

PAMPIN

COLLEGE OF BUSINESS

SPRING
2012

BEE GOOD

MARKETING ALUM TAKES ON
SOCIAL RESPONSIBILITY



Burt's Bees
Global Marketing Manager
Julie Talbot (MKTG '03)

 VirginiaTech
Invent the Future

Pamplin is published twice a year by the Pamplin College of Business (0209), Virginia Tech, Blacksburg, VA 24061; phone: 540-231-6601; fax: 540-231-4487; web: www.pamplin.vt.edu.

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Virginia Tech's nationally ranked Pamplin College of Business offers undergraduate and graduate programs in accounting and information systems, business information technology, economics, finance, hospitality and tourism management, management, and marketing. The college emphasizes the development of leadership, technology, multicultural, and international business knowledge and skills and is committed to serving business and society through the expertise of its faculty, alumni, and students. It is named in honor of two alumni: the late Robert B. Pamplin, retired CEO of Georgia-Pacific, and businessman and philanthropist Robert B. Pamplin Jr.

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LOOK WHO'S TALKING



Raheel Khan



James Kelly



John Berry

Wachovia Distinguished Lecture

Wachovia Speakers last fall were Raheel S. Khan (ACIS '06, MACIS '07) and James B. Kelly (BAD '63). The series becomes the Wells Fargo Distinguished Lecture series this spring.

Khan, a manager in the transaction advisory group of global professional services firm Alvarez & Marsal, discussed professional development and provided suggestions from his own experience in his talk, "Get Promoted: Achieving Success Early in Your Career."

Kelly, a partner in Hickory Ridge Group, which advises healthcare and technology companies, gave a talk, "Seek What You Don't Know." Kelly is a partner in VT Growth Partners, which provides business expertise from experienced Virginia Tech alumni and friends to early-stage companies.

BB&T Distinguished Lecture

Veteran financial journalist John Berry, whose stories about the Fed "frequently moved financial markets," discussed "The Fed in a Time of Economic and Political Crisis."

Master's in IT program ranked among nation's best

U.S. News & World Report ranked Virginia Tech's online master of information technology program as among the nation's best in its debut 2012 Top Online Education rankings.

The master's program — run jointly by Pamplin and the College of Engineering — ranked high for teaching practices and student engagement, faculty credentials and training, and student services and technology.

Listed under computer information technology programs, Virginia Tech ranked fourth in the nation for teaching practices and student engagement, 10th for faculty credentials and training, and 16th for student services and technology.

Pamplin administers the program, which is taught by faculty in accounting and information systems, business information technology, and management as well as computer science and electrical and computer engineering. Parviz Ghandforoush, professor of business information technology, serves as the program's managing director.

VT KnowledgeWorks announces merger, expansion, in-reach effort

VT KnowledgeWorks and the Business Technology Center, two Virginia Tech offices that help promote economic development by providing a range of services to technology-based businesses, have joined forces to create a single, comprehensive entrepreneurship assistance program.

The merged VT KnowledgeWorks is launching an "in-reach" program to help Virginia Tech inventors commercialize discoveries more quickly.

VT KnowledgeWorks will continue to be led by Jim Flowers, who has served as its executive director since 2004. Dick Daugherty, who had directed the Business Technology Center, also since 2004, as a faculty member of the Pamplin College of Business, has been named director of strategic services at VT KnowledgeWorks. Daugherty will lead the in-reach program and other mentoring initiatives. He will also continue to provide market research and business plan development services.

"The merger will give us one brand name for business acceleration services that Virginia Tech provides to entrepreneurs and new ventures," said Daugherty.

EXECUTIVE MBA FORMS NEW ALLIANCES

Pamplin has formed alliances with Computer Sciences Corporation and Lee Technologies to provide a tuition discount for the firms' employees enrolling in the college's executive MBA program.

In exchange, the college will have 'preferred provider' status for executive MBA programs by the companies, which provide financial support for employees seeking advanced business degrees.

Computer Sciences Corporation, headquartered in Falls Church, provides a range of information technology services to its clients around the world. It has about 93,000 employees and reported annual revenue of \$16.2 billion. Lee Technologies, headquartered in Fairfax, provides large-scale data center solutions and professional services to government and industry customers. It has more than 300 employees and sales of about \$140 million.

The executive MBA program, based at Virginia Tech's Northern Virginia Center — National Capital Region in metro Washington, D.C., also has tuition discounts for employees at Booz Allen Hamilton, L3 Communications, and SAIC.

The program currently enrolls 55 students in cohorts or classes of about two dozen students each. The 25 students in the executive MBA's 15th class.



DEAN SORENSEN TO RETIRE NEXT YEAR

Pamplin Dean Richard E. Sorensen will retire in July 2013 after serving the college for 31 years.

Before being appointed dean and professor of business information technology at Virginia Tech in July 1982, Sorensen led Appalachian State University's business school for nine years; thus, he will have been a dean for 40 years.

Under his leadership, the Pamplin College expanded student enrollments and academic programs; developed new international, leadership, ethics, and diversity programs; created new advising and career services for students and outreach services for businesses; and completed two major fundraising campaigns that exceeded their goals.

Sorensen's first decade at Virginia Tech was highlighted by fundraising success — in particular, a landmark \$10 million gift from the Robert B. Pamplin family that resulted in the renaming of the college in 1986 — and building construction and renovation. An addition to Pamplin Hall opened in the fall of 1987; renovations to the original building were completed in the fall of 1988.

Seeking a formal means of guidance from alumni and friends, Sorensen established the Pamplin Advisory Council, a group that has since grown to 75 members who meet regularly to discuss the college's progress and future initiatives.

His second decade at Pamplin saw the development or expansion of outreach services to businesses through management and professional development programs and the Business Technology Center. The college made a formal commitment to diversity by adopting a statement, "Diversity as a Core Value."

The college expanded its international programs to give large numbers of students the opportunity for experience abroad and overhauled its MBA program, changing admission requirements, courses, and scheduling to strengthen the program's quality and reputation.

In partnership with other Virginia Tech colleges, Pamplin launched a master's degree in information technology, which has become a nationally recognized online program, taught by Pamplin and engineering faculty.

In his third decade, Sorensen oversaw the development of several initiatives: an executive MBA program in 2004, a business diversity center and minor for undergraduates in 2006, and, in 2008, a post-doctoral bridge-to-business program that was among the first such programs approved by AACSB (Association to Advance Collegiate Schools of Business) International, the accrediting organization for business schools worldwide.

Sorensen has not only led the college's successful fundraising efforts through the years — more than \$85 million was raised during the last campaign — but has been a generous donor, with more than \$210,000 contributed toward scholarships and fellowships to benefit Pamplin students and faculty (see p. 16).

On top of his administrative duties, he has taught the Introduction to Business course every year.

Notable among his numerous leadership roles across the university are his activities with the Virginia Tech Center for Leadership Studies, which Sorensen has served since 1998 as founding director, and the Virginia Tech Corporate Research Center, which he also helped establish.

He chaired the university advisory committee on security and infrastructure that reviewed more than 400 different recommendations regarding the April 16 tragedy.

Outside the college and the university, Sorensen has been extensively involved in many organizations, notably AACSB. He chaired its board and many of the organization's committees as well as a working group that sought ways to reduce the worldwide shortage of business doctoral faculty. He currently co-chairs AACSB's blue ribbon committee on accreditation quality and serves on its bridge program advisory committee.

Sorensen has served as an unpaid consultant to business schools at historically black colleges and universities, assisting several of them with their initial accreditation or reaccreditation efforts.

He has served on the Government Accountability Office educators' advisory panel since 2007 and on several state commissions related to regional economic development. He has been a consultant to several companies. He chaired the board of directors of Plastic Packaging Inc. and was a director of Brad Ragan Inc.

Sorensen earned a bachelor's degree in electrical engineering at Brooklyn Polytechnic Institute (now Polytechnic University), and an MBA and a Ph.D. in management at the New York University Stern Graduate School of Business. He began his career at the New York Telephone Company (now Verizon) and served with the U.S. Army Corps of Engineers in Vietnam, for which he received the Bronze Star and the Republic of Vietnam Gallantry Cross.

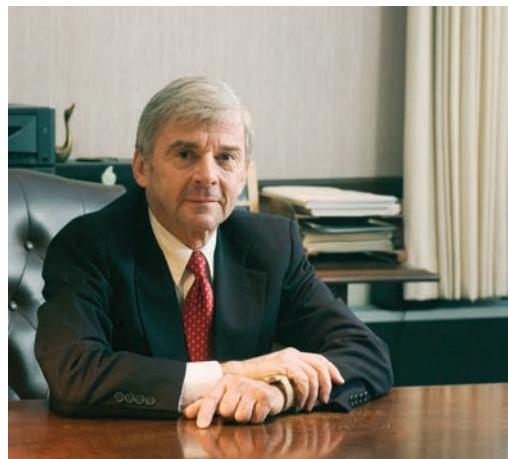
Citing Sorensen's "outstanding tenure and sustained leadership" in a letter to the dean last spring following his five-year periodic review, Senior Vice President and Provost Mark McNamee said he joined the review committee in commending Sorensen for his "hard work leading the college" in the face of "many resource challenges" and for "embarking on innovative ideas."

The review committee, comprising seven faculty members and a staff member from Pamplin, as well as a dean and a faculty member from other colleges on campus, sought views from Pamplin faculty, staff, and administrators.

Its report, McNamee said, praised Sorensen's integrity, dedicated goal setting and accomplishment, "active, positive leadership" in diversity, and "outstanding service to the university and college." The committee noted that Sorensen is regarded by his peers as "someone who represents the college well to external constituencies," said McNamee, who also lauded the dean's commitment to "initiatives that further bolster the reputation and success of the university."

In a meeting with Pamplin faculty and staff last fall, McNamee thanked Sorensen for providing the university unusually early notice of his retirement — this, he said, greatly facilitated the planning for an orderly transition of leadership, including reviewing or developing the strategic vision and goals for the college's future.

McNamee said the quest for Sorensen's successor will begin this summer with his appointment of a committee that he will chair. The search committee is expected to comprise 10-15 members, including Pamplin faculty and staff, a college dean, a vice president, and senior university faculty. **P**



Richard E. Sorensen

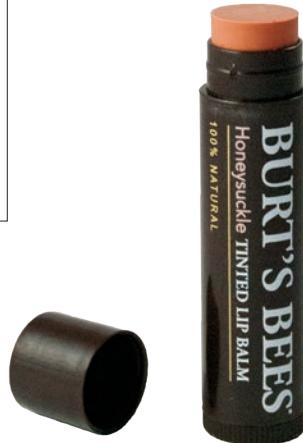
JOHN McCORMICK

WORKING FOR THE GREATER GOOD AT BURT'S BEES

Walking the talk
on corporate social
responsibility



Julie Talbot (MKTG '03)
Photo by Logan Wallace



FAVE

If she could name only one among her many favorite Burt's Bees products, it would be Tinted Lip Balm in Honeysuckle, says Julie Talbot: "I think I use it 12 times a day!"

Unable to resist a little product promotion, she adds: "Not only do you get the best care benefits of the No.1 lip balm in the country, but you get beautiful, natural color. I wear it at work, at the gym, out at night, and sometimes even to bed when I can't find my Burt's Bees Ultra Conditioning Lip Balm!"

Quitting her first job out of college before noon on her second day, Julie Talbot (MKTG '03) vowed to seek work that fed her passions, not just paid her well.

Some years later, she left a major chocolate company, even though she had a great team, was learning about business, and enjoyed eating a lot of chocolate in the cause of product development. "It was about as fun as you could imagine and even a bit glamorous," she recalls of her marketing management post at Godiva Chocolatier in New York City. It is a "fantastic company," she says, and she had expected to put down stakes.

But something was missing, Talbot says. What she sought, she realized, was an employer with values and beliefs in sync with her own. Landing at Burt's Bees, she found more than a match:

"Burt's Bees has made me a better person and taught me a thing or two about good values. Not everyone you meet today will be able to say that about the company they work for."

Talbot joined the Durham, N.C., personal care products company in 2008. She worked in nearly all its other product categories — baby, men's, personal wash, kits, and outdoor — before being promoted in 2010 to her current position as global brand manager for lip products, a \$100-million-plus business of balms, glosses, and shimmers.

Drawn by the company's commitment to corporate social responsibility and environmental sustainability, Talbot says Burt's "walks the talk" on these fronts: "We really do believe that we're making people's lives better every day through our products and practices." These include formulating products to be as close as possible to "100 percent natural" (see sidebar), no product testing on animals, sending no waste to landfill, and giving back to the community through volunteer work.

"We wouldn't compromise our Greater Good model to make an extra dollar," she says. The Greater Good, Talbot says, is Burt's maxim about making "the highest ethical choice to maximize our overall well-being." Its employees seek to adhere to this standard in "everything we do every day, to try to leave the world and environment a bit better for the generations to come."

With a "zero-waste-to-landfill" policy, for example, the company doesn't just provide waste bins for sorting trash to

promote recycling and composting. "We do spot checks of these bins — and a portion of our bonus is tied to our sustainability achievements."

Asked how she strives to "Live the Greater Good" (the company's campaign to engage all employees in social action and more sustainable practices by providing them tools and time off from work), Talbot says: "I am now much more cognizant of my footprint. I am conscious about always recycling and making good choices for the environment. I donate much

"I am now much more cognizant of my footprint. I am conscious about recycling and making good choices for the environment."



Burt's Bees employees volunteer to build community gardens in Durham, N.C.

more frequently than I did before coming to Burt's." She also volunteers on company-sponsored community projects, such as Habitat for Humanity home building.

Living the Greater Good life isn't always convenient. Months after signing up to work on a Habitat house, for example, Talbot regretted it when it was time to show up. She had a mountain of work at the office, she griped, and the weather was foul. She dragged herself to the (*Continued on next page.*)



Julie Talbot presents a project for students in marketing assistant professor Jane Machin's class.

100% NATURAL?

Natural" personal care products has become a crowded field, with a large number of brands vying for the consumer's dollar with promises of being "100 percent natural," "all-natural," "organic," "vegan," "environmentally safe," "earth-friendly," or "cruelty-free."

But what these terms really mean requires consumer due diligence. "There are very few, if any, mainstream companies that can claim most of the above," says Julie Talbot. Some companies, she says, use these terms in "greenwashing," touting desirable qualities to deflect attention from less positive attributes.

The Burt's Bees website notes there are no regulations on what a product can be called — only on how it is used. To help consumers and set a standard, Burt's, with other companies and the Natural Products Association (NPA), developed guidelines for product ingredients, user safety, animal testing, and environmental sustainability. The NPA standard has been adopted by 30 companies so far, Talbot says.

Growth in the natural personal care industry has slowed, but the consumer trend toward such products continues, she says, despite their higher price point compared with conventional products: "Consumers are willing to pay more for their health and well-being."

COURTESY OF BURT'S BEES



(Continued from p. 5) construction site, however, and moments later felt contrite.

"In my moment of wanting to be at work to get things done, get ahead, drive more business for the company, I lost sight of not only what was important to me but also to the company that I'm fortunate enough to be a part of. What I was able to do in eight hours out in the community was much more important than being at the office working on my next new product launch — there's always tomorrow to do that."

The core values aside, Talbot says Burt's is "just a great place to work, with a culture befitting a brand that came out of nowhere, started by a simple bee-keeper and a savvy business woman just trying to scrape up enough to pay the rent and feed her kids!" (Burt's Bees was purchased by the Clorox Company in 2007.)

Running the company's lip and gift businesses "like they're my own business," Talbot says her duties include deciding what products to launch based on strategy she developed; leading a cross-functional team in developing the formulas, packaging, and merchandising; and working with the marketing communications team and the company's ad and public relations agencies on integrated marketing campaigns for new products. "I'm responsible for all aspects of the product lifecycle, from idea generation all the way through product discontinuation."

She describes her colleagues as a "smart and dedicated group" and her work life as "fast paced, exciting, and ever challenging." Her frequent travels include jetting recently to London, Paris, and New York for presentations to distributors and meetings with magazine editors and customers.

The perks also include never having to buy lip balm. Indeed, her last such purchase was in February 2008, the month before she joined Burt's. (And yes, she says, it was a Burt's item: "I've always been a lover of the brand and its products.")

A New Jersey native, Talbot also earned an MBA at Rutgers University. She credits her parents, both small-business owners, for inspiring her to pursue her dreams of a marketing career and giving her the opportunity to live those dreams, and

CAREER ADVICE



JIM STROUP

“Giving back was always important to me, but I’m reminded of giving back every day...”

the Pamplin College for giving her “a great education — it’s a huge part of how I’ve been able to succeed.”

Talbot serves on the marketing department’s advisory board and has given talks on campus to students at a leadership conference and in marketing classes. This spring semester, she will conduct a project in classes taught by marketing assistant professor Jane Machin. The project will require students to develop solutions to an actual business challenge facing Burt’s Bees, and the winning teams will receive a prize of Burt’s products.

Asked about her interest in being actively involved with her alma mater, Talbot agrees that there are synergies in the marketing department’s focus on social issues, her company’s Greater Good philosophy, and industry trends in natural/green products.

She was lucky to have had mentors and role models in college and her early career, she adds. “If I can say just one thing to inspire just one student, it’s worth it. Giving back was always important to me, but I’m reminded of giving back every day, working at Burt’s Bees.

“At the end of the day, no one’s going to care about the last lip balm flavor I launched. What will matter are the four Habitat houses I helped build, the money and clothes I donated to help those less fortunate, the community gardens we planted, the community playground we built, working for a company that leaves the world a better place for generations to come — at the end of the day, these are the things I’ll be proud to say I was part of.” □



COURTESY OF BURT'S BEES

Julie Talbot works at Burt’s Bees headquarters in downtown Durham, N.C. in the historic Hill Building, a renovated tobacco warehouse.

Though accepting a high-paying job that was not right for her was a costly mistake at the time, Julie Talbot says it offered a valuable lesson. “What I’ve since learned from this is that as a leader, you need to have great emotional strength and strong values. You can’t dwell on mistakes — you need to view them as opportunities to learn and move on. I can tell you one thing — I would never take a job for the salary ever again, and while I’ve been tempted with these opportunities over the course of the past few years, I was lucky enough to learn my lesson early on.”

In her talk last fall to students at the Pamplin Student Leadership Conference, Talbot recounted her speedy departure from that first job and move back home to Chester, N.J., where she found work as a marketing assistant at a manufacturer of ribbons, bows, and other craft supplies.

It was not a glamorous job, she says, but it turned out to be a good opportunity to “learn marketing in a larger capacity than I would have been granted at the P&G and Unilevers of the world.” She worked hard to prove herself, “going above and beyond,” and found mentors to coach her. Five months later, she was promoted to product manager, managing a product line that generated \$20 million in sales.

Stressing the importance of self-confidence, Talbot told students to expect a learning period at their first jobs, “a time to feel your way through what you’re doing.” But, she adds, “quickly you learn the importance of speaking your mind, asking for what you know you deserve, and dealing with challenging situations.”



When **MORE** is **LESS**

Parsing the “presenter’s paradox”



Presenting information effectively is an important task most of us face in our personal and professional lives. Yet, marketing and psychology researchers have found in a new study that we often inadvertently dilute the very message we seek to convey, simply by our efforts to strengthen it.

“Whether it’s an editor considering which reviews to use on a book jacket, a lawyer drafting arguments for a court case, a job applicant pondering what to highlight on a résumé, or a homeowner trying to sell a house — we all have to decide what information to include and what to exclude,” says the study’s lead author, Pamplin marketing assistant professor Kimberlee Weaver.

Weaver says those who present information often fail to anticipate correctly how the various pieces of information will be combined in the minds of their audience. Presenters follow a “more-is-better” logic; recipients evaluate the overall bundle of information.

The different perspectives of presenters and recipients can lead to different judgments about the same information package, a contradictory effect that she and her co-authors call the “Presenter’s Paradox.” The paradox is of practical importance

not only to those working in marketing and consumer research but also to professionals in a wide array of other fields, including law, management, and public policy.

Illustrating the paradox with an example about gift giving — one situation where the paradox can arise — Weaver says: “Suppose you’re trying to impress a loved one with a generous gift. One option is to buy them a luxury cashmere sweater. A second option is to add in a \$10 gift card.”

If their budget allows, most gift givers would choose the second option, as it comprises two gifts — one big, one small, she says. Ironically, however, the gift recipient is likely to perceive the cashmere sweater alone as more generous than the combination of the same sweater and gift card. “The gift giver or presenter does not anticipate this difference in perspectives and has just cheapened the gift package by spending an extra \$10 on it.”

Weaver says the reason the gift card in the example dilutes the value of the overall gift is that people who evaluate a bundle, such as a gift



Kim Weaver

package, follow an averaging strategy, which leads to less favorable judgments when mildly favorable pieces (the gift card) are added to highly favorable pieces (the sweater). “The luxury sweater represents a generous ‘big’ gift. Adding on a ‘little’ gift

makes the total package seem less big.”

On the other hand, “people who present a bundle of information assume that every favorable piece adds to their overall case and include it in the bundle they present,” she says. However, notes co-author Stephen Garcia, an associate professor of psychology and organizational studies at the University of Michigan, “this strategy backfires, because the addition of mildly favorable information dilutes the impact of highly favorable information in the eyes of evaluators. Hence, presenters of information would be better off if they limited their presentation to their most favorable information — just as gift givers would be better off to limit their present to their most favorite gift.”

Weaver and her co-authors found that the paradox was strongly evident in seven studies across many product categories — from bundles of music to hotel advertisements, scholarships, and even “negative” items such as penalty structures.

When asked to design a penalty for littering, for example, those who were put in charge preferred a penalty that comprised a \$750 fine plus two hours of community service over a penalty that comprised only the \$750 fine. However, perceivers evaluated the former penalty as less severe than the latter, Weaver says. “Adding a couple of hours of community service made the overall penalty appear less harsh and undermined its deterrence value.”

The discovery of the Presenter’s Paradox sheds new light on how to best present information and avoid weakening the desired message, Weaver says. “Fortunately, there is a simple remedy: take the perspective of the evaluator and ask yourself how the bundle will appear to someone who will average across its components. Doing so will alert you to the fact that others will not always share your sense that more is better.”

“Prompting consumers to consider the overall picture entices them to adopt a holistic perspective, which allows them to correctly anticipate evaluators’ judgments,” says co-author Norbert Schwarz, professor of marketing and psychology at the University of Michigan. “But when left to their own devices, presenters are unlikely to notice that evaluators do not

Presenters follow a “more-is-better” logic; recipients evaluate the overall bundle of information.

share their more-is-better rule.”

Weaver’s research article, “The Presenter’s Paradox,” has been featured in major news outlets, including Time Magazine, Scientific American, NPR, MSNBC/Today, Fox News, CBS News, the New York Post, Psychology Today, and Men’s Health magazine. It has been accepted for publication in the Journal of Consumer Research. P

Fighting perceived value



Marketing assistant professor Kimberlee Weaver was sitting in a crowded airplane, awaiting take-off. After a two-hour wait, passengers had to disembark and switch aircraft. “Many were visibly irritated,” she said.

Seeking to make up for the inconvenience, the airline offered the following gift packet: a \$35 discount coupon for future travel; an amenity coupon for a meal, premium beverage, or mileage bonus — and a 25-cent phone card.

The latter, amounting to about five minutes of free long-distance calling, “looked quite cheap,” Weaver recalled thinking at the time. “It may not even be enough time to arrange alternate transportation, given the two-hour delay.”

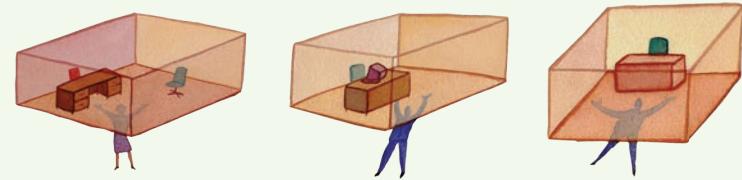
Weaver, whose research interests are in social cognition, social perception, and consumer

welfare, couldn’t help contemplating the situation in terms of her occupational expertise.

Is it possible, she wondered, that the airline believed the 25-cent phone card would enhance customer evaluations of their damage-control efforts, but that it actually detracted from customer perceptions of the coupon package as a whole? “Could one of the world’s largest airlines be spending thousands of dollars each year on phone cards and inadvertently be hurting rather than helping their image?”

The phone card, she thought, was a good example of a research question that she and two other scholars were examining: Do companies or individuals presenting information correctly anticipate how the information will be combined in the minds of those who evaluate them? “It’s an important research question that previous studies have left open.”

GREATER TRANSPARENCY LEADS TO BETTER FUND PERFORMANCE



U.S. laws and regulations on investment management address potential conflicts of interest between investors and managers through disclosure requirements. Surprisingly little is known about the effectiveness of these standards in resolving such conflicts, says finance professor Greg Kadlec.

Kadlec co-authored a recent study that offers new empirical evidence on the role of disclosure, finding that greater transparency about a fund's operating expenditures lowers the fund's conflicts of interest and improves return performance.

Agency conflicts can arise whenever people delegate control of assets to others. A particularly important agency conflict exists between shareholders and managers of a corporation. "Shareholders want managers to maximize the value of the corporation, whereas managers want to maximize their own welfare. This conflict can result in managers acting inefficiently or even corruptly with respect to the shareholders' interest."

The colossal failures of Drexel Burnham Lambert, Enron, Lehman Brothers, and the Madoff fund, he says, "all stem from agency conflict." Anticipating and resolving these conflicts improves the efficiency of corporations and capital allocation in the economy.

In their study, Kadlec and his co-authors Roger M. Edelen, of the University of California, Davis, and Richard Evans, of the University

of Virginia, investigate the role of disclosure in mutual fund agency conflicts by examining the two different ways that fund managers can pay for operating costs — approaches that differ greatly in transparency — and comparing their effects on return performance.

Mutual funds, Kadlec says, can pay for their operating costs either directly, in a highly visible manner — through itemized expenses that are widely reported via the expense ratio in the fund's income statement — or indirectly, in a relatively invisible manner — through "soft dollars," payments that are bundled with the commissions paid to brokers for trade execution. Bundling payments reduces transparency on two fronts: commission payments are not itemized and are "buried in obscure SEC filings."

Comparing the impact on fund performance of expensed and bundled payments provides direct

insight into the role that disclosure plays in mitigating agency costs, Kadlec says.

A key requirement for the study, he notes, is the comparability of goods and services received for expensed versus bundled payments, to ensure

that differences in return can be reasonably attributed to transparency. "Fund operating costs can be grouped into three general categories: advisory (fund manager salary, research, data feeds, transaction cost

analytics); administrative (shareholder services, legal, accounting, custodial, transfer agent); and distribution (sale of fund shares).

"Advisory and administrative costs are difficult to compare across funds, because the categories are relatively broad; moreover there can be considerable overlap between the two."

Distribution costs, however, "are relatively narrow in scope and governed by statute and are thus uniquely suited to our tests," he says.

"Our evidence indicates that fund return performance is significantly higher when funds use the more visible means of expensing payments to pay their operating cost than less visible commissions bundling," Kadlec says.

Why would a fund manager use commissions bundling if it is less efficient? "A possible answer lies in managers' incentive to hide fund expenses, such as high fees, that decrease the attractiveness of the fund to investors," he says.

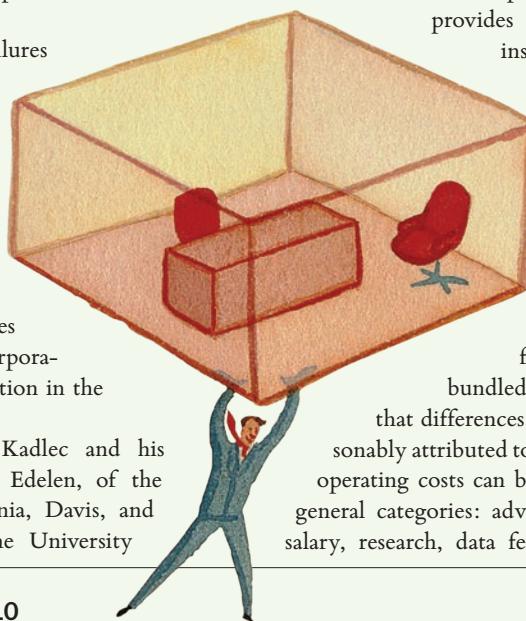
"Our evidence supports this explanation, showing that such obfuscation by fund managers works — soft dollar payments have a less negative impact on investor demand than expensed payments."

He adds that the study results also suggest that the negative impact of commissions bundling on fund performance extends well beyond the direct cost of higher commission payments. "In particular, we provide evidence that commissions bundling is associated with excessive trading — likely, the acquisition of additional goods and services via commissions."

The study, "Disclosure and Agency Conflict: Evidence from Mutual Fund Commission Bundling," is forthcoming in the Journal of Financial Economics.



John McCormick
Greg Kadlec and his co-authors found that while high fees discouraged investors, cost transparency actually helps fund performance.





WHEN YOU DON'T SNOOZE YOUR ETHICS LOSE

Can lack of sleep make you behave unethically? Researchers think so. Many studies have looked at the impact of sleep deprivation on workers' health, safety, and morale, says management assistant professor Christopher Barnes, but few have considered its implications for unethical behavior. "Sleep deprivation may also contribute to unethical conduct in the workplace, which is costly to organizations," says Barnes, who co-authored a recent study on the subject.

Barnes and three other scholars conducted four studies to examine the influence of low levels of sleep in decision-making situations involving ethical considerations. "We consistently found that people were more likely to behave unethically when they were short on sleep," he says.

An important practical implication of their research, he says, is that managers and organizations may play a larger role than previously thought in promoting unethical behavior — through excessive work demands, extended work hours, and shifts that result in night work, each of which, other studies show, has diminished employee sleep.

"We are not arguing that managers can or should completely control the sleep and unethical behavior of their subordinates," Barnes says, "but that managers should recognize that many of their actions may have second-order effects on sleep and thus unethical behavior. Managers

who push their employees to work long hours, work late into the night, or work sporadic and unpredictable schedules may be creating situations that foster unethical behavior."

He cites one recent finding that 30 percent of

American workers get fewer than six hours of sleep a night.

Workplace problems may arise if people make decisions when they are not fully rested, he says. "When people are low on sleep, they are more likely to say inappropriate things, be rude to people, or take big risks, for example." Many employees also encounter temptations to behave unethically for personal gain — "stealing supplies, blaming someone else for a mistake, cooking the books, bribery."

Overcoming such temptations requires exercising self-control, Barnes says. And exercising self-control requires rest. He notes that studies have shown that self-control functions take place in a specific region of the brain — the pre-frontal cortex — that works less well when people are low on sleep.

By diminishing self-control resources and hindering the body's ability to replenish them, he says, lack of sleep may make people less able to suppress choices that are illegal or morally unacceptable.

His research also underscores the need for managers to keep in mind the dynamic nature of ethical or unethical behavior, he says. "The same person could behave ethically on one day — after a good night of sleep — but unethically on another day — after a poor night of sleep. Thus, it is not just bad people who do bad things — even good people can do bad things if they are unable to exercise self-control."

Barnes says managers should seek to minimize infringements upon employee sleep through stable work schedules that avoid disrupting circadian rhythms and sleep patterns. He suggests allowing and even encouraging naps in the workplace. "Although naps may cut into work time, they may very well prevent unethical behaviors that could be more costly than the lost work time."

Barnes is the lead author of "Lack of sleep and unethical conduct," co-authored with John Schaubroeck and Megan Huth (Michigan State University) and Sonia Ghuman (University of Hawaii) and published in *Organizational Behavior and Human Decision Processes*, 115 (2011). P

RYAN STONE



Christopher Barnes

SLEEP DEPRIVED

Barnes, whose research interests include team performance and decision making, and behavioral ethics, became interested in sleep and work behavior while serving in the Air Force. "At Officer Training School, we were sleep deprived for the entire three-and-a-half month period. I can remember feeling like a zombie and not retaining much information from our lectures."

Assigned after training to a branch of the Air Force Research Laboratory that investigates fatigue, Barnes conducted research on the effects of prolonged sleep deprivation on both pilots and the people who gave commands to the pilots. "I was amazed at the powerful effects of sleep deprivation on human functioning."

Later, while pursuing a Ph.D., he focused on sleep and sleep deprivation as part of his research on fatigue in organizations. He has published articles on how sleep deprivation influences decision-making in teams and how changing to daylight saving time cuts into sleep and increases workplace accidents. A new article linking lack of sleep to "cyberloafing" has been accepted for publication.

TIGHTLY WOUND

AmerCable CEO held his company together

Less than two months after becoming president and CEO of AmerCable Inc., Bob Hogan (ACCT '78, MACCT '80) faced a major crisis when seven managers and 13 of 22 other employees at the cable manufacturer's oil and gas distribution facility in Houston quit to join a competitor. At the time, AmerCable was also a newly independent business, having spun off from its parent company as a result of a management-led buyout that Hogan executed in partnership with a private equity firm.

The company got through that crisis nearly 10 years ago, thanks, Hogan notes, to employees who pitched in to "fill the void" and private equity partners "who didn't panic."

AmerCable today is one of the country's largest manufacturers of electrical cable for the energy infrastructure and natural resource industries — "the number one producer in North America of cable for the mining industry, with about 60 percent of the market," Hogan says, and one of the top cable suppliers for the oil and gas industry. "Harsh environment applications are our specialty."

AmerCable products are also used in solar and wind energy generation. Headquartered in El Dorado, Ark., where it has a 535,000 sq. foot manufacturing plant, the company has operations in Houston, and distribution facilities in China and Singapore.

The company takes pride in its ability to "deliver product in the shortest lead times — twice as fast as our competitors — at an industry-best on-time delivery rate of 99 percent."

Its success story, including a remarkable strategic planning initiative that helped transform the primarily domestically focused business into an

internationally oriented company while quadrupling revenues and increasing enterprise valuation nine times, is discussed in Keith McFarland's 2008 New York Times business bestseller "The Breakthrough Company: How Everyday Companies

Achieve Extraordinary Results."

An AmerCable veteran, Hogan has led the company since 1993, when he was named president and CEO of what was then a division of Associated Materials Inc., for which he was CFO for nine years. A member of Pamplin's accounting and information systems advisory board since 2007, he returned to campus last spring as a Wachovia Distinguished Speaker. In his talk and an interview, he discussed the importance of strategic planning and people resources as well as leadership lessons and the challenges before his company and other U.S. businesses.

The mass departures of AmerCable personnel in Houston were an inauspicious start for the newly independent business, Hogan agrees; still, he does not consider the crisis as the toughest test he has faced.

The problem "looked massive at the time," he says. "It was daunting and scary." The resignations were also a blow to company pride, "because we had spent a lot of time building

a familial culture at AmerCable. And here were people walking out the door."

Recalling the exceptional response from his remaining employees, Hogan says some of them un-

dertook a weekly six-hour drive from El Dorado to Houston; others relocated there temporarily.

One insight he gained from the calamity was the importance of being aware of and understanding the perspectives of non-headquarters employees. Hogan was based for eight years in El Dorado before moving to Houston. His relocation was a revelation, letting him look back in and begin to understand what needed to be different for the company to grow and thrive. "I've told other CEOs this: if you can change your seat in the company sometime, do it."

The personnel crisis was about tackling a "defined task" and getting through a difficult but "finite period," Hogan says, an undertaking that was fueled in part by a resolve "not to lose to those other guys." The bigger and tougher challenge has been "changing who we are — understanding the strategic need for change and then moving the company along that path of looking outwardly." The change process is less well defined, he notes, and requires leaving one's comfort zone and dealing with a host of new and more complex issues — including

JOHN MCCORMICK



Bob Hogan is a longtime supporter of the accounting and information systems department and the Pamplin College. In addition to serving on the department's advisory board, Hogan has established an excellence fund and a faculty fellowship in the department. In addition to the Wachovia Distinguished Lecture, he has spoken to Pamplin classes about private equity deals, strategic acquisitions, and ethics in business. He co-sponsored the college's ethics conference last spring.



AmerCable seeks to deliver product in the shortest lead times.



CHALLENGES AHEAD

Bob Hogan considers energy development as one of the country's top economic challenges, along with financial stability and the impact of globalization. "You need efficient, competitive energy to grow your economy." High domestic energy costs, he argues, drive many businesses and jobs overseas.

Hogan contends that the opportunity for a "reasonable discourse on energy policy in this country" has been "pushed back to

some degree" by the oil spill in the Gulf of Mexico in April 2010. The incident led to a temporary moratorium on deepwater drilling in the gulf and tougher new safety rules to protect workers and the environment.

AmerCable did not have a role in the containment efforts (it does not manufacture underwater cables), but "we felt the impact of the spill because of the moratorium that was immediately implemented in the gulf," Hogan says.

In his book, McFarland lauds Hogan for enabling his employees to do their very best, noting that AmerCable succeeded because "Bob Hogan is a superb coach" and he focused on "growing his people right along with the business" by including them in strategy meetings and taking them to nationally renowned programs on management and leadership.

Asked about the accolade, Hogan says he doesn't consider himself a superb coach but learned that "you can be a better

"I've told other CEOs this: if you can change your seat in the company sometime, do it."

coach with better people." He seeks, in particular, to hire employees with high levels of self motivation. "Identifying that is really the key to coaching."

His company's success is a testament to its skilled and dedicated employees, Hogan says. "At AmerCable, we have ordinary people who do extraordinary things."

AmerCable was acquired by Paris-based Nexans, the world's second largest cable manufacturer, effective Feb. 29. [P]



PHOTOS COURTESY OF AMERCABLE

Harsh environment applications are the company's specialty.

foreign languages and cultures.

AmerCable's decision to become a global business had emerged from strategic planning conferences involving employees from various levels across the company. "If a mistake is made on the shop floor, the product becomes scrap. If it somehow gets out the door, which very rarely happens, you've got a customer who's upset; it might cost a little bit of money. But, you make an error in strategy — you make the wrong decisions about how you want to go to market, what business model to use, which markets to be in, which acquisitions — you can cost the company big dollars."

Dissatisfied with AmerCable's old, executive-centric strategic planning process, Hogan had sought McFarland's assistance with building a better one. (The author and consultant notes in his book that AmerCable was then facing a recession and in a mature industry, and its sales had stalled.)

Given Hogan's firm belief in soliciting input from the rank and file, participants at the strategy meetings include employees such as shop floor supervisors and field sales engineers. "There are leaders in all different parts of the organization," Hogan says. Employees at lower levels of responsibility may not necessarily understand all aspects of corporate strategy, he says, but if they "ask one key question that we haven't asked otherwise, we'll get benefit out of that."

A company's employees, Hogan maintains, are its strongest resource, and how it selects, leads, manages, develops, and retains its people and builds a team leveraging their individual skills and abilities can give it a distinct competitive edge. "I don't think you can have high levels of customer satisfaction unless you have highly satisfied employees." Yet, he says, most companies don't know enough about selecting and nurturing talent, and most business classes, he feels, don't cover it well.



"Delivering exceptional investment performance that can have an immediate and lasting impact on people's lives is the most rewarding thing I can do."

"SEED is one of the best programs the Pamplin College of Business offers," says Chad Meade, recalling his activities as a member of the Student-managed Endowment for Educational Development, one of two student groups based in Pamplin that currently manage a combined \$10 million of Virginia Tech's endowment through stock and bond investments.

"SEED played an instrumental role in helping me land my first job with Goldman Sachs," Meade says. "It served as a competitive differentiator during the interview process — I felt I was one step ahead of the competition by being well versed in equity research, fundamental analysis, and portfolio construction. In some ways, the experience you gain as a member of SEED is as valuable as those experiences on the job with a well-established firm."

MILE HIGH RETURNS

His winning investing strategy has earned mutual fund manager Chad Meade (FIN '99) a few coveted industry awards and some good press. The Janus Triton Fund co-portfolio manager and executive vice president was lauded in *Smart Money* last summer as one of seven "young gun" mutual-fund stock-pickers who could be among "the next generation's greatest investors."

Meade and co-portfolio manager partner Brian Schaub have also been featured in *The Wall Street Journal* and *Investment Advisor*; their fund took the gold in the U.S. small-cap stock category in Standard & Poor's first U.S. mutual fund excellence awards program in 2010 and the bronze in 2011.

Meade, who began co-managing the fund in June 2006, says the fund's five-year track record ranks in the top one percent of its peer group. It gained 11.74 percent on average a year, compared with 6.67 percent for its primary benchmark, the Russell 2500 Growth Index, representing an annualized outperformance of 5.07 percent.

The accolades, attention, and financial rewards are nice, he says, but what matters most, he says, is fulfilling his duty as a fiduciary to his clients and fund shareholders. "I am extremely proud of our record. The most rewarding aspect is knowing I may have helped someone earn some extra money for a vacation, a home, a child's education, or

improved someone's overall retirement potential. Our mutual fund vehicles represent a way for ordinary people to invest their savings, and my goal is to deliver the best investment performance to help increase and compound their investment over time."

Meade (whose wife Misty is also a Pamplin alumnus — marketing '00) joined Janus Capital Group in 2001 and has lived since then in Denver, Colo., where the company is headquartered. The Mile High City in the Rockies is a long way, in more ways than one, from the coalfields of Wise County, Va., where Meade had his "humble

beginnings" (to quote his brother Chuck, another Pamplin alumnus — finance '96).

Growing up in the small town of Coeburn, he was taught early on "to stay humble but hungry," Meade says. "The overall ethos of the coalfields can be described as hard work, dedication, and humility, and for me it was no different. I had the blessing of two great parents, an older brother, and a large extended family that have always prided themselves on these values."

He knew little about Wall Street or the asset management industry. "The overall per capita income is about \$15,000, so most people are focused on making ends meet rather than investing for a future."

Graduating from Virginia Tech, Meade found a job at Goldman Sachs as a sell-side financial analyst covering the transportation sector. Among his projects was the

"I find the immediate and tangible feedback of making a good investment much more fulfilling."

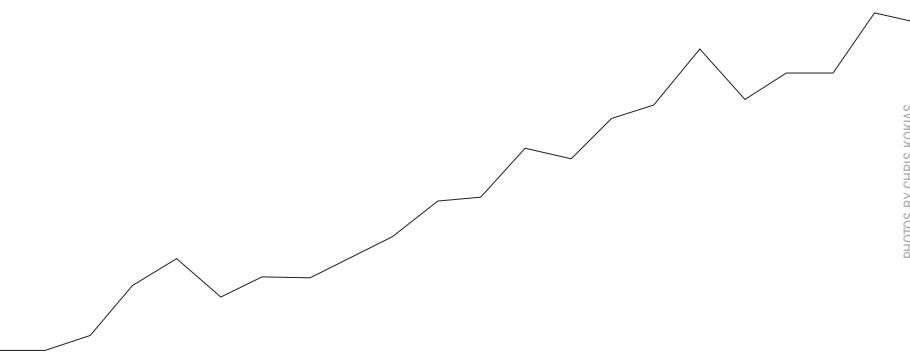


PHOTO BY CHRIS KOKKAS

UPS initial public offering, which, at \$5.5 billion raised, was the largest IPO in U.S. history at the time.

He enjoyed his work at Goldman Sachs, but his long-term aspirations included managing money, which he had experienced as a member of the SEED student group on campus. “I wanted to be able to ‘pull the trigger’ as a buy-side participant rather than making a recommendation to do this as a sell-side analyst. I find the immediate and tangible feedback of making a good investment much more fulfilling.”

When the job at Janus beckoned after two years at Goldman, he headed west, excited at the opportunity to examine a wide range of companies rather than focus on a single industry.

He and co-portfolio manager Schaub manage about \$4 billion in the Triton and, since 2010, Venture funds. Their responsibilities include doing research and assembling a portfolio.

“We work closely with our investment team to identify small and mid-cap growth companies that have the ability to be good investments over a long period of time,” Meade says. “We build detailed financial models and conduct grassroots research to understand the competitive dynamics and position of each company and evaluate its financial health and income potential in the future. This fundamental analysis helps us construct a portfolio that we believe is poised to appreciate over time.”

His team’s investment philosophy is “grounded in the belief that companies that have a sustainable competitive advantage, operate in a large addressable market, and have a high-quality business model have the potential to increase in value over time.” Focusing on the durability of competitive advantage, Meade says, is critical in small-cap investing — “any small company that demonstrates success will inevitably face competition from larger companies; its long-term fortunes will be based not only on how it defends but also advances its overall market position.”

He looks for “long-term value creation opportunities,” rather than “the fad or the flavor of the day, which often absorbs Wall Street’s time and attention.” This longer-term focus, he points out, is reflected in the turnover of his funds’ portfolio — “less than 50 percent, which translates into a holding period of over two years. Our competitors typically have turnover in excess of 100 percent, or less than a one-year holding period.”

Meade is fortunate to be able to do what he loves, he says, while seeking to nurture the nest eggs of his investors. “While money is certainly not the key to happiness, having funds to cross off Maslow’s bottom few categories is a helpful start. Delivering exceptional investment performance that can have an immediate and lasting impact on people’s lives is the most rewarding thing I can do.” P



INVESTMENT LESSONS



Starting out as an investment professional during the technology and dot-com implosion taught him some invaluable lessons, Chad Meade says. “The stock market is a humbling machine, dishing out regular doses of investment humility in the form of poor, sometimes, catastrophic stock performance.” He sought to learn from his mistakes to avoid repeating them. Fewer “unforced errors,” he says, makes for better long-term investment performance.

Valuation is vital for long-term success, he quickly learned, and key components for creating long-term value are the quality and sustainability of the business model. “After seeing the dot.com carnage, I learned one of the most important lessons of investing, which is knowing what red flags to look out for — unsustainable business models and extremely overvalued securities.”

ADVICE TO STUDENTS

- Start with a larger, aspirational goal. My main focus as a portfolio manager has always been to deliver exceptional investment performance to help our fundholders meet their financial goals rather than short-term investment results or “beating the market.”
- Virginia Tech and the Pamplin College of Business and its faculty are a phenomenal resource that you should take full advantage of. By leveraging our faculty and alumni base, I was able to successfully begin a career on Wall Street.
- Grades are very important, but if you want to go far in life and your chosen profession, make sure you learn the concepts, theories, and principles that serve as the foundation of your degree. It is the knowledge you obtain, combined with real-world experience, that will distinguish you from others, not a grade on a mid-term.
- Business is multi-faceted, part art and part science, and it takes a keen understanding and appreciation of all the sub-components to fully understand and make good business and investment decisions. //

HELPING DEVELOP COMPUTER LITERACY IN BELIZE

Ten Pamplin students took on the role of educators themselves as they helped improve the computer skills of teachers in Belize during a week there over winter break.

The group's three-day seminar offered three dozen primary and secondary school teachers in the Orange Walk district in Belize "hands-on instruction in a variety of computer applications that pertained to their work as teachers," said Will Demeré, an accounting and information systems instructor. Demeré worked closely with Zack Helmintoller, a master's student in accounting and information systems, who organized the trip and recruited him as the project's faculty liaison.

The team used a curriculum modeled after material in the PCs in Business course

Demeré currently teaches. Having taken the sophomore-level course themselves, some of the Pamplin student participants were able to use what they learned to help the teachers, he noted.

"The training was very interactive. We divided participants into two groups: one covered basic computer skills for teachers with little or no experience working with computers; the other addressed more advanced topics in Microsoft Excel, Word, and PowerPoint." In addition, many of the Belizean teachers brought specific tasks that they wanted to learn, all of which were addressed by the end of the project.

Jenny Feller, a sophomore majoring in finance, said one teacher "was so excited, she could not wait to go home and show her son what she had learned."

In addition to the computer training, held at the Orange Walk Institute for Technical and Vocational Training, the Pamplin participants painted classrooms and the exterior of a local school.

The project was organized in cooperation with Peacework, a Blacksburg non-profit, and with the support of Belize's deputy minister of education.

Helmintoller said he and other team members appreciated the chance to contribute their knowledge and time to help others abroad and to put into practice Virginia Tech's motto of *Ut Prosim*. "We benefited from participating in the project, which helped increase our global awareness and fostered in many of us a desire to continue serving others. I hope other students will learn of this experience and be inspired to seek out such opportunities."

The project was sponsored by accounting and advisory firms Baker Tilly, Grant Thornton, Dixon Hughes Goodman, Deloitte, Yount Hyde & Barbour, and accounting, finance, and information systems honorary society Beta Alpha Psi. □



Accounting and information systems instructor Will Demeré paints a classroom in an Orange Walk school.

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Jenny Feller, a sophomore in finance, and Taylor Rebele, a junior in accounting and information systems, address specific issues raised by teachers during the hands-on seminar at the Orange Walk Institute for Technical and Vocational Training.

MAJOR GIFTS

Sharpe Scholarship Fund

Larry E. Sharpe, of Roanoke, and his wife Cynthia K. Sharpe, who are friends of Pamplin, have made a generous bequest to provide student scholarships. The Sharpes appreciate the quality education students receive at Virginia Tech and Pamplin and wanted to provide expanded opportunities for future business students.

Altria Diversity Initiatives Fund

Altria Client Services, of Richmond, has contributed \$66,000 towards several Pamplin initiatives, including the peer mentoring program, the diversity initiatives fund, the Business Leadership Center, MBA Quest, and the LEAP program for incoming freshmen. Altria supports instructing students in diversity and inspiring tolerance and respect.

David Walker Epp Memorial Fund

The friends and family of David Walker Epp (ACIS '07, FIN '07) have established the David Walker Epp Memorial Fund in his memory. Epp, who was from Herndon, died in 2010. The fund has provided support to the accounting and information systems department.

Deloitte Foundation Faculty Fellowship

The Deloitte Foundation Faculty Fellowship in Accounting and Information Systems was established by the alumni partners of Deloitte to support the research and teaching of the department's professors "whose work shows remarkable promise." The effort to establish the fund was led by Kevin Lane (ACCT '95, MACCT '00), of Bethesda, Md., a managing partner currently working in Buenos Aires, Argentina. Deloitte will match the alumni gifts dollar for dollar, to bring the total pledged to \$250,000.

Sorensen Memorial Scholarship and Sorensen Family Fellowship

Pamplin Dean Richard E. Sorensen, of Blacksburg, and his wife Carol Sorensen, have given more than \$210,000 to benefit Pamplin students and faculty. Most recently, they established the William Alfred and Elizabeth Ann Sorensen Memorial Scholarship in memory of his parents. They have also set up the Richard E. and Carol A. Sorensen MBA Fellowship, the Richard E. and Carol A. Sorensen Ph.D. Fellowship, and the Richard E. and Carol A. Sorensen Freshman Merit Scholarship and contributed to other established funds.

CHARITABLE REMAINDER TRUST

Still meeting Oliver's goals

No educational institution," the late Russell V. Oliver (HORT '33, M.S./AGEC '35) said in 1969, can be better than the quality of its faculty. "The institution needs to establish a permanent method for subsidizing the difference in faculty salaries," Oliver said, "between what the state and the institution has to offer and the amount required to hire the most outstanding capability available in a particular field."

Oliver was among the depression-era Hokies who faced an unpromising job market when they graduated from what was then VPI. He not only found employment as an economist and statistician but also grew his personal wealth through astute investments in securities and real estate — and he never forgot his university.

He and his wife Arlene ("Jo") set up a charitable remainder trust to accomplish their personal and philanthropic goals. The trust generated an additional stream of income for their retirement and, after Oliver died in 2002 at age 92, continued lifetime payments to his widow until her death in 2006.

Today, the remainder of their trust endows the Russell V. and Arlene F. Oliver Professorships

in Investment Management, established over the years and currently held by award-winning finance faculty members Raman Kumar and Greg Kadlec.

"The Russ and Arlene Oliver gift is particularly important in providing a means of recognizing faculty accomplishments during a period in which the university has been unable to provide raises," Kadlec noted recently.

"Oliver loved Virginia Tech," said Pamplin development director Alex Fritz. "He wanted to share his passion for investment management with the university's students and support finance education that would enable students to build their wealth through investment management, as he had."

The trust he and his wife established, Fritz said, "provides faculty support in perpetuity, to benefit not only the Oliver Professors, but also their students and the extended communities with which they interact."

To learn how a charitable trust or other life income gift can help you reach your goals, or to explore any gift to the Pamplin College of Business, call Alex Fritz at 800-533-1144 or email afritz@vt.edu. P

*By Judith Davis, marketing associate
for gift planning, University Development*

JOHN MCCORMICK



Raman Kumar, who holds one of the two Oliver Professorships, teaches courses in investments, derivative securities, and international finance.

College raises funds for Dean's Chair

JOHN MCCORMICK



JOHN MCCORMICK



Mary McVay (top)
and Shirley
Edwards are
among those who
contributed to the
endowment for the
Dean's Chair.

The college is raising funds to establish a Dean's Chair in honor of Dean Richard E. Sorensen, who has led Pamplin for nearly 30 years and will be retiring next year (see story on p. 2).

"The chair will enable us to attract a worthy successor to Dean Sorensen, someone with exceptional credentials and reputation, who will keep the college on the path of excellence," said Pamplin development director Alex Fritz.

The chair, he said, is a fundraising priority for the college. "An endowed deanship is the single most prestigious position in a college. Those appointed as deans are the leaders responsible for creating a vision for the school or college and for developing programs to implement and embody that vision." Such leaders, he said, also help the college recruit and retain some of the nation's foremost scholars, which also helps attract the best students.

The college must compete with the best schools in the world for the best teachers, researchers, and leaders. "This means that we must be prepared to offer opportunities and salaries that compare favorably to other universities and to the private sector as well." The \$2 million endowment proposed for the Richard E. Sorensen Dean's Chair, Fritz said, will enable Pamplin to provide supplemental compensation to the new

dean as well as discretionary funds to support him or her in building outstanding departments and programs that will rank among the best in the nation.

The college deeply appreciates the generosity of donors who have made early contributions towards the endowment, Fritz said. Special thanks are offered to the following alumni: Michael W. Clarke (FIN '83), of Vienna; Douglas C. Curling (ACCT '76, MACCT '77), of Roswell, Ga.; Shirley A. Edwards (ACCT '82), of Sandy Spring, Md.; Elwood Thomas "Tom" Hodnett Jr. (MGT '72) and Martha Hodnett, of Springfield; Mary F. McVay (ACCT '78, MBA '81) and Theodore R. Rosenberg, of Bonita Springs, Fla.; James E. Pearman Jr. (ACCT '70), of Salem; and Frank W. "Butch" Webber Jr. (BAD '64), of Midlothian.

The college also thanks these donors: McRae C. Banks II (HIST '72, CAGS/PAPA '84, Ph.D./PAPA '87), of Holden, Mass.; Maurice L. "Rick" Fingeret, (ACCT '79), of Wilton, Conn.; Robert L. Freeman and Robert L. Freeman Jr. (ACCT '75, MACCT '77), of Newport News; James H. Hatch (MACCT '72), of White Stone; Russell J. Herakovich (FIN '90), of Atlanta, Ga.; Floyd W. Merryman III (MGT '81), of Altavista; Peter Q. Murphy (MKTG '84), of Denver, Colo.; Robert Huelett "Hugh" Newton Jr. (GBUS '73), of Richmond; and Gregory C. Thompson (ACCT '77), of Atlanta, Ga. P

HONORS & AWARDS

NATIONAL AWARDS

Instructional Innovation Award



Business information technology assistant professor **Alan Abrahams** has won the Decision Sciences Institute's 2011 Instructional Innovation Award for his pilot study on using "expeditionary learning," an educational approach used in the natural sciences, to teach e-commerce technologies.

Abrahams noted that collecting, cataloging, and comparing living specimens has long been "a popular, collaborative mode of discovery and learning in the natural sciences." His pilot study, he said, demonstrates that expeditionary learning can be an effective technique in the information systems field, where specimens are "human created" and "rapidly evolving."

The 92 students in his course developed and distributed a guidebook on e-business and gave presentations on it to about 500 high school and community college students. External learners downloaded it from the students' website more than 60,000 times.

Organization Research Methodology Award



Management assistant professor **Steve Gove** and his co-authors Brian Boyd and Michael Hitt received the 2011 Sage Publications/Robert McDonald Advancement of Organization Research Methodology Award by the Academy of Management's research methods division. The award recognized the scholarly contributions of their two 2005 Strategic Management Journal articles addressing measurement error in the management literature: "Construct Measurement in Strategy Research: Reality or Illusion?" and "Consequences of Measurement Problems in Strategy Research: The Case of Amihud and Lev."

ON THE MOVE



Alex Fritz (ACCT '94) has been appointed Pamplin's director of development. He joined Virginia Tech as associate director of gift planning in 2002. He has solicited and closed more than \$20 million of immediate and deferred gifts. He previously worked at Deloitte & Touche in Winston-Salem, N.C., where he conducted domestic and international audits, and at Sara Lee, where he managed various responsibilities in internal audit, financial planning, and customer logistics. Fritz grew up in Lynchburg and lives in Blacksburg with his daughters Lauren, 11, and Sydney, 7.

Marketing students win national sales competition



A student team comprising **Kristina Kelly**, a senior from Vinton who is double majoring in marketing and hospitality management, and **Nick Wells**, a senior from Danville who is double majoring in marketing and finance, took first place at the recent National Sales Challenge, organized by the Russ Berrie Institute for Professional Sales at William Paterson University.

In addition to the first-place team award, Kelly took first place in the overall individual competition and second place in the speed-selling contest, one of the sales challenge's two events.

"This is a fantastic accomplishment for our students, for our department, and for our fledgling sales program," said Richard Buehrer, a visiting professor who is leading the marketing department's efforts in developing a sales track. Students from 29 universities participated in the challenge.

Team wins CASE District III Award of Excellence



A team led by marketing instructor **Donna Wortalik** received the 2012 CASE District III Award of Excellence for the redesigned website and social media platform for the marketing department. CASE is the Council for Advancement and Support of Education.

Wortalik, who has 18 years of advertising industry experience, spearheaded the project that began more than a year ago, leading a team that included Matt Wolk (MKTG '11), who created the site's layout and design; Christian Sides (CS '01), who served as webmaster and translated Wolk's design into HTML code; and marketing seniors Lesley Chan, of Springfield, and Collin Carroll, of Edina, Minn.

The team redesigned the website, building three distinct portals — "Engage," "Excite," and "Enter" — comprising a student blog, video content, and a job board, respectively. "The website is a vast renovation of its predecessor, which, for students, had served merely as a tool to find course information," said Wortalik.

2011 Best paper award



Management associate professor **Jeffrey Arthur**, along with co-authors Andrew Herdman (Ph.D./MGT '08) and Ph.D. student Jaewan Yang, received the 2011 Best Paper Award of the Academy of Management's human resources division for their paper, "How a Climate for Incivility Affects Business Unit Performance: Testing a Linkage Model."

UNIVERSITY AWARDS

Gnyawali named R.B. Pamplin Professor of Management

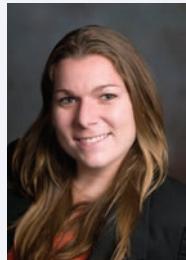


Management professor **Devi Gnyawali** was named the R.B. Pamplin Professor of Management by the Virginia Tech Board of Visitors. Gnyawali, who joined Pamplin in 1997, is recognized nationally and internationally for his research. He has published 24 papers in major management journals and has received two best paper awards. He received the Department of Management's Faculty Research Award in 2004, 2007, and 2011. An award-winning teacher, Gnyawali teaches a wide range of courses in the undergraduate, MBA, and Ph.D. programs and has also taught workshops for executives.

See more award news at:
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STUDENT AWARDS

OUTSTANDING PAMPLIN SENIOR



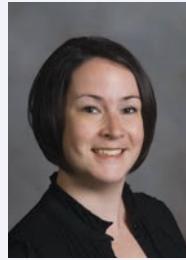
Jillian A. Mowery, a senior in hospitality and tourism management from McLean, is a University Honors scholar and multiple scholarship recipient who has made the dean's list every semester. She has traveled on a study abroad to the French Riviera and Italy, held internships in hospitality companies, and participated in the residential leadership community program on campus. She serves on the Class of 2012 leadership team, where she has been Ring Dance banquet chair since 2009, and was selected to serve on Tech's executive long-range planning committee. Active in Virginia Tech's Relay For Life, Mowery served first as a committee member and then as an executive chair and individually raised more than \$15,000 for the American Cancer Society. A member of the Virginia Tech Club Softball team since 2008, she is currently the club's president.

GRADUATE STUDENT TEACHING



Michael Ozlanski, a doctoral student in accounting and information systems from Mount Carmel, Penn., has taught a variety of courses — a required course for accounting students, courses for non-accounting business majors and minors, and a course that prepares newly graduated students for the CPA exam. He has received perfect or near perfect scores in student evaluations of his teaching and is working on a dissertation that considers how perceptions of the rules for preparing financial statements and external assurance on that information affect investors' decisions.

OUTSTANDING DOCTORAL STUDENT



Melissa Baker, a doctoral student in hospitality and tourism management from Marshfield, Mass., focuses her research and teaching on services and human resource management in hospitality businesses. Her dissertation examines "employee justice perceptions of opportunistic customer complaining." Two papers have been accepted in the International Journal of Hospitality Management.

H. H. MITCHELL OUTSTANDING LEADERSHIP



Kyle M. Amonson, of Philmont, is a marketing senior minoring in military leadership. He is a battalion commander of the Virginia Tech Army ROTC, one of the nation's largest, with 650-plus cadets; an executive officer of the Virginia Tech Corps of Cadets' India Company, where he oversees daily activities; and a student director of Hokie Camp, where he designed and coordinated a program for more than 1,100 students.

COLLEGE SERVICE



As president of the Class of 2012, **Sandy Demond Bass Jr.**, a senior in marketing and theatre arts from Virginia Beach, leads a 26-member team in organizing and promoting events. He chairs the Commission on Student Affairs and is active in the Student Government Association. Bass also serves as chief marketing officer of PRISM.

COLLEGE AWARDS

EXCELLENCE IN OUTREACH



Marketing professor **David Brinberg** has worked on a series of recent projects in community and economic development abroad that reflect his long-time interest in social marketing.

EXCELLENCE IN DIVERSITY



Dean Richard E. Sorensen and associate dean for undergraduate programs **Candice Clemenz** were recognized for their activities to enhance diversity.

EXCELLENCE IN INTERNATIONAL PROGRAMS

Accounting and information systems professor **James Hicks** has designed and conducted six study-abroad programs to Europe that have enrolled more than 400 students over 13 years and visited more than 20 European cities and dozens of companies and government organizations.

OUTSTANDING FACULTY IN DOCTORAL EDUCATION



Hospitality and tourism management professor **Suzanne Murrmann**, who was until recently, the department's graduate program coordinator, has been a "guiding force" in the Ph.D. program, noted department head Rick Perdue.

TEACHING EXCELLENCE AND WARREN L. HOLTZMAN OUTSTANDING EDUCATOR

Debra Salvador, associate professor of accounting and information systems; **Byung Cho Kim**, assistant professor of business information technology; **Ozzie Ince**, assistant professor of finance; **Rick Parsons**, instructor of hospitality and tourism management; **Steve Gove**, assistant professor of management; and **Kim Weaver**, assistant professor of marketing.



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BREAK IN BELIZE

Stepping out of their own classrooms at Virginia Tech and into a school in Belize, 10 Pamplin students took on the role of educators over winter break. Their goal: to help teachers improve their computer skills in a variety of applications. The volunteers also painted classrooms in a local school.

STUDENTS RUN COMPUTER WORKSHOP



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PAGE 16

