at No. 11.

September
2012

Bradford is elected chair of GMAC Board of Directors.

January
2013

Owen reaches No. 25 in MBA rankings among U.S. programs in *U.S. News & World Report*, *Bloomberg Businessweek* and *Financial Times*.

Nashville's Champion

Co-creating TV's hit show *Nashville* is just part of Steve Buchanan's lifework

By JIM PATTERSON

The man the crowd knows as Deacon from the popular television show *Nashville* takes the stage at the Grand Ole Opry to screams of recognition. He starts with a sensitive ballad, and women of all ages stream past the lip of the stage and take his photo before being urged by ushers to make way for the next in line. Charles Esten looks to be having the time of his life. Is he a country music star, an actor playing a country music star or something in between?

Who knows, and really, why would it matter? Everybody is having a good time. Esten segues into a drinking song. "Pour, pour, pour some more," he sings, "just like the four you poured before." The crowd eats it up.

Off to the side of the stage, a low-key, conservatively dressed man looks on. The man is Steve Buchanan, BS'80, MBA'85, president of Opry Entertainment and co-creator and executive producer of ABC's nighttime TV drama, *Nashville*.



As executive vice president at Ryman Hospitality Properties, Buchanan is also a music business executive, a type represented on *Nashville* as the heartless and manipulative character Marshall Evans, head of fictional Edgehill Records. But Evans, Deacon, Rayna, Juliette and the rest of the television *Nashville* world exist only because of the vision of this real-life executive with a heart for the music and a business sensibility forged at Vanderbilt University and Owen Graduate School of Management.

Scientific Beginnings
Raised in Oak Ridge, Tenn., the son of a nuclear engineer and a chemist, Buchanan first enrolled in Vanderbilt as an undergraduate in the engineering school, intending to become an environmental engineer.

"I loved music and I very quickly got involved in the concert committee as a

freshman," Buchanan says. "In fact, that and the fact that engineering school was very challenging contributed to less than stellar academic performance for me."

Buchanan and his cohorts brought many memorable shows to campus. Some of his favorites include Ray Charles, Bonnie Raitt, Muddy Waters, Pat Metheny, Lester Flatt, David Bromberg, George Thorogood and Karla Bonoff.

"We were freshman hallmates in 1975 at Vanderbilt and immediately became best friends," remembers Ken Levitan, now an artist manager whose clients include Kings of Leon and Emmylou Harris. "We were both involved on the concert committee and Steve was unbelievably hardworking at everything he did."

"Steve brought Bob Marley to town," Levitan says, still sounding astounded decades later that the reggae

legend played Vanderbilt. Buchanan shakes his head, calling the Marley concert "an amazing experience."

Buchanan says a course with Vanderbilt's legendary cultural sociologist Richard "Pete" Peterson led him to transfer to the College of Arts and Science and major in sociology and psychology.

But it was really his extracurricular activities promoting music shows that allowed Buchanan to discover his vocation. "It was enlightening for me because despite my complete love for music, I had never necessarily thought of it as being a business," Buchanan says.

First Job on Music Row
Upon graduation, Buchanan rejected suggestions that he move to Atlanta or New York, where he was told he could probably find work at a promoter or record label. Instead, he placed his bets again on Nashville. Levitan had already graduated and gone to work at Buddy Lee Attractions, a booking agency on Music Row.

"I helped Steve get a job at Buddy Lee," Levitan says. "At that time there were still a lot of independent booking agencies in Nashville and you could make a mark there."

At Buddy Lee, Buchanan was in a position to meet music industry people in Nashville, New York and Los Angeles.

"Two of the agents I worked with had played with Hank Williams (Sr.)," he recalls. The two, Jerry Rivers and Don Helms, still worked weekends as the Drifting Cowboys. "So I was both learning the business and learning the history of the business."

Still, Buchanan had a nagging feeling that there was too much he didn't know. He questioned if he even wanted a career in the music industry.

Once Again, Vanderbilt is the Answer

"I made the decision to quit my job and go back to school full time because I

Nashville gives TV audiences a new look at the city—and reasons to visit. The series stars Hayden Panettiere and Connie Britton.



ABC, ANDREW MACPHERSON

wanted to do a specific concentration and immerse myself,” he says.

Buchanan entered the MBA program at the Owen Graduate School of Management, focusing on marketing and gaining a strong foundation in the fundamentals of management.

Like his undergraduate career, getting started was rough.

“It was a rocky start, because it’s very difficult to just disconnect yourself when you’re still in the same playground that you were in before,” he says. “You’re still in your mid-20s and you still like to go out and listen to music, and your friends are still around and you’re supposed to be totally bathed in academics. It finally kicked in second semester.”

At Owen, Buchanan learned to be disciplined in his approach to business. “It really made me focus,” he says. “I learned to be methodical and strategic about things.”

Coming out of Owen, Buchanan faced a crossroads between a managerial training program at Northern Telecom and becoming the first marketing manager in the history of the Grand Ole Opry.

Today, sitting in his office dominated by a picture-window view of the Cumberland River, Buchanan explains what made him choose the Opry. “You want to know what it was?” Buchanan says. “I just loved Bill Monroe.”

Monroe, for those who don’t know their bluegrass, is the legendary musician whose band, the Blue Grass Boys, put together the high lonesome elements that became bluegrass music in the 1940s. By the time Buchanan crossed paths with Monroe in the 1980s, the master was in his 70s.

“Buddy Lee booked Bill Monroe. I would come out to the Opry to see Bill and I developed a deep appreciation of what the Opry is,” says Buchanan, casual in jeans and blue sweater. “That was a passion that would only grow.”

“It ultimately wasn’t a hard decision to pass on the Northern Telecom job,”



Fresh out of Vanderbilt, Buchanan worked with new and legendary artists at booking agency Buddy Lee. From left, Buchanan, Dwight Yoakam and Bill Monroe.

Buchanan says. “Yes, it was a better paying job and had a more defined career path. But I thought that the Opry job offered me the opportunity to be in a more traditional business environment while at the same time being engaged in the entertainment and music industry.

“It felt like it was the perfect fit, especially because Bill Monroe, who I’d

with the typical scenario.”

Hal Durham, then general manager of the Opry, put aside a modest amount for an advertising budget. Buchanan created a small, simple campaign, which started to address the identity problem his market research showed was holding the country music institution back.

First broadcast in 1925 as a radio

Coming out of Owen, Buchanan faced a crossroads between a managerial training program at Northern Telecom and becoming the first marketing manager in the history of the Grand Ole Opry.

grew to love booking at Buddy Lee, was a member of the Opry as well,” he says.

Marketing from Scratch
Buchanan found himself walking into a unique situation.

“The Opry had never had a marketing manager, meaning it had never had a marketing budget,” he says. “Most freshly minted MBAs don’t really want to go to work for a place where they don’t have a budget. That doesn’t fit in

show and for many years a national broadcasting powerhouse, the Opry was part of Gaylord Entertainment, today Ryman Hospitality Properties. By the 1980s, the Opry was overly dependent on Gaylord’s Opryland USA theme park and hotel for its audience. Both brought thousands of tourists to the area regularly, which translated into tickets sales for the Opry.

Buchanan’s efforts to revitalize and

separate the image of the Opry from the theme park were successful business strategies, which was fortuitous as the park closed in 1997.

“We were also dealing with a much more competitive marketplace from a destinations perspective,” Buchanan says. “Branson, Missouri, became a major competitor. There was huge investment in the ’80s and ’90s in Orlando and then there was the proliferation of casinos around this country. That is still what we deal with today.”

The Ryman Auditorium
If there’s a proudest moment in Buchanan’s early Gaylord career, it would have to be the revitalization of the historic Ryman Auditorium. Along with

If there’s a proudest moment in Buchanan’s early Gaylord career, it would have to be the revitalization of the historic Ryman Auditorium.

much of downtown Nashville, the legendary building—former church and for years home of the Grand Ole Opry—had fallen into disrepair during the 1960s and ’70s. The Opry itself had left the building in 1974 for a new facility on the grounds of the Opryland theme park.

“I had never even been in the Ryman Auditorium, and suddenly it was part of my responsibility to market it,” Buchanan says. “This was way before it was fixed up. We charged a couple of

bucks and people could tour through it. You could go stand on stage and there was a little gift shop in the back.”

Buchanan was captivated by the Ryman, even though it was in obvious physical distress. It had sat empty for almost 20 years and had been recommended for demolition several times. The building was rundown and the downtown area in which it sat was decidedly seedy.

In 1992, the centennial of the building’s construction, Buchanan was



From left, *Nashville* cast members Jonathan Jackson (Avery Barkley) and Charles Esten (Deacon Claybourne) talk with Buchanan following Esten’s February performance on the Grand Ole Opry.

JOHN RUSSELL

Restoring Music History...Again

STEVE BUCHANAN MAY BE THE ONLY OWEN GRADUATE RESPONSIBLE for saving music history twice.

As general manager of the Ryman Auditorium in downtown Nashville, revered as the Mother Church of Country Music, Buchanan oversaw the building's million dollar renovation and reinstatement as one of the world's premiere music venues.

On May 2, 2010, the momentous flood that destroyed parts of Nashville also devastated the Grand Ole Opry House at Opryland in Donelson, the home to the Grand Ole Opry since the 1970s. In the hours when floodwaters entered the building and rose, Buchanan and a team of 10-15 workers courageously stayed in the flood zone to protect and preserve instruments, historic recordings and other artifacts by moving them to safety. Even so, not everything could be saved.

When the rain stopped, the ground floor of the 4,400-seat Opry house was covered with muddy water up to its back four rows. Forty-six inches of water covered the stage. Almost everything would need to be replaced: seats, retail store, lobby, dressing rooms, green room, control booth, stage, stage curtains and rigging, along with the mechanical and power systems.

Buchanan once again found himself charged with restoring another cherished building. "It breaks your heart, but it's our responsibility to be sure that that building comes back to life, and it will," Buchanan told *USA Today*.

In addition to overseeing the physical renovation of the building, Buchanan immediately hired restorers, conservators and luthiers (specialists in string instruments) to care for the historic artifacts, photos, tapes, costumes and instruments impacted by flood damage.



Buchanan on the TV show's Bluebird Cafe set.

"After the flood waters receded, Steve led the recovery of the property—literally and figuratively," noted Dave Kloepfel, BS'91, MBA'96, former president and COO of Gaylord

Entertainment Company. "Importantly, Steve insisted the Opry never miss a show—and it didn't. Using venues all over Nashville, the Opry never missed a beat."

Five short months later, Buchanan and the cast of the Grand Ole Opry stood on a new stage in a renovated Opry House and welcomed audiences back with a celebration dubbed "Country Comes Home." Backstage, performers marveled over 17 dressing rooms, facilities, instrument lockers and a comfortable, cheery green room that featured a new artifact—a marker showing how high the waters reached in the historic flood.

In recognition of his resilience, courage and dedication to excellence, Owen honored Buchanan with the school's inaugural Distinguished Service Award at Owen's annual alumni dinner in 2012.



instrumental in arranging for the Ryman to be used for a series of concerts and a live album by Emmylou Harris, her landmark *At The Ryman*.

He also organized a one-man play with musical performances that included Bill Monroe performing “Working on a Building.”

“Ricky Skaggs and Vince Gill went on just before Bill doing ‘Drifting Too Far from the Shore’ and did such a great job that I think Monroe wanted to one-up them,” Buchanan says. “He did. He was outstanding.”

The two events were fortuitously timed. Downtown Nashville was about to undergo urban renewal, and Gaylord and Buchanan had the vision to lead the way.

“It was life- and career-changing for me because I was appointed general manager of the Ryman and got to develop the first business plans to oversee the renovation of the Ryman Auditorium,” Buchanan says. “There was a companywide belief that it was a worthy investment regardless of what it took, that it would be a meaningful and impactful undertaking for the company and city.”

Under Buchanan’s direction, the old building came back to life. Structural issues were addressed. High-tech sound, lighting and engineering were installed, along with the addition of a proscenium for the stage. Central heat and air were added to the now 102-year-old former church. A 14,000-square-foot support building was attached to house ticketing, offices, restrooms, concessions and a gift shop; proper dressing rooms were built (previously, a sole ladies’ room backstage had done double duty as a dressing room for the Opry’s female performers). The building’s original wooden pews were refinished and stenciled artwork on the balcony was faithfully recreated. The Ryman reopened in 1994 to public and performer acclaim, quickly earning a reputation as one of most prestigious

performance halls in the world, esteemed for its astounding acoustics.

“We’re sitting here and that was basically 20 years ago and it’s great to be able to look back and see what a visionary decision that really was for (former Gaylord Entertainment CEO) Bud Wendell to make that \$8.5 million commitment and investment,” Buchanan says. Gaylord also built the Wildhorse Saloon on Second Avenue in downtown Nashville during that era.

“Both of those investments were critical for the redevelopment of downtown Nashville,” Buchanan says.

Television Nashville

What might be remembered as the opening of the second act of Buchanan’s career began with a meeting in late 2010 between the Gaylord executive and some West Coast talent executives. Buchanan was then president of the Grand Ole Opry and senior vice president of Gaylord Entertainment. Again, like in the 1980s, he faced the need to draw people to Nashville and the Opry.

“It’s important to realize that you are creating a drama for network television ... that means that things are exaggerated and a bit over the top.” — Steve Buchanan

“The first thought was film opportunities,” Buchanan says. “We were kicking around maybe a period piece that captured a moment in time of the Opry’s history and building something around the characters that made up the Opry.” That led to discussions about other film projects, television and theatrical ideas. Rejected concepts included a 30 Rock-like take on the Opry.

“In looking at shows like *American Idol* where country artists were sometimes winning, and shows like *Glee* and *Smash*—there was an acceptance of performance within a scripted show,” Buchanan says. “It was my feeling that with country music, so

many of the barriers had fallen by the wayside. Younger generations are not as identified by genre. They’re interested in artists and songs.

“And it just felt like Nashville was really being accepted and regarded as a cool place, a very strong creative community and a place where the popular music of the day is being created.”

After finding a production partner with Lion’s Gate and a writer in Callie Khouri (*Thelma and Louise*, *Divine Secrets of the Ya-Ya Sisterhood*), they pitched Nashville to all three major networks and received offers from ABC and NBC. They chose ABC.

“I really didn’t fully understand about the Nashville vibe until later,” says Loucas George, a producer of Nashville who says he had misgivings initially about filming the show in its namesake city—mostly because of the lack of film industry infrastructure. It took Buchanan in his role as one of the show’s executive producers to demonstrate how and why Nashville itself was an important character in the series.

“I didn’t understand about the (important songwriter’s showcase) Bluebird Cafe being in a strip mall. That didn’t make sense to me,” he says. “Steve took me to the Grand Ole Opry and all these other places and I started to realize that it was important to film here.

“When I first came here, I thought Steve was going to be a silent extra production partner. He’s been anything but. He’s been the salt of the earth. He is Nashville. He constantly reminds us of the niceness of the people here.”

Khouri says that Buchanan helps to keep it real.

“He is so well-versed in Nashville that we would be very unwise not to

call on his knowledge,” she says. “Personally, Steve is an absolute joy. He’s thoughtful, famously low-key and soft-spoken but with a tremendous sense of fun. He’s a fantastic ally.”

Actor Charles Esten, who plays the show’s Deacon Claybourne, calls Buchanan “the face of connectivity and the face of kindness to all of us.”

“From the start, he made everyone involved in the production feel instantly welcome in Nashville. He handles what could be an extremely demanding and stressful job with ease and grace,” Esten says.

People in the fictional Nashville are not always so nice. “It’s not a documentary, after all,” Buchanan says. “It’s important to realize that you are creating a drama for network television. You have got to be able to do something that is compelling and captures people and the genre is that of a prime-time soap opera, so that means that things are exaggerated and a bit over the top.

“But it can still have heart, passion and emotion, and the city and music community don’t have to be disappointed in the portrayal from the perspective of the characters being stereotypes that are inaccurate or dated,” Buchanan says.



The *Nashville* cast and crew film on a soundstage located just a few miles from downtown. From left, Director of Photography Ross Berryman, Buchanan and Transmedia Producer Lindsay Mayer monitor a scene being shot.

Putting the characters aside, almost everyone in Nashville agrees that the cinematography of *Nashville* represents the city beautifully. “One of the most common comments I hear from people is that they love the way the city

looks,” Buchanan says.

That’s no accident. Millions of music fans, tourists and now television viewers have been influenced to see Nashville the way Buchanan sees it—as a deep musical wellspring, a must-visit

The business of getting and keeping a network series on air

Like any aspiring network television drama series, *Nashville* faced steep odds every step of the way from business idea to script to the television set. Steve Buchanan relates what an ABC executive told him about those extreme odds.



A Seat at the TABLE

Corporate needs elevate human resources and create demand for Vanderbilt MBAs

By SANDY SMITH

It's a classic case of supply and demand, with Vanderbilt meeting the demand for sharp human resources professionals with a supply of MBAs trained in human resource. The crunch is driven equally by changes in the corporate world and the reputation of Owen's Human and Organizational Performance program.

The HOP concentration is among the highest ranked programs at Vanderbilt's Owen School. *Financial Times*, for instance, named it No. 4 in specialty MBA programs in the U.S., and No. 7 globally.

That reputation creates competition to land Owen grads for the working world.

"Employers want to get here before anyone else and skim off the cream of the crop, find those qualified students and lock them up for internships," says Read McNamara, executive director of the school's Career Management Center. "They feel if they can lock them up for an internship, they have a pretty good chance of having that particular





student convert the internship to a full-time offer and a good chance of the student accepting that offer. Companies will push us as hard as they possibly can to get to campus as soon in the school year as they can.”

Case in point: By January 2013, every second-year HOP student had accepted a full-time position. About 60 percent of them came back from their summer internships in the fall with offers for jobs. Vanderbilt’s rate for all MBAs is 40 percent receiving offers after summer internships.

HOP has virtually caught up with other MBAs in salaries, too; McNamara says that the average starting salary for a Vanderbilt MBA grad with a HOP concentration is about \$90,000, just shy of the \$92,000 average for all MBAs. He expects HOP to be on par with other MBAs by 2015.

“It’s not just the salary. The number of offers per HOP person and the credentials of the people applying to Owen with the stated goal of HOP are certainly on the rise,” McNamara says. “We’re delighted with that and if we keep doing the things we’re doing, there’s no limit to what we can do.”

And no limit to the need, either. Changes in corporate America have shifted views of the workforce. Technological improvements that handle typi-



DANIEL DUBOIS

McNamara

cal HR functions have created opportunities for HR professionals to claim a seat at the table of the upper echelon of company management.

“The HR function has been elevated,” says Barry Salzberg, chief executive officer of Deloitte Touche Tohmatsu Limited and a former member of the Owen Graduate School of Management Board of Visitors. “Ten to 15 years ago, human resource directors in large organizations reported to COOs or CFOs; today chief talent/HR officers report directly to CEOs, reflecting the increasing importance of talent.

While leading a winning organization looks radically different today versus five years ago, business still relies on people to succeed.”

New demands on HR professionals include using predictive analytics to identify high performers early in their careers or to identify which employees may be likely to leave, Salzberg says. “This model allows for overall workforce planning, which is just as crit-

ical to a business’ bottom line as financial planning. Human resources has become a broad and strategic driver in business. This has not only helped us identify and cultivate careers of high-performers, but shifted our development approach from reactive to proactive.”

Reflecting Current Business Needs

Whether a company is growing rapidly, winding down a segment of its business or trying to do more with less to remain competitive, people issues are at the forefront and HR professionals are finding sometimes that seat at the table means at the head.

When Virginia “Ginger” Barnes, EMBA’91, began her career as a contracts administrator at Boeing, she recalls that “empowerment and encouragement thoughts existed only in small pockets and they certainly weren’t popular.” In her first program management job of overseeing early phases of Boeing’s involvement in the International Space Station, she began to understand the importance of people management as she worked closely with Russian counterparts. “That was a real people kind of epiphany,” she says. “We didn’t look alike, but we had the same values.”

DELOITTE TOUCHE TOHMATSU



Deloitte Touche Tohmatsu Limited’s Barry Salzberg says that attracting and retaining game-changing talent is at the top of the executive agenda—which is why chief talent/HR officers report directly to CEOs.

As CEO of United Space Alliance (USA), Barnes has had the unenviable task of retiring NASA's space shuttle program. At the peak, USA—an alliance between Boeing and Lockheed Martin—employed 10,500. That number now stands at less than 2,000.

“What I'm most proud of is that we've done that with an intense focus on taking care of our people,” Barnes says. “Before I got here, USA benchmarked other companies that had shut down big programs. We didn't find good examples of people who did it well. We went out to the workforce and said, ‘What do you need from us?’ I have an 11-by-17 spreadsheet of all the initiatives that we have implemented, and I have to say, we have been wildly successful. People come back and thank us for the ways that we helped.”



Barnes

In 2011, when the shuttle flew its

“Attracting and retaining game-changing talent is at the top of the CEO agenda, as companies and clients expand exponentially in key markets—particularly in Asia and the Middle East.”

—Barry Salzberg, Deloitte Touche Tohmatsu Limited

final mission, USA garnered five perfect performance scores from NASA; it marked the first time that USA had received even one perfect score. “I've been criticized by some for focusing more on people than I did on profits,” Barnes says. “But at the time that I did, we received the 100 percent award. As hard as this job is, and as unglamorous as it is, it's the most rewarding experience of my career. Part of that has to do with the people I'm doing it with. We've made deliberate decisions about the people that we kept on board to finalize the closeout. In every case, each of those employees has come to me and

said, ‘I will take on more, and do whatever you need me to do.’”

Crises, especially over the last five years, have certainly influenced the importance of staffing in companies, whether navigating external challenges or internal issues. “Those kinds of reactive developments have made companies, at the board level, look at the alignment of their own human capital, the importance of human capital and the importance of succession,” McNamara says. “And they've reached the conclusion that human resources is no longer a compliance function, but an absolutely essential element in the quiver of a company in terms of the elements it has available to ensure its own success. Visionary companies that recognize the importance of human capital and human capital deployment and planning are way ahead of the curve.”

Those visionary companies are using their human relations personnel for entirely new functions. “Attracting and retaining game-changing talent is at the top of the CEO agenda, as companies and clients expand exponentially in key

markets—particularly in Asia and the Middle East,” Deloitte's Salzberg says. “In our global knowledge economy, the right employees make or break organizations, and we're in the midst of a tal-



King



Abbott

ent paradox: While layoffs continue and unemployment is high, many jobs still go unfilled because of skill shortages.

“For instance, in the United States alone, 3.6 million jobs were unfilled as of December 2012, according to the Bureau of Labor Statistics, even though the unemployment rate was at 7.8 percent,” Salzberg says. “Globalization and the proliferation of new technologies have forced companies to radically reconsider traditional talent and organizational models to distributed, crowd-sourced models.”

A Need to Understand

As HR gains visibility in upper management, it's equally important that HR professionals know and understand all facets of business just like their peers with MBAs.

Erika Bogar King, MBA'99, began her career as a recruiter before moving into more of an HR generalist role, where she found herself recruiting those with graduate degrees to fill banking positions. “I hadn't really thought of it before, but one turned to me and said, ‘So when are you going (to graduate school)?’ I looked at Owen because the professionals that I knew came from there were more accessible, more balanced in their approach,” says King, now talent director for Deloitte Consulting. “I liked the cultural sense that I was getting from the talent as well as the quality. I knew it fit would me.”

She also was attracted to the business background that embodied the HOP concentration. “I knew I wanted to stay in professional services and Owen's HOP program was not from a psychology or people basis, but from a business basis first with the people element,” she says.

Nancy Abbott, EMBA'91, wanted to change fields and move out of the IT function at her company, GE. Her undergraduate degree in behavioral science made human resources the logical choice. “I wanted to immerse myself in areas I hadn't studied in undergrad. I

needed to know how to read a balance sheet, get better grounded in economics and learn the language of business,” she says. “That was my goal in choosing Owen. In the job that I had, I realized I didn’t truly understand finance, business metrics and key drivers. I wanted to build my skills to be a credible business partner. We continue to have a strong relationship with Owen and recruit here every year because of the talented, business-focused HOP graduates.”

“I think I’ve been lucky to be in a company where it’s assumed that HR has a seat at the table,” says Abbott, who leads organization and talent development for GE Capital. “Although it’s expected that you have a seat, you have to understand how the business works and contribute broadly to the business’s success, or you’ll lose that seat.”

When Abbott worked on an acquisition, one of the biggest learning curves was helping the new employees to understand the role of HR. “They viewed HR as very tactical, more about benefits and payroll transactions,” she says. “They had no vision of the value we could add, such as attracting, growing and developing terrific talent.”

Abbott sees traditional human

resource functions such as payroll and benefits as activities many companies are outsourcing to specialists or centralized centers of excellence. “That’s an evolution that has allowed HR people at GE to focus on the most critical and strategic needs of the business,” she says.

In her role, Abbott must have a clear understanding of the company’s worldwide business goals. “Without really knowing the needs of a particular business unit, and its plans for the future, I can’t help to identify the best possible

talent to help it reach its goals. In my role, I’m one of the few people in GE Capital who looks across the top performers in all our businesses to see where in the world they might be matched with a great new opportunity,” she says.

Success Secrets

In business, timing is everything and Vanderbilt has a strategic advantage: It’s growing its HOP concentration at a time when other business schools have

eliminated programs. “A number of premier programs either de-emphasized or dropped human resources,” McNamara says. “I think they’d love to have that one back and do it again.”

While others may have stepped out of the HOP studies, Vanderbilt has stepped up. McNamara sees the possibility of doubling the number of students specializing in HOP to as much as 15 to 20 percent of its MBA class. The secret to the success? “No. 1 is faculty,” McNamara says. “If you look at the

Vanderbilt has a strategic advantage: It’s growing its HOP concentration at a time when other business schools have eliminated programs.

accomplishments of our management department faculty, and specifically people who teach HOP, these are folks who have gained a reputation inside the classroom and out, in terms of research and recognition. The kind of people who come to study HOP do their homework and understand the value of the faculty.”

McNamara also cites Owen’s forward-looking curriculum and association with Peabody College of education and human development, which is widely recognized for its organizational performance programs. “There’s a spillover effect of the wonderful reputation of Peabody on Owen,” he says. “We’re recognized as having two of the premier organizational programs. Finally, it’s the self-perpetuating excellence in that our HOP people go on to great careers in corporate or consulting, and they’re people who come back and get involved. The alumni involvement will not permit this great program to slip.”

Transforming the Future
Human capital has risen in importance along with other corporate functions, but it is not without unique challenges.

“Because people associate HR with the touchy-feely things, it does not get



Parise

the respect that finance does,” King says. “I do think there are probably HR organizations that still are the people who organize the company picnic and other events. It’s hard to pull away and tell your clients that you’re not going to do this anymore.”

At Amgen, the transactional aspects of HR have been moved back to the staff level, and human resources has shifted to coaching and advising. Centers of excellence handle recruiting and scheduling job interviews, says Joe Parise, MBA’10, Amgen human resources manager. “Having a business background helps you speak the client’s language much faster. Transactional work is not what our clients need,” he says. “Clients come to me for decisions on what they want to do. My job is really to hold a mirror up to them, to explore unintended consequences, to be a sounding board.”

And to be a sounding board requires a strong understanding of the issues, the kind of understanding gained through an MBA.

“It’s doubly important here at Deloitte,” King says. “My clients have the degree. My clients are advisers to their clients. They expect that I have the ability to manage change, to be able to craft a vision, to understand project management and how we extract value from our practitioners.”

When all the elements come together, the role that HR professionals play in their corporations can—and will continue to—be a formula for success. “When an organization becomes known for cultivating and developing talent, the market brand is strengthened,” Salzberg says. “This ultimately increases their ability to attract and retain high performers. When a company attracts top talent, it can quickly fill new and open positions without missing a beat. Keeping unfilled positions to a minimum can lead to increased productivity and profitability, greater innovation and faster time to market.” **VB**

MAKING THE CASE FOR A CAPITAL CASE COMPETITION

HUMAN AND ORGANIZATIONAL PERFORMANCE PROFESSIONALS are accustomed to seeing a need and filling it. So it only makes sense that two Vanderbilt MBA candidates—Susan Strayer, MBA’07, and Heather Webb, MBA’07—realized that the Human and Organizational Performance program lacked what most other MBA specialties enjoyed: annual interschool case competitions.

The two worked with Neta Moye, adjunct professor of management, to establish the National MBA Human Capital Case Competition, which held its first event in 2007. Each year since, MBA candidates from top schools around the country come to Nashville prepared to present their strategies for an HOP-oriented issue. The annual event is sponsored by Vanderbilt’s Owen School and funded by Deloitte Consulting LLP.

In 2009, Vanderbilt took first place in the competition—the school’s only official win to date. However, it’s a winning experience for those who participate, no matter where they rank.

“I’d say that the single best thing I did at Vanderbilt was to be part of that team and lead that team,” says Joe Parise, MBA’10. Parise led the 2009 team through a case study on keeping Google’s unique culture in place as the company grew. The teams received the case a week ahead, but at the competition kickoff, they were presented with new information and asked to reconsider their solutions.

Parise says it wasn’t a specific strategy that put the team over the top, but rather, it was the executive presence his team employed. “Other presenters were not handling the questions or challenging as smoothly as we did. That really separated us,” he says.

Parise finds that the competition still informs his work today at Amgen, where he is a human resources manager. “How you present to leaders, how you make connections with them, handle their questions and deliver answers in an informed way is something that I use every day,” he says.

The Human Capital Case Competition also provided valuable lessons on team building and coaching, Parise believes. “I found that I liked the coaching aspect and being able to present in front of a tough audience, to make adjustments on the fly and to keep the team motivated.”



Strayer

—Sandy Smith

Q & A with Christie St-John

Director of Admissions

By NANCY WISE

Christie St-John, MA'94, PhD'99, recently rejoined Owen as director of admissions after eight years as senior associate director of admissions and recruiting for the Tuck School of Business at Dartmouth College. She directs admissions for Owen's fulltime MBA programs and the MS Finance program. Before beginning her Vanderbilt career in 1997, St-John worked in marketing and in oil and gas trading. St-John, a

Q .Welcome back! Tell us a little about your connection to Owen, and what you're doing now.

A .I was recruited to Owen from the Vanderbilt Ph.D. program in 1997. I had lived in France and Italy for about eight years and had come back to Nashville in 1992. One day, a friend from the Spanish department who was working with the International Executive MBA Program called and asked if I would be interested in working at Owen.

I met with Peter Veruki, Susan Motz and Tami Fassinger, and I guess I passed the test since I knew the difference between Saks Fifth Avenue and Goldman Sachs. They liked the fact that I had worked in several industries in the U.S. and in Europe and that I brought a strong international outlook to the program. Admissions was quite different from any other job I had been in, and I loved working with the students. I started out managing the exchange programs. Luckily, the dean then, Marty Geisel, was willing to let me expand my role considerably. Because of my eclectic background, in addition to handling the exchange programs, I started doing some international recruiting and helping international students with their resumes and career paths. It soon developed that I was doing just about anything related to international affairs. It was a unique position and allowed me to get to know the students from the time of their first contact with Owen throughout their careers as alumni. I have remained in touch with a number of our alums over the years. It



JOE HOWELL

Christie St-John

has been so gratifying to receive welcome-back notes from many of them.

When Tami Fassinger and I started talking about the director of admissions position last summer, I was intrigued. After visiting the school and seeing all the changes that had happened during my nine-year absence, I thought it would be a great opportunity for me to make an impact and contribute a different perspective on MBA recruiting from my work with the Tuck School of Business at Dartmouth.

Q .What goals do you have for your office?

A .Recruiting more military candidates, expanding outreach to women and minority candidates, and diversifying our

international pool of applicants. To that end, we've added several new recruiting events, such as four military-focused recruiting events, a second trip to Latin America, a few stand-alone events and fairs in Europe, and our first foray into Africa. We also joined the Foundation for African Leadership in Business. I'm very excited

"Alumni are the key to recruiting and yielding great candidates."

—Christie St-John

about this because Africa is in great need of trained managers for their expanding economy. I am very pleased that Owen will be a leader in this endeavor.

Q . How can alumni help?

A . I have always believed that alumni are the key to recruiting and yielding great candidates. It is especially helpful when they talk (in person or via email) to prospective candidates because they can share their views on the value of the Vanderbilt MBA. Moreover, our alumni are proof that a Vanderbilt MBA will lead to career success. We urge all alumni to send good prospective candidates to us directly, to help us with our yield of admitted candidates, and to remain involved with the school through any activity that they feel suits them best, whether helping at MBA fairs, recruiting students at their companies, coming back to help with interviewing, or hosting coffee chats or dinners for admitted students.

I encourage all alumni to contact me directly if they want to be involved. We promise not to abuse their generosity.

Q . What differences do you see in Owen of 15 years ago and today?

A . All the students look younger now! The library has been updated and refurbished and is really impressive. That

used to be one of my favorite places to go for research and also to get away from my desk. And, of course, there are more programs today than then, and the overall class size of the MBA program is much smaller.

I do feel that the international mix needs to be tweaked a bit to include areas

where we already have a solid alumni base and new areas that are opening up for MBA talent. I am also very pleased to see the caliber of alums on the Alumni Board and the business people on our Board of Visitors.

Q . You have a lot of international experience. How will that apply to your new role?

A . Working in admissions with a focus on international recruiting has led me to more than 70 countries so far. I also served on the evaluation committee at American Councils, an organization launched by former Sen. Edmund Muskie. It provides scholarships for candidates from the former CIS (Commonwealth of Independent States) countries. This gave me the opportunity to travel to some really exotic places, such as Azerbaijan, Kazakhstan, Kyrgyzstan and Ukraine, to name a few.

I believe in establishing relationships wherever I go, so I am bringing personal contacts with overseas educational advisers and agencies—and Owen alumni—that will help us get the kind of international diversity that we are seeking. Plus, adding Kim Killingsworth to our admission office brings an even larger wealth of international knowledge since Kim had a similar job at Cornell University.

Q . Your Vanderbilt degrees are in French and Italian. How did you parlay those interests into your recruiting career?

A . Having language skills permitted me to get meaningful jobs in Europe. It has also meant success in recruiting in Europe. I can talk to potential candidates in their languages and can also speak with corporate recruiters about things other than just business because I know the history and culture of those countries—and other Francophone countries as well. It has allowed me to develop strong relationships with educational advisers, and to empathize with our international students when they come to the U.S.—I've been there and I know how confusing it can be. It also helped me have credibility with U.S. students who wanted to work abroad. It isn't easy and it requires a lot of preparation and a lot of humility.

Q . If there's one message you could convey to Owen alumni, what would it be?

A . We need your help to keep the Owen brand in front of recruiters and prospective students. And we want to stay in touch with you. Above all, please keep us updated as to where you are and what you are doing. I foresee lots of travel in the future where we will need alumni help. The MBA market is becoming more and more competitive, and to show how strong our program is, we need to show off our alums—they are the proof that this program is one of the best for success in one's career.

VB

Faculty demonstrate unexpected talents that bring new meaning to work-life balance



ON THEIR *Own Time*

By JOAN BRASHER

Just because you're a business professor doesn't mean you have to be all business, all the time, and Owen faculty are no exception. Among them are a champion trick water-skier, charcutier, screenwriter, barkeep (and builder) and owner of a multimillion-dollar company. They shine in the classroom—why not out of it? Meet five professors who are doing just that.

JOHN RUSSO/NOI

GETTY IMAGES, BEATA SZPURA



BOB WHALEY

GOING GREEN

Fifteen years ago, Bob Whaley and his wife, Sondra, MBA'82, visited Ireland and fell in love with the people, food, countryside and culture. Over the years, they have returned numerous times to visit, but going back just wasn't enough. So they decided to bring a bit of Ireland to Tennessee.

"When you go into the Irish pubs, the people are so friendly and charming—they talk to you like they've known you forever," says Whaley, the Valere Blair Potter Professor of Finance and professor of management. "We wanted to create that kind of atmosphere for ourselves and our friends, and so we did."

Whaley, who is also co-director of the Financial Markets Research Center, used his carpentry experience and the help of his college-age son to transform his home's entire lower level, including the garage, into a 1,500- square-foot Irish pub dubbed Whaley Tavern. Just like the ones in the Emerald Isle, this watering hole has Irish brews like Guinness and Smithwick's on tap,

game tables and dartboards to keep patrons occupied, and Irish flags adorning dark wood paneled walls.

The Whaleys entertain year around, but they go all out on St. Patrick's Day. Around 100 or so fellow Hibernophiles crowd the place to feast on Guinness stew and shepherd pie, shoot pool and sing shanties over a pint (or two). While he won't name-drop, Whaley says more than a few popular singer-songwriters have been known to stop by and perform (signed guitars on the walls are proof).

With all this talk of Ireland, one has to wonder if Whaley has some Irish blood in his veins.

"I did some searching and I think my parents' lineage is English, not Irish," he says. "I found a Jerusalem Whaley—I'm not sure I'm a descendent, but you never know. I may have to go over there and do some digging."

DIFFERENT STROKES

Jennifer Escalas isn't an enthusiastic swimmer, but that hasn't stopped the associate professor of marketing from launching and running what has become a \$3 million-a-year swimwear company.

She is married to swimmer Rafael Escalas, who competed in the 1980 and 1984 Olympic games for his home country of Spain. The two met during their undergraduate years at University of California, Los Angeles, where she was studying Spanish and he was an engineering major competing on the university swim team.

"When we started dating, his swim schedule was just something I put up with," Escalas says. "I didn't realize how much dedication it took."

After they married and moved to North Carolina and she entered the Ph.D. program at Duke University, they decided it was time to start their own company. He quit his engineering job

and together they launched Agon Sport, a competitive swimwear company. He set up the factory in Spain and she took on the marketing and the books.

"We didn't have a stash of money," she says. "We maxed out credit cards and took out a second mortgage to get the business off the ground."

The gamble paid off. In 2012, they created custom swimsuits for more than 1,800 swim teams—including their 16-year-old daughter Elena's high school team. "Nike doesn't create custom suits, so we fill a really important niche," she says.

In the classroom, Escalas often uses examples of challenges encountered in her business and that has given her credibility with her students, she says.

"I don't just write articles about how to run a successful, profitable business, I am actually doing that," she says. "I think my students are far more impressed with that than my Ph.D."



WRITING THE PAST

By day, her world is black and white—debits and credits, columns in a spreadsheet, numbers in a row. But by night Debra Jeter's world is sepia-toned and dreamlike, as she weaves words into short stories, screenplays and novels that draw on her life as a child in rural Kentucky.

"I'm happier when I'm writing," says the associate professor of accounting. "I'm more productive if I'm preparing for class or interacting with my students if I've got a project going. It makes my whole day go better."

A recent project brought her talents to the national stage. The prestigious Sundance Film Festival chose *Jess + Moss*, an art-house film she helped pen and executive produce with her son Clay, as an official selection. It's a bittersweet coming-of-age story about two cousins spending the summer at their grandmother's house for the last time.

"We shot *Jess + Moss* in a very short time period at my grandmother's abandoned farmhouse in Lynn Grove, Ky.," Jeter says. "It was shot on aged film stock to give it that grainy quality—grainy the way my memories are of spending all my summers there."

The film was well received by critics, which she attributes to Clay, a former child actor, who directed.

"It was unbelievable for us at Sundance, seeing people lined up to see our film—for the first time it was real," Jeter says.

Jeter juggles numerous writing projects, including a script for a TV pilot about a real estate office in a small Southern town that is based on the lives of her father and sister.

"Their stories could fill several books," she says. "I just don't think I'll ever run out of stories to tell."

*Location courtesy of
the Belcourt Theatre*



DEBRA JETER



CRAIG LEWIS with his wife, Tari

JOHN RUSSELL

THE ART OF THE MEAL

Craig Lewis has a secret identity. Students and fellow Owen faculty know him as the Madison S. Wigginton Chair of Management and a finance professor. His colleagues at the Security Exchange Commission in Washington, D.C., know him as the SEC's chief economist. And his family knows him as husband and father. But many don't know he is also a *charcutier*—a curer of meats—a process he has mastered to create his own private-label sausages, pancetta, lardo, salami and coppa.

It all started after a particularly delicious meal at Nashville's F. Scott's restaurant in 2005.

"They served a nice duck prosciutto and I thought it was interesting," he says. "I am an amateur chef, and I thought, 'I can do this.' Then I found this book called *Charcuterie*, by Michael Ruhlman and Brian Polcyn, and it just went from there."

To dry cure meat, he starts with a piece of farm-fresh pork, which he rubs with a special combination of curing salts over a

period of weeks. Then the meat is wrapped in cheesecloth and hung to dry in a cool, humidity-controlled curing chamber for several months.

"Our house in Nashville doesn't have a basement, so at one point I bought a large dorm fridge, and rigged it up with a thermostat like microbrewers use," he says. "I also wanted to be able to monitor it during the day so I put it in my office at Owen."

There is no curing chamber in his office at the SEC, but Lewis admits to the occasional pork shoulder hanging in his coat closet in his D.C. home. When he returns to Nashville after his two-year appointment and leave, he looks forward to sharing his gastronomic skills with his colleagues and students once again.

"I enjoy getting my smaller classes together at the end of the semester for a nice meal," he says. "Culinary experiences are such a wonderful way to bring people together."

A NEED FOR SPEED

Growing up in Bogotá, Colombia, Miguel Palacios never set out to be a competitive water-skier. But Columbia's warm, year-round climate makes water activities popular. One summer, 7-year-old Miguel went with his father to a nearby sports club and signed up for a water-skiing lesson. Before long, he was skimming across the water at electrifying speeds and performing gravity-defying jumps, spins and flips.

"It is the most awesome feeling in the world—and it's only a little bit dangerous," says the assistant professor of finance with a grin, later explaining that it raises adrenaline without danger.

Palacios quickly rose in the sport and earned a spot on Colombia's national water-skiing team. He continued to ski when he could while earning three degrees—a bachelor's in mechanical engineering from the Universidad de los Andes, Colombia; an MBA from the Darden Business School at University of Virginia; and a master's in economics and Ph.D. in finance from the Uni-

versity of California, Berkeley.

Competitive water-skiing requires very specific man-made lakes on which to perform and practice, so it's not convenient to train just anywhere. But even with a full course load at UC Berkeley, he managed to pull off a third-place ranking in the West Coast men's division for trick skiing.

"I like speed," admits Palacios, who is also an instrument-rated pilot. "It's so different from what I try to achieve in my academic life, which takes a lot of focus and patience. When I ski, I can let go of everything that's on my mind."

Palacios, who came to Owen in 2009, says he doesn't get out on the water as often as he would like. But when he does, it's at a competition-ready lake in nearby Manchester, Tenn.

"For me it's just pure fun," he says, "but water-skiing is also a good lesson for life. When you try, you may fall, but if you want to learn, you have to get back up and try again."



MIGUEL PALACIOS

Owen in the News

The Associated Press

Feb. 18 Doug Parker MBA'86, CEO of US Airways, is profiled. Parker will lead the newly merged US Airways and American Airlines.

April 18 The Pilot Flying J headquarters in Knoxville, Tenn., was raided by FBI and IRS agents due to allegations of rebate fraud. The raid signaled fresh scrutiny of competition issues involving the nation's top retail seller of diesel fuel. Paul Chaney, the E. Bronson Ingram Professor of Accounting, is quoted.

Bloomberg Businessweek

Jan. 3 Vanderbilt's Owen Graduate School of Management ranks ninth among the top business schools in the world in leadership development.

Jan. 4 Ami Fassinger, chief recruiting officer, is quoted in an article in which business school administrators admit there is a natural inclination for students, especially those who have already found a full-time job, to feel less pressure to ace their classes. However, the administrators urge seniors to keep up the good work through graduation as classmates and school officials may be watching.

Jan. 10 Business schools that toil in obscurity may soon be able to gain some prominence—for a price. In a new rating system devised by Quacquarelli Symonds, the company behind the QS World University Rankings and a global business

school ranking, schools will have to pay for their evaluation. Dean Jim Bradford is quoted.

Jan. 29 Full-time MBA students head back to business school, aware that—barring access to a healthy trust fund—they'll have to live as if they're broke. This can provide great motivation for outside-the-box thinking. Owen second year Walker Matthews is featured in a story about creative moneymaking ventures that have been tried, with some success, by cash-strapped MBA students.

Feb. 21 Eight months after the GMAT exam underwent its biggest overhaul in 15 years, the test's new Integrated Reasoning section is beginning to be used by admissions committees at top business schools to determine which applicants to accept. The Owen School is mentioned.

March 1 The Owen School is mentioned in a story about how to navigate getting wait-listed at business school.

March 7 A university in the United Kingdom will officially unveil its "MBA for the Music Industry" program in the United States at a global music event in Hollywood. A similar program offered by the Owen School is referenced.



March 13 :What are the best business school keepsakes? A custom Hatch Show print for the Owen School is one of the more unusual—and affordable—items mentioned.

Bloomberg Markets

December 2012 :Investors can use derivatives such as VIX futures and options to help shield a portfolio from market disaster. Robert Whaley, the Valere Blair Potter Professor of Finance, is profiled for Bloomberg Markets’ annual 2013 terminal guide, an annual review of investment strategies and trends for institutional investors.

CNBC Nightly Business Report

Jan. 25 Research by Nicolas Bollen finds that hedge funds, widely prized for their safety, may contain previously overlooked risks and may be prone to failure of performance for investors.

Feb. 5 Steve Posavac is interviewed about the impact of shareholder value as it compares to the success of a company’s celebrity endorsements.

NBC

Jan. 28 For years, Super Bowl commercials were closely guarded secrets until they aired on the biggest ratings day of the year. These days, companies have discovered that teasing them online in advance of the big day is a more efficient way of getting their brand message in front of the masses. Steve Posavac weighs in.

Jan. 31 Salacious commercials are as much a part of the Super Bowl experience as instant replays, controversial calls

and boring halftime shows. And consumers only have themselves to blame. Or, more accurately, their own conditioned reflex to stimuli. Steve Posavac is quoted.

March 16 A new ad by Amtrak shows scenes of travelers doing things that are forbidden or frowned upon while traveling on a plane: using electronic devices, moving about and socializing on the train during transit. Steve Posavac is quoted.

Deseret News

Jan. 30 With health insurance access being widened under the health care reform law, attention is focused on groups that, presumably, place disproportionate burden on the health care system—mainly smokers and the obese. W. Kip Viscusi, University Distinguished Professor of Law, Economics, and Management, is quoted.

Environmental Leader

April 2 Strategic Sustainability Consulting CEO and founder Jennifer Woolter applies to her industry the lessons she has learned from the Coursera course, Leading Strategic Innovation in Organizations, taught by David Owens, professor of the practice of management and innovation at the Owen School

Financial Times

Jan. 30 The Owen School rose three places to No. 53 in the Financial Times’ 2013 roundup of the world’s top business schools.

Forbes

March 14 The Owen School invited four financial luminaries to a discussion where they tangled with the country’s current economic issues. One of them was Robert Whaley

FOXSports

Jan. 17 Sports agent Bo McKinnis, MBA’91, worked with Vanderbilt baseball star and now Cy Young Award winner David Price to construct a new \$10 million contract with Tampa Bay Devil Rays that smartly saves Price \$250,000 in “fiscal cliff” taxes.

NPR, On Point

March 31 Larry Van Horn, associate professor of management, was a guest on National Public Radio’s On Point discussing how states are preparing for the Affordable Care Act, set to roll out in six months.

Poets and Quants

Jan. 8 The MBA bashers are everywhere, especially in the media where uninformed reporters are eager to write stories that often make little sense. The latest example surprisingly comes from The Wall Street Journal, which reported on Jan. 7 that MBA pay is declining. The Owen School is mentioned.

COLAS

Happy Travels, Tricia *Tricia Siegfried, EMBA'83* I

HAPPY TRAVELS, TRICIA

83

TRICIA SIEGFRIED, EMBA'83, retired at the end of 2012 after 17 years as Owen's chief financial officer. "With an overriding passion for this school's success over the years, she has time and again proven her dedication to Owen," said Dean Jim Bradford in announcing her retirement. "Her husband, John, has finally convinced her that they need leisurely time to travel." In the coming year, that travel will include domestic trips, a Baltic Sea cruise, a visit to Egypt and a stay in Australia. Siegfried expects to stay connected to Owen and recently volunteered for her 30th reunion.



Siegfried

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S A C T S



Business-Driven *Nelson Andrews III, BA'89, EMBA'95* | Students Say Thanks

BUSINESS-DRIVEN

EMBA '95

Nelson Andrews III, BA'89, EMBA'95, grew up around the automobile business, but he didn't see himself making it his career. His father owned a dealership in Michigan before the family moved to Brentwood, Tenn., to establish the area's first Cadillac dealership. As a teen, Andrews found himself doing whatever needed to be done for the business: mopping floors, manning the parts department, tending the landscape.

When it came time for college, Andrews majored in political science at Vanderbilt and took computer classes at the School of Engineering. The two fields combined research-oriented, big-picture projects with organization and structure, which suited Andrews' skills and interests. After graduating from Vanderbilt, he moved to Detroit and a job in the computer industry at Electronic Data Systems. A few years later, however, Andrews recognized that he wanted to do more than computer coding. He wanted to know the principles behind industry and be someone who could lead and shape strategy. Looking at MBA programs, he liked what he saw at the Owen Graduate School of Management.

"I had a great experience at Vanderbilt as an undergrad and Owen had

what I wanted," Andrews says. He could also help the family business, Andrews Cadillac, by working there and upgrading and integrating its computer systems.

A funny thing happened during those two years: He discovered he liked the family business. Today, Andrews is general manager of Andrews Cadillac and Land Rover of Nashville, two of Middle-Tennessee's most successful automobile dealerships.

As general manager, he oversees everything from planning and construction to special events and sales. The role of planner and strategist suit him, he says.

"The biggest thing I learned at Owen was strategy. Everything was strategy. It might be Germain Böer's Financial and Managerial Accounting course, but he really taught strategy," Andrews says.

That emphasis on strategy has helped Andrews in the changing world of marketing his business. Where automobile companies used to rely on newspaper, radio and TV advertising to reach customers, Andrews now relies on



Andrews

the wired world. "If a Land Rover customer expresses an interest in off-roading, I can send them an email inviting them to an off-roading event. We can text them when a part is in because that's how the customer said to reach them," Andrews says. "It's much more personal. Customers let us know how they want to be contacted."

Andrews and his wife, Trisha, are the parents of four children ranging from 15 to 5. He says that although all but the 5-year-old have helped around the dealership, it's too soon to tell if any will want to take over the family business. And that's ok with him.

"I'm more concerned that they seem to want to go to Michigan for college," he says.

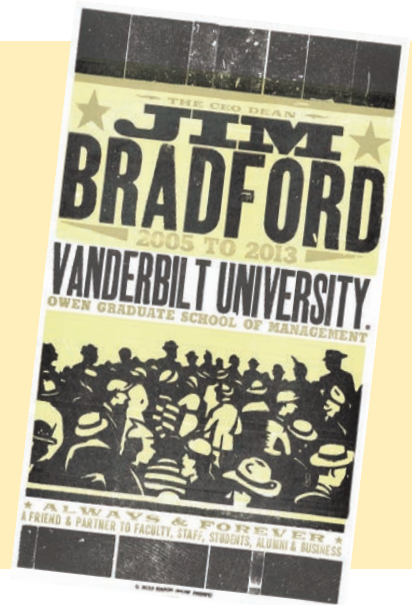
—Nancy Wise

"CLASS ACTS"

“CLASS ACTS”

STUDENTS SAY THANKS

Current Owen students honored outgoing Dean Jim Bradford on April 18 during their last Thursday Social at Owen of the academic year. The students surprised him with a specially designed and created Hatch Show Print recognizing Bradford's tenure as dean. The poster was one of only 100 made using hand-carved images and letterpress printing in Hatch Show Print's iconic vintage-style, a particular favorite of Bradford's.



Planned gifts *open doors* for Owen students

“My degree from Vanderbilt opened many doors for me. I’m giving back to help create similar opportunities for other students.”

—Vanderbilt alumnus Cloyce Darnell

Cloyce Darnell is grateful for the education he received at Vanderbilt. That’s why he and his wife Sharilyn decided to include Vanderbilt in their estate plans.

You can join the Darnells in giving back to Vanderbilt through vehicles such as the charitable remainder trust. You transfer cash or property (securities or real estate) to a trust that gives you income for life. When the trust ends, the remainder is distributed to Vanderbilt as your gift. Plus, you avoid capital gain tax while a current deduction cuts your income tax bill.

Want to learn about charitable trusts and other smart gift planning ideas? Call Vanderbilt’s full-time planned giving team at (888) 758-1999 or email plannedgiving@vanderbilt.edu. Visit vanderbilt.edu/plannedgiving to learn more.



SHIRLEY J. BROWN PHOTOGRAPHY, SJBPHOTO.COM

vanderbilt.edu/plannedgiving

BOTTOM LINE
continued from page 48

But there we were, on a Friday morning in snowy Omaha, rising early to visit the Nebraska Furniture Mart, a Berkshire Hathaway company. We toured the largest furniture store in the U.S. and listened to stories of how it was founded by Mrs. B, a Russian immigrant who could neither read nor write. And our tour guide? Mrs. B's great-grandson, the head of real estate development for the company. This was an example of what we'd already learned—Buffett chooses great companies with great management, and continues to give that management free rein to succeed.

After our tour, we headed to Berkshire Hathaway Headquarters for the meeting with Buffett. We were there with six other business schools, including University of Pennsylvania–Wharton and University of Wisconsin–Madison. NYU's Stern School of Business was supposed to join us, but the weather had led to their cancellation.

Buffett opened the room for questions, going alphabetically by school. The questions posed varied, with topics ranging from financial- and investment-related queries to advice for facing challenges, choosing good companies and prioritization, as well as his thoughts on social responsibility and emerging markets. One of our Owen group, MSF candidate



Professor Phil Woodlief and Owen Board of Advisor's member Doug Cahill help students prepare for their session with Buffett. Cahill was instrumental in funding the trip for the students.

Matthew Trautman, was excited to ask Buffett about his private jet—which Buffett has openly called both “indefensible and indispensable.” On that topic, Buffett said that “it’s about the only thing that costs money that makes my life better.”

It was great to hear his financial perspective from him, but the real value from the experience came in listening to his philosophy on life and career. Some of the key takeaways from the two-hour session with Buffett include:

- When dealing with a crisis or problem, “get it right, get it fast, get it out, get it over.”

- Stay within your circle of competence. The most important thing is not how big that circle is, but that you know where the perimeter is. “How do you beat Bobby Fisher? Play something other than chess.”
- Work for a company of people you admire. Write down the qualities of the people you admire most—these are habits, developed over time—and you can build them in yourself.
- Since we sit in the shade of trees others have planted, we should plant some ourselves if we have the means.
- Improving your ability to communicate makes you at least 50 percent more valuable.
- Time is the precious asset. Buffett doesn’t believe in determining how to live his life based on how other people expect him to live.
- Think through what you want in life. The main things are interesting activities and great friends. You can’t make a mistake doing something you enjoy with your life. You’ll be a better person.



- Get out there and do it. Always move forward. Take some risks. “A lot of good things happen by accident.” If you do something you love, good things happen.
- On the most important job any of us will have: parenting. As parents, we have to be teachers and we don’t get a chance to hit the reset button. We should know that it isn’t what we say, it’s what we do. And never forget about the power of unconditional love.

After the Q&A, Buffett treated everyone to lunch at his favorite restaurant in Omaha, Piccolo Pete’s, where we finished off our meal with root beer floats. After lunch, Buffett took group photos with each of the schools, and we presented him with gifts we brought from Nashville—Goo Goo Clusters, an inscribed bottle of Jack Daniel’s, and an Owen Hatch Show print.

Our final stop in Omaha was Borsheim’s, a jewelry store and another of Berkshire Hathaway’s companies. Susan Jacques, president and CEO of Borsheim’s, met with us and discussed her history with the company and Buffett. Buffett has been open about his support of women in leadership, and even requires that all groups that visit him be at least 30 percent women. Knowing this, it was great to hear from one of the women managers that Buffett has supported. She had started with the company in the early 1980s, and told us about the shock she felt when Buffett told her he was promoting her to president in 1994. We had to leave directly from Borsheim’s to go to the airport and back to Nashville, but I was glad we’d had the time to fit in that tour as well.

In the end, the experience was exactly what I had expected from the Omaha trip: a rare, never-to-be-forgotten opportunity that I experienced by being at Owen. **VB**



Editor’s Note: Adjunct Professor of Management Phil Woodlief spent months applying for and orchestrating the visit, an offshoot of his Financial Statement Analysis Class. He said that 175 students applied for the 20 spots on the trip so attendees were chosen by lottery.

Meeting Warren Buffett

It's an adventure when Owen students spend a day with the Oracle of Omaha

By **STEPHANIE DOZIER**

A few times a year, the second richest man in the U.S. invites students from business schools to meet and ask him anything. On February 22, Owen students traveled to Omaha, Neb., for a day with Warren Buffett. We enlisted second year MBA student Stephanie Dozier to give us a first-person account of the rare opportunity to meet the



Vanderbilt students gained wisdom straight from the Oracle himself. Here the group gathers with Warren Buffett after lunch.

WE ALMOST DIDN'T MAKE IT. THE WEEK of our planned trip to meet with Warren Buffett, a major snowstorm went through the country. Omaha was expected to receive 12 inches of snow the evening we were to arrive, so everyone who could get excused from class on Thursday (the final day of Mod 3) and flew out early in the morning instead of late afternoon.

However, about 10 of us—including me—had to give final presentations and stuck with the original plan. On the way to the Nashville airport, we anxiously checked flight updates and made contin-

gency plans for flying from Minneapolis to Omaha in the morning if we happened to be marooned overnight. But when we arrived in Minneapolis and our second flight was already boarding, it hit us that we were actually getting to do this. We were really going to meet Warren Buffett.

The group chosen for the trip consisted of 10 MBA students (five first years and five second years), three MAcc

students, three MSF students, four EMBA students and our adviser, Phil Woodlief, adjunct professor of management. We each applied to be chosen, but the selection was random. I had applied because I knew it would be a once-in-a-lifetime opportunity to meet a brilliant man whom I tremendously respected. We had prepared for months in advance, reading *The Essays of Warren Buffett* (a compilation of letters to shareholders), discussing what we'd learned about him as an investor and a person, and carefully crafting and choosing questions for the Q&A session. Still, throughout all that, it seemed more like an exercise than preparation for something we would actually do.

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Kathleen Overlin

A production office manager at Chubb Group of Insurance Companies, Kathleen challenged herself and her team to discover new avenues for growth. En route to completing her Certificate in Leadership Excellence, Kathleen gained new peers, new perspectives and a road map for personal and professional success.

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