



The Exchange

The Oregon State University College of Business Magazine ♦ Spring 2007

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The Exchange — Spring 2007

Contents

Taking Business Plans from Classroom to Board Room	4
Bachelor's Degree in Accountancy Approved	6
Klemm Ready to Orchestrate Austin Entrepreneurs	8
Austin Entrepreneurship Program to Host Second Annual Conference	11
AI Reser Inspires Business Students during COB Visit	12
Technology Commercialization Students Pitch Ideas	14
MBA Students Learn Virtual Project Management	16
On the Cutting Edge: Unique Textbook Distribution Methods	18
Students Design Playground for Old Mill Center	19
Hong Kong Partner Grooms Students for Success	20
McHenry Lecturer Linda Hirneise Shares Keys to Business Success	22
Time Warner CEO Visits as Dean's Distinguished Lecturer	26
Alumni and Business Partners Honored	30

On the cover: Pacific Edge took first place overall in the 2007 MBA Integrated Business Project. See story on page 4. Photo by Jerome Hart.

Learning beyond the Classroom

Our mission at the College of Business is to provide nationally recognized research-based education that prepares profession-ready graduates who can excel in an innovative, knowledge-based economy. This issue of *The Exchange* showcases distinctive examples of teaching and learning that go beyond traditional classroom walls.

To gain valuable hands-on experience, graduate students made “elevator pitches” and presented business plans to regional business executives during the MBA Integrated Business Project competition. Similar real world training includes John Turner’s technology commercialization class involving the latest OSU inventions, Erik Larson’s virtual project management assignment in collaboration with students in India, and Sandy Neubaum’s organizational behavior class project for Old Mill Center for Children and Families.

Our students don’t just venture outside the classroom, but around the globe. In this issue we feature our successful international exchange partnership with City University of Hong Kong—just one of the many places our students go to expand their global awareness.

Dennis Caplan’s innovative approach to textbook publishing and the tremendous accomplishments made by the Accounting Department further demonstrate how we create profession-ready graduates.

We heartily welcome Dr. Christopher Klemm as director of the Austin Entrepreneurship Program. Under his leadership, we will provide every College of Business graduate with an understanding of the entrepreneurial process.

Our students are not only taught by faculty members, but mentored by successful alumni and industry leaders. A personal interview with Linda Hirneise and a review of the lessons students learned from Al Reser during his recent visit are just two examples. In addition, Richard Parsons, CEO and chairman of Time Warner, visited the college as a guest lecturer for the Dean’s Distinguished Lecture Series, giving students and the general public an opportunity to learn from a media industry giant.

Thanks to the generosity of an alumni couple, a gift of one million dollars will provide scholarships that enhance our ability to provide these kinds of learning opportunities to more students. The couple who wish to remain anonymous established the fund in honor of two OSU parents, William and Evelyn Leary. The Leary Fund will offer scholarships to OSU business students who have a minimum grade point average of 2.5 or above, demonstrate financial need, and might not otherwise qualify for scholarship aid. It truly takes a village!

The stories in this issue highlight how we are using rigorous, integrated undergraduate and graduate programs to translate theory into practice while focusing on innovation and the entrepreneurial process. I am excited to share them with you and look forward to announcing news about our continued growth in the future as a professional school.



Ilene K. Kleinsorge, Dean
Sara Hart Kimball Chair



Taking Business Plans from Classroom to Board Room

By Thuy T. Tran

The Fifth Annual MBA Integrated Business Project competition held in March exemplified how the College of Business engages students, alumni, and business partners in its mission to create profession-ready graduates.

After seven months of hard work and nearly 2,000 hours of combined effort building their venture plans, nine MBA teams got a chance to demonstrate the viability of their ventures to a panel of venture professionals and business executives.

The competition consisted of two components: an “elevator pitch” and a business plan presentation. For the elevator pitch on the first day, one representative from each team had 45 seconds to sell their idea to a judge—onstage in front of an auditorium full of people. The pitch was given a score ranging from one to ten.

“A ten means an investor would pull out a checkbook there and then and a one means stop the elevator and call 9-1-1,” explained Tom Dowling, management faculty member and MBA program thesis advisor.

“The key is to articulate very quickly the idea in a way that a listener can understand,” said Ken Thrasher, the judge to whom the winning pitch was made. “Benefits to the investor must be clear and the initial contact must spark the interest of the listener.”

Thrasher explained further that the most common mistake is to spend too much time describing the features of the product. “In an elevator pitch, you’re selling to an investor, which should not be confused with selling to a customer.”

On the second day of the competition, the judges evaluated and scored the business plan presentations based on their level of “investor readiness.” This general criterion is broken into three areas: technical merit, viability of the venture, and artistic merit.



Elevator pitch winners (from left) Chase Duran, Josh Horton, Chase McQuillen, and Saurabh Agrawal represented team Beaver Dam Development LLC with the winning pitch – Harmony Estates.

The ventures presented by students varied widely, and included everyday consumer products, a technically complex nuclear reactor, and a futuristic floating concrete island.

Judging such a diverse slate of projects was not an easy task. Gary Glisson, intellectual property attorney at Stoel Rives, said he tried to level the playing field by not giving preference to those projects that involved more technical intellectual property.

“I don’t expect the students to be subject matter experts on the idea or project they’re presenting,” he said. “I do expect them to demonstrate that they know how to gather the resources necessary to understand the questions and problems and, most importantly, that they know how to get the answers and solutions.”

Judging for the competition was provided by 15 venture professionals and business executives representing diverse business sectors. Dean Ilene Kleinsorge said the real value of the competition hinges on the valuable feedback these judges provide after the students present their projects. Since the students will later be graded, the competition offers an opportunity for

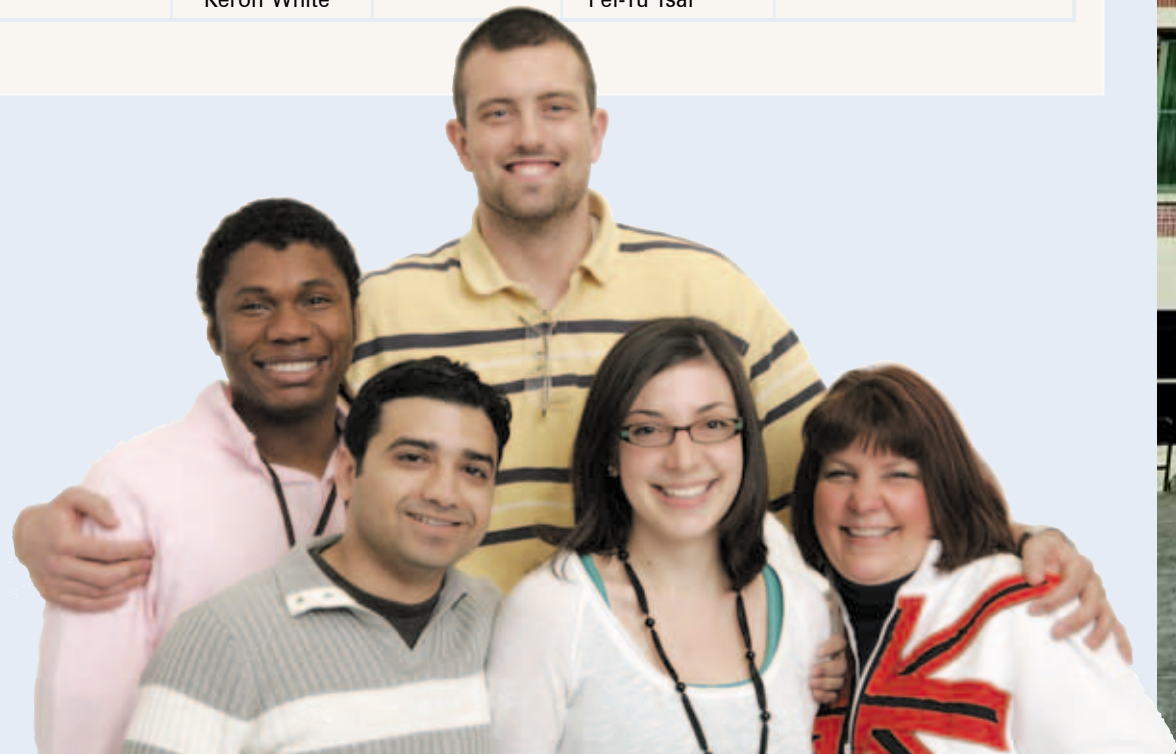
them to change or enhance their presentation.

This year's judges included: Steve Allen, Belle Vallee Cellars Winery attorney and founder; Keith Bartlett, Accelerating Transitions LLC founder; Richard Carone, Pacific Horizon Ventures general partner and Korvis Automation Inc. executive chairman; Gary Glisson, Stoel Rives LLP Attorneys at Law partner; Dean Hansen, Pacific Continental Bank senior vice president; Catherine Mater, Mater Engineering president and the Pinchot Institute for Conservation senior fellow; Tim Myers, Hewlett-Packard Corp. patent attorney; James Schupp, Smith Barney executive vice president - investments; Kathy Sego, Innovation Asset Group CFO; Jim Sheldon, ATS Systems president and CEO; Scott South, Stevens Water Monitoring Systems Inc. CEO; Ken Thrasher, COMPLI Corporation chairman and CEO and Fred Meyer former chairman and CEO; Craig Topping, New Edge Networks channel partner manager; Hetty Versteeg, Nova Garden Design LLC founder and principal; Dan Whitaker, serial entrepreneur, Rogue Wave Software co-founder and currently Pixio Corp. president and CEO. ♦

Fifth Annual MBA Integrated Business Project Competition Results

Elevator Pitch Harmony Estates	Technical Merit 1st Place: Pacific Edge (tie) 1st Place: SMALR (tie) 3rd Place: Urban Islands	Venture Viability 1st Place: Pacific Edge 2nd Place: Via DV 3rd Place: SMALR	Artistic Merit 1st Place: Beverage Blueprints 2nd Place: Pacific Edge 3rd Place: Via DV		
Overall Winners 1st Place: Pacific Edge 2nd Place: Beverage Blueprints 3rd Place: SMALR					
Team Members					
Beverage Blueprints Yu-Lun Huang Torrey Jacobson Sarah Nelson Mari-Beth Ortega Daniel Paul	Harmony Estates Saurabh Agrawal Chase Duran Josh Horton Chase McQuillen	Pacific Edge Mohib Ahmad Tara Armatas Ginger Butler Derek Potter Keron White	SMALR Kevin Harris Kaley McNay Anda Shiarla Nathan Sparks	Urban Islands Adam Calamar Amelia Eveland Jeremy Keller Peter Sealy Pei-Yu Tsai	Via DV Christian Barthruff Cynthia Chavez Hao Qiu Gene Wooden

Pacific Edge team members:
(front from left) Mohib Ahmad, Tara Armatas, Ginger Butler, (back from left) Keron White, Derek Potter took first place overall.





Bachelor's Degree in Accountancy Approved

By Jennifer Kroll

In early March, the State Board of Education approved OSU's College of Business request for a new bachelor's of science in accountancy degree. Prior to this degree's approval, business students graduated with a bachelor of science in business administration.

The degree is part of the strategic framework for the college's continued transition as a professional school.

"The accountancy degree is part of a package of changes we have made to better prepare students for the profession of accounting," said Roger Graham, KPMG professor of accounting. "Our hope is that the degree, coupled with the entrance and ethics requirements put into place last fall, produces cohorts of dedicated students that are focused on the study of accounting."

As part of the new strategic framework, the accounting program conducted its first application process last fall. Candidates were required to submit letters, resumes, transcripts, and detailed responses to questions about diversity. Faculty and students signed a code of ethics, which frames a commitment to specific standards.

The application process was competitive and resulted in an incoming class with an average GPA of 3.15, compared to previous averages below 3.0.

"We are all very excited about the quality of students who have been admitted," said Graham.

Graham collected resumes from all accepted candidates and compiled a resume book to give to prospective employers and recruiters. He sent the book to many potential employers, and plans to make this an annual project.

To celebrate the initiation of the new degree, the college hosted an event on March 19, to which the public was invited. ♦

Roger Graham celebrated the launch of the B.S. in accountancy degree with students and other faculty members at a campus-wide ceremony.

OSU's accounting students have a long-standing reputation for excellence. For the third consecutive year, a student from this program has been selected for a prestigious internship at Chevron. Chevron recruits only a few of the very best students from 12 universities. Greg Barnes was chosen this year for this highly competitive internship, following in the footsteps of previous accounting students Sylvia Galambos and John Fisher. "My accounting experience at OSU has opened doors and paved the way for an exciting career in accounting. After interning with Chevron, I was offered a position in their prestigious finance development program, which will take me to several countries around the world," said Fisher.



"I am well prepared for the profession of auditing. I realize that I have much more to learn, but OSU has laid a great foundation to build on. I am very excited that my diploma will say 'B.S. in Accountancy.' It is a tribute to how hard all the accounting students have worked."

Mark Scrichfield, accounting student

"My accounting educational experience here at OSU has been an extraordinary one. The creation of a B.S. in accountancy was a very logical choice. It will bring more prestigious recognition to a program which has exceeded expectations for a long time now. I personally am very excited to have the ability to differentiate myself by earning a major in accounting as opposed to an option in accounting. It demonstrates my specialization in the subject and more accurately reflects my educational experience than a major in business administration."

Joy Gibbons, accounting student

"All of my accounting teachers have really taken an interest in my learning and have been more than willing to provide assistance inside and outside of class. I feel that the work I've done in my accounting courses, especially in Accounting Processes and Controls, will help prepare me for work after I complete my education."

Greg Barnes, accounting student and recipient of the summer Chevron internship

From left: Mark Scrichfield, Joy Gibbons, Greg Barnes



Klemm Ready to Orchestrate Austin Entrepreneurs

By Warren Volkman

It's a rare sunny day in late winter in the Pacific Northwest. In Seattle, Christopher Klemm, Ph.D., incoming director of OSU's Austin Entrepreneurship Program (AEP), takes a break from reviewing student business plans. Stepping out to the garage, he dons a wetsuit, grabs a life vest, a spray skirt and a double-bladed paddle and tosses them into the back of a no-frills, red '96 Volvo station wagon with a stick shift. He hoists a white kayak with an avant-garde, Jackson Pollock paint job and slides it onto the roof rack, cinching it lightly in place for the short drive down the street to Lake Washington.

At the community's lakeshore park, he buckles the life jacket, sets the boat at the water's edge and eases his 6-foot-2-inch frame into the smooth seat. Cinching the spray skirt around his waist to guard against frigid splash and renegade waves, he pushes off, gliding silently out across the sparkling water. Paddling comfortably—no longer in a young man's hurry to prove anything—he heads out toward the floating bridge that links Seattle proper with its eastern suburbs, then turns south to parallel the shore.

If he had more time, he could paddle all the way down to the University of Washington, where he has been the executive director of the Center for Innovation and Entrepreneurship since 2004. Viewed from the lake, the open bowl of Husky Stadium is a centerpiece of the campus.

Although the steel and glass spires of Seattle's downtown core are hidden by hills, he sees them as clearly as a man on the street. He knows their corporate residents, business icons like Starbucks, Nordstrom, and Amazon. He knows the less familiar, but no less influential, companies that play in the high-stakes world of venture capital—firms like Madrona Venture Group and Voyager Capital, law firms like DLA Piper Rudnick, and venture-minded accounting groups like Ernst & Young.



Klemm's work championing the university's research, technology, and human business potential has taken him on many forays into Seattle's business community, where he practices what he preaches in his classes on entrepreneurship and venture creation.

In his three years at the Center for Innovation and Entrepreneurship, Klemm has not confined himself to the city limits. He oversaw the center's statewide business plan competition. Nationally, he led efforts to restore the University of Washington's status among academic associations dedicated to entrepreneurship—groups like the National Consortium of Entrepreneurship Centers (NCEC), the Roundtable on Entrepreneurship Education (REE), and the National Collegiate Investors and Innovators Alliance (NCIIA).

His efforts helped to raise the UW Business School's stature in *U.S. News & World Report's* prestigious entrepreneurship rankings. From just-ranked when he arrived, the UW Business School jumped to 15th nationally for its undergraduate program and 29th nationally for its MBA program.

Even more satisfying to Klemm, his work contributed to the college's leap up 25 places in EntrePoint.com's rating of collegiate business development

programs. The college climbed from the 4th tier to the 2nd tier, where it joined 12 other innovative business programs, one step below elite schools like MIT, Columbia University, and DePaul University.

Out on the lake, a disappointing cloud eclipses the sun as winter reasserts itself, sending a sharp breeze across the water. Paddling on open water in the middle of winter, Klemm feels the chill, but he wouldn't really call it "cold."

New York roots

For Klemm, "cold" was camping out with the Boy Scouts in upstate New York in the dead of winter. The colors of fall were gone and all life had retreated underground, save for a few birds and a hearty band of scouts out for an Adirondack adventure.

"Some days it was so cold, it never got above zero," Klemm recalls. "Everything froze unless you stuffed it into your sleeping bag. Have you ever tried to make breakfast with frozen eggs?"

Graduating from Niskayuna High School in the tree-clad city of Schenectady, Klemm headed east to Trinity College in Hartford, Connecticut, where he earned a degree in European history in 1968. He followed that with an M.A., also in history, from the University of Rochester.

"I came to the business world from a very different perspective," Klemm explained. "I majored in history at a time when there were still jobs to be had. I passed all the qualifying exams to pursue a Ph.D., but by that time there were highly qualified graduates with Ph.D.s driving cabs. I decided to look for a field where the opportunities would not suddenly turn upside down."

Adaptation

In 1976, Klemm enrolled as a doctoral student at The Wharton School at the University of Pennsylvania. Even then, before the words "dot" and "com" said together had any meaning, Klemm was drawn to start-up companies. In the course he taught on general management, he gave special emphasis to business creation.

While reframing his resume, he signed on in 1981 as an assistant professor of general and strategic management at the Stevens Institute of

Technology in Hoboken, New Jersey, just across the Hudson River from downtown Manhattan. In 1984 he completed his Ph.D. from The Wharton School, with a dissertation on managerial sciences and applied economics.

His professional adaptation complete, Klemm moved just down the shore to the University of Delaware, working as an assistant professor of strategic management from 1985 to 1990. Then he got serious about business start-ups—especially his own.

Founding president

In 1990, Klemm co-founded Optimus Consulting. For 14 years, he served as president, steering a little firm with a big agenda. Optimus Consulting provided direct consulting services, management advisory services, and executive education.

On the side, he volunteered as president of the Delaware Entrepreneurs' Forum, directing the group's annual venture fair. Under his leadership, it grew from a virtually unknown, local event to the premier early stage venture fair on the East Coast. Redesigned and repositioned as the Early Stage East Venture Fair—ESE for short—the event grew to attract \$10 billion in venture capital annually and now spotlights more than 50 carefully prepared start-ups. Seeing the emergence of biotechnology as the next new, new thing, Klemm co-founded the ESE Bio Life Technology Venture Fair in 2001.

Just after he left Optimus to assume his duties at the University of Washington, Klemm received the ESE Founders' Award in recognition of his transformative leadership in turning a small, local event into a beacon for early stage business on the East Coast.

"At ESE, we started with nothing," he recalled. "It was a group of volunteers with a shared vision. Despite our small size, we were able to create a larger presence than organizations that had full-time paid staffs. In the beginning we had no 'flagpole,' but we managed to cast quite a shadow."

Part of creating that presence was finding partners and sponsors. Seeing Early Stage East's need for a formal connection to an established stock exchange, Klemm led a team to the American Stock Exchange in New York.

"We went to AMEX and made our pitch. They took a look, listened and signed on with a five-year sponsorship based on our vision. It was that level of confidence to make contacts and present who we were and where we were going that made us successful."

That confidence and clarity of vision will be useful in his new role as director of the Austin Entrepreneurship Program, according to Ilene Kleinsorge, dean of the College of Business and head of the search committee that chose Klemm after a nationwide call for applicants.

"We were most impressed with Dr. Klemm's experience with successfully directing other entrepreneurship programs, his business experience, and his strengths in strategic planning," Dean Kleinsorge explained. "He will assist us in the second phase of developing the Austin Entrepreneurship Program that includes focus and ensuring a distinctive and

(Continued on page 10)

(Klemm — continued from page 9)

competitive advantage. As the AEP grows beyond the Weatherford Hall residential college activities, its programs and activities must interface more broadly with the university and business community. The College of Business intends that all Oregon State University graduates with a College of Business transcript will understand the entrepreneurial process. The expectations are high for the AEP. As director of AEP, Christopher will lead the process to articulate and implement the plan.”

Tech transfer

Like the early days at Optimus Consulting and the Early State East venture forum, Klemm is inheriting a boatload of potential in need of a rudder. OSU is ripe with unpicked technology. The Willamette Valley is dotted with established technology giants like Intel and Hewlett-Packard, and an emerging nanotechnology cluster—big companies thinking small. Venture capitalists and angel investors hover about the campus—especially Weatherford Hall, the residence hall that was recently renovated and dedicated as an “entrepreneurial incubator.” The university is working to improve the technology transfer process, hoping to turn research nuggets discovered in the lab into the next licensing motherlode.

“I see the Austin Entrepreneurship Program as being very supportive, encouraging and facilitating of that process,” Klemm said. “We will move ahead with student teams that assist with the basic research on market potential for technologies developed at the school. This is a phenomenal educational opportunity for our students. The Austin Entrepreneurship Program can make a tremendous contribution university wide.”

For the students

Although commercialization of research is a major area of interest at the university, Klemm draws a sharp distinction between the goal of the school’s technology transfer office and the mission of the Austin Entrepreneurship Program.

“Our focus is education, first of all,” he stated firmly. “Through the program, students will have the opportunity to experience entrepreneurship in action—the process of taking an idea and shepherding it into a commercial venture. The tiebreaker in any decision always has to be whether our decision will benefit the students. That has to be our purpose. Within that framework, anything that I can do

to move the program forward—to encourage and facilitate entrepreneurship campus wide—is within our purview.”

Considering the opportunities and challenges before him, Klemm offers a double analogy.

“I see myself somewhere between an orchestra conductor and a catalyst,” he said. “As orchestra conductor my job is to coordinate and facilitate, while others actually play the music. As a catalyst, I don’t make the reaction happen, I help it happen faster.”

Klemm will have a bit of studying to do to acquaint himself with the breadth of research at OSU.

“OSU has a lot of technology in areas I didn’t see at UW, for example, agriculture,” he said.

In his investigations, Klemm will employ skills he honed as a research historian.

“In history, you are always looking at problems, analyzing them and linking seemingly unrelated factors together into a common thread.”

Academic start-up

As Klemm looks ahead to his new leadership role at the Austin Entrepreneurship Program, excitement rises in his voice.

“The Austin Entrepreneurship Program is the nearest thing to a very early stage start-up that you’ll find in an academic system,” he said. “It’s new. It’s young. It has good fundamentals and great potential. It’s exciting to be at this start-up level. The opportunity to move the AEP ahead—to make it one of the leading entrepreneurship centers nationwide among land grant universities—is very appealing to me.”

To engage this new opportunity, Klemm is willing to give up his idyllic life near the lake and relocate to Corvallis with his wife, Robin. By the end of the fall term, Klemm hopes to have a new home for his son, Alexander, and daughter, Piper, to come home to on break from UW and Trinity College. Trading the big city by the lake for the little city on the river may take some getting used to.

“Every change involves a tradeoff,” Klemm said thoughtfully. “When you move into a new situation, some things are better, and some things are worse. I expect that the overall package will be decidedly better.”

Returning to an earlier analogy, Klemm the conductor offered, “The orchestra has been assembled. It’s just a matter of coordinating the individual efforts to make fine music.”

Can an upstate New York boy with Northwest tastes find happiness and success in the Willamette Valley, orchestrating bright-eyed students and seasoned researchers in front of an audience that includes faculty, alumni, investors, corporate sponsors, hopeful legislators, and giant companies thinking small?

That could be a tough nut to crack, but it can’t be harder than rustling up a skillet breakfast from frozen eggs. ♦

Austin Entrepreneurship Program to Host Second Annual Conference

By Marie Oliver

On May 3, 2007, the Austin Entrepreneurship Program will host its second annual conference at the Governor Hotel in Portland. The conference, titled *Toward 2020: Addressing Tomorrow's Problems Today*, will focus on how government, education, and private industry use creativity and innovation to develop proactive solutions to current and upcoming issues.

Luncheon keynote speaker will be Wesley R. Edens ('84), chairman of the board and the CEO of Fortress Investment Group. Edens co-founded the company in May 1998 and it now manages \$30 billion in assets. Fortress emerged as one of the nation's hottest initial public offerings recently when it became the first private-equity and hedge-fund manager to sell shares on U.S. markets. Edens is also the chairman of the board of several other investment firms. He will talk about innovation in financial markets and offer his predictions for the future of the investment industry.

Keynote speaker Jeff Wike, director of research and development at Dreamworks Animation, has worked on numerous animated features such as "Flushed Away," "Over the Hedge," "Madagascar," and "Shark Tale." His talk will focus on creativity and innovation in digital animation.

Other features of the conference include a presentation on the state's perspective on creativity and innovation, highlighting initiatives from the Oregon Innovation Council; presentations demonstrating the role of Oregon universities and their partners in creating solutions; panel sessions with leaders from government, education, and private industry; and a presentation of business plans by OSU business students. ♦

TOWARD 2020

Addressing Tomorrow's Problems Today

An Austin Entrepreneurship Program Event
Keynote Speakers: Wesley Edens, Chairman and CEO, Fortress Investment Group, and Jeff Wike, Director of Research and Development, DreamWorks Animation



Creativity & Innovation for Our Future

Keynote speakers and panelists will address the role of creativity and innovation from several perspectives: private industry, government, and education. Innovation-based initiatives to enhance Oregon's global competitiveness and cutting-edge university research will be explored.

May 3, 2007

8:30 a.m. to 4 p.m.

The Governor Hotel, 614 SW 11th Avenue, Portland

Registration fee \$100 by April 18, \$125 after April 18

For more information or to register, see www.bus.oregonstate.edu/programs/2007aep_conference.htm

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Al Reser Inspires Business Students during COB Visit

By Thuy T. Tran

At the invitation of retired professor Steve Lawton, Alvin L. ('Al') Reser ('60 COB) spent an entire day at College of Business on February 21. It was a golden opportunity for students to learn from a master.

Reser took a small family business started in 1950 by his parents Mildred and Earl Reser in Cornelius, Oregon, and turned it into a multi-million dollar national corporation. He has been chairman of the board of Reser's Fine Foods Inc. since the company was incorporated in 1960—the year he graduated from OSU.

Back then, a high-producing day at Reser's yielded 200 pounds of potato salad. Mildred made the salad by hand and Earl delivered it to local butcher shops and grocery stores.

Today, Reser's annually produces and distributes millions of pounds of diverse products, including dips and spreads, specialty meats, salads, potatoes, organic specialties, and more. The company goes through 100 semitrailer loads of potatoes per day in its Northwest facilities. Its newest plant in Topeka, Kansas, used over 170 million pounds of potatoes in its first 11 months of operation last year.

Reser and corporate director Mari Jo Prlain ('83 COB) began their visit with a tour of Weatherford Hall. Reser talked to students and staff of the Close to the Customer (C2C) Project—a program launched in 2005 by marketing faculty to provide students with opportunities to conduct market research for entrepreneurs, businesses, government, and nonprofit organizations.

The C2C students eagerly soaked up the wisdom offered by Al Reser. For example, he explained that his company performs market research by surveying customers, and uses collected data for planning purposes. However, he cautioned students to “use that kind of information as a tool, but don't let it direct your focus—still listen to your gut instinct.”

He went on to explain the painstaking efforts his company makes to ensure their facilities exceed safety and cleanliness standards. In fact, Reser's is recognized as the industry leader in all aspects of food safety. He said every piece of equipment that comes in contact with the food product is checked every day.

"One thing you don't want is free advertising from the government," he said, referring to recent widespread food recalls. The company checks their product recall system regularly by issuing what Prlain referred to as "fake fire drill recalls." Most of the time, their system allows employees to locate all the distribution points of a product in less than one hour.

Reser stressed several times the importance of listening to people—including salespeople, trade magazines, and suppliers—in creating a successful business.

Reser and Prlain also toured the Memorial Union. Prlain noticed the extraordinary attention to detail that was evident in the remodeling, and was especially impressed with the Joyce Powell Leadership Center. She and Reser noted many of the thoughtful and useful design elements included in the student-designed facility. They were particularly interested because Reser's is building a new research and development facility that will include training rooms.

Reser and Prlain then had lunch in Bexell Hall with business students Allen Campora, Greg Barnes, Rachel Nelson, Mitchell Andrew, Scott Murphy, Tony Hornsby, Julia Rohani, Joy Gibbons, and Joshua Sindel.

After each student's self-introduction, Reser personalized a few comments to them. For example, to Greg Barnes, who specializes in accounting, Reser highlighted the importance of accounting in his business. Reser's Fine Foods has 14 people in accounting to handle its 2,000 employees and 14 facilities—ten of which are manufacturing facilities.

"Regardless of what you do, if you follow the dollars, you know what's going on in your company," advised Reser. "I didn't look at accounting at much depth when I was a student, but today in business you need to look in depth at the details. Because you compete at such small margins, in order to get to dollars you need to look at the pennies."

Commenting about the value of education in general, he said: "School gave me the ability to look for answers and to solve problems. It trained me to listen, know that I didn't know everything, and that my job was to learn to solve problems. It didn't give me the total answer, but rather the tools I needed to find answers to problems."

When asked for his advice on post-education career planning, Reser replied: "What drives Reser's Fine Foods is its people." He said that while many executives are afraid to hire people who are smarter than they are, he recommends that it's best to "find the smartest people you can find because they're the ones who will take your company up the ladder."

In the hiring process, Reser said he is especially impressed when it is obvious that interviewees did their homework and research prior to the interview. He recently began using video conferencing for interviewing candidates. Although he was wary of using the technology at first, he now sees the benefit and appreciates the cost savings.

"You can usually eliminate about 70 percent of people on the first interview," Reser said. "This technology allows everyone to save time and money by narrowing the field of candidates down to a few before anyone has to get on a plane."

Before leaving campus, Reser referred to the College of Business when he remarked: "It all started here." ♦



Reser shared words of wisdom with business students in March.



Reser and Prlain toured the Joyce Powell Leadership Center.



Technology Commercialization Students Pitch Ideas

By Thuy T. Tran

The College of Business added a Technology Commercialization course to its curriculum in early February.

Technology commercialization is the process of bringing technical innovation to the marketplace. Each year more than 150,000 patents are granted in the United States, yet only a fraction of these patents will appear in the market or generate revenue. The success of any commercialization effort depends on numerous factors, including market positioning, competitive offerings, manufacturability, cost considerations, market maturity, and pre-existing intellectual property.

The Technology Commercialization course offers a process and tools to assess the business viability of a technical idea. It also covers how to develop the best business approach for commercialization. Mentors from the business community advise each student team as they formulate and develop a commercialization approach.

“This hands-on experience will give students a chance to meet and work directly with inventors, local hi-tech entrepreneurs, and investors,” said John Turner, management/entrepreneurship faculty member.

Turner asked for and received permission from the Office of Technology Transfer to have his students develop a commercialization plan for five business ideas that represent some of the most exciting technologies coming out of the OSU research labs. The technologies—all inventions by OSU researchers—are at various stages of the patenting process.

Ten meetings into the class, students received feedback from their classmates on their progress in developing a plan for commercializing their assigned technology. One representative from each of five teams delivered a two-minute speech—called an “elevator pitch”—to a group of “investors.”

Each “investor” had one dollar to invest in the project. The projects were:

1. Bird flu test: Rapid detection of avian influenza (AI) transmission between species using a novel monoclonal antibody that enhances scientists’ ability to detect the AI virus.
Inventor: Manoj Pастey
Students: Christopher Bush, Kevin Irish, Kyle Winkler
2. Drug delivery system: Melt-in-the-mouth, chewable, long-acting therapeutic drug delivery beads.
Inventor: Mark Christensen
Students: Sarah Fister, Jimmy Neyhart, Carly Stoughton
3. Expander/compressor cycle cooling system: A technology that utilizes heat to produce cooling. Its most promising applications are in the areas of waste heat recovery.
Inventors: Richard Peterson, Tom Herron
Students: Greg Beamer, Kathryn Herman, Alex Polvi, Dan Skotte
4. Photonic funneling: The efficient light transfer from telecommunication fibers to nanoscale objects and vice versa.
Inventors: Victor Podolskiy, Alexander Govyadinov
Students: Bretley Hanson, Carol Leibinger, Jered Wikander
5. Printable electronics: A simple, low-cost pathway for fabricating high-performance thin-film electronics using an ink-jet printing process.
Inventor: Alex Chang
Students: Nate Edwards, Adam Ivey, Tim Loudon, Evan Sekulic

At the end of the class session, the expander/compressor team, represented by Kathryn Herman, came in first place with an investment of \$6.75 and the drug delivery system team, represented by Jimmy Neyhart, came in a close second with an investment of \$5.50.

“I am a believer that all feedback can be used to continually improve what you are doing,” said Herman. “I will use the feedback from my peers and instructor to improve future pitches and to research questions that were raised for which our group didn’t have a complete answer. My team and I really are just focusing on doing the best possible job to represent the class, the instructor, and the inventors of the technology.” ♦

Technology commercialization students worked in small groups to get ready for their “elevator pitches” with help from John Turner (standing). Students (front from left) Tim Louden, Kevin Irish, Kathryn Herman, (back from left) Chris Bush, Sarah Fister, Carly Stoughton.





MBA Students Learn Virtual Project Management

By Marie Oliver

In today's business environment, globally distributed work has become the norm. Work teams are increasingly composed of people from different cultures and different time zones. Consequently, gaining competence with the latest communication software and becoming culturally savvy can be critical to business success.

Erik Larson, professor of project management, came up with an idea for an assignment that gave his MBA students real world experience in this arena.

"The college supported what we call the Virtual Project Management Initiative, which is designed to try to integrate these kinds of activities into the curriculum so that our students will be trained and profession-ready to work in these kinds of environments," he said.

With the help of V.T. Raja, instructor in information management, Larson established collaborative relationships with two universities in India that were willing to experiment with a new learning model.

"I thought the best way to do this would be to actually have them work on something with students they would not meet or see," he said.

Twenty-five OSU business students formed teams of five, which then virtually collaborated with five teams in India. Each "virtual team" was responsible for producing a paper within a two-week period.

"The real goal and intent behind this was not so much the deliverable, but for students to experience what it was like to work in virtual environments, and to gain some appreciation of the opportunities and barriers that exist in working collaboratively in a virtual environment, and using some of the tools that people use in the industry," said Larson.

Erik Larson provided the fundamentals of project management before turning students loose to collaborate virtually.

The major obstacles each team had to overcome were the 12-hour time difference, firewall issues, and finding reliable, commonly available technologies that would serve their purposes. In general, a team's success hinged on the level of comfort its members had with the technology.

The Fahrenheit Group, composed of five OSU students and five students from the Indian Institute of Management (IIM) in Bangalore, India, assessed the reliability of four collaboration technologies:

1. WebEx™, a suite of Web-based virtual meeting applications;
2. Skype™, a popular peer-to-peer Voice over Internet Protocol;
3. Orkut, a social networking site run by Google; and
4. Microsoft Windows SharePoint™, a suite of applications for content management, business process facilitation, and information sharing.

The team analyzed each application in terms of IT maintenance and support, security, connectivity, user interface, the company's credibility, language support, required technologies, and mobility.

For this team, "the paper was the project," said Larson. In the conclusion of their paper, Team Fahrenheit noted the irony of the fact that "in producing a paper meant to capture the potential of these technologies and their overall reliability," they were "constantly hampered by technical issues." The team emphasized the need for user friendly technologies that focus on service, security, connectivity, usability, and mobility.

"In today's global communications market, reliability is not a feature, it's a necessity," they said.

However, another successful team identified trust as another critical component of their success.

"Once the purpose for collaboration is established, trust is the prominent factor for deciding performance and success of virtual teams," Team Centigrade concluded in their paper titled "Building Trust within Globally Distributed Project Teams."

The Centigrade team—also composed of five OSU and five IIM team members—identified several communication techniques that can be used to increase trust, including using active listening, timely responsiveness, and

framing. In addition, they recommended establishing norms for communication practices and developing templates for using technology and creating knowledge management systems to store conversations and documents. Finally, they suggested paying attention to expectations regarding leadership and establishing flexible but explicit contracts to ensure team stability.

All of the Centigrade team members were positive about their virtual project management experience.

"When their [the Indian] team said they would meet our team at a particular time or when they said that they would have certain tasks done within a specified timeframe, they followed through in an organized manner and that, in turn, built trust on our side of the project," said Kyle Abe, OSU Centigrade team member.

Maurya Velpula, IIM Centigrade team member, found the experience invaluable. "The whole idea of a project team spread over two different geographic regions was exciting and kindled the enthusiastic fervor in me," she said. "It was a very enriching experience to meet the Centigrade team of USA [sic]. The initial ice-breaking session happened through email and set a pleasant atmosphere and a right beginning for the team effort. Even though there were certain problems with the technologies and these hindered smooth conversations initially, the Centigrade team USA was very patient. They were very enthusiastic and eager to help. With the time difference in mind, we managed to get a convenient schedule to interact and communicate."

Larson said the next goal for the college is to bring this type of experience to undergraduate students.

"For students to have a meaningful learning experience, you don't need to interact with people in India," he said. He pointed out that it's possible for an OSU student to virtually interact with someone in Corvallis.

"As we launch our new undergraduate business degree, this is one of the things that we are committed to creating: students who are capable of working in these kinds of environments," he said. "The whole idea of working on these projects either in India or elsewhere is this whole idea of experiential learning. It's just another example of that." ♦

On the Cutting Edge: Unique Textbook Distribution Methods

Dennis Caplan, assistant professor of accounting, is using innovative methods to disseminate his accounting textbook. These methods offer flexibility for faculty, affordability to students, and easy accessibility by anyone.

Last year, Caplan successfully introduced his book, *Management Accounting: Concepts and Techniques*, as the primary text in his cost accounting classes. The book was distributed as a course packet through the University Bookstore.

This year, Caplan partnered with Metropolitan Printing Company of Portland, and the OSU Chapter of Beta Alpha Psi (BAP), to print the book and sell it to OSU students for \$33. This cost is minimal compared to most textbooks, but still provides BAP a small markup to support the student accounting organization's activities.

Caplan now plans to launch the 326-page textbook as a Web-based development project, employing a project management model similar to open source software. Caplan hopes that the following features will put this project on the leading edge of Web-based accounting instructional resources:

- ▲ The project will be a “living” textbook. Its continuing development will depend on contributions from participating faculty worldwide.
- ▲ The book will be available under a Creative Commons public license. The terms of the license will help ensure that it will be widely available indefinitely at no cost.
- ▲ The book will be downloadable using commonly used word-processing software, enabling faculty to easily customize it for their own courses.
- ▲ The book will have the “look and feel” of a traditional textbook.

Caplan's methods exemplify his commitment to two of the college's shared values: teaching excellence, and integrating new technologies and practices in teaching, research, and service. ♦



Students Design Playground for Old Mill Center

By Jennifer Kroll

Students in Sandy Neubaum's Organizational Behavior class helped the Old Mill Center for Children and Families design, organize, and raise funds for a brand new playground. Neubaum regularly includes experiential learning opportunities like this in her classes to provide students with the opportunity to put classroom theory into practice.

Old Mill's current playground is outdated and does not comply with newer Americans with Disabilities Act (ADA) standards. The students wanted the children to have something safer and more accessible to play on. It was a daunting project, but the College of Business students were up to the task.

Old Mill began in 1977 as a nonprofit corporation to serve children with mild to moderate disabilities and otherwise at-risk children who were not eligible for other community services. Over the years, the program has expanded to provide unique services to children, youth, and families in response to community needs. The program offers assistance with mental health, special education, occupational therapy, intensive home visiting, domestic violence and abuse prevention, counseling for incarcerated parents, and parent education and support.

The students worked with Old Mill staff to develop goals and regularly visited the center to gather information. Rebecca Sario, development coordinator at Old Mill, was impressed with the level of commitment shown by the students.

"We did not expect that they would take such personal pride and interest in Old Mill," she said. "We did not expect them to become so invested in their success. Once we explained the concept and goals, we had to get out of the way or get run over! We have no doubt that if time had allowed, they would have also built the whole playground."

Although student teams were formed to champion different parts of the playground project, including overall design, ADA standards, marketing, media/visual, grant research, fundraising, and auction night events, responsibilities often overlapped. Each team met weekly to check progress, and all teams met together every Thursday in class to discuss the status of the project.

The students worked with Animated Dynamics, Inc., of Portland to develop a 3-D digital fly-through of the future playground to show at the Old Mill annual auction, which was held on March 17. Animated Dynamics donated their services for the project.

The experiential learning gave many students a different perspective than regular theory-based learning.

"I have learned to delegate tasks effectively to meet real deadlines and objectives," said Shawn Hillyer, a junior. "As a management major, being able to communicate tasks and keep team members focused are valuable skills."

Jared Standerwick, a junior studying finance and management, also found value in the project. "My team members helped me to become a better leader, learning to trust and listen to everyone," he said.

At the auction, students helped explain the concept and sold raffle tickets for the grand prize—a trip to Ireland. Toward the end of the auction, the students noticed they were \$150 short of their \$5,000 goal. After sharing this information with the auctioneer, they decided to raffle off dinner with one of the students, and ended up raising a total of \$5,001.

A group of students from Neubaum's other Organizational Behavior class worked with students from Old Mill to create artwork to be auctioned. This group, whose project was titled "Art from the Heart," set a goal of raising \$1,200. They ended up significantly surpassing that goal by raising \$5,556 for Old Mill.

Drew Anderson, a junior majoring in business said that his favorite part was "interacting with the children and seeing how important this project was to them." These feelings were echoed by Ryan Gunderson, a senior in construction engineering management. "It turned out to be pretty fun and rewarding to interact with the kids and create items for the auction with them," he said.

In the end, this experiential learning project has been an incredible success for the students and Old Mill.

"We are very proud to have been a part of their college experience, if only briefly," said Sario. "We would like to express our sincerest gratitude for their contributions, and wish them all great success in the future." ♦





Hong Kong Partner Grooms Students for Success

By Marie Oliver

Mary Pang, associate professor in the Department of Management and director of international exchange in the Faculty of Business at City University of Hong Kong (CityU), visited the College of Business for two weeks this spring. Pang was instrumental in building a strong international exchange program in her department.

CityU became exchange partners with OSU's College of Business in 2000. At that time, the business department at CityU was sending 25 to 30 students overseas annually, said Pang. Students and faculty were ambivalent about the exchange program because they perceived that the drain on personal resources such as time, energy, and money seemed to outweigh the benefits of participation.

In 2002, when Pang joined the program, the government of Hong Kong began offering all Hong Kong universities access to substantial grant money that allowed those institutions to expand their exchange programs.

"It was becoming clear that internationalization was the way forward for campuses and tertiary education institutes in Hong Kong," said Pang. Funds became available to pay 40 percent of a student's costs of participating in the program.

That influx of funds changed everything.

"Students were pretty encouraged," she said. "All I had to do was offer up this money to them and change their attitudes and perceptions about exchange."

For academic year 2006-07, 177 students from CityU went overseas, and 179 international students spent a semester there—including seven from OSU. Pang is confident that in 2007-08, substantially more than 200 students will be participating in the program.



Ilene Kleinsorge and Mary Pang signed the renewal to extend the COB-CityU exchange partnership for five years.

"Now the culture is extremely different and it's highly competitive to get into the exchange program," said Pang. "Students' academic lives are centered on trying to get into the program."

She said the goal of her department is that half of the students in the business school will have the opportunity to have some experience abroad. As an instructor, Pang has firsthand experience observing students' transformation before and after a semester overseas.

"Our students come back much more sociable and communicative, confident, with high levels of self-esteem," she said. "They're more independent, they've got more initiative, and they're stronger in their English skills. They're much happier for the experience."

She has also conducted research on the impact of the exchange program on job seeking and attainment upon graduation.

Arthur Stonehill continues to support the International Exchange Program that bears his name through scholarship donations totaling \$60,000. He has also challenged exchange alumni to match his gift.

1987–2007: Twenty Years of International Exchange Aarhus 20th Anniversary Conference and Celebration

June 20–22, 2007

The conference will feature speakers with experience in doing business along the Pacific Rim,
including India, SE Asia, and China.

For more information, see <http://www.bus.oregonstate.edu/alumni/Aarhus20.htm>

“I found that students who have gone overseas—controlling for their GPA—actually get better jobs,” she said. “Better,” to Pang, means students start at a higher salary, work for larger companies or multinational companies, travel more in their jobs, and make fewer applications for jobs but get more job offers.

“I have heard that one of the first questions the big four employers ask is, ‘Have you been on exchange?’ So they’re very much in demand,” she said.

In the past, the timing of recruitment fairs was a major obstacle for certain students because if they went overseas they would miss that crucial job-seeking activity. Underscoring the value the program holds for employers seeking qualified candidates, the largest employers moved their recruitment fair to a different time period to accommodate these students and remove that obstacle.

Pang said she and her staff gains “immense satisfaction” working with students in the international exchange program.

“We must be one of the most overworked teams, and yet nobody complains and everybody is more than happy to handle the volume of work and activities that go on in my program,” she said. “We all get a lot of satisfaction from running this program and working with these students and creating these opportunities for them.”

OSU is one of more than 90 institutions worldwide—including 14 in the United States—that participate in the international exchange program with CityU. ♦





McHenry Lecturer Linda Hirneise Shares Keys to Business Success

By Jennifer Kroll

Linda Hirneise ('75 COB), executive director of global travel and hospitality practice with J.D. Power & Associates (JDPA), was the invited executive lecturer for the McHenry Endowed Lecture Series in Tom Dowling's fall term Venture Management class.

Hirneise began her career teaching business to high school students. Inquisitive and thirsty for knowledge, she took every opportunity to bring real world business leaders into her classroom, for the benefit of her students as well as for herself.

Hirneise's inquisitive nature, along with her natural business sense, compelled J.D. Power III to attempt to woo her away from education to go to work for his new global marketing firm. His first attempt failed—she wasn't interested in leaving the secure career she loved for a start-up company. He tried again several years later, and this time it worked. Hirneise joined the JDPA family as its thirty-third employee.

Transitioning from high school teacher to executive was no small undertaking for Hirneise, but she has worked her way up to partner and practice leader for JDPA's Global Travel and Hospitality Practice. She regularly travels around the globe and has become one of the most respected executives in her industry. She most recently appeared on ABC's World News Tonight to talk about the JetBlue debacle that stranded thousands of passengers in mid-February.

Below is an edited transcript of an interview conducted by the College of Business after her presentation to Dowling's class.

College of Business: What was the most important point of your message when you visited campus as the McHenry Lecturer?



Linda Hirneise: One of my key messages was what I consider keys to business success: passion, integrity, and balance. This is a win-win situation in both your business and personal life.

COB: Can you elaborate on what it was like for you to change careers? How did you prepare for your new role?

LH: As a business education major at OSU, I always had a keen interest in the business environment, even though I entered the workforce as a business education teacher at the high school level. I always worked in the business community during my summer breaks and always made it a point to bring business leaders into the classroom to apply “real life” situations outside of textbook learning. Interestingly enough, when I announced I was leaving the education field, I had several “teacher” friends of mine tell me I would never make it in the business world. Here I am now, 25 years later still with J.D. Power and Associates.

COB: How did you keep up in the new environment?

LH: No doubt, this was a huge change for me in an all new industry—market research in the automotive industry! Since I was put into a “created position” and the company was relatively small at that time, I had great opportunity to define my role and how I could contribute to a small company with great ambition to grow. I immersed myself in literature about the auto industry, market research skills, using the “voice of the customer” to make informed business decisions. My first boss thought I was his personal secretary and tried to use me in that capacity. I quickly let him know that I was not hired for that position, nor was it my skill set, and it was pretty much history from that point. He sent me on a blind sales call to Mitsubishi Motor Sales where he himself had continued to run into dead ends. I walked out of the Mitsubishi office with a huge sale and they (Mitsubishi) quickly became one of our largest clients at the time. Shortly thereafter, my boss “retired” and I assumed the role of account manager for the firm.

COB: What skills did you find that crossed over from teaching to your new career?

LH: No matter what field one is in, it is all about effective communication, both verbal and written. I believe this skill is transferable across any line of business. It is also about conviction, passion, and subject matter expertise. I also believe you can never over prepare. These are all transferable skills.

COB: What do you know now that you wish you’d known 10 or 20 years ago?

(Continued on page 24)

The McHenry Lecture Series, established in 2001, is supported by the McHenry Family Fund. Its purpose is to provide learning experiences that will give young people a sense of what it is like to own their business—whether it is one they start or one they buy—or to work in a privately held or family-owned business. The Fund was a gift from the McHenry family to the OSU College of Business Austin Family Business Program.





(McHenry Lecturer — continued from page 23)

LH: I remain a consummate student of learning. I don't believe we ever stop learning in this dynamic, technologically driven, 24-7 world we live in today. However, if there is one thing I wished I had learned earlier than later was the ability to challenge the status quo, to be more inquisitive, to be more assertive in this very competitive business environment. Additionally, I would certainly be bi-lingual even though English is the universal business language.

COB: How are you different today than when you started at JDPA?

LH: I am certainly worldlier. I have met with Fortune C-suite executives across the globe. I understand the importance of using independent voice-of-customer input to make informed business decisions. I have learned to keep things short, simple, and impactful with C-suite executives. They are surrounded with so much information and so little time. I make sure I gather all the information I can before I respond to a difficult situation. I teach others to try to do the same—be less reactive and more proactive.

COB: How are you the same?

LH: I still have a thirst for knowledge and learning. I still feel I am in the education environment. While I may not be in a high school classroom imparting knowledge, I am in the offices of Fortune 500 companies imparting voice-of-customer input in an effort to help respective companies grow their business through building customers for life through product and service innovation.

COB: As the first female executive at JDPA, please elaborate on some of your “pioneering” experiences, such as balancing children and work.

LH: You are absolutely right about being the first female executive at JDPA. My first pioneering experience was when I wanted to return part-time to work after having our first child. Yes, I was the first female executive in the early years of JDPA to ask for such a consideration. As there had not been any precedent set, I was told by our founder that he needed me back full-time or not at all. Needless to say, I have been full-time my entire 25 years at JDPA.

Other pioneering experiences include being the first female executive to

call on all the automotive companies in an account capacity, first female executive to travel to Japan to meet with the Japanese car manufacturers and present to C-Suite level executives. The good news is that I was invited back numerous times throughout the years even though I was a female executive in a male-dominated country and industry. My proudest moment is when I was asked to become a partner in the firm in 1992—I was the first female executive to be honored with this position.

COB: What was it like to be the first female executive at JDPA?

LH: I am full of pride, a sense of accomplishment, and have an unwavering affinity for the J.D. Power and Associates brand, and our founder, J.D. Power III.

COB: How have things changed for female executives since you began your career at JDP?

LH: I believe the gender “thing” is more transparent now than it was 25 years ago. It is my belief that we both put our pants on one leg at a time so I have consciously worked very hard never to put myself in a position where it is the “he” vs. the “she.” I know it exists; I try not to put a focus on it.

COB: Please elaborate on how you combined the three grounding principles at JDPA (Independence, Impact, Integrity), with your own guiding principles (Passion, Integrity, Balance).

LH: Great question. I believe the three grounding principles at JDPA are brilliant. As they so closely match my own principles in life, the transition is easy. Without passion, I won't have impact. Without integrity, JDPA would not have a 38-year history and continue to grow year over year and I wouldn't have a 25-year career within JDPA. Without integrity, I would not be surrounded by supportive colleagues and friends throughout the globe. Without passion, I would not have had the opportunity to just celebrate my thirtieth wedding anniversary with another OSU grad, and still be here at JDPA 25 years later.

COB: Did you have mentors throughout your career? If so, what did you gain from them?

LH: As a female executive pioneer, I didn't have a lot of mentors as I blazed my way through a growing organization. I certainly have had a lot of

colleagues that have had a profound impact on me. One I remember very well who once gave me the following advice. She said, “You can’t remove all the pebbles in the road no matter how hard you try.” From this I took away the importance of planning and flexibility.

I would also have to say, in retrospect, both my parents acted as mentors throughout the course of my life. My father’s pride, while in the workforce, was always to provide for his family; my mother’s pride, while alive, was to always provide a warm home environment with a warm meal to eat together always as a family, clean clothes, and a comfortable and safe bed to sleep in. I was raised in a very traditional family where the father worked and the mother worked at home. Despite the responsibility my father had in the work environment, he always made it a point to sit down at the dinner table with his family, as well as always take his earned vacation time to spend with his family. So back to balance, I learned the importance of both work and home balance from both my father and mother.

COB: Have you mentored anyone? If so, what do you look for in someone to mentor?

LH: I am actually in a mentoring program right now. My mentee is located in Chicago, Illinois. This is probably one of the most exciting programs I have been involved in during my 25-year history at JDPA. It really is not about what I look for in someone to mentor, it is about what I can provide to help my mentee along the way. If I can provide a perspective that will help assist in a positive decision either at home or at work, then I have done my job. I have been blessed over the past 25 years. It is now about giving back in the work environment.

COB: What advice would you give someone today, especially a female, who is embarking on a new career/venture?

LH: Learn everything there is to know about the company and position before you enter the work force. Be a sponge for learning, be inquisitive, never afraid to ask questions or contribute to a conversation in a meaningful way. Be flexible, and remember my three keys to success: integrity, passion and balance. ♦





Time Warner CEO Visits as Dean's Distinguished Lecturer

By Thuy T. Tran

Nearly 1,000 people filled the Austin Auditorium in February to hear Richard D. Parsons, Time Warner chairman and CEO, speak on the future of media. Parsons' half-day visit also included several meetings with students and dinner with college students and staff.

Parsons began the lecture quoting Yogi Bera: "The future ain't what it used to be." He went on to say that Time Warner is essentially in five different businesses—movies, television, cable TV, publishing, and online services—and although many people might view integrating new technologies as a challenge in such an environment, Parsons sees them as new business opportunities.

"This wave of new media and new technology that is over-sweeping the field is more exciting than it is daunting because at the end of the day it is going to create more opportunities for the traditional media companies that have mastered the art of storytelling, reporting, and branding," he said. "We'll have more ways of distributing what we create and what we brand than ever before."

But he also emphasized the importance of understanding what humans need. "While keeping an eye on technology is important, understanding humans—understanding what people want, what nourishes people, what drives the information and entertainment industries—is going to be equally important," he said.

Parsons' comments on technology and its impact on media were followed by an interview by Jim McAlexander, marketing professor. Business students, faculty, and staff submitted questions earlier in the week. McAlexander also took selected questions from the audience. Following is an edited version of the interview.



Richard Parsons, chairman and CEO of Time Warner, toured Bexell Hall with Dean Ilene Kleinsorge during his visit as part of the Dean's Distinguished Lecture Series.

Jim McAlexander: We have in this audience a fair number of college students who really would have a hard time imagining themselves in your space. As you reflect back on the progress and the things you have accomplished in your life, what were the important points that have allowed you to be as successful as you are?

Richard Parsons: Probably the most significant thing, for me, in terms of my professional development was getting married and marrying the right person. When I was younger person, I was pretty much a wild man. I thought reasonably well of myself and I didn't have any reason to prove anything to anybody else. And then I met someone and it was important to me what she thought of me. And that changed my life. It turned me around and caused me to be purposeful and focused.

After that, you just take one step at a time and you do as well as you can do at whatever it is you've been asked to do. Even though my career is a little bit disjointed in that I started out in law, then went to banking, then ended up in entertainment, it's essentially been built one brick at a time by focusing on the job at hand. For me, the task at hand always took time, focus, energy, effort, and commitment. At the end of the day, if you are successful at what you are doing, whatever it is, that's the pathway to the next opportunity.

JM: The College of Business at Oregon State has made a strong push to develop programs in entrepreneurship through the Austin Entrepreneurship Program. One of the questions that students seem to grapple with is: What role does entrepreneurship have in the large corporate environment? What part does entrepreneurship play in ensuring that Time Warner has a future?

RP: I had the privilege of working side by side for 10 years with one of the premiere entrepreneurs of the twentieth century, Ted Turner, and another guy who was pretty darn good himself, Steve Case. Both of them started businesses and grew their businesses into rather substantial entities. They were very different from me. I am not an entrepreneur. I am what I call a professional manager. The difference is in risk tolerance and skill assets.

Ted used to tell me all the time that he almost went broke four times. In fact, he was right up against the wall in his business four times. Ted was starting a business and he played the game as if he had little or nothing to lose. Now when you are in a large established business, when you've got a lot to lose, you can't play. You can't always bet the house because eventually you are going to lose it. This is the entrepreneur's dilemma. At some point in time, those skills that made you successful as an entrepreneur—drive, fearlessness, ability to take big risks, and to bet the house—become the antithesis of what you need, which is prudence, judgment, discipline, and restraint.

Now, why do businesses go over the falls? Because they lose their risk tolerance and they become too cautious. The big challenge we have in America—and that I have in my company—is how to get the right balance, how to keep a group of entrepreneurs who are not risk averse, who are imaginative and innovative, and who have the will and the drive to take risks

and potentially fail. Most people, in life and also in business, are afraid of failure. They don't want to fail, so they avoid risks. Entrepreneurs are the exact opposite. You need some of that in a company like ours. But the more you have to lose, the more responsibility you have to preserve, protect, and enhance.

Getting the balance right is what keeps a company vibrant for the long haul. So you look at a GE that has been around for more than a hundred years. They are still a vibrant company because they have gotten the balance right between entrepreneurship and discipline, or business management. I say that if I get paid for anything, that's what I get paid to do—to make sure we have the right balance.

JM: Copyrights of contents owned by Time Warner have been extended every time they seem about to expire. It is taken for granted that the expiration of copyrights would be a serious blow to Time Warner. Is it possible that the presence of old movies and music in the public domain might stimulate creative activities, and in that way provide value?

RP: One of the things that digital technology has enabled is the perfect replication of any form of media and the distribution of that in millions of perfect copies around the globe instantly. So one of the big challenges for our industry is how you protect intellectual property—not necessarily for how long, but how you protect it in the first place. I think that's a very serious question that lots of younger people don't quite fully grasp. I have had any number of young people, including my own kids, say, "Well, why shouldn't music be free?"

As you look at the modern history of content creation, whether it is music, movies, television, or books, those countries that have serious copyright laws have been the most prolific in turning out content. Those countries that have had no copyright laws have lagged. If we entered a world where no one can protect the product of their own ingenuity, it will very much dampen the amount of creative output we get out of the world. I think people are more prolific, more innovative, more creative, more imaginative, when they can own the product of their imagination or intellect. Should it be

(Continued on page 28)





(Time Warner CEO — continued from page 27)

for a year or ten or one hundred? That we can debate and get at some sort of quantitative analysis around.

I think copyright as a concept is not a twentieth century concept that has outlived its usefulness in the twenty-first century. I think it is very much an important concept going forward and that to the extent it gets disregarded or obliterated, you'll see less, not more, innovation—less, not more, creativity.

JM: You moved from the financial sector to Time Warner and quickly began directing content-based media. As a manager, what sorts of management issues strike you as truly unique to media companies—the kind of issues you wouldn't bump in to in investment banking?

RP: I do think media and entertainment companies are different than industrial companies. I'll start with the general and work my way to the specific. In a typical industrial enterprise, the secret patent is very important, the production line is very important, but the people are more interchangeable. You want people who are responsible, diligent, and competent. But it's the widget, the tool, or the patent that is at the heart of your business. In a creative business, you don't have anything if you don't have the hearts and minds and commitment of your people. So in managing creative people you need a different toolkit than managing a big industrial enterprise. In a creative enterprise, you have to approach the people differently.

When I first joined Time Warner, I was put in charge of a lot of things that were outside the corporate functions—things that didn't fall neatly into one of our divisions. We had a joint venture with Quincy Jones and another one with Madonna where essentially you put up the money, they put up the creativity, and you split the profits. So I'm going to this meeting with Quincy and his partner and they had a hundred things they were working on. They were explaining to me that the arrangement wasn't working for them, and we kept going through what the arrangement was and how it has gotten there and how we renegotiated it and we had these trade-offs—they agreed to do this, we agreed to do that. And they said, "Yeah, but we're not happy." And I would say, "Yeah, but you know we had this negotiation—you gave this up, we gave you that for this and so on." And they said, "Yeah, but we're not happy."

I was actually flummoxed by this because—what does that have to do with anything, right? And you realize that if you are dealing with creative talent and they're not happy, you are toast. Somehow you have to figure out how to put creative people in a mindset where they want to create. And if they're not happy, they're not going to do that. So I could make all the arguments that a lawyer would make about what the trade-offs were and why this was really a fair deal and why they should be happy, but what I learned was that you actually have to get them there. ♦



Parsons met with several student groups prior to his lecture.

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Alumni and Business Partners Honored

Some of Oregon's most noted names in business took center stage on May 4, 2006, as the College of Business presented its 2006 Alumni and Business Partner Awards at the Embassy Suites in Portland. More than 200 people attended the event.

Most prominent among the evening's recipients were the college's Hall of Fame inductees—OSU alumni who have made "sustained and meritorious business contributions throughout their careers." Dean Ilene Kleinsorge and OSU President Ed Ray lauded the Hall of Fame inductees for their respective lifetimes of success and philanthropy.

Hall of Fame inductees were Stanley Hong ('59), former president and CEO, Waste Management, Hawaii; Duane McDougall ('74), president and CEO, Willamette Industries; and Al Reser ('60), president and CEO, Reser's Fine Foods.

"What sets these individuals apart is their full commitment to both their professions and the community-at-large," said Kleinsorge. "This is a distinguished, worthy group of honorees."

Hong was honored for his work in Hawaii's corporate, nonprofit, and professional communities, most notably in the tourism industry. McDougall was praised for his work at Willamette Industries and his support for the OSU Austin Entrepreneurship Program. Reser developed dips for chips and created Reser's first private label while at OSU. His family owned business continues to support the Austin Family Business Program.

(Top row) Elise McClure, Kim Brockamp, Laurie Russell, Joyce Furman and Gayle Fitzpatrick. (Front row) Duane McDougall, Al Reser, Jack Wilborn, Ryan Hildebrand, Stanley Hong and Jeff Jones on behalf of Stockamp & Associates.



Awards were also presented in four other categories:

1. The Distinguished Business Professionals awards were presented to Gayle Fitzpatrick, group vice president of sales consulting, Oracle Corporation; Elise McClure, vice president, tax and customs, Starbucks Corp.; and Jack Wilborn, managing partner, KPMG International, Portland.
Fitzpatrick rose through Oracle's ranks and now oversees its top strategic accounts. She also participated on the college's Business Advisory Council.
McClure is responsible for Starbucks' worldwide tax and customs functions and has been involved in several Starbucks acquisitions. Wilborn leads the KPMG Portland office and is a regular speaker for the college's Accounting Club.
2. Distinguished Early Career Business Professionals prizes went to Kim Brockamp, administrator, Oregon Department of Corrections, and Laurie Russell, marketing director, OSU Federal Credit Union. Brockamp manages a statewide program for 13,000 prison inmates and is active in her local community.
Russell has managed award-winning marketing campaigns and set a standard for credit union member relationship management programs.
3. The Distinguished Young Business Professionals honor was given to Ryan Hildebrand ('04), associate, Pricewaterhouse Coopers LLP. He is involved in Portland area entrepreneurship organizations and is active in the Austin Entrepreneurship Program.
4. The Distinguished Business Partners awards went to Craig Chambers, general agent and managing partner, Oregon Financial Services Group/MassMutual Life Insurance Group; Joyce Furman, philanthropist and community leader; and Stockamp & Associates, a national provider of performance improvement solutions for health care companies.
Chambers, whose family has historically supported OSU, partners with the Austin Family Business Program to deliver workshops. Furman was honored for her youth advocacy and participation in the Austin Entrepreneurship Program. Stockamp & Associates has supported the college's management information systems program and hired several students as interns and employees. ♦

Ilene K. Kleinsorge, Dean
Sara Hart Kimball Chair

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