



The Exchange

The Oregon State University College of Business Magazine ♦ Fall 2008

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The Exchange — Fall 2008

Contents

Honoring Notable Alumni and Business Partners.....	4
Celebrating Achievements.....	7
Venture Development Fund: An Easy (and Inexpensive) Way to Support OSU.....	9
Charitable Remainder Trust Helps Alumni Couple Make Generous Pledge	9
Professor Provides Answers to Declining State Corporate Income Tax.....	10
Online Researcher Explores the Network of Innovation	12
Breaking New Ground in Entrepreneurial Research.....	14
Innovator Brings Passion for the Chase to OSU	16
Austin Programs Now All in the Family	18
Professor Promotes Lean and Green Business.....	20
People's Behavior Intrigues Managerial Accounting Research	22
Taking a Fresh Look at Financial Economics	24
Marketing Professor Studies Emotions behind Buying Habits	26
Xerox Corporation President Gives Dean's Distinguished Lecture.....	28
Project Management Team Organizes Video Game Tournament for Charity.....	30
College Hosts Sixth Annual Integrated Business Project Competition.....	32
Take a Quick Survey, Win a Prize.....	34

Front cover: Bexell Hall. Photo by Karl Maasdam

Back cover: Summa cum laude graduate of the University Honors College and the College of Business, Nicole Cecchini, proudly led fellow graduates to the commencement ceremony on June 15, 2008. Photo by Ryan Gardner

Achievements Recognized, New Horizons in View

During this exciting 100th anniversary year at the College of Business, we are looking backward to our rich history and forward to a future filled with promise and potential. Our celebration activities included the Centennial Alumni and Business Partner Awards dinner, where we honored alumni dating back to the class of 1940 for their varied and influential contributions to business. We also paid tribute to many of our gifted faculty, staff, and students at the college-wide Celebration of Achievement.

Many of our most foundational programs, scholarships, and research projects would not be possible without the generous support of our alumni. In particular, we express our heartfelt gratitude to Duane and Barbara McDougall, who are supporting our Venture Development Fund; Judith Atwood Youde and Jim Youde, who recently made a significant pledge by establishing a Charitable Remainder Trust to benefit our students for decades to come; and Thomas W. Toomey, whose contribution made it possible to establish the Mary Ellen Phillips Professorship in Financial Accounting, currently held by Jared Moore.

Our ability to attract and retain innovative scholars speaks well of our reputation as an academic institution committed to supporting relevant education. In this issue, we profile the eight new faculty members who recently joined our ranks. Cory Cromer, Bobby Garrett, Ted Khoury, and Dayna Simpson filled vacant posts in our entrepreneurship and management disciplines, bringing with them bold new ideas. In addition, we're proud to announce that Robin Klemm has been named director of the Austin Family Business Program. She brings considerable experience and energy to one of

our landmark programs. And finally, we welcome Kristian Mortenson to our accounting faculty, Dave Berger to finance, and Colleen Bee to marketing. These dynamic individuals bring fresh perspectives to their academic fields.

OSU business students learn not only from our top-notch faculty, but also from industry leaders who come to campus to share their wisdom. In January, Xerox President and Dean's Distinguished Lecturer Ursula Burns shared six business principles that enabled Xerox to pull itself back from the brink of disaster.

Cultivating success in real-world business activities is one of the ways we prepare our students to become profession-ready. Erik Larson's project management class gives undergraduates an opportunity to try their wings at planning, organizing, implementing, and evaluating a business venture such as the gaming competition that was the brainchild of one of Larson's teams. It gave gamers a chance to pit their skills against the competition while supporting a worthy cause and giving the "Halo 4 Heroes" team a chance to put cognitive learning into action. At the graduate level, the Integrated Business Project competition gives MBA students an exceptional opportunity to test their venture development and sales skills while getting invaluable feedback from successful entrepreneurs.

We've come a long way during our first century of providing business education, and we want you to be an integral part in planning the next 100 years. One way you can do this is to take the survey designed by marketing professors James McAlexander and Hal Koenig. The information you provide will give us important guidance as we do our visioning and planning for the future. Please take a few minutes to help us continue to provide cutting-edge education for tomorrow's business leaders.



Ilene K. Kleinsorge, Dean
Sara Hart Kimball Chair



Honoring Notable Alumni and Business Partners

By Abby P. Metzger

The College of Business honored some of the nation's most prominent business professionals during the 2008 Centennial Alumni and Business Partner Awards dinner in Portland on May 1. Approximately 500 people attended the event—some who traveled across the globe to participate in the celebration.

The awards dinner acknowledged influential leaders and celebrated the 100th anniversary of the college. “This is a milestone year for the College of Business,” said Dean Ilene Kleinsorge. “Our Alumni and Business Partner Award winners and centennial honorees signified outstanding individuals who have helped us forge a 100-year legacy of academic excellence and achievement.”

Donald L. Bower ('48) garnered the most prestigious award—the Hall of Fame. The award recognized Bower's 38-year career with Chevron and his leadership in the company's exploration, production, and oilfield land activities. It also honored his contributions to employee and labor relations. Bower gave a heartfelt acceptance speech that recounted some notable points in his career. He told attendees that his involvement in the Business and Industry Club enabled him to meet a representative from Standard Oil Company, Chevron's predecessor. From that meeting, Bower secured a job as an “area salesman,” which was actually a position as a tank truck driver. “I was very fortunate—starting as a tank truck driver and ending up as vice chairman of the board,” he said.

Distinguished alumni and business partners were honored in four other categories.

Stephen Nigro won the Distinguished Business Partner award. As senior vice president of the imaging and graphics business at HP, Nigro was acknowledged for his guidance in developing new printing and electronic imaging technologies and solutions.

At left: Centennial honorees from around the world gathered in Portland to celebrate the college's 100th anniversary. Photo by Andrew Daddio



OSU President Edward Ray (left) and College of Business Dean Ilene Kleinsorge (right) recognized the 2008 award winners (from left): Brian Oliver, Stephen Bailey, Kathy Miller (accepting the award on behalf of Stephen Nigro), Donald Bower, and Joshua Bruegman.

Stephen M. Bailey ('70) won the Distinguished Business Professional award for his work as the chief financial officer and senior vice president of finance for FLIR Systems, Inc., a thermal imaging company. Bailey helped grow FLIR Systems to a 1,700-employee operation with expected revenues of more than \$1 billion in 2008.

Brian A. Oliver ('87) received the Distinguished Early Career Business Professional award. As the executive vice president for Aequitas Capital Management, Oliver facilitated more than \$500 million in financial transactions for the alternative investment management firm headquartered in Portland, Oregon.

Joshua Bruegman ('02), a vice president and wealth manager with JPMorgan Private Bank, received the Distinguished Young Professional award. Bruegman advises wealthy families, senior executives, and mid-size foundations and endowments.



The Portland Tribune, represented by President Steve Clark (left), and the OSU College of Business, represented by Dean Ilene Kleinsorge (right), partnered to create the Outstanding High School Business Educator Awards. Inaugural winners were (from left) Rollie Marshall, Jon Abel, Melinda McClure, Mark Siegel, and Adriann Spencer.

In addition to the alumni and business partner awards, the College of Business and Portland Tribune—the premier sponsor of the event—honored five high school teachers with the Outstanding High School Business Educator Awards. The awards identified educators who have improved student learning and achievement using innovative and exemplary instructional strategies. Jon Abel from North Salem High School, Rollie Marshall from Nyssa High School, Melinda McClure from Phoenix High School, Mark Siegel from the Delphian School, and Adriann Spencer from Centennial High School received the awards.

As a tribute to its centennial, the College of Business acknowledged an additional 100 influential alumni at the awards ceremony. Cheers and applause erupted from attendees as the names and photos of the 100 individuals scrolled across a projector screen.

Kleinsorge closed the event with praise for the college’s heritage and encouragement for future prosperity. “What we did yesterday speaks to the present, and what we do right now speaks to the future,” she said. “I am confident that with enough support and enough determination, our followers will feel the tremor of our footprints.”

Centennial Honorees

David Andersen ('80), Donald Atkinson ('89), Ken and Joan Austin ('53), Stephen Bailey ('70), Robert Bauer ('57), John Beardsley ('62), Patricia Bedient ('75), Donald Bower ('48), Brian Bronson ('93), Janie Brown ('66), Larry H. Brown ('58), Larry L. Brown ('75), Bradley Bullock ('81), Brentley Bullock ('83), Bryan Bullock ('87), Scott Burri ('86), Neva Campbell ('55), Richard Campo ('76), James Clark ('82), James Coleman ('58), Michael Cook ('79), Tad Davies ('78), Gary Dennis ('55), Derek Ebel ('93), Wesley Edens ('84), Majd El-Azma ('87), Wayne Ericksen ('58), Douglas Feldkamp ('83), Gary Feskens ('76), Ruth Fisher ('54), Gayle Fitzpatrick ('78), Craig Froude ('89), Robert Gallo ('56), Pamela Garcia ('81), R. Stevens Gilley ('56), Steven Gomo ('74), John Gray ('40), Richard Gustafson ('88), Karen Harding ('91), Bradley Harlow ('79), Scott Hildebrandt ('78), Linda Hirneise ('75), Terry Holden ('72), Stanley Hong ('59), Bruce Hraba ('67), Craig Huntington ('73), Randy Jespersen ('75), Mark Kralj ('77), John Lefferts ('80), Allen Leggett ('60), Karen Levear ('85), Joseph Lobbato ('80, MBA '82), Jon Masterson ('61), Elise McClure ('81), Duane McDougall ('74), Gerald McElroy ('65), Frank Morse (MBA '70), Bernard Newcomb ('65), Brian Oliver ('87), Paul Owen ('89), Robert Pace ('84), Diane Paddison ('81), James Parkin ('86), Tod Perkins ('86), Randall Pflughaupt ('82), Kenneth Poorman ('61), John Porter ('83), Peter Potwin ('72), Dennis Powell ('70), Alvin Reser ('60), Michael Rich ('81), James Robb ('54), Donald Robert ('82), Eric Schoenstein ('88), James Schupp (MBA '79), William Scott ('69), Sally Smedal ('82), Harley Smith ('59), Peter Smith ('83), Scott South ('83), Matthew Spathas ('80), Bertrand Sperling ('72), John Stirek ('82), Ronald Susa ('80), Beth Taylor ('81), Kenneth Thrasher ('71), Arthur Tokin (MBA '71), Thomas Toomey ('82), Thomas Usher ('70), James Vannice ('70), Pamela Vukovich ('76), Marion Weatherford ('83, MBA '88), Francis Weis ('72), Dan Whitaker ('81), Jack Wilborn (MBA '71), James Williams (MBA '67), Michael Williams ('84), Corey Yraguen ('92), Steven Zamsky ('90), Steven Zika ('79).

Celebrating Achievements

By Abby P. Metzger

At the close of every year, the College of Business takes a break from workday rigors and celebrates the achievements of faculty and staff with an awards dinner. The gathering is a chance to exhale before beginning a new year and give a pat on the back to college employees. This year, the awards dinner expanded to include recognition of college-wide achievements in addition to individual achievements.

The event, which was held June 6 at Salbasgeon Suites, recognized the accomplishments of faculty and staff, students, programs, alumni, and research projects. Fittingly, the college renamed the event the College of Business Celebration of Achievement.

Like previous ceremonies, the college acknowledged 11 faculty and staff with specific awards for their teaching, scholarship, and service during the 2007-2008 academic year.

Management faculty member Tom Dowling received the Betty and Forrest Simmons Excellence in Graduate Teaching Award, an honor established this year by a generous gift from Betty and Forrest Simmons. Dowling tirelessly mentored MBA students, and his commitment to the program has markedly improved the annual business project competition.

The Byron L. Newton Award for Excellence in Teaching went to Don Neubaum, assistant professor in management. Neubaum was honored for his classroom teaching skills, presentation of a challenging curriculum, and consistently high evaluation scores.

The Excellence in Scholarship Award went to Julie Elston, assistant professor in international business at the OSU-Cascades campus. Elston received a significant grant of nearly \$35,000 from the Kauffman Foundation and has published several scholarly papers.

At right: 2008 faculty and staff award winners (from left): Carol Brown, Jim Coakley, Cheryl Hoflich, Erik Larson, Nikki Brown, David Baldrige, Tom Dowling, Mark Van Patten, and Jimmy Yang. Julie Elston and Don Neubaum were not present. Photo by Ryan Gardner

Jimmy Yang, assistant professor in finance, received the Outstanding Faculty Service Award. Yang was heralded for his involvement in the Investment Group and the Finance Club. Yang was also instrumental in organizing an Investment Group trip to the New York Stock Exchange.

Mark Van Patten and Cheryl Hoflich won the Outstanding Professional Faculty and Staff Award. Van Patten, director of the Business Solutions Group, received the accolade because of his stellar leadership in developing a self-supporting unit and teaching and training a student workforce. Hoflich, the administrative assistant for academic programs, was recognized for efficiently managing the paper flow for faculty promotion and tenure, and securing permission for international hires to work in the United States.

Erik Larson, professor in management, received the Gazette-Times Faculty Leadership Award. Because of his leadership during his project management courses, a dozen student teams hosted fundraisers and donated approximately \$14,000 to different charities, including the American Cancer Society and the Children's Miracle Network.

Four other faculty and staff received Newcomb Fellowships. The Newcomb Fellowships were established by Bernie Newcomb ('65), co-founder of E*Trade. "His generous endowment makes it possible for us to recognize outstanding contributions to the mission, vision, and strategic development of the College of Business," said Kleinsorge.



The first Newcomb award went to David Baldrige, assistant professor in management, for his scholarly publications in front-running journals and his exceptional classroom management skills. Carol Brown, associate professor in accounting, won a Newcomb for spearheading curriculum changes and working behind the scenes to enhance diversity at the College of Business. Nikki Brown, director of the Close to the Customer Project, took home a Newcomb for her competence as a marketing mentor and her excellent team-playing skills. The final Newcomb went to Jim Coakley, associate dean for academic programs. Coakley was commended for revamping curriculum and providing critical leadership in recruitment efforts, scholarship funds, and internships.

In addition to announcing the 11 individual awards, Dean Ilene Kleinsorge praised College of Business research, students, and programs.

Faculty published at least 30 peer-reviewed articles, and several faculty were recipients of fellowships or endowments. Byron Marshall, assistant professor of information management, was honored as a KPMG Fellow for his role in securing the Information Systems Audit and Control Association certification for the accounting and management information systems curriculum, making the college one of only six higher learning institutions in the country and one of only 13 in the world to receive this recognition.

During this past year, faculty members Clay Dibrell, Nancy King, and Julie Elston were named Fulbright scholars. The distinction recognizes their research in entrepreneurial start-up ventures, mobile commerce privacy, and the impact of science on policies, respectively.

“Our faculty excelled individually as well as collaboratively across disciplines,” said Kleinsorge. “And they worked diligently to uphold our mission of graduating top-notch business students, well-versed in business technology, sustainability, entrepreneurship, and the global economy.”

Likewise, College of Business students made strides during the 2007-2008 school year. “Our students responded decisively to scholastic challenges and proved to be flexible, knowledge-driven learners. They won awards, scored high on exams, and self-organized in student clubs to further experiential learning opportunities,” said Kleinsorge. Four students won first prize in the 2008 Bertson Porter/University of Washington Master of Professional Accounting Tax Competition in Seattle earlier in the school year. Two other College of

Business students took fourth place at the 2007 Eller Ethics Case Competition at the University of Arizona, which aims to promote academic integrity and ethical character development. Finally, the Oregon State Investment Group successfully organized a trip to the New York Stock Exchange.

College of Business programs also made headway. The Close to the Customer project mentored 30 students and provided marketing services to clients such as Gerber and the OSU Federal Credit Union. The Business Solutions Group undertook two new projects that will increase citizen transparency and participation in how tax dollars are spent.

Both the Austin Entrepreneurship Program and the Austin Family Business Program hosted new events that increased the visibility of the college and engaged the campus community. The Austin Entrepreneurship Program launched the New Enterprise Challenge—one of the college’s efforts to be a catalyst and energizer for commercializing OSU innovations. The Austin Family Business Program organized the Student-to-Student Conference. In this networking event, students got advice from keynote speaker Pat Reser (education ’60), as well as from senior and next-generation panelists.

During the celebration, Kleinsorge stressed the importance of collaboration and noted the collective achievements of the College of Business.

“Individual contributions are powerful in their own right, but in concert they can move mountains,” she said. “And that’s why we’re here tonight—to show the impact our alumni, staff and faculty, students, programs, research, and outreach efforts create across the university, the state, the nation, and the world.”

Kleinsorge also pointed out that everyone in the college played an important role in furthering its mission and values. “We have all stretched our limits, and we have all worked hard to build a foundation of excellence while traversing new ground,” she said. “Congratulations to every single one of you.”

Venture Development Fund: An Easy (and Inexpensive) Way to Support OSU

By Sara Zaske

Last December, Duane McDougall ('74) and his wife Barbara made a \$50,000 gift to Oregon State University.

The total amount out of their pocket was \$2,500.

The McDougalls gave to OSU's Venture Development Fund, which supports the commercialization of research at OSU and provides donors with special tax benefits. Oregon taxpayers who contribute to the fund are eligible for a 60 percent state tax credit in addition to a federal tax deduction. For some donors, that can mean as little as a five percent out-of-pocket cost for their gift.

"There are two benefits: most importantly help OSU, and secondarily, help your own tax situation," said McDougall, the former CEO of Willamette Industries.

Through gifts to the Venture Development Fund, donors can help promising research ideas become commercial products, strengthening the state's economy, and improving lives.

For more information about either of these giving opportunities, contact the OSU Foundation at 800-354-7281 or OSUFGiving@oregonstate.edu

Charitable Remainder Trust Helps Alumni Couple Make Generous Pledge

By Sara Zaske

Judith Atwood Youde (business education '62) and Jim Youde (agricultural economics '62) have always felt a strong attachment to OSU. It is where they each received an education that launched their careers—first as teachers and later as business owners. It is also where they met each other.

To help future students, the couple recently pledged \$1.4 million to support several causes at OSU, including scholarships for business students.

"We owe a huge debt to OSU, and we are fortunate to be in a position to give back," said Judith.

The Youdes were able to make such a generous commitment in part by taking advantage of a charitable remainder trust. Through this giving method, donors contribute appreciated assets, free of any capital gains tax liability, to create the trust. The trust then provides them with an income stream for their lifetime or period of years. At the end of the trust, the remaining principal becomes a gift to the university.



Karl Maasdam

Professor Provides Answers to Declining State Corporate Income Tax

By Gregg Kleiner

Growing up amid the tumbleweeds and oil derricks of West Texas and the mountains of Colorado, Jared Moore always felt he had a natural ability with numbers. But he also was attracted to music—especially playing the bass guitar. He wrestled with which career path to pursue: columns of numbers tallied on a ledger sheet or musical notes scattered across sheet music.

Ultimately, numbers got the nod and, if accolades are any indication, it appears that Moore made the right choice. This spring, he was named the inaugural Mary Ellen Phillips Professor of Accounting at OSU (*see sidebar*), where he is engaged in innovative research aimed at shedding light on why state corporate income tax (SCIT) revenues across the country appear to be shrinking instead of swelling.

Moore won a teaching award during his first year at OSU, and he is one of three faculty advisors who helped coach a team of OSU accounting students to a first-place win in the Berntson Porter/University of Washington Master of Professional Accounting Tax Competition this year.

With degrees in accountancy, taxation, and business administration from Arizona State University, Moore logged seven years in Arizona's private sector as a CPA and manager before being recruited to the OSU College of Business two years ago. He is now happily settled into his position.

"Academia is quite a change," he said. "It was fun solving problems for clients in the private sector, but I get a great deal of enjoyment from helping OSU students succeed. I feel I get more bang for my buck being an educator and researcher."

At right: Jared Moore, recipient of the Mary Ellen Phillips Professorship in Financial Accounting, conducts innovative research and mentors accounting students inside and outside the classroom.



Mary Ellen Phillips taught accounting at OSU for more than 20 years and mentored many students who went on to become business leaders.

Moore's recent research deals with some of the likely causes for the decline in state corporate income tax revenues in many states between 1982 and 2002. He co-authored a journal article about the work, which is currently under review at the prestigious *National Tax Journal*.

This revenue decline baffles economists because it coincides with increasing corporate profits as a share of national income and does not correspond with the trend in federal corporate tax revenues. Many states currently raise more revenue from lotteries or tobacco and fuel excise taxes than from state corporate income tax.

"In relative terms, compared to economic indicators such as federal corporate taxable income, total state tax collections, or gross state product, SCIT revenues have diminished significantly over the past two decades for many states, including Oregon," Moore said. "I'm very interested in exploring this issue, particularly the potential role of the various tax policies employed by states."

Conducting research about the inner workings of the state corporate income tax is extremely complex, especially when it comes to the apportionment formula used to allocate the taxable income of multi-state companies among the various states in which they operate. Traditionally, the location of a company's sales, payroll, and property are equally weighted (33.3 percent each) to form the basis for this allocation. However, each state sets its own tax policies, and many "tweak" the apportionment formula weighting to put more emphasis on the sales factor.

"It gets very complicated because in addition to meeting their revenue needs, states also want to offer a business-friendly tax environment to attract companies to locate within their borders, creating a sort of competition between states," said Moore. Some states, including Oregon, base their apportionment formula solely on sales, making the location of payroll and property irrelevant in the allocation.

Although this benefits in-state businesses that "export" to other states, Moore said that, at least in the short run, such moves actually reduce the state corporate income tax revenues for the average state. He and his colleagues discovered that if other factors that influence these revenues are held constant, increasing the sales factor weight from one-third to one-half is associated with a 16 percent decrease in tax revenues on average.

"The traditional argument has been that such business-friendly tax policies are essentially an investment that will pay off over the long term," said Moore. "But more research is needed to assess the true long-term payback and economic impact of these policies." His future research will look into this more closely.

To further complicate matters, states have widely diverse sets of tax policies, including differences in statutory tax rates, "throw-back" rules, unitary reporting requirements, diverse ways to define business income, and deductions for federal income taxes—all of which play roles in determining state corporate income tax revenues. Sorting out the impacts of so many variables takes time.

"This is the nature of research in my discipline," said Moore. "Many of the issues you want to study are so huge and complex that, realistically, you can examine only one piece at a time. But if different researchers address different pieces, we can collectively come to a better understanding of the issue and draw better conclusions about it."

Significant research has been conducted at the federal level when it comes to corporate taxes, but the state level is a different story.

"Relatively few academics, particularly in accounting, have looked at state corporate taxes," said Moore, "so it's an area that offers a lot of opportunity for additional research. I'm looking forward to further exploring those opportunities."

Moore still plays a mean bass guitar during those rare spare moments that surface for a new professor who is also the father of a two-year-old daughter.

OSU alumnus Thomas W. Toomey ('82) of Evergreen, Colorado, recently committed \$1 million to OSU to establish an endowed professorship in honor of his former OSU accounting professor, the late Mary Ellen Phillips.

Phillips, who died in February 2008, taught at OSU for more than 20 years and mentored many students who went on to become business leaders, including Toomey.

Toomey is president and chief executive officer of UDR, Inc., an S&P 400 company that owns and manages more than 43,000 apartment homes in targeted markets in the United States. He credits Phillips with giving him the educational foundation that helped him succeed in his career.

In May, the OSU College of Business selected Jared Moore as the first holder of the Mary Ellen Phillips Professorship in Financial Accounting. Incidentally, Moore attended junior high and high school in Evergreen, Colorado, the town Toomey currently calls home.

"This professorship means a great deal to me," said Moore. "Not only will it enable me to enhance my research and teaching, it's a tremendous honor just to have my name associated with Mary Ellen's, given her impact on the college and on the accounting profession."

Ilene Kleinsorge, dean of the OSU College of Business, said Moore has the combination of talents that reflect Mary Ellen Phillips' strengths and values. "Jared Moore is an excellent teacher who strongly contributes to the success of our students, and he's committed to quality research that furthers the body of knowledge in his field," said Kleinsorge.



Cory Cromer

Online Researcher Explores the Network of Innovation

By Warren Volkman

You won't find Cory Cromer on RateMyProfessor.com—he is too new on the job. Cromer earned his PhD from the University of Massachusetts at Amherst in January 2008 and is just settling in as assistant professor of marketing and entrepreneurship at OSU.

You won't find his face on Facebook.com, either. And he hasn't staked his virtual space on MySpace.com.

In fact, the intense, no-time-to-waste professor doesn't have much personal use for social networking sites. Nevertheless, his research could make him the expert's expert on the design and implementation of online environments.

If Cromer finds the keys to unlock social networks, he will try those keys in much more lucrative locks—those that focus on innovation and new product development. He is advancing new ways to visualize networks that will reveal how innovation and technology propagates, spinning out new products in the marketplace. His analysis may reveal why a few products make it while thousands of others don't.

Networking was not Cromer's original interest. As an undergraduate at Montana State University in Bozeman, he took up to 26 credits each term to complete both the pre-med curriculum and a business degree. He turned down an invitation to medical school and joined the research and development teams at a series of biotechnology companies, including Genentech in South San Francisco and Genzyme, in Cambridge, Massachusetts.

During the next nine years, Cromer was involved in the launch of more than 23 new products. It was a brilliant start to a successful career, but his fascination with new product development and network theory drew him back to school at the University of Massachusetts at Amherst. He polished off a five-year PhD program in three and a half years. "Why take longer?" he asks rhetorically.

Cromer's dissertation is titled *Knowledge Nets: The Role of Total Market Orientation on Dynamic Capabilities in Network Environments*. To explain his

virtual-world research, he compares an online networking site to a 500-room building. In this analogy, every room is different and is constantly being redecorated. Cromer would want to know what happens when thousands of people pass through that building: Where do they go? Which rooms are crowded? Which are empty? What well-worn paths emerge? Beyond that, which rooms see a parade of people passing through, and which seem to invite people to stop and stay for a while?

"If people walk into the building and always end up in one room, then that room is an extremely powerful magnet," he said. "What's special about that room? Classically, we would look for eight to 10 drivers, like the color of the rooms, what's on the walls, the height of the ceiling, heat, windows, furniture, fixtures, and proximity to the building's entrance. But there are many more elements that can be modeled."

How many more? For his initial analyses of social networking sites, Cromer tried 20,000 variables. That was a bit unwieldy, so he pared it down to a mere 3,000. Multiply that by about 15 million people, and you begin to understand the size of the data sets Cromer is playing with. Excel spreadsheets are out of the question. He crunches numbers with SAS (Statistical Analysis System) and SPSS (Statistical Package for the Social Sciences).

To prove his network theories, Cromer needs vast amounts of data. The standard approach to Web metrics, which essentially consists of counting clicks and tallying page views, is woefully inadequate. "It's so not about click rates," Cromer says, shaking his head.

So what kind of data could he use? He would love to use cell phone data, but calling records are protected by privacy laws. Traffic data—tracing the pathways of people along the nation's highway network—are easier to get. But thanks to his years in biotechnology, Cromer knew just where the treasure troves were stored—in metabolic pathway data.

In their quest for new medicines and genetic techniques, biotechnology companies tinker with the inner workings of living cells, mapping and measuring metabolic pathways—the individual strands in the network of life. With a few phone calls and emails and payment of modest fees, Cromer was granted access to some biodata, which he imported into SAS and analyzed. It was in data from the humble *E. coli*—one of the simplest single-cell organisms—that Cromer first observed "blocks" of activity.

Because his knowledge uniquely encompasses both biotechnology and network theory, Cromer suspected that biochemical behavior on pathways in the cellular environment would be similar to the behavior of people navigating through a networked environment. He searched some social networking data and his expectations were confirmed—hidden within the mass of data were blocks of activity anchored by just a few variables.

"As you walk through your social networking account, there are upwards of 20,000 variables that affect you, creating the online environment," he said. "Then suddenly there are these blocks that are so much stronger than all the rest. I have mathematically proven that these blocks exist. These blocks are anchored by only about 16 variables at any given time."

When new products and technology are introduced into the marketplace, they too are surrounded by thousands of variables. Cromer is confident his research will identify key variables along the path from lab to living room—variables that anchor blocks of activity that signal success or even protect against competition.

"The Holy Grail is to identify these blocks and understand how they connect," he said. "If you can prove those connections, then you can make drastic improvements in the mapping of innovation processes for the highest rate of success in new product development."

Cromer is happy to be back in the Pacific Northwest. His years of experience in the technology sector and new product development fit nicely with the college's emphasis on innovation and entrepreneurship.

"I was particularly impressed with his experience with start-ups and his understanding of product innovation and how to prototype innovation," said Dean Ilene Kleinsorge. The classes he is teaching cover innovation, product management, and venture management.



Bobby Garrett

Breaking New Ground in Entrepreneurial Research

By Marie Oliver

“Discontent is the first necessity of progress,” said Thomas A. Edison, world-famous American inventor. In Bobby Garrett’s case, it was discontent with top-level management practices within the corporate environment that led him to conduct ground-breaking research on corporate entrepreneurship—a study that will provide the field’s first quantitative data set.

Garrett, who is beginning his academic career as an assistant professor at the College of Business this fall, spent a year traveling around the Midwest interviewing and surveying CEOs and executives about corporate venture projects to provide data for his recently completed dissertation and future research projects. His research promises to provide a truly unique, in-depth view of what works and what doesn’t work in corporate entrepreneurial activities. Prior studies have offered only anecdotal evidence or case studies that were qualitative in nature.

“There was no quantitative data set from which researchers could get statistical results on what leads to internal corporate venture performance—primarily because the data required to do this kind of study are so incredibly difficult to get,” said Garrett. He has gathered broad-based data on 150 internal corporate ventures from which he can build statistical models on venture performance.

After earning a bachelor’s degree in chemical engineering from the University of Mississippi, Garrett accepted a position in the procurement division of a multinational firm in Houston, Texas. At night, he took classes to earn an MBA from the University of Houston. During the day, he was involved in entrepreneurial projects for the company, helping to develop new software and designing organizational renewal processes. He then delivered training on the software and processes to the company’s facilities in the United States and Canada.

Although the projects were successful and met their intended objective of streamlining organizational procedures and providing a comprehensive global knowledge base, Garrett became disillusioned when he saw how executive-level managers were dealing with employees.

“There was kind of a general insensitivity on the part of top managers,” he said. “I wasn’t entirely satisfied with the directions we were going.” He recognized considerable discrepancy between what he was learning in his MBA program and what he was actually experiencing in the business world.

“I started to get really excited about the things I was learning in the MBA program,” he said. “We were learning some of the state-of-the-art theories on how to properly manage a business. There was big incentive for me to get into the realm of learning about these theories on how to properly manage an organization and then start contributing to that knowledge to see how it could be better—not just at my company, but at lots of other companies.”

Since he was enjoying himself and excited about what he was learning, Garrett decided to work toward a PhD in strategic management and entrepreneurship at Indiana University in Bloomington.

“I decided to stay in school for the rest of my life and go get a PhD,” he joked.

Garrett’s research looks at organizations as a whole and asks questions about what corporate managers should be doing to ensure that their creative ventures are successful. He is studying how corporate entrepreneurs share resources and how managers can best demonstrate support and provide encouragement for the company’s most innovative projects.

“It’s kind of like a competition of cultures when you try to embed an entrepreneurial organization within your typically bureaucratic corporation—they can kind of butt heads,” he said. “So how do you create that sphere of entrepreneurship within the corporate context?”

Garrett said one of the most interesting distinctions he has uncovered relates to when it is appropriate for corporate-level managers to get involved in an internal entrepreneurial venture.

“When a venture is more closely related to the parent corporation’s core businesses, then it’s beneficial to the venture for corporate parents to get involved and to share their knowledge and expertise,” he said. “But when a new venture is highly different from its parent corporation’s core businesses—when it truly is a venture in the sense that its products and markets are completely new—then corporate parent managerial involvement is actually detrimental to a venture. It’s not really a helping activity but more of a meddling activity, and in those cases corporate managers should take a hands-off approach and give the venture large degrees of autonomy.”

Garrett will be teaching two classes this year: introduction to entrepreneurship and a new course in venture financing. Venture financing primarily provides a close look at how small business owners obtain financing for their businesses, but Garrett will also offer rich content on corporate venture financing. He points out that although there are many commonalities between corporate ventures and individual entrepreneurial activity, corporate entrepreneurs have additional challenges to address.

“What makes corporate entrepreneurship unique as opposed to the individual entrepreneur is that there is an extra context within which the business exists,” he said, “so there are in fact additional constraints on a corporate venture’s behavior.”

He said both the individual entrepreneur and the corporate venture manager must understand how to get resources, how to train and reward employees, and how to act creatively and innovatively. But the corporate venture manager must also appease corporate executives and compete for resources within the organization.

Garrett is looking forward to a mutually beneficial relationship with OSU.

“What really attracted me to Oregon State is the current commitment by the dean of the business school and other university administrators to the field of entrepreneurship,” he said. “I think my interests and Oregon State’s interests are closely aligned.”

Garrett was married in 1999 to Adrianna Hovenden, who was originally from Roseburg, Oregon. After many years of work as a professional librarian, Adrianna is now a full-time mom of three young children.

Innovator Brings Passion for the Chase to OSU

By Marie Oliver

Ted Khoury's father was a painter and art professor. Khoury, on the other hand, chose to enter the corporate world as an engineer and inventor. Now, as he steps into his new role as assistant professor in the College of Business, Khoury begins to recognize some traits he and his father had in common—curiosity and a love of “the chase” for something new.

“His world was literally a blank canvas that he had to resolve,” he said. “For me, it’s the same thing—starting with something vague and then finding your way out.”

Khoury earned an undergraduate degree in mechanical engineering at the University of Michigan and a master’s degree in biomedical engineering at the University of Texas in Austin. With that footing, he launched a career that led him to develop a passion for finding innovative solutions to business problems.

While earning his master’s degree, Khoury worked part-time in the research department at 3M, a diversified technology corporation with offices across the globe. After completing his degree, he stayed in Austin to work for Motorola as an engineer. Early on, he was asked to join a strategic planning group in the company—a heady experience for the newly minted engineer with no more than 18 months of full-time work experience. It also gave him his first taste of corporate entrepreneurship.

In his new position, Khoury engaged in the fine art of joint venture management, mostly with large Japanese equipment suppliers. “It was a very immediate exposure to what goes on at the executive and corporate level. It was kind of exciting being thrown into all that,” he said. While at Motorola, he also invented technology that gave the company two U.S. patents.

After his father died in 1997, Khoury moved closer to his family and fiancée. He accepted a position in Chicago with a U.S. subsidiary of the Advantest Corporation, a \$2 billion Japanese semiconductor equipment company. At

Ted Khoury

Advantest, he managed research and product development, with an emphasis on intellectual property strategy.

“The company wanted to get into some new markets and they needed the intellectual property to get them there,” he said. “I was tasked with starting a new venture within the company and creating a patent base so they could go into some of these new markets.”

During the next five years, he led a research team and developed micro electrical mechanical (MEMS) technologies for testing semiconductor devices. In the process, he added 38 patents to his resume.

Eventually, however, that form of the chase began to lose its luster.

“Inventing became almost routine and, in some cases, intuitive and straightforward. I was losing some of the thrill,” he said. He was managing people instead of directly engaging with the technical work, and he became “thirsty for something more.” He began to think about starting his own company, but he didn’t feel like he had the right training. For that reason, he decided to pursue an MBA at the University of Illinois at Chicago (UIC).

“I chose UIC because they placed such a strong emphasis on the entrepreneurship curriculum,” he said.

Connecting the dots

Ultimately, Khoury applied his entrepreneurship training and education to corporate entrepreneurship projects at Advantest, and later when he joined Zyvex, a Dallas-based nanotechnology company, as the director of product development.

“It was great because it was a way to test my absorption of all this knowledge and my instincts without putting my family at risk,” he said lightheartedly. He spent many evenings writing business plans, but the concepts never felt quite right to put his energy into, or the timing seemed wrong. “I pulled the plug on a few ideas because they just weren’t right—but I was always kind of chasing a business concept to pursue.”

After Khoury helped Zyvex produce its first products and collect its first revenues, he set out on his own as a technology management consultant. In that capacity, he consulted on licensing strategies with some larger multinational corporations in addition to some “garage entrepreneurs.” His interactions with the latter really captured his interest. “Those ended up being the projects that were the most exciting for me,” he said.

In 2004, Khoury decided to pursue a PhD in organizational studies at the University of Texas in Dallas. As he began his studies, he was still contractually obligated to complete one last consulting project with a company that invented an eco-friendly mosquito control appliance. He had married in 1999, and during his second semester his wife gave birth to twins.

“It was a tremendously busy time period,” he said. In 2007, he helped the company sell the business to investors, and he now sits on the original company’s board of directors.

Khoury said that while earning his PhD, he finally began to “connect the dots” between academia and the business world.

“I started reeling through the memories of my work experiences, and it struck me how real a lot of research was. Likewise, it was easy to pick apart research that just wasn’t grounded in reality,” he said. His first-hand experience taught him how unpredictable joint ventures can be and how much of their success depends on building trust and having an awareness of cultural differences. “I saw it and I lived it. Then, as I read the literature, I felt relieved to find a correspondence between the research and my experiences. It wasn’t just esoteric academic fodder.”

So the chase is still on, but now it has a different direction.

A new kind of chase

“Academic research provides a series of puzzles,” he said. “What motivates me is curiosity—I think that’s something I got from my father. The chase and the struggle and the resolve that comes out of research, and repeating that cycle is engaging for me. And it’s not all that different from chasing an invention. It’s the same thrill of the chase with that complicated mess you need to reconcile.”

Khoury enjoys bringing his research findings into the classroom. He doesn’t want to get lost with his head in the clouds; he wants his research to translate to the classroom.

“I try to talk about my research with undergrads and use them as a sounding wall. Students need to be exposed to more theory,” he said. “I think it’s important not to have the split identity between the classroom and your research world. I try to meld those into each other as much as possible. It’s a way of keeping myself in check and to make sure my research is talking to my teaching.”

Khoury’s research is diverse. One project considered the outcomes of national innovation policies within emerging economies. More recently, his research draws heavily from sociology in explaining how entrepreneurial ventures imitate each other to look more legitimate to their investors, believing that such an approach will increase their chances of survival.

Khoury taught strategic management and international business as part of his graduate training, and earned a teaching award for his efforts the first time out of the gate. At OSU, he will be teaching two courses: technology and innovation management, and introduction to entrepreneurship. The former is a new course for the college that Khoury designed to provide students with a conceptual foundation in technology and innovation management.

“This course will give students a solid foundation in innovation theory and a vocabulary they can use to talk about innovation,” he said. “Innovation is idiosyncratic and the course is intended to demystify it—give it some boundaries. I want OSU students to have an edge in this area, and ideally help them become stronger leaders in entrepreneurship before they are required to perform more applied, outcome-driven work.”

Khoury’s wife Erin is a physician assistant and hopes to find a position locally after the family is settled. Their daughters Nina and Danielle are now three years old. The couple is looking forward to backpacking, biking, and watching independent films in and around Corvallis. Khoury is also a self-described “music fanatic” with a large vinyl record collection.



Robin Klemm

Karl Maasdam

Austin Programs Now All in the Family

By Warren Volkman

With the promotion of Robin Klemm in May 2008, the two halves of a high-powered married couple are each leading key College of Business programs that were established by another influential married couple.

The Austin Entrepreneurship Program, one of the newest programs in the college, has been under the direction of Christopher Klemm since 2007 (see *The Exchange*, Spring 2007). In May, Robin Klemm took the helm of the Austin Family Business Program, one of the oldest family business programs in the country. She had been serving as interim director for eight months.

The Klemms are former East Coast venture capital consultants who were selected independently and at different times for the two posts after extensive nationwide searches.

The Austin Family Business Program and the Austin Entrepreneurship Program were established by Ken and Joan Austin, founders of A-dec, Inc., an Oregon family business that revolutionized dental equipment.

Focusing on family business

Robin Klemm brings a wealth of experience to her new role as advocate and advisor to family business. She served on the faculty of the Wharton School at the University of Pennsylvania, where she earned a PhD in managerial science and applied economics. She co-founded Optimus Consulting with her husband and became a venture capital advisor.

As president of the Philadelphia Council for Business Economics, Klemm was attending a conference at the World Trade Center in New York on September 11, 2001, when the twin towers fell. The world-shaking events of that day were pivotal to redirecting the couple's respective careers, taking them first to Seattle, and then bringing them to Corvallis.

When her husband became director of the program for student entrepreneurs, Klemm did not intend to leave Seattle, where she had established her consulting business and was overseeing the completion of their dream house. However, on visits to Corvallis, she met Ilene Kleinsorge, dean of the College of Business.

“She is the most amazing strategic leader I have seen in a business school,” Klemm said, referring to Kleinsorge. “When she offered me the position of interim director for the family business program, I jumped at the opportunity to work with her.”

Klemm has since discovered that advising family businesses engages all of her business acumen and academic expertise, and that she can make a difference for family businesses.

“Family business is the cornerstone of our economy,” she said. “More than 80 percent of the businesses in this country are family businesses. Family business can be big business. A third of the Fortune 500 companies are either family-owned or family-controlled with enough influence to control strategic direction.”

Expanding the outreach

When Klemm arrived, she learned that the yearly calendar was anchored by two signature events—the Family Business Conference and the Excellence in Family Business Awards banquet, with several smaller sponsored programs throughout the year. She saw an opportunity to expand the program, making its knowledge and resources available to a wider audience through workshops, conferences, and networking events.

“The program has an educational mandate to reach as many families as possible,” she explained, “From years of consulting, I have gained a deep understanding of how family business works. Now I will build on that expertise to take the family business program to the next level. I will be using today’s technological networking opportunities to reach out to more families.”

One of Klemm’s first acts was to convene the first annual Family Business Student-to-Student Conference. “I especially want to network with the next generation of family business leaders across the state,” Klemm said. “I want

them to meet each other, to network, and to relate to each other. These are our future family business leaders. When I get them together in one room, I can inoculate them with information, understanding, and a connection to the Austin Family Business Program.”

Klemm and Sherri Noxel, PhD, the program’s assistant director, are teaching a course on family business management. They are repeatedly amazed by their students’ dedication and passion. Most students immediately engage the course material and set about applying it to their own situations.

“Our family business students developed action plans based upon what they learned,” said Klemm. “They scheduled family retreats, developed succession plans and engaged consultants to help them work out issues. You don’t often get to teach a course with that much immediate power and impact.”

Klemm wants to take the program to the next technological level with interactive learning resources. “We are fortunate at OSU to have a world-class e-campus to help us put our family business management course online,” she said. She is cultivating volunteers and looking for students who can direct some of their passion and energy to the Austin Family Business Program.

“If anyone will be supporters and evangelists for the family business program, it will be our students,” she said.

Professor Promotes Lean and Green Business

By Warren Volkmann

Out of the harsh landscape and shimmering heat of the Australian Outback walked an unlikely sight—a bright, fresh-faced young woman with a canteen, a shovel, a sampling kit, and a degree in environmental science.

The year was 1995. Dayna Simpson had taken her passion for sustainability to the University of Western Australia and graduated with one of the first environmental science degrees in the country. At that time, few jobs were available in her field. One of the ways she found to pay the bills included documenting wear and tear and environmental damage on tanks and bunds at remote mine sites.

“It would be me and occasionally another scientist digging holes and collecting samples out in the middle of nowhere,” Simpson recalls. “Sometimes it would be a six-hour flight in a four-seater plane, followed by a five-hour drive to reach an abandoned mine site on the edge of a desert. There would be a rusty sign on the side of an empty road that rather optimistically said, ‘Mine site this way, nothing that way.’ Every now and then we’d see a wild camel or another four-wheel-drive, but not often.”

Leading edge

Sustainability—the notion that pollution and environmental impact should be included in the costs of doing business—was becoming a boardroom buzzword in the early 1990s, but not much had really changed. In the mining and petroleum industries, toxic mine tailings, leaking chemical ponds, groundwater pollution, and other environmental impacts were viewed as the cost of doing business.

“Only in the last 20 years have businesses started to engage the way they impact the natural environment,” said Simpson, who is now an assistant



Dayna Simpson

professor of operations and supply chain management at the College of Business. “A lot of traditional industrial practices—the things that were being phased out when I started—would not be acceptable today. Unfortunately, a lot of the damage from those days is still around. There are still a lot of chemicals hidden just beneath the surface, buried in the beds of rivers and lakes or leaking out of tanks. There is a legacy of hidden pollution that has been left for the current generation to worry about.”

Simpson recalled inspecting an abandoned oil processing site beside a pristine beach along Australia’s remote northwestern coast, near a sensitive turtle nesting area. The oil company had left behind equipment and processing pits filled with waste and tar. When it pulled out, the company covered the pits with a layer of sand, but in the heat of mid-summer the tar would bubble up through the sand.

“What a mess!” she said. “And back in those days, a typical thing for a company to do was to not even think about it.”

Prevention

After a few years of documenting environmental damage after it occurred, Simpson was ready to prevent it before it happened. In 1999, she traded the Outback for Australia’s second largest city and enrolled in a master’s of engineering program at the University of Melbourne, specializing in waste management. She learned how to re-engineer processes so that industrial and chemical waste could be better contained and disposed of in cleaner ways.

In 2000, she put her knowledge to work at a global engineering firm, developing waste management plans and planning documents for new industrial sites, cross-country pipelines, landfills, and construction projects. Many of these plans had to go through a public review.

“That was a tough job,” Simpson says, shaking her head at the memory of it. “I was yelled at quite frequently at public meetings. Being ‘the consultant’ meant you were nobody’s friend. The developers were against you because they thought the process was a waste of money and a source of bad publicity. The government was constantly harassing you to ensure due process. And the community—quite rightly—was much of the time just flat-out against the projects ever going ahead. It involved a lot of careful stakeholder management.”

In moving from site inspector to site negotiator, Simpson became aware of how complex decision-making for sustainability can be. She began to consider the larger role that commercial pressures played in such decisions, particularly in the supply chain. “Sitting in the middle of all this conflict, I realized that no single company could be held responsible for fixing a systemic problem,” she said. “It simply wasn’t very effective to introduce sustainability one company at a time. You have to get to a lead company and encourage it to use its influence with suppliers.”

Lean and green

Returning to the University of Melbourne, Simpson completed PhD studies that explored ways to incorporate sustainability into a complex supply chain. She linked green processes with the emerging practice of “lean” manufacturing. Toyota, a leader in lean manufacturing, invited Simpson to help them extend “lean and green” into their supply chain. She worked closely with Toyota Australia and its suppliers to identify the obstacles that hindered development of a greener supply chain. It proved to be a formidable challenge.

“Toyota is truly a leading global company, so if Toyota was struggling with incorporating the environment into its supply chain, you can be fairly certain that most other companies would be struggling with it, too,” she said. “It’s not impossible though. Toyota and many other companies are now making real progress toward such goals.”

Moving to Oregon

With her chosen field of green-supply-chain management gaining momentum around the world, Simpson had many options. She chose the Pacific Northwest because it was regarded as a socially and environmentally conscious center of the United States and because OSU is ranked among the top 12 universities in the world for the environmental sciences by Thomson Reuters.

“Oregon State is a university where I can combine business principles with some of the best practices in the environmental sciences,” said Simpson. “Plus, the College of Business is a great place to work, and the dean is a strong supporter of sustainability. That was very important to me in making the choice to come over here.” Simpson also values the proximity of Mike Russo at the University of Oregon, who is widely recognized for his work on sustainability.

Forest runner

When she has time away from the college, Simpson and her husband Theo take long-distance trail runs. It reminds her of all the world’s natural areas that are worth saving, and helps to prevent her from becoming cynical.

“You couldn’t be in this business without being an eternal optimist,” she laughs. “It is easy to become disillusioned with companies that would rather spend \$2 million fighting a new law than using that same money to find a solution.”

When she teaches, Simpson tries to infuse her students with that optimism by using case studies of successful, sustainable businesses. “I want my students to leave the classroom with strong, convincing arguments for why sustainability should matter to business and knowing that it’s entirely possible,” she said. “A lot more companies are looking for ways to improve their practices of environmental stewardship. They’ve realized it just makes good business sense.”

People's Behavior Intrigues Managerial Accounting Researcher

By Marie Oliver

Only a handful of managerial accounting researchers in the United States focus on behavior, and Kristian Mortenson, who joined the College of Business faculty as an assistant professor this summer, is one of them.

Managerial accounting pays attention to resource allocation and utilization within an organization. Because of the way most of today's businesses are structured, people are one of the resources that affect the bottom line. As an economic behavioralist, Mortenson uses an experimental methodology to get to the root of why people do what they do in a business context. As he explains it, behavioralists relax the limitations that have been applied by economists to see if it helps explain observed behaviors.

"Normally in economics, individuals are assumed to be perfectly rational, to have the ability to do limitless calculations, and to be completely self-interested utility maximizers," he said. The phrase "utility maximizers" points to the idea that people are concerned only with maximizing their own well being. "Those assumptions are nice when developing economic models, but in the real world we see numerous contradictions of those assumptions. Behavioral economics brings us back into more of the real world. We allow people to be concerned about what others are doing, to have a limited ability to calculate and assess situations, and to be interested not only in money but perhaps in reputation, gratification from a job, and so forth."

Mortenson identifies the basic incentives that drive human behavior in the business world, and then observes that behavior under various laboratory scenarios to see if people respond in a manner that theory would predict. "I'm



Kristian Mortenson

interested in how people make decisions under different types of incentive structures and how they respond to the incentives and rules they come across in their work life,” he said. He is particularly interested in how employer–employee contracts cause businesses to lay off their workers during economic downturns. For his PhD dissertation, he wrote a computer program using experimental software that asked subjects to make choices between employment contracts. The goal was to identify new ways to find mutually workable agreements between employers and employees.

“One reason we get rid of people is because we’ve hired them under a contract that usually guarantees them an hourly wage,” he said, pointing out that the problem with such a system is that the wage paid to an employee factors into the total product cost. When the economy gets soft, consumers may not be willing to pay as much for the product. If the cost structure remains the same, the business will begin to break even or lose money. One way to reduce costs and show a profit is to lay off employees.

Exploring a new paradigm

Mortenson tested scenarios that allow pay to vary with a company’s profitability. “The difference is that we go from a wage system where people are guaranteed a fixed amount—and the only risk they run is losing their jobs—to a system where their wage is no longer guaranteed at a fixed amount but varies by the performance of the firm,” he said. “Employees may not make as much as they used to, but they also don’t make zero wages, as when they’re laid off.”

This concept was often suggested by economists in the mid-1980s, but it has inherent flaws that need to be resolved before it becomes a workable arrangement, Mortenson said. For example, if employees agree to a contract that allows their pay to vary but provides them with job security, they risk having to work harder because their co-workers are slacking off. It may occur to them that they can work less and still keep their jobs. This situation has been identified by social scientists as the “prisoner’s dilemma.” In that scenario, the workers may perceive that they benefit if they shirk their responsibilities, but in reality they may eventually hurt themselves by adversely affecting the company’s productivity. Mortenson is looking for ways to resolve this dilemma.

“Under a flexible or shared wage contract, if we could resolve the prisoner’s dilemma, that contract would probably be more attractive to workers and might be an alternative to layoffs,” said Mortenson.

To test possible alternatives, Mortenson operationalized a theoretical model that takes advantage of workers’ ability to observe each other’s actions. Based on his research, he developed the idea of “mutual monitoring,” which is an extension of Ching-To Ma’s prior research under a fixed-wage contract. With Mortenson’s model, employees under a variable wage contract sequentially file weekly reports with the employer that assess their co-workers’ performance. They receive a bonus for truthfully reporting information and are penalized for a false report. This situation helps to protect the employer’s interests while providing job security for the employee.

Mortenson wants to extend his research to fully examine the employer–employee contracting relationship and test how different accounting information systems would affect it. He hopes his research will lend insight to the standard employment contract used by businesses.

“By looking further into the details of employment contracts, we may find ourselves switching from the status quo to newer, more flexible methods,” he said. “It would take a paradigm shift by employers and employees, but hopefully my research will demonstrate that it has the potential to make everybody better off.”

Building a new life

Mortenson majored in accounting and economics during his undergraduate years at Utah State University in Logan, and then obtained a master’s degree in economics. In 2002, he was invited to teach at the Arab American University in Jenin. He came home after six months because the political situation was so unstable in the region and “things got to be a little dangerous,” he said.

Back in the states, he started working toward a PhD in accounting at the University of Arizona in Tucson. For quite a while, he was torn between pursuing financial accounting and managerial accounting. Toward the end of his second year of PhD work, he decided his real interests were doing research in the managerial field. He is looking forward to teaching introductory managerial accounting this year.

Mortenson married Brooke, whom he met while attending Utah State University. They now have two young daughters and anticipate exploring all the outdoor activities Oregon has to offer. Mortenson is a baseball fan and will enjoy watching the Beavers play.



Taking a Fresh Look at Financial Economics

By Abby P. Metzger and Marie Oliver

Last winter, Dave Berger packed up his skis and headed for the slopes of Mt. Bachelor with the intention to do nothing but slalom through fresh powder. But the Washington State PhD candidate couldn't put aside his passion for teaching when he stumbled across an idea for an assignment to give the students in his introduction to finance class.

While in Bend, Berger learned about a condominium raffle, which became a lively topic of discussion over lunch one day. In the end, it provided a creative way to introduce his students to the under-pricing phenomenon that occurs in initial public offerings.

"The condominium raffle wasn't an IPO, but several characteristics/properties of the raffle sounded just like an IPO," said Berger. "The thing that struck me from our conversation over lunch was that, just like an IPO, the condominiums seemed to be under-priced and the developers seemed to be leaving money on the table. At the initial price, more people wanted condos than were available, so why not simply raise the price?"

He asked his students to write a paper discussing why developers would use this strategy to sell condos.

"The assignment was to assume that the developers knew what they were doing and try to explain why the raffle system might make sense—in other words, try to explain why the raffle system might really be a better strategy for the developers than raising prices," he said. "The assignment was a good opportunity for everyone to think creatively. Sometimes it seems that it helps to introduce topics by discussing something similar that everyone may be more familiar with."

Since that skiing trip, 26-year-old Berger has finished his PhD program and joined the College of Business as an assistant professor of finance, where he will employ many of the same real-world teaching methodologies.

"One of my favorite things as a teacher is seeing the students' creativity," he said. "I try to come up with interesting assignments, and some of the responses I get really blow me away."

Focusing on financial economics

Berger studied psychology as an undergraduate at WSU, but it was the introductory business courses that really captured his interest. After graduating, he completed most of the work toward WSU's MBA program, and then enrolled in a doctoral program in finance, which he completed this summer.

In his new post as assistant professor, Berger is teaching risk management and advanced corporate finance. His research studies in financial economics are concerned with the allocation of resources within various markets. A recent study measured the dynamics of the risk-return tradeoff—the compensation for bearing a given level of risk—through time.

"Our research led to the intuitive finding that risk aversion increases during recessions," he said. He pointed out that markets tend to rebound after a recession, which might be driven by irrationality or by changes to risk aversion, among other things. He is pleased that his research group was able to prove that the compensation for bearing risk increases following recessions.

More recently, Berger is taking his research a step further to focus on the dynamics of international markets. He is particularly interested in financial contagion, which refers to the potential of increasing interdependence of international markets during crises—how a country's economy can be negatively affected by a crisis in another country's economy.

Prior studies have used national aggregates such as the S&P 500 to determine how contagion proliferates, and those studies suggested that shocks in smaller emerging markets have little impact on larger markets such as the United States. What makes Berger's study unique is that his group is looking at individual portfolios within one country, and they have learned that such emerging market episodes can affect larger markets.

"When you dig a little deeper, you actually see that some stocks do poorly and some stocks do well because of these emerging market crises," he said. "That is missed if you only look at the S&P 500."

Berger's team studied seven recent emerging market crises, and discovered that there is a variance in how well a stock performs during an episode, based on the type of stock it is.

"We see that there are opposite reactions that are based on the liquidity or risk of different portfolios," he said. "Small stocks or risky stocks do poorly during emerging market crises, while bigger or safe stocks perform well, and that's consistent with what we call the 'flight from risk' hypothesis—when things are going poorly people want to put their money into safer assets."

Berger is also interested in financial liberalization, which refers to how emerging markets capitalize their economic systems from more developed markets. Some studies suggest that liberalization can have an adverse effect on smaller markets if large numbers of investors abandon investments during a crisis, and Berger is interested in how liberalization can occur without causing economic catastrophe.

In an era of expanding global exchange, Berger's research provides vital insights into the marketplace dynamic. "World market integration is increasing, so it's a pretty pertinent topic," he said. "Addressing the issue of how or if emerging economies can liberalize their financial markets without increasing their susceptibility to collapse has enormous implications for the economic well-being of many."

Staying in the Northwest

Not surprisingly for a Pacific Northwest native who grew up in Port Angeles, Washington, Berger loves the outdoors. As an adolescent, he spent summers fishing on his parents' boat, and he stays active by hiking and camping. Coming to OSU was an easy decision for him because he enjoys the small-town atmosphere and has friends and family in the area. He has even sworn allegiance to the Beavers—"except when they play WSU," he said hastily.

Judging from his ability to implement real-world examples into his curriculum, Berger will be a great fit for OSU. While he is outside soaking up the Willamette Valley's abundant recreational activities, he just might find his next teaching assignment.



Dave Berger



Marketing Professor Studies Emotions behind Buying Habits

By Abby P. Metzger

If you're like most consumers, you have probably succumbed to impulse buying a time or two—like those shoes you couldn't pass up, or that new office gizmo that caught your eye. What is behind these snap decisions? Colleen Bee, the newest professor to join the College of Business marketing discipline, says it is our emotions.

Combining her knowledge of psychology and marketing, Bee's research has helped deflate the idea that consumers only make decisions based on hard-lined logic. Consumers, as it turns out, often buy based on what they feel.

"My research looks at how emotions affect consumers' decisions, specifically how they use emotions, and what factors influence buying decisions," she said. "I like to also look at both positive and negative emotions and how consumers sort out all of those conflicting feelings."

Prior to studying the patchwork of emotions behind people's buying habits, Bee earned a bachelor's and master's degree from the University of Waterloo's Faculty of Applied Health Sciences. During her time at Waterloo, she landed a job working in sales, marketing, and event management for Tennis Canada, one of the largest and longest-operating national sport associations in the country. Bee, an avid golfer and sports fan, said working for Tennis Canada was her dream job at that time in her life.

Later, she worked as a marketing research consultant for Statistics Canada and the Canadian Tourism Commission—a job that introduced her to research and piqued her interest in academia. "I looked at the economics and market characteristics of sports tourists, and then I got into research, which kind of drove me to get a PhD," she said.

Studying the psychology of marketing

In 2000, Bee enrolled in the University of Oregon's PhD program and majored in marketing with a minor in psychology. She conducted research in mainstream marketing and consumer behavior and also pursued her interest in sports marketing.

Bee finds her research in consumer behavior particularly fascinating, in part because it sheds light on the role of emotion during buyers' decision-making processes. "I think my research is important because, of course, consumers try to make rational decisions, but often I think we just go and make decisions based on feelings," she said.

Taking into account different external influences such as culture, Bee assesses buyer behavior in a variety of contexts, including advertising and experiential consumption, which refers to the emotional reward that a consumer derives from a product. She says her goal is not to get inside people's heads to "pull the wool over their eyes," but instead to understand how buyers sort through the web of emotions while purchasing a product. Bee's research ultimately helps merchandise move from store shelves to buyers' hands more effectively. Once armed with the how and why behind purchasing decisions, enterprises can position products to better target desired consumer groups.

Taking it to the classroom

Bee took her research interests to the University of San Diego, where she worked as an assistant professor of marketing from 2005 to 2008. In a similar position at OSU, she will teach a consumer behavior course to help students understand the processes that lead to purchase and how and why different individuals or groups make different decisions.

Additionally, Bee will teach global marketing, which is another area of expertise for the Canadian native. Speaking from her summer teaching post in Rome, Italy, she said she loves to travel. "I've been able to tie that into teaching and some research by publishing in international journals," she said.

As a professor, Bee spends some time lecturing, but mostly uses hands-on learning activities both inside and outside the classroom to teach students the

value of marketing. She encourages her students to be aware during their day-to-day activities of how people act in relationship to products and how products are positioned to appeal to buyers. She also asks students to become more aware of their own buying habits.

She said she enjoys interacting with students.

"Not every student who takes my class is going to fall in love with marketing, but I can at least get them to appreciate it," Bee said. "And at least a few change their major to marketing."

Aside from her research and teaching interests, Bee is a member of several professional organizations, including the American Marketing Association and the Academy of Marketing Science. She also is an award-winning educator. While earning her PhD, she was honored as an AMA Sheth Foundation Doctoral Consortium Fellow, which recognizes the accomplishments of only one marketing doctoral student per university.

Bee has published refereed journal articles and conference proceedings on topics such as the role of ambivalence in consumption and the kinds of mixed emotions viewers experience while watching suspenseful commercials.

Coming to Oregon from sun-soaked California might be a transition for Bee, but it helps that she is familiar with the marketing faculty at OSU. She presented a conference paper and co-authored an article under review with College of Business marketing professor Keven Malkewitz, whose research in holistic package design and consumer brand impressions was published in the prestigious *Journal of Marketing*.

The new professor applauds the College of Business marketing faculty and is eager to begin her career at Oregon State. "I'm hoping to be able to spend a little bit more time doing research," she said.

Xerox Corporation President Gives Dean's Distinguished Lecture

By Abby P. Metzger

Xerox Corporation President Ursula M. Burns drew a crowd of nearly 1,000 people for her presentation at Austin Auditorium in January. Her lecture, titled “Lessons of Leadership: Bold Bets and Back to the Basics,” covered the roles of leadership, partnerships, and people during a time when the document management technology and services enterprise faced near-bankruptcy.

Burns, whose career at Xerox spans 27 years, outlined the circumstances that led to the company's poor performance. Until the late 1990s, Xerox boasted a strong market share and impressive earnings. When the economy slumped in October 2000, the company's stock prices plummeted from more than \$60 to under \$5 per share. “Competition actually picked up a bit, economies around the world started to soften a bit, and we were knocked off of our feet,” said Burns.

As a result, the company accumulated \$15 billion in debt. Xerox acted quickly and devised an aggressive turnaround plan as the company faced the most severe crisis in its history.

Burns relayed several steps the company took to regain its financial footing. Xerox exited its inkjet business and reduced inventory, capital spending, and administrative expenses. It also outsourced manufacturing and cut worldwide employment levels by 50 percent—an unfortunate decision, Burns said. “We went from 100,000 people working at Xerox at its height to about 50,000 people working at Xerox today,” she stated.

Anne M. Mulcahy became chairman and CEO in 2002 and steered the company through economic turmoil. Xerox launched a new business called Xerox Global Services Business, a document management service that now accounts for \$3.5 billion of the company's revenue.

By trimming expenses and hiring new leadership, Xerox dramatically reduced its debt. “As a result of actions by great people who worked for us and great customers who were willing to stick with us, we cut our debt by \$10 billion,” Burns said. “We essentially are a debt-free company today.”

Xerox is once again making positive headlines. In the past 18 months, it has acquired four companies and is delivering double-digit earnings every year. Burns said the company has met all of its expectations for 20 of the last 21 quarters. “We're a good company again,” she said.

Burns assured the audience there was no sleight-of-hand magic involved in the Xerox triumph. The company embraced six basic principles, as outlined below:

- 1) The power of communication: Burns said the most important time for frank and honest communication is when times get tough.
- 2) The power of culture: “You cannot blame the culture when things go bad,” she said. A company's culture consists of the people who are in the company, and “if you throw out the culture, you're essentially throwing out the people in the company.”
- 3) The power of vision: To establish a vision for the future, Xerox executives wrote a newspaper article that reflected what they wanted to read in a couple of years. “That newspaper article was our vision statement,” said Burns. “No fancy words, just a story about how Xerox looked when we were doing better.”

4) The power of people: “If you have great people aligned around a common goal, it can overcome just about any barrier put in front of it,” she said.

5) The power of customers: “The customer is the center of just about everything,” said Burns. “We lost sight of who the customer really was.” She said the company wasted a lot of time on investors and the press, and forgot to spend time with “the people who actually paid the bills every day.”

6) The power of leadership: Burns said good leadership is consistent, honest, forceful, and clear, and good leadership can move mountains.

Burns concluded her presentation by summarizing the company's journey from crisis to stability. “At Xerox, we are still a really long way from what I would call a great company—a really long way. But we have, without a doubt, made some significant changes in our company that are noteworthy,” she said. “We feel that there is no task too large or even too small. And if we stay together, stay focused, and continue to attract great people, we can win over the best competition out there.”

URSULA BURNS began her time at Xerox in engineering. She held several positions in that department, including product development and planning. In June 1991, she became executive assistant to Paul A. Allaire, who was then the company's chairman and CEO. From 1992 through 2000, Burns led several business teams, including the office color and fax business, office network copying business, and the departmental business unit. In May 2000, she was named senior vice president with corporate strategic services, and two years later assumed the role of president for business group operations.

Today, she is responsible for global research, development, engineering, marketing, and manufacturing technology, supplies, and related services at Xerox. She also oversees global accounts, information management, corporate strategy, human resources and ethics, and marketing operations.

At right: Xerox Corporation President Ursula Burns arrived with College of Business Dean Ilene Kleinsorge to a packed auditorium for the Dean's Distinguished Lecture. Photo by Karl Maasdam



COLLEGE OF BUSINESS

Student Awards

Faculty Awards



HEROES BALL 3 TOURNAMENT



EROX. KYOCERA KIP Panasonic

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CTX

A Reputation Built on Service...
A Global Leader in Copiers

4 BQZHLB Portland

Oregon State UNIVERSITY

Faculty Awards

Faculty Award	Amount
Outstanding Faculty Award	\$1,000
Outstanding Assistant Professor Award	\$500
Outstanding Teaching Award	\$500
Outstanding Research Award	\$500
Outstanding Service Award	\$500
Outstanding Leadership Award	\$500
Outstanding Innovation Award	\$500
Outstanding Collaboration Award	\$500
Outstanding Mentorship Award	\$500
Outstanding Community Service Award	\$500
Outstanding Diversity Award	\$500
Outstanding Sustainability Award	\$500
Outstanding Ethics Award	\$500
Outstanding Integrity Award	\$500
Outstanding Honesty Award	\$500
Outstanding Respect Award	\$500
Outstanding Compassion Award	\$500
Outstanding Empathy Award	\$500
Outstanding Kindness Award	\$500
Outstanding Generosity Award	\$500
Outstanding Gratitude Award	\$500
Outstanding Humility Award	\$500
Outstanding Patience Award	\$500
Outstanding Self-control Award	\$500
Outstanding Discipline Award	\$500
Outstanding Perseverance Award	\$500
Outstanding Resilience Award	\$500
Outstanding Flexibility Award	\$500
Outstanding Adaptability Award	\$500
Outstanding Creativity Award	\$500
Outstanding Innovation Award	\$500
Outstanding Problem-solving Award	\$500
Outstanding Decision-making Award	\$500
Outstanding Communication Award	\$500
Outstanding Teamwork Award	\$500
Outstanding Leadership Award	\$500
Outstanding Collaboration Award	\$500
Outstanding Partnership Award	\$500
Outstanding Mentorship Award	\$500
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Outstanding Support Award	\$500
Outstanding Encouragement Award	\$500
Outstanding Inspiration Award	\$500
Outstanding Motivation Award	\$500
Outstanding Empowerment Award	\$500
Outstanding Enablement Award	\$500
Outstanding Facilitation Award	\$500
Outstanding Assistance Award	\$500
Outstanding Help Award	\$500
Outstanding Aid Award	\$500
Outstanding Relief Award	\$500
Outstanding Comfort Award	\$500
Outstanding Solace Award	\$500
Outstanding Consolation Award	\$500
Outstanding Sympathy Award	\$500
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Outstanding Modesty Award	\$500
Outstanding Humility Award	\$500
Outstanding Lowliness Award	\$500
Outstanding Softness Award	\$500
Outstanding Sweetness Award	\$500
Outstanding Goodness Award	\$500
Outstanding Beauty Award	\$500
Outstanding Grace Award	\$500
Outstanding Favor Award	\$500
Outstanding Kindness Award	\$500
Outstanding Mercy Award	\$500
Outstanding Loving-kindness Award	\$500
Outstanding Compassion Award	\$500
Outstanding Sympathy Award	\$500
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Outstanding Humility Award	\$500
Outstanding Lowliness Award	\$500
Outstanding Softness Award	\$500
Outstanding Sweetness Award	\$500
Outstanding Goodness Award	\$500
Outstanding Beauty Award	\$500
Outstanding Grace Award	\$500
Outstanding Favor Award	\$500

\$2 Per Entry
Master Chief Statue Raffle

\$2 Per Entry
Master Chief Statue Raffle



Donation \$

RAFFLE \$

Donation \$

\$1 Minimum Donation Per Can
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Project Management Team Organizes Video Game Tournament for Charity

By Abby P. Metzger

Stakes were high at the “Halo 4 Heroes” video game competition last November. Seasoned and novice gamers crowded Bexell Hall to play the newest installment of an alien-slaying video game series called Halo 3 for a chance to win prizes—and bragging rights.

The event was organized by a group of students from Professor Erik Larson’s project management class. Calling themselves Halo 4 Heroes, the team hosted the tournament to raise money for the National Military Family Association, Inc., and collected funds by charging a \$10 registration fee. Students Wai Ho Lai (Leo), Robert Middaugh, Brian Rosenbalm, Andrew Weekly, Craig Wilcox, and Sher Fenn planned, organized, and publicized the fundraiser.

The video game tournament met a requirement for Larson’s project management course, which encourages students to use classroom theories in real-life situations. “The college believes in learning by doing, and this provides an opportunity for students to use project management tools and techniques to come up with a real project for a worthy cause,” said Larson.

Because the Halo game is quite popular, the team decided a video game tournament would be an effective fundraising method. “Our group came up with the idea of putting on a Halo tournament for several reasons,” said Middaugh. “One, it was something we all enjoyed doing and thought others would enjoy as well. Two, it was for a good cause that we thought was

At left: Halo 4 Heroes team members (from left) Wai Ho Lai (Leo), Andrew Weekly, Sher Fenn, Craig Wilcox, Robert Middaugh, and Brian Rosenbalm were ready to greet enthusiastic gamers at the opening of the tournament. Photo by Nick Hernandez

important. And three, we felt it was the best way to tie the event to a similar charity.”

Brian Rosenbalm said his team decided to support the National Military Family Association because of the game’s war theme. “There’s a military force in the game, so supporting military families seemed like a nice fit,” he said. NMFA is the only organization that represents the families of officers and enlisted men and women from all national military services.

The team organized the tournament in two segments, with the first consisting of several matches among four players. Players with the highest cumulative “kill count” advanced to the next and final rounds during the second segment. Victorious alien conquerors won a variety of prizes, including an Xbox 360, games, controllers, gift certificates, and more.

One hundred gamers participated in the tournament, and the Halo 4 Heroes team raised \$1,000 in ticket sales. With additional cash donations from private sponsors, the project grossed \$3,113.

Halo team members admitted that the logistics were challenging. They had to scramble to find enough game controllers, schedule rooms, and secure prize donations. “Planning for a large number of people to arrive and play Halo required great technical planning and coordination among our group and those who were supporting us,” said Middaugh.

Meeting the challenges helped the Halo 4 Heroes team to glean important project management skills. Rosenbalm said he applied for a job before taking Larson’s class and felt under-qualified because he lacked fundraising experience. “Now I feel like I’ve been through it once and can do it,” he said.

Middaugh said he also will be able to use his newly acquired project management skills. “The things I’m learning in this class are definitely useful in the real world,” he said while preparing for the tournament. “Not only am I learning how to actually deal with a major project, but at the same time I am refining how to work with my team members and create a solution that has an impact on the real world.”

At right: Erik Larson fulfilled many roles, including tournament spectator, raffle prize promoter, and project management guru. Photo by Nick Hernandez





Team S-Ray Corporation not only won the Integrated Business Project competition but also took the \$10,000 grand prize at the New Enterprise Challenge, a competition hosted by the Austin Entrepreneurship Program. Lou Butera (center), President and CEO of CORE Communications, mentored the team for the challenge. Team members (from left) are Rachel Yim, Kelly Harness, Glen Morrison, and Yunhwan Ahn.

College Hosts Sixth Annual Integrated Business Project Competition

By Abby P. Metzger

In early March, nine MBA student teams participated in the sixth annual Integrated Business Project competition. The competition is a cornerstone event of the MBA program that reflects the college's efforts to graduate innovative leaders. It showcases months of hard work by MBA students in developing "investor-ready" business plans.

Student teams invest more than 2,000 hours into their business projects over a seven-month period before presenting them to panels of venture professionals and business executives. The teams defended the viability of their business projects in two different segments of the competition. The first segment consisted of an elevator pitch and the second involved a series of business plan presentations.

During the elevator pitch, one member of each MBA team had 45 seconds to pitch the feasibility of their venture to one of the competition judges in front of a packed auditorium of family members, faculty, fellow teammates, and the panel of competition judges. Although the presentation was somewhat nerve-wracking for students, it provided an opportunity for them to learn to distill their idea down to its essence and focus their remarks in a way that is often necessary in the business world.

Management faculty member and MBA thesis advisor Tom Dowling explained that judges score elevator pitches on a scale of one to 10, with 10 being "I'll definitely call to make an appointment" and one being "Get me out of this elevator now!" Although only one MBA team walked away from the elevator pitch competition with the top prize, Dowling described the 2008 MBA class as an accomplished group. "This is a class of doers. This is a class of innovators. This is a class of leaders," he said.

During the second segment of the competition, panels of judges evaluated and scored student business plans based on technical merit, viability of the venture, and artistic merit to determine the project's level of investor readiness. "We look for business plans that are realistic, or that potentially could be taken to the marketplace and funded," said Dan Whitaker, an accomplished serial entrepreneur and competition judge. "We temper that a bit because MBA professors add requirements that aren't normally what the business world would expect." The judges provided helpful feedback and asked probing questions. For example, they asked one team to describe the probability of financial projections and another team whether their seed money was enough to cover operational costs.

Dowling, who has taught in the MBA program for 15 years, said the judges provide a valuable service to the program. "First, they allow our students to calibrate their business plans based on current standards and practices in the venture community, which is critical to their future professional success," he said. "Second, the depth and breadth of the qualifications of the panel of judges give us an opportunity to solicit their feedback and advice on how to improve our MBA program. Over the past six years, the college's graduate faculty has implemented key recommendations by the panels of competition judges to improve the value of students' learning. And third, the judges mentor student teams by providing suggestions for improving the viability and quality of the business plans."

Throughout the business plan presentations, judges assessed diverse ventures, including a drink thickener that helps people swallow, 3-D dental imaging technology that does not use radiation, and educational video games for foreign language acquisition.

For the second year, the MBA program has formally partnered with the OSU Office of Technology Transfer. This partnership brings revolutionary

Sixth Annual MBA Integrated Business Project Competition Results

Elevator Pitch

Integrated Pole Solutions

Technical Merit

1st Place: High Cascade Campers
2nd Place: S-Ray Corporation
3rd Place: Verbos Gaming Inc.

Artistic Merit

1st Place: Verbos Gaming Inc.
2nd Place: S-Ray Corporation
3rd Place: High Cascade Campers

Venture Viability

1st Place: Northwest Nano Coatings
2nd Place: S-Ray Corporation
3rd Place: Diatom Semiconductors

Overall Winners

1st Place: S-Ray Corporation
2nd Place: High Cascade Campers
3rd Place: Dynamic BioFoods

Team Members

<i>Diatom Semiconductors</i>	<i>Dynamic BioFoods</i>	<i>GeoFSI</i>	<i>High Cascade Campers</i>	<i>Integrated Pole Solutions</i>	<i>Northwest Nano Coatings</i>	<i>Organic Herbicide Systems</i>	<i>S-Ray Corporation</i>	<i>Verbos Gaming Inc.</i>
David Burroughs	Kenneth Abbott	Sarah Bishop	Mohammad Al Mulla	Emily Burrill	Pichamon Adulavidhaya	Giang Dang	Yunhwan Ahn	Stephen Adams
Kunthida Jariyavithayakul	Robert Best	Blake DuPont	Kristal Heikes	Tony Hornsby	Brian Bode	Scott Eggimann	Kelly Harness	Alexandra Crawford
Thomas Mace	Remington Brown	Bettina Schempf	Bret Overbaugh	Yiqing Ma	Kevin Fish	Jason Hirko	Glen Morrison	Thao Ngo
Yu-Ming Pan	Marianne Gardner	Bret Shroyer	Ben Shaver	Mike Peterson	Nick Kirkwood	Erin Ross	Rachel Yim	Wade Reese
	Ying Jin	Kosit Wibullaksanakul	Teresa Stearns	Wendy Starker	Ching-Ling Tseng	Thadchawadee Wejrungsikul		Ken Self
	Rachel Todd							

innovations in science and technology created by OSU researchers together with leading-edge business concepts for commercialization.

Six out of the nine MBA business plans this year had their origins in the OSU Office of Technology Transfer.

Brian Wall, director of the Office of Technology Transfer, said the partnership between his organization and the College of Business provides access to in-depth business knowledge and insights on how to take patents to market. “To students, this is a competition. To me, it’s potential licenses,” he said.

The business project competition helps students enter the workforce with accelerated skills and knowledge. Rachel Yim, an MBA student and business project competition coordinator, said the competition drove home many of the business concepts she learned in the classroom. “I know so much more than I did six months ago,” she said. “This is way harder than I ever thought it would be, but it’s that much more rewarding.”

Judges:

Steve Allen, Belle Vallée Cellars founder and attorney; Larry Brown, PricewaterhouseCoopers retired partner and OSU College of Business Executive in Residence; Richard Carone, Korvis Automation Inc. executive chairman; Dean Hansen, Pacific Continental Bank senior vice president; Catherine Mater, Mater Engineering president and the Pinchot Institute for Conservation senior fellow; Tim Myers, HP patent attorney; Jim Sheldon, ATS Systems president and CEO; James Schupp, Wachovia Securities Wealth Management Group senior vice president for investments; Scott South, Stevens Water Monitoring Systems Inc. CEO; Craig Topping, Qwest senior account executive; Hetty Versteeg, Nova Garden Design LLC founder and principal; Dan Whitaker, serial entrepreneur, Rogue Wave Software co-founder and Nanobits CEO; Bob Wiggins, Mount Hood Equity Management, LLC managing member.

Integrated Pole Solutions team members (from left) Mike Peterson, Emily Burrill, Wendy Starker, Yiqing Ma, and Tony Hornsby delivered the winning elevator pitch. Photo by Abby P. Metzger





Take a Quick Survey, Win a Prize

By Warren Volkman

In 2002, Professor James McAlexander and Associate Professor Hal Koenig published a paper that became one of the most cited articles in recent marketing research. Now they are asking readers of *The Exchange* to complete a five-minute survey that will help them use their research techniques to benefit the College of Business.

To make it worth readers' time and effort, the college is offering incentives—a drawing for an 8GB Apple iPod Nano (a \$200 value), a 2GB Apple iPod Shuffle (a \$70 value), or a messenger bag with the OSU College of Business logo (a \$30 value).

When McAlexander and Koenig's research was published, no one would have guessed that a paper titled simply "Building Brand Community" would become the academic equivalent of a best seller. But in the years that followed, it became clear that the down-dressing, Harley-riding, maverick marketer and the soft-spoken, self-professed numbers geek were onto something—something big.

Capitalizing on their success, McAlexander and Koenig took the lead in creating the Close to the Customer project to support the college's new Austin Entrepreneurship Program.

"We wanted to create a market research center that would assist in the entrepreneurship process," McAlexander explained. "Marketing students would be able to participate in that process and really live the experience of being a marketing professional."

Close to the Customer research is not an academic exercise—students provide real companies with real marketing services, for which the program collects fees. Paying clients have included Fortune 500 companies, local businesses, and even a Canadian peat moss firm.

"This is very much a real-world experience for our students," said Koenig.

Now McAlexander and Koenig are using the services of the Close to the Customer project and applying their market research techniques to support the mission and vision of the College of Business. They want to help administrators better understand how alumni, friends, suppliers, business leaders, and state legislators perceive the college. This information will be used to inform the college's decision-making processes.

Close to the Customer students and professors have created a simple survey, posted it online, and sent the link to every email on the college's list. "It's a 'how are we doing?' kind of survey," McAlexander explained. "It will help us make more informed decisions about our curriculum, our programs, everything we do."

The survey is located on the College of Business homepage, www.bus.oregonstate.edu, under the "Highlights" column. Click on the link "Alumni & Friends Survey." The deadline for completing the survey is Saturday, October 18.



Ilene K. Kleinsorge, Dean
Sara Hart Kimball Chair

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Editor: Thuy Tran

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Copy Editor: Marie Oliver (Clarity Writing & Editing)

Student Assistant: Hong Nguyen

Comments and questions about this issue of *The Exchange* can be sent to the editor at exchange@bus.oregonstate.edu.

Your gift to the College of Business will foster new opportunities for students and prepare profession-ready graduates who can excel in an innovative knowledge-based economy.

Contact: Aaron Escobar, Director of Development, OSU Foundation, 541-737-9330, Aaron.Escobar@oregonstate.edu

Foy Renfro, Assistant Director of Development, 503-553-3405, Foy.Renfro@oregonstate.edu

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