

FALL 2014

VIRGINIA TECH **Business**

MAGAZINE of the PAMPLIN COLLEGE of BUSINESS

Serial entrepreneur

Kurt Zuch (MSCI '90) sold
each of his three startups
— the third to EY in May.

Virginia Tech Business

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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. Pamplin emphasizes technology and analysis that improve business, entrepreneurship that leads to innovation and innovative companies, international opportunities for learning and research, and an inclusive, collaborative community. It is named in honor of two alumni: the late Robert B. Pamplin, retired chairman of Georgia-Pacific, and businessman, author, and philanthropist Robert B. Pamplin Jr.

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U.S. News rankings

PAMPLIN MOVED UP in U.S. News & World Report's 2015 rankings of the nation's best undergraduate business programs with an overall ranking of 39th, which represents a 23rd ranking among public institutions.

In its overall ranking, the college ties with Boston University; College of William and Mary; University of California, Irvine; University of Pittsburgh; and the University of South Carolina.

In the 2014 rankings, Pamplin was 43rd overall and 26th among public schools.

Robert Sumichrast, who became Pamplin



dean in July 2013, has taken actions that include recruiting more faculty to further strengthen teaching, particularly in the areas of business intelligence and analytics, innovation through entrepreneurship, and international programs; remodeling the Pamplin atrium to promote studying and networking; and launching a new speaker series featuring young alumni.

With approximately 1,500 business schools in the U.S., Pamplin's rank puts it among the top 3 percent.

Look who's talking

WILLIAM J. BENNETT, former U.S. Secretary of Education, host of the nationally syndicated "Morning in America" radio show, and author, gave the Cutchins Distinguished Lecture, "The Promise of America in Challenging Times." Drawing on his extensive experience in education, government, and the private sector, Bennett discussed a range of political, cultural, and educational issues.

Executive turned whistleblower **MARK WHITACRE**, who was portrayed by Matt Damon in the 2009 movie "The Informant!" discussed the international price-fixing conspiracy that he exposed at the Archer Daniels Midland Company in the mid-1990s as the featured speaker in the Symposium on Business Ethics, co-sponsored with the Virginia Tech Student Engineers' Council.



From left: William J. Bennett, Mark Whitacre, and Greg Ip

GREG IP, U.S. economics editor of The Economist, discussed the outlook for the economy and economic policy as the featured speaker in the BB&T Distinguished Lecture. The BB&T lecture series is part of a Pamplin teaching program to explore the foundations of capitalism and freedom.

CIE starts operations

PAMPLIN'S CENTER FOR INNOVATION AND ENTREPRENEURSHIP began operations this summer, with the appointment of two experienced professionals in business development and technology partnerships.

Linda Oldham, former executive director of Georgia Tech's Denning Technology and Management Program, has been hired as the center's executive director. She will develop a plan to promote the center and raise its visibility in Blacksburg and the Washington, D.C., area.

Derick Maggard, former executive director of the Roanoke-Blacksburg Technology Council, is the center's director. He will focus on activities related to undergraduate education in entrepreneurship.

The center seeks to connect Virginia Tech's innovators and entrepreneurs and coordinate and develop related activities in the Blacksburg-Roanoke area and the National Capital Region.

It will maintain strategic partnerships that can increase resources for Virginia Tech and establish interdisciplinary partnerships that create a collaborative and an experiential learning environment.

The center will enhance student education in entrepreneurship; support faculty research related to entrepreneurship, technology commercialization, and new venture formation and growth; and promote new venture development.

Dean's MESSAGE

NYC women in business



BONNIE GILBERT

Morgan Stanley's Tracy Castle-Newman (FIN '90) hosted the networking event.

ABOUT FOUR DOZEN VIRGINIA TECH ALUMNAE showed up to network at Pamplin's fifth annual "Women in Business" event in New York in September. Attendees included Deborah Petrine (MGT '78), rector of the Virginia Tech Board of Visitors, and Laura Sands, wife of Virginia Tech president Tim Sands and a professor in the Center for Gerontology. The event was hosted by Tracy Castle-Newman (FIN '90), Morgan Stanley's managing director and global chief operating officer for equity distribution, at the firm's offices.

Sharing their career experiences at the event, titled "Women, Words, Wisdom, and Work," were Castle-Newman, TV marketing professional Jodi Arden, tobacco executive Jen Campbell, employment lawyer Chandra Davis, and advertising strategist Lauren Procriv (MKTG '10; M.S., MKTG '12).

Pamplin alumni relations director Bonnie Gilbert said the event has attracted a growing number of attendees, who have ranged from women who are current marketing students at Pamplin and new college graduates to those facing retirement. "It is one of our best networking events."

Fall picnic



CHRISTINA O'CONNOR

PAMPLIN KICKED OFF the 2014-15 school year with a welcome picnic for students and faculty and staff and their families on Aug. 29. The event is the latest in a series of activities organized by Dean Robert Sumichrast to promote greater engagement, collaboration, and sense of belonging throughout the Pamplin community.

Stay in touch!

Hokies, stay connected to Virginia Tech and Pamplin by making sure the university has up-to-date mailing/contact information. Use your Virginia Tech PID and password to view and make corrections to your mailing address, email address, and other information. You can inspect and update your alumni profile anytime from anywhere.

www.alumni.vt.edu/gateway



LOGAN WALLACE

AMONG OUR ACTIVITIES at Pamplin this fall are preparations to mark the college's 50th anniversary. We will be celebrating the accomplishments of our first half century next year and looking forward to our next half century. You will hear more from us via email, the web, and in other ways, as we finalize our celebration plans and invite you to take part.

Pamplin has made much progress in these 50 years. Certainly our most recent year has been eventful.

One key accomplishment has been the creation of a new strategic plan, which can be summarized with four goals:

- Provide Pamplin students the best educational experience
- Strengthen Pamplin's reputation as one of the leading sources of knowledge in business
- Create one of the most innovative facilities for business education
- Develop greater pride in the Pamplin community

Achieving the first goal requires that we recruit intelligent, motivated students and have great faculty and staff to teach and mentor them. We also need participation from alumni and other business leaders in these activities. Pamplin looks at education broadly and includes quality experiences such as internships and study abroad along with traditional courses. Educational success will be seen in the careers of our graduates and in their opinions of the Pamplin learning experience.

We want Pamplin faculty involved in developing our understanding of business and how business can be improved. Faculty should bring a dynamic understanding of their subject into the classroom, into discussions with students, and into mentoring relationships. We also want our faculty research to help shape discussions about business among other academics and business leaders.

Fully implementing our broad concept of delivering a great, well-rounded education can only be achieved using facilities that support a range of activities for groups and individuals. Last semester, we pushed the limits of Pamplin Hall, transforming its atrium into a space where students can network and study. This investment of about \$100,000 has paid off nicely, as anyone who has been in the building since can confirm — students are taking advantage of the space anytime Pamplin Hall is open. However, we need a more substantial investment, which will provide more than seating for 100 of Pamplin's more than 4,000 students. We need facilities that have space to include all business departments and promote a sense of community. The facilities we desire would allow instructors to immediately send students to work on cases in project rooms after discussing relevant material in a class. They would provide the technology for students to manage portfolios, analyze data from social media, and participate in high-quality conferencing with business leaders from around the world.

Virginia Tech alumni are the most loyal anywhere. The improvements we are making in Pamplin, including improving the education for our students, enhancing the research of our faculty, and developing the environment to support these activities will create even greater pride in the Pamplin community.

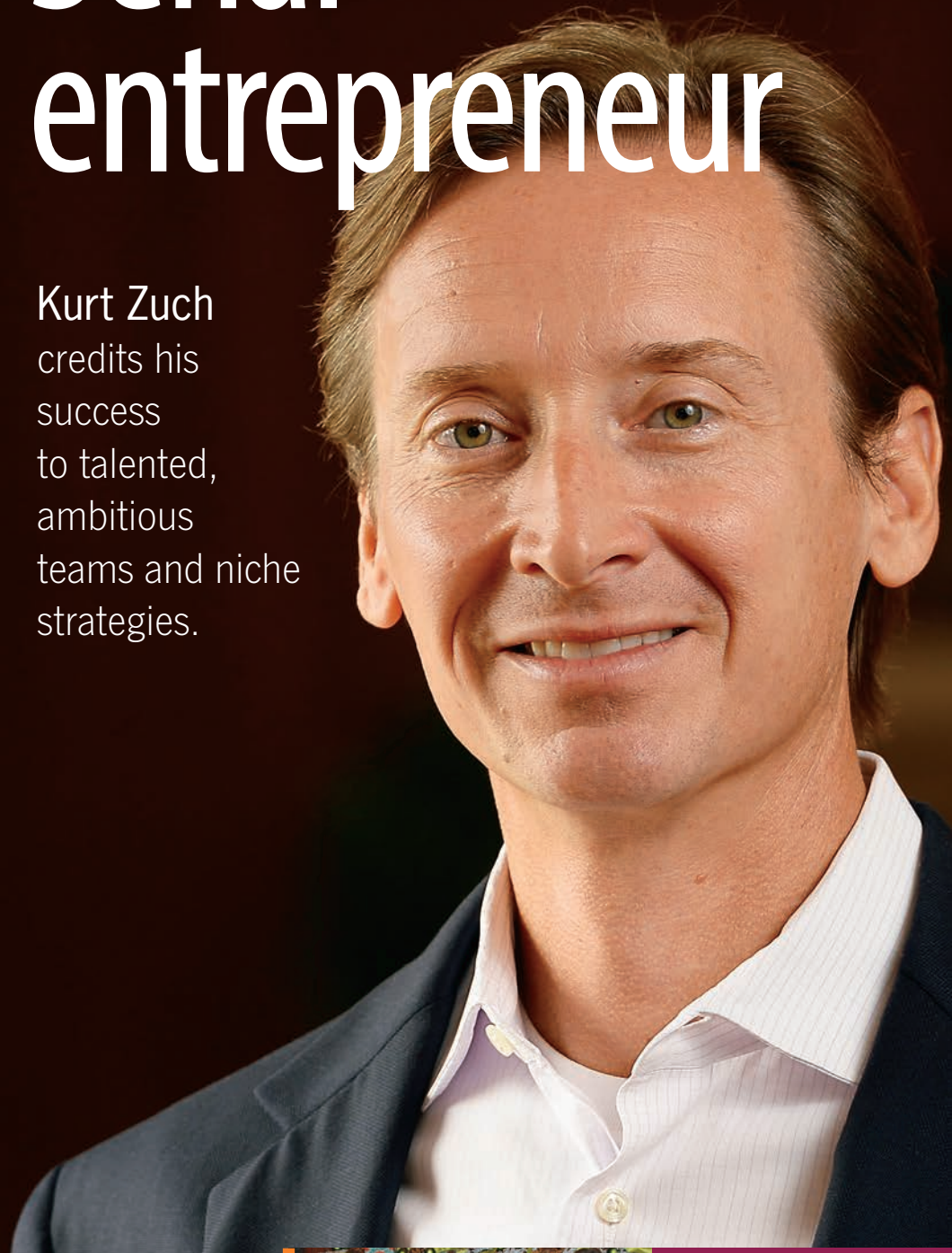
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LOGAN WALLACE

Serial entrepreneur

Kurt Zuch credits his success to talented, ambitious teams and niche strategies.



FOUR YEARS INTO HIS FIRST JOB after graduation, Kurt Zuch (MSCI '90) made a move that would define his career course over the next two decades, engage his creative energies, and reward him extraordinarily for his efforts.

Zuch was working at what was then Andersen Consulting (now Accenture) in Washington, D.C., but he left to launch the first of what would be three consulting firms specializing in the energy industry.

All three grew briskly, and each was sold to larger consulting companies within a short time. The third, Atlanta-based Five Point Partners, was acquired in May by Ernst & Young after topping \$50 million in revenue in five years.

Raised in Virginia Beach, Zuch learned about the value of hard work, resourcefulness, and risk taking from his father, who spent 22 years as a Navy aviator and bought and ran a small business after retiring, and his mother, an experienced volunteer, teacher, and artist. As a teenager, Zuch worked part-time delivering newspapers — “an early morning commitment for years, to over 200 homes at one point.”

The decision to quit a good job at a major firm and strike out on his own, he recalls, was less about meticulous planning than of “eagerly jumping into the pool and hoping the water was deep enough to swim!”

He and his wife Celeste, whom he had met at work, had gained a distinctive set of knowledge and skills at Andersen. Newly wed and with no children, the couple figured it was time to test themselves as entrepreneurs.

With support from some friends, they established Pathways Consulting.

“The beauty of consulting is that you can start a business with limited funds, so Pathways was self-funded from day one and never received outside capital,” Zuch says.

“We were blessed with



KURT ZUCH, who considers his 20-year marriage one of his “most precious accomplishments,” says it’s imperative for entrepreneurs to balance the leadership needs of a small firm with enjoyment of life and family.

COURTESY KURT ZUCH

talented and ambitious professionals, loyal clients, and a niche strategy that allowed us to grow quickly.” He and his partners also kept a close eye on cash flow, increasing expenses only when revenues allowed them to do so.

The fledgling firm was only two years old and its founder was not yet 30, when it was sold (to a public company that was itself later acquired by Computer Associates).

“The opportunity to monetize a seven-figure deal at such a young age was very gratifying, economically and professionally,” Zuch says. He had “no regrets whatsoever post sale” but continued to wonder what the firm might have blossomed into had it stayed its course, even as he moved on to new positions at new workplaces.

He became vice president of professional services at the Atlanta office of a software company before leaving a year later for another, where he was made senior vice president of operations.

After that company was acquired, Zuch decided to reboot as a business owner and launched Capstone Consulting Partners. As with his first venture, it wasn’t long — not quite three years, in fact — before Capstone’s success attracted attention and led to its sale to Alliance Data, a publicly traded company based in Dallas.

The deal had Zuch stay on as senior vice president for strategy, mergers, and acquisitions. Soon after his two-year contract ended, Zuch took an 18-month “sabbatical” to help raise his four young children and spend quality time with Celeste. Itching for a new professional challenge, he later co-founded Five Point Partners.

“Two macro experiences dictated my path to becoming a serial entrepreneur,” he says. “There is the initial ex-

perience itself: once you get a taste of leading a small business, it’s hard to walk away from future entrepreneur environments.”

The other overarching experience was his work at larger, publicly traded companies. These stints accentuated the differences between the two worlds: “Public companies can provide a number of favorable benefits to their employees and clients via strong capital markets. However, ensuring near-term quarterly earnings can often have a negative influ-



maintaining a static environment would not be as much fun, he says, nor would preparing for targeted growth requiring uncomfortable levels of financial or operational risk.

Zuch says, however, that he didn’t build any of his firms with a speedy sale in mind. In his view, a small business owner should be concentrating on engaging fully in the opportunity and experience of entrepreneurship. “I’m not naïve about the perks of monetizing a business, but focusing on a sale and future personal wealth isn’t productive day to day — suboptimal decisions will be made over the short term and the business’s valuation potentially derailed.”

Each of his companies has specialized in serving the energy sector, reflecting Zuch’s early assignments at Andersen as well as his growing expertise in the industry.

He attributes his success to many ingredients, including diligence, decisiveness, and luck. He launched Five Point, for example, betting, correctly, that the 2009 American Recovery and Reinvestment Act would lead to major investments in utilities and their supporting infrastructure.

Critical, however, was niche. Describing the specialization of his small businesses as being “an inch wide and a mile deep,” Zuch says it allowed for

BECAUSE specialized companies are at risk for industry-wide economic downturns, Zuch helped Five Point diversify, taking on mining, oil, and gas clients.

EDUCATION

HIS OWN STUDIES — the decision support sciences track in the management science (now business information technology) major — “had a material impact on my career, establishing a technological foundation that was immediately applied at my first job with Andersen Consulting,” says Kurt Zuch.

At Virginia Tech, he learned to work in teams and with diverse personalities and undertook thought-provoking case studies, “all of which also prepared me to manage many of the challenges I’ve faced throughout my professional career.” It was also at Virginia Tech, he says, that he discovered his passion for technology and people, leading him to a highly successful career as an entrepreneur and consultant.

A member of the business information technology advisory board, Zuch believes he can contribute by promoting hiring of its graduates at Ernst & Young, mentoring interested students, and providing financial support.

ence on long-term decision making and investments, whereas small companies tend to have greater flexibility managing toward their long-term strategic objectives.”

What fires him up is the process of creating and maturing an enterprise —



says, when Ernst & Young came calling.

Parting with his latest business has been “emotionally challenging,” Zuch says, but he prefers to dwell on the pluses: broader professional opportunities and better financial security for his employees, and fewer obstacles and distractions to business development, permitting a stronger management focus on growth, innovation, and human resources.

And he himself is once again back at a big firm, only one much bigger than those before. However, he is very excited, Zuch says, to be a principal/partner at Ernst & Young.

“EY is, in many ways, a very entrepreneurial company. It empowers its partners to act with structured oversight, providing systems, tools, and protocols to ensure compliance, manage risk, and work toward the firm’s macro strategic goals. It’s like running small businesses within a very large organization.”

Zuch, who considers his 20-year marriage one of his “most precious accomplishments,” says it’s imperative for entrepreneurs to balance the leadership needs of a small firm with enjoyment of life and family. This equilibrium, he adds, however, has often eluded him.

Further ahead, he would like to head down a different path. “My professional career has consumed most of my adult life, so my next phase is going to

a concentration of expertise and experiences that often proved difficult for heftier competitors to surmount.

“At niche small businesses, innovative solutions developed and executed by the ‘A team’ are consistently deployed to each client. Big companies are often hit-or-miss, because their sizeable, pyramid-structured employee base can result in the B or even a C team being assigned.”

Competing as the “small guy,” in fact, has been a task Zuch has relished. He also cherishes the culture he feels he has promoted in his companies, one marked by “high performance, flexibility, ambition, innovation, and collaboration, with little of the corporate politics inherent in larger organizations.”

Small businesses, of course, face a myriad of hurdles. Zuch knew specialization in and dependence on one industry can threaten success, even survival. “I had good friends with successful small businesses, including one with revenues of over \$100 million, that nose-dived

when the telecom industry — their only market segment — struggled for a number of years.”

Five Point duly diversified strategically, taking on mining and oil and gas clients and offering managed services, which often had multi-year contracts that could shield it from specific industry downturns.

Small enterprises also bump up against what Zuch calls the “balance-sheet glass ceiling”— Five Point’s relatively small financial size curbed its ability to vie for large-scale jobs at the biggest utilities, he says, which were wary of the political risks involved in selecting qualified small businesses for mega-million dollar projects, “despite our ability to execute within reason.”

To finance a growth plan aligned with its strategic vision, Five Point closed on \$10-million in mezzanine debt in late 2012. It was seeking a private equity investment to eliminate this debt and leverage the strength of its equity, Zuch

FIVE POINT had many clients in transportation and utilities. Its information systems capabilities can help EY expand its own services, EY executives say, and “create a better utility industry customer experience.”

TRAITS for a small business leader

Kurt Zuch identifies some core personal qualities for entrepreneurial leadership.



Build a team

“No matter how smart a leader may be, surrounding oneself throughout the organization with even smarter and talented people is how a small business thrives.”



Be humble

“Humility is a precious and distinguishing leadership characteristic. I often corrected people who said ‘I work for Kurt’ by responding ‘No, we work together.’”



Be decisive

“Avoiding ‘paralysis by analysis’ is critical. Mistakes will be made, but that’s part of learning.”



Make sacrifices


“By productively working long hours most days, we could quickly catch up with and eventually extend our lead over our competitors.”

be primarily dedicated to others — not only my family, but also our foundation and the ability it has to support those in need of financial assistance, mentorship, education, and basic necessities many of us take for granted.”

(A generous donor to Virginia Tech athletics and Pamplin, Zuch supports a number of other causes through the family foundation he and his wife established.)

His philanthropic philosophy is that “we’re merely a steward of the wealth we’ve obtained,” Zuch says. “While it provides my family immediate benefit in terms of financial security, giving to others is clearly why we’ve been blessed to receive what we have. The more we can donate to others and those helping others in need, the greater our success and ultimate satisfaction will be.”

On his desk Zuch keeps a quote that he contemplates nearly every day. Based on Scripture, it deliberates the difference between being successful and living successfully. One, he says, is measured by money, power, and fame; the other by faith, love, and service to God, family, and community.

“One is fixed on a destination, the other on the journey itself. It’s quite compelling when thoroughly digested.” 



WHAT ABOUT CONSULTING?

ALL CONSULTING projects are challenging, and each client engagement is different, Kurt Zuch says.

“People have unique personalities, ambitions, backgrounds, expectations, and biases that demand understanding, respect, and adaptation from consultants. We are consistently evaluating and realigning our project team members with their client counterparts.”

“Consultants must balance their knowledge, experiences, and preferences against the core fact that it’s still the client’s company. We need to be firm as an advisor but flexible, to recognize our way isn’t the only way of optimizing business processes or installing technology.”

“We’re fortunate that most of our engagements have had a successful conclusion and have, more often than not, led to subsequent business from the client.”

One major challenge, he says, deals with rapid changes in technology and understanding and applying them to client solutions. An example is the move to cloud-based solutions for information technology storage and applications.

“Some IT departments balk at ‘losing’ in-house control over their IT infrastructure, but the cloud is arguably here to stay, and a number of resources are required to transition our clients effectively to this evolving solution.”

Other challenges confronting consulting businesses, Zuch says, are regulatory changes, economic factors that shape client budgets, globalization, and information technology ownership and security threats.



LOGAN WALLACE



Really listen

“I’ve often noted, ‘God gave us two ears and one mouth, use them proportionally every day.’”



Empathize

“Policies are necessary, but whether it’s a client or an employee, stepping into their shoes and bending the rules when warranted can cultivate tremendous loyalty.”



Master minutiae

“Know the fundamentals — the financial data, the KPIs — of your business.”

ADVICE

STUDENTS looking to launch their own consulting start-ups would do well to start by working for a large firm, says Kurt Zuch. Learn a trade there, he suggests, “preferably one that’s industry focused, as most consultancies ultimately organize by sector, and prospective clients prioritize industry expertise.”

Network early and often, he adds. “Leadership may be natural to some, but even so, nothing beats mentorship from those who have street smarts refined from years of leading small businesses.”

Students should seek to ace Accounting 101, Zuch says. All too often, the market potential of a great idea or solution is not realized due to a poor grasp of balance sheets, cash flows, and profit and loss statements.

Disaster resilience

Measuring and modeling the recovery potential of critical infrastructure

CHRIS ZOBEL'S DAILY WORK is far removed from the pressing drama of an ongoing disaster response effort.

Yet the nature of this work puts him front and center of any initiative to improve society's capacity for withstanding, coping, and recovering from a catastrophe.

tation, healthcare, and telecommunications sectors.

Winner of a recent Fulbright Scholar Award, Zobel plans to use it to develop a new, "more operational" approach to measuring and monitoring the resilience and sustainability of critical infrastructure.

The Fulbright will give Zobel a valuable opportunity to collaborate directly with researchers at Germany's Center for Disaster Management and Risk Reduction Technology at the Karlsruhe Institute of Technology.

The center is internationally known for its focus on trying to understand the underlying causes of disasters and the actions that can be taken to reduce their effects.

The ability to identify such actions is crucial to improving the resilience of a real system, says Zobel. "If we are going to actively use the measures to help with the organization's operations, then we need to know what actions or behaviors lead to different levels of resilience. We can then judge which actions would be expected to work best in the future, in terms of the amount of resilience that they might provide."

Zobel says the study of disaster resilience is characterized by two main approaches.

"Social scientists have tended to view resilience as a static concept that represents a general capacity for withstanding and/or recovering from a disaster.

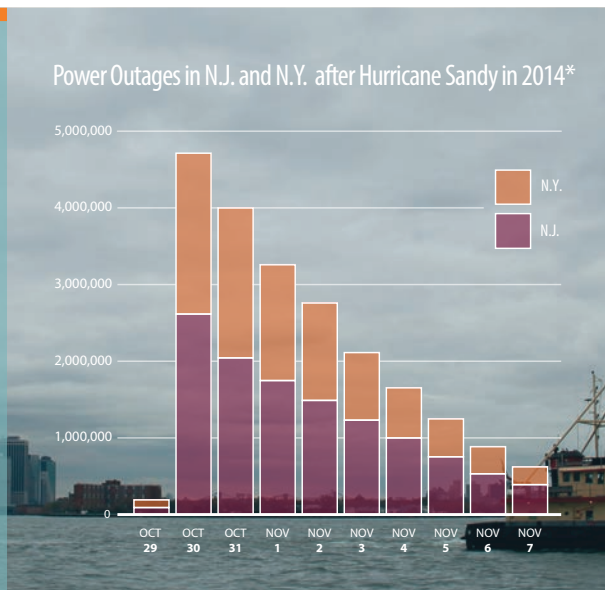
"In contrast, engineers have tended to focus on more dynamic or adaptive resilience, which is represented by the time-varying amount of loss experienced by a system as it resists and then recovers from a particular disaster event."

An example of static resilience, he says, would be the overall capacity for resilience of a coastal community, with no specific disaster event in mind.

"This type of resilience is static in that it is measured at a specific point in time, rather than over a given time period. It typically can be measured again

A GOOD ILLUSTRATION of dynamic resilience, Zobel says, is the performance of the electric power system in New York City during Hurricane Sandy. "We can track over time the percentage of households that had power, starting from before the storm struck and continuing until normal operations were restored several weeks later.

"The maximum percentage of households who were without power, the length of time it took to completely restore that power, and how long the majority of households were without power — these are all important characteristics of how resilient the overall system is."



ALLISON JOYCE/GETTY IMAGES

*Department of Energy
Office of Electricity Delivery
& Energy Reliability

Zobel, a professor of business information technology who specializes in decision support systems, is among those who study disaster resilience — the ability to "bounce back" from a calamity that is typically associated with making a quick recovery but also depends on the capability to resist the disaster's initial impact.

Disaster resilience is especially important for critical infrastructure systems that support the daily operations of the global economy, Zobel says — such as those in the energy, finance, transpor-

"Operational," he says, means that the approach actually can be applied to help improve an organization's ability to operate effectively.

"In other words, if we can use an approach for measuring resilience to tell us not only how quickly but also how effectively we are currently recovering from a disaster, then that measure of resilience is more than just a theoretical tool — it's actually useful to support the organization's operations and its actions during that recovery process."

CHRIS ZOBEL has studied disaster resilience in New Orleans and Gulfport, Mississippi, in the context of Hurricane Katrina. He has also studied the recovery efforts of the Appalachian Power Company following the derecho windstorm that struck the mid-Atlantic states in the summer of 2012.



JIM STROUP

a number of years later to see how, and if, things have changed, but the actual measure itself does not really take time into consideration.”

It is important to remember that communities are made up of many inter-related components, Zobel says, including people, buildings, organizations, an economy, and the environment — and that each of these items can have its own type and level of resilience.

“Resilience has many different dimensions, and it is therefore common to use a large number of different variables to capture the various characteristics that contribute to a community’s resilience.

“For example, the number of acres of viable wetlands, the number of citizens over age 80, the employment rate, and the number of homeowners in a community all provide different, complementary, views of how resilient that community is likely to be.

“By combining the information provided by each of these variables, we can create a measure of resilience that can be compared across different communities.”

As for dynamic resilience, Zobel says that rather than being a measure of the inherent capacity to withstand and recover from disasters, it is more of a measure of the actual behavior in response to a particular event — i.e., to what extent did the community or organization or person actually resist damage and how quickly was it able to recover.

The static and dynamic concepts represent very different views of resilience, Zobel says, “but we need to consider them both because they each describe a very important part of the overall picture.”

One significant constraint to developing good resilience measures, he says, is the difficulty of collecting appropriate data. For example, many of the variables used in calculating static resilience are based on sources such as the U.S. Census, which is only updated every 10 years.

Indeed, Zobel adds, only certain types of data lend themselves to measurement over short time intervals, and only data that can readily be collected during a disaster can be used to operationalize an integrated measure of resilience.

“It’s very difficult — and not a reasonable use of time and money — to collect data on how many individuals over 80, for example, are still occupying their homes at different times during an actual hurricane.

“In contrast, data such as the number of households without power is typically published at least daily by the power companies.”

Following a disaster, economic variables such as unemployment rates and the output of goods and services in the construction, manufacturing, and leisure and hospitality industries can be used to assess the relative rate and extent of community recovery at regular time intervals, Zobel says.

“By quantitatively analyzing the relative amount of resilience exhibited by a community, we may gain better insight into its ability to recover and thus develop a better understanding of the factors that allow it to return to normal, or even better-than-normal, levels of activity.” **P**

New graduate course to focus on disaster resilience and risk management

THE COURSE WILL BE TEAM TAUGHT by Chris Zobel, who co-directs Virginia Tech’s Interdisciplinary Graduate Education Program in Disaster Resilience, and faculty from the departments of urban affairs and planning; civil and environmental engineering; and geosciences. Pamplin business information technology professors Loren Rees and Roberta Russell are also associated with the program.

The program seeks to promote knowledge sharing and interdisciplinary research in disaster resilience and risk management in order to support more efficient and equitable approaches for reducing disaster risk.

“Interdisciplinary efforts to build resilience to disasters have not been as successful as they could be,” Zobel says. “We are constantly working on improving our models, our technology, and our ability to communicate, but our vulnerability to disaster and risks continues to grow.”

A key reason for this, he says, is “the way we live: higher concentrations of people and the societal infrastructures needed to support them, particularly in more vulnerable coastal areas, can lower resilience.”

The current model for interdisciplinary problem-solving often results in knowledge being generated and retained by a small group of people, he notes. “We seek to take more of a transdisciplinary approach to learning that uses shared experiences to create a common, broader perspective of resilience.”

Too big to fail

The mere mention of “too-big-to-fail” status for the nation’s largest banks and financial businesses can spark intense debate



EVEN THE MENTION of “too-big-to-fail” status for the nation’s largest banks and financial businesses can spark intense debate.

“‘Too big to fail’ is one of those issues where everyone agrees something must be done, but approaches to dealing with the problem vary — sometimes dramatically,” says finance assistant professor Deniz Anginer, who teaches at Virginia Tech’s Northern Virginia Center.

The Dodd-Frank Act of 2010 was passed to eliminate government bailouts for this select group of corporations. Still, implicit government guarantees to prevent future failure have not changed much since the Great Recession of 2008, according to Anginer.

He addressed that issue and related questions in testimony before a subcommittee of the U.S. Senate Committee on Banking, Housing, and Urban Affairs in a hearing on July 31. The hearing examined a report by the General Accounting Office on the expectations of government support for bank holding companies.

The controversial too-big-to-fail doctrine “holds that the government will not allow large financial institutions to fail if their failure would cause significant disruption to the financial system and economic activity,” he says. Today, expectations of government support among large financial institutions and their investors continue, he says, and have significant effects on the economy.

Subcommittee chair Senator Sherrod Brown (D-OH) invited Anginer to

STEPHEN VOSS

An implicit government guarantee dulls market discipline by reducing investors' incentives to monitor and price the risk taking of large financial institutions.

testify at the hearing in view of a related study he had coauthored.

"There were four of us there to testify. We each spoke for about five minutes, and then the floor was opened for discussion," Anginer recalls. "The conversation became quite heated at times."

In his testimony, Anginer mentioned specific ways in which the doctrine has a negative impact on financial markets.

One impact is that the price of bonds that too-big-to-fail companies issue reflects expectations that the government will back their debts, allowing the companies to borrow at lower rates than small to mid-size competitors.

Too-big-to-fail status also distorts how debt prices reflect risk. "An implicit government guarantee dulls market discipline by reducing investors' incentives to monitor and price the risk taking of large financial institutions," Anginer told his audience, which comprised senators, lobbyists, and the financial press.

"In our analyses, we show that while a positive relationship exists between risk and cost of debt for medium and small-sized institutions, this relationship is 75 percent weaker for the largest institutions. Changes in leverage and capital ratios are, likewise, less sensitive to changes in risk for these large institutions."

The implicit guarantee gave too-big-to-fail institutions an average funding cost advantage of approximately 30 basis points per year from 1990 to 2012, peaking at more than 100 basis points in 2009. The total value of the subsidy amounted to about \$30 billion per year on average over the 1990-2012 period, topping \$150 billion in 2009.

Anginer and his colleagues posit that despite its no-bailout pledge, the Dodd-Frank Act leaves the door open to future too-big-to-fail bailouts: The Federal Reserve could disguise a bailout by offering a broad-based lending option to a group of financial institutions; Congress could amend or repeal the law; Congress could also allow regulators great leeway that would protect large financial institutions and their creditors.

Anginer closed his testimony by calling for greater governmental transparency. He pointed out that when governments implicitly guarantee support for too-big-to-fail firms, they are not generally required to make a financial commitment or outlay.

"Implicit guarantees lack the transparency and accountability that accompany explicit policy decisions. Taxpayer interests could be better served, in both good times and bad, by estimating on an ongoing basis the accumulated value of this subsidy. Public accounting of accumulated too-big-to-fail costs might restrain those government actions and policies that encourage too-big-to-fail expectations."

As for ideas for solutions to the quandary undergoing discussion in



MARY F. CALVERT

Washington, Anginer mentions instituting fees for too-big-to-fail insurance, much like those banks pay for FDIC backing of customers' deposits.

Anginer based his testimony on the article, "The End of Market Discipline? Investor Expectations of Implicit Government Guarantees," which he co-authored with Viral V. Acharya, of New York University, and A. Joseph Warburton, of Syracuse University.

Read the full text of his testimony at www.banking.senate.gov.

Anginer was a financial economist at the World Bank's development research group before joining Pamplin. His research has been featured in the media, including the New York Times and Bloomberg Businessweek. **P**

DENIZ ANGINER (left) with fellow finance professors Edward Kane, of Boston College, and Anat Admati, of Stanford University, at the Senate banking committee hearing that examined a report on the expectations of government support for bank holding companies.

Information PRIVACY

France Belanger is making online privacy easier to control



YOUR COMPUTER PINGS to announce the arrival of an email — Amazon is notifying you that your favorite author has published a new book.

You log into Facebook to tell your book club, and see an advertisement in your news feed for the restaurant that you were checking out on Yelp yesterday.

Assistant professor of information systems at Mississippi State University, were recently awarded a Design Science Award from the Institute for Operations Research and Management Sciences Information Systems Society.

The society created a new award category — Outstanding Design Science Research Stream — in recognition of their significant body of privacy research.

Online privacy is distinct from online security, which encompasses efforts to mitigate the theft of personal information, she explains. Most violations of online privacy are not illegal but rather the results of tacit consumer consent.

“Businesses have self-regulated through privacy policies, but they also see the immense

value of information and tend to collect as much data as possible,” Belanger says. “We click the button and accept without actually reading. We are willingly giving away a whole lot of data about ourselves.”

According to the Pew Research Center, less than 3 percent of individuals actively safeguard their privacy online. “Users are either unaware, unable, or unwilling to take the time required to protect their privacy,” she notes. “They also see benefits to giving away information.”

With these obstacles in mind, Belanger and Crossler are designing privacy tools that emphasize usability, convenience, and personalization. “We’re trying to find the best ways to not only educate people, but also have them actually adopt better privacy practices,” Be-

langer says.

The pair’s most recent project is the Privacy Helper mobile app, which received funding from the Institute for Society, Culture and Environment at Virginia Tech.

Privacy Helper teaches users about the features on their phones that can affect privacy — including location-based services, shared app access, browsing privacy, and ad tracking. A voiceover guide helps users make changes to their privacy settings as they listen to step-by-step instructions.

Consumers weigh the costs and benefits of giving away personal information in a process Belanger calls “privacy calculus.” For example, sharing location data with a mapping application offers users a clear benefit, but there is no value in providing this information to a mobile game.

“The whole issue of privacy is about putting little bits of information together,” Belanger says. “We leave a digital trace online, and if you put the pieces together, you get a picture.”

The consequences of oversharing information can range from annoying — think targeted ads and spam email — to dangerous — as in cases of identity theft and cyberstalking.

Belanger and Crossler will make Privacy Helper available to the public after they complete usability testing. They are designing a program called Mobile Privacy Education Training and Awareness that will test the efficacy of both Privacy Helper and conventional classroom and web-based training programs. **P**

A MOBILE APP, “Privacy Helper,” helps users navigate the maze of privacy settings on their mobile phones, including location and Internet browsing settings.



Maybe it is a good day for dinner on the patio? You open your weather app to check, and the temperature for your autosaved location immediately pops up.

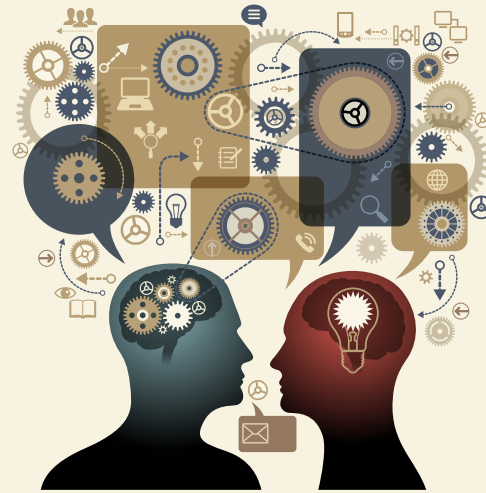
In spite of research indicating a growing concern about online privacy, Internet users exchange personal information for the convenience and functionality of online services on a daily basis.

“We call it the privacy paradox,” says France Belanger, professor of accounting and information systems. “We want to protect ourselves, but we want the goodies.”

Belanger has been researching ways to understand and improve individuals’ information privacy practices for nearly a decade. She and her colleague Robert Crossler (Ph.D./ACIS ’09), as-

Better BRAINSTORMING

Greg Jenkins wins 2014 American Accounting Association Deloitte Wildman Medal Award



AUDITORS ARE ACCOUNTING detectives of sorts, testing and analyzing a company's financial records to reveal large misstatements and add credibility to financial reports.

Before embarking on its examination, an audit team must have a discussion of how fraud might occur and how to respond to it. These "brainstorming" sessions have been a required part of the auditing process by the Auditing Standards Board and the American Institute of Certified Public Accountants since 2002.

Besides the discussion among key members of the audit team, however, there are no other stipulations. How brainstorming meetings are organized or executed is determined by the auditing firm.

"There are no specific guidelines," said Greg Jenkins, professor of accounting and information systems and holder of the Curling and William S. Gay fellowships. "The standards merely require that there is to be a discussion."

This relatively new brainstorming requirement in the auditing process inspired Jenkins and faculty members from North Carolina State University and the University of Georgia to investigate brainstorm quality and its effects on auditors' decision-making processes — the first study of its kind. Their resulting article was published in *The Accounting Review* in 2010.

In 2014, the article won the American Accounting Association's Deloitte Wildman Medal Award. (See p.18)

Jenkins and his colleagues analyzed

data from surveys of 179 audit engagements by the Big 4 accounting firms and an international firm. They found that there were basic attributes of brainstorming sessions that appeared to lead to good outcomes, and that the assessments and testing approaches resulting from these discussions were considered to be more effective by the audit team.

"Simply holding a discussion to comply with the standard is not sufficient," Jenkins said. "There are ways to go about conducting a brainstorming session that make it more effective.

Having the proper person lead the discussion; active participation by managers and partners; holding the discussion early on, before testing begins; having extensive discussion of how fraud might be perpetrated and determining how to respond to the risks of fraud — these are all important to having a high-quality brainstorming session."

A high quality brainstorm session beforehand allows auditors to plan an effective approach to a potential problem, instead of being unprepared to deal with the complications of a surprise.

For example, an audit team that has identified particular fraud risks can, in a timely manner, deploy appropriate resources on the audit, such as using a more experienced auditor to conduct audit tests, include forensic specialists on the audit team, or make greater use of technology tools to analyze a company's transactions.

When Jenkins came to Virginia Tech in 2005, he discussed his proposed study with alumni. "They were incredibly interested in our research and eager to support us by asking other auditors within their firms to respond to our survey," he said.

Without alumni to recognize the value of this research and champion his cause, the project would not exist, Jenkins said. "This research was possible because of the participation of audit firms, particularly Deloitte & Touche, Ernst & Young, Grant Thornton, KPMG, and PricewaterhouseCoopers, and the backing of the department's alumni," he said. "I am really fortunate to be a faculty member in a department with an alumni base that has such loyalty." **P**



Greg Jenkins

TIPS for BETTER BRAINSTORMING

- Many auditors have never encountered a fraud in their clients' businesses and may need encouragement to explore the subject.
- In a team, there will be people who want to take over and others who will let them. The team leader must strike a balance between them.
- The leader should be prepared to try different techniques to elicit ideas from a group.
- Set clear ground rules and the tone for the group. Participants are more likely to generate high-quality ideas if they know what is expected of them.



JIM STROUP

BEING GREEN brings in the green

The business case for social responsibility in the hospitality and tourism industry



JIM STROUP

DOING GOOD RESULTS IN DOING WELL, and being green brings in the green. In the hospitality and tourism industry, being a good corporate citizen is strategic, because it results in superior financial performance, says Manisha Singal, an assistant professor of hospitality and tourism management.

Singal conducted a series of recent studies on various aspects of corporate social responsibility in the hospitality industry. Her research, she says, shows that hospitality firms deliberately and strategically invest more in socially responsible activities than firms in other industries, and they benefit financially for doing so.

HOTELS AND RESTAURANTS, Manisha Singal says, are particularly sensitive to customer perceptions and seek to positively influence those perceptions, including encouraging customers to “like” them on Facebook or review them on TripAdvisor or Yelp. “They strategically manage firm reputation and positively influence customer perceptions through socially responsible actions that are then publicized in the media and their annual reports to analysts and shareholders.”

Companies in any industry have to decide whether and to what degree to invest in corporate social responsibility — voluntary activities relating to environmental, social, and governance areas that are integrated into the firm’s business activities. Examples might be getting LEED certification, providing family benefits, and seeking out women and minorities for leadership positions.

Decisions to invest, Singal says, are easier to make when being more socially responsible also results in superior firm financial performance.

In one study looking at the link between a firm’s financial performance and investment in sustainability initiatives, Singal says she found that hospitality firms on average invest more in environmental programs than do businesses in other industries.

This study of hospitality firms over a 20-year period, she says, shows that investments in such initiatives as recycling,

Do family control and financial condition matter?

waste reduction, water and energy conservation, and pollution control result in “superior future financial performance, which in turn enables the firms to invest even more in going green, creating a virtuous cycle.”

Hospitality firms — which have a significant environmental impact through water and electricity use and food waste, for example — also have significantly fewer environmental concerns or censures, Singal says.

Comparing investment in diversity initiatives by hospitality firms with firms in other industries, she finds that hospitality firms have more policies and practices encouraging diversity than other firms.

“Diversity management is imperative in the labor-intensive and globally dispersed hospitality industry,” says Singal. Not surprisingly, she says, Diversity Inc.’s list of top 50 firms for 2013 has a disproportionately high number of hospitality firms, including Marriott, Wyndham, Disney, and Sodexo.

Her research found a strong link between diversity and financial performance in hospitality firms, suggesting that “investment in diversity leads to superior financial performance in the hospitality industry.” For the control sample of firms in the non-hospitality sector, Singal says, “this link is weaker, thus suggesting that it may not be as financially rewarding for non-hospitality firms to invest aggressively in diversity initiatives.” The study was published in 2014 in the *International Journal of Hospitality Management*.

As to why hospitality firms invest and should invest more in corporate social responsibility than firms in other industries, Singal says that while a positive corporate image is important to all firms in influencing consumer decisions, it is especially important to firms in service industries and those in services that are personally experienced, such as hospitality and tourism. The service quality of a hotel experience, for example, she



says, likely depends more on consumer perceptions than of an oil change or dry cleaning.

“In service industries, customer perceptions of quality and value depend substantially on intangible factors — such as the customer’s own expectations, the richness of the interaction with service-providing employees, and the firm’s reputation,” she says.

“By engaging in visible socially responsible actions, firms are able to manage their reputation to provide them a competitive advantage. And by highlighting the high-quality, eco-friendly nature of their services, produced in a diverse and employee-friendly workplace, hospitality and tourism firms are able to persuade customers to pay more for their products.”

Her studies show that customers of hotels and restaurants, for example, care about environmental and social issues, and that their concern “affects not only their buying intentions but also their evaluations and perceptions of service quality.”

Corporate policies are strategically and carefully designed to maximize profitability and stockholder returns, Singal says. “Among those policies, corporate social responsibility is effective, particularly for hospitality firms, in achieving organizational goals at relatively low cost by positively influencing firm reputation, managing consumer attitudes toward the service provider, and motivating employees to enhance product quality and customer satisfaction.” **P**

DO FAMILY FIRMS INVEST MORE in corporate social responsibility because they are family firms or because they are financially stronger?

Research by Manisha Singal shows that financial condition is the primary determinant of such investments, not family control. Family owned or controlled firms in the hospitality and tourism industry tend to be in better financial condition than nonfamily firms and therefore invest more in corporate social responsibility programs than nonfamily firms, Singal says.

“When controlled for financial condition, however — comparing firms with similar financial conditions — there is no difference between family and nonfamily firms in investment in corporate social responsibility,” Singal says.

Singal says various studies have found that publicly traded family firms generally demonstrate stronger financial performance than nonfamily firms, and that firms that do well are better able to incur discretionary expenditures such as those related to corporate social responsibility.

Her research, evaluating the effects of ownership (family vs. nonfamily firms) and financial condition (as measured by credit rating) on performance in corporate social responsibility, is based on a sample of publicly traded hospitality and tourism firms during the 1990–2011 period. Companies in the industry that are controlled or owned by the founding family include Marriott, Hilton, Carnival Cruises, Panera, and Starbucks, Singal says. Nonfamily firms include McDonalds and Ryan’s.

In their socially responsible activities, family firms do invest more in “mitigating concerns that might sully their reputation or result in legal claims or penalties than in taking positive initiatives to strengthen corporate social responsibility performance,” Singal says.

“Overall and surprisingly, family firms do not participate in corporate social responsibility in a manner that is significantly different from nonfamily firms.”

As for whether better financial performance leads to better social performance or vice versa, Singal says her findings support both theories.

“There’s a strong correlation between financial condition and investment in corporate social responsibility — both family and nonfamily firms invest significantly more in corporate social responsibility when they do well financially. We also find that strategic investment by family firms in corporate social responsibility positively affects their future financial performance.”

Singal’s article “Corporate Social Responsibility in the Hospitality and Tourism Industry: Do Family Control and Financial Condition Matter?” was published in the *International Journal of Hospitality Management*, 2014.

Funds sought to establish **Norraine Bailey Spencer Memorial Scholarship**

HER FORMER STUDENTS AND COLLEAGUES as well as her family and friends are seeking to raise \$100,000 to endow a scholarship in memory of Norraine Bailey Spencer, Pamplin's longtime associate dean and a former as-

sociate provost at Virginia Tech. The scholarship is aimed at supporting undergraduates at Pamplin who have demonstrated leadership potential.

Those supporting the scholarship's creation include dean Robert Sumichrast, retired dean Richard E. Sorensen, retired associate dean T. W. (Hap) Bonham, accounting and information systems professor and former department head Bob Brown, business information technology department head Bernard (Chuck) Taylor, finance professors and former department heads Art Keown and Raman Kumar, management professor and former department head Rich Wokutch, retired marketing professor and former department head Jim Littlefield, retired accounting and information systems department head Wayne Leininger, and Spencer's husband, Edward Spencer, a retired vice presi-



Norraine Bailey Spencer

dent for student affairs at Virginia Tech.

"We all had the privilege of serving with Norraine," said Leininger, who is leading the effort together with Edward Spencer. "We hope that more alumni, faculty, and friends from the Pamplin College will join us in establishing this permanent memorial to her."

As Pamplin's associate dean for undergraduate programs from 1983 to 2004, Spencer oversaw the academic program of almost 4,000 undergraduate students. She created a freshman-sophomore advising center, a college-based job development and career services program, and systems to coordinate undergraduate business education with the Virginia Community College System.

Spencer also taught an introductory course on business. She was an advocate for undergraduate business education and programs to advance such opportunities for all Pamplin College students but especially for female students, said Sorensen. "Above all, she enjoyed helping and advising individual students," he said. "Assisting transfer students

and advising them about selecting a major and meeting graduation requirements were her favorite tasks."

In July 2004, Spencer was named associate provost and undergraduate admissions director at Virginia Tech. She retired from Virginia Tech in 2008, as a result of metastasized breast cancer. She died on Sept. 23, 2009 after a nearly 12-year struggle with the disease.

If you would like to contribute to the scholarship fund, please send your gift to:

Pamplin College of Business
Office of Development
400 Turner Street, Suite 103
Blacksburg, VA 24061-0122.

Checks should be made payable to "Virginia Tech Foundation Inc." Please include "Norraine Bailey Spencer Memorial Scholarship" on the memo line. Or, you may call Alex Fritz, director of development for Pamplin, at 540-231-2812.

GIFT HONOR ROLL

INDIVIDUALS, \$100,000

David P. Clarke (MKTG '81) and Christy Clarke
Robert H. Digges (BAD '59)
James H. Hatch (MACCT '72)
Estate of Shirley V. Parrish
Raymond Vicks Jr. (ACCT '81)

INDIVIDUALS, \$50,000 - \$99,999

David L. Calhoun (ACCT '79) and Barbara Calhoun
Lynne M. Doughtie (ACCT '85) and James B. Doughtie (AAEC '82, M.S., AAEC '84)
Robert L. Gregory (ACCT '70) and Mary G. Gregory

Christopher Shean (ACCT '87) and Lesley Shean (ELED '88)
Gregory C. Thompson (ACCT '77) and Kathryn L. Thompson

INDIVIDUALS, \$10,000 - \$49,999

Gregory E. Aliff (ACCT '76, MBA '77) and Allison J. Aliff
C. E. Andrews (ACCT '74) and Jean Andrews
Robert G. Arnall (ACCT '81) and Stephanie K. Arnall
Bridget M. Ryan Berman (GBUS '82) and Roger H. Berman
Paul W. Bice (FIN '82) and Shari M. Bice (MKTG '83)
L. Allen Bowman (BAD '58) and Marilyn B. Bowman

William T. Clark (FIN '76) and Nancy M. Clark
K. P. Cross
Thomas F. Crump (ACCT '78, MBA '80) and Paige B. Crump
Nicholas T. Cullen (FIN '91) and Melynda A. Cullen (MKTG '93)
Kendley J. Davenport (PAD '84, MGT '84) and Pamela D. Moore (PSYC '88)
Kimberly Davis-Riffe (ACCT '91)
Jorge Del Alamo (ACCT '69)
Chet A. Duke Jr. (BAD '50)
Shirley A. Edwards (ACCT '82) and Roger B. Edwards
Katherine P. Fleming (ELED '74) and P. Marshall Fleming (PSCI '73)
Estate of Alexander F. Giacco (CE '42)

William J. Grupe (FIN '83)
Andrew E. Harrs Sr. and Marian R. Harrs
Robert F. Hogan Jr. (ACCT '78, MACCT '80)
Sheila L. Jackson
Stephen M. Jones (BAD '83, MBA '85) and Karen H. Jones (HNFE '84)
Michael J. Kosciusko (FIN '87) and Kathleen Kosciusko
Mark W. Krivoruchka (MGT '76, MBA '81) and Terry B. Krivoruchka
Kevin L. Lane (ACCT '95, MACCT '00) and Lisa D. Lane (MACCT '00)
Daniel R. Lasik (ACCT '86) and Nancy J. Lasik (ELED '87)
William H. Lavinder (FIN '79, MGT '79) and Joyce Lavinder

GIFT REPORT

DAVID P. CLARKE (MKTG '81) and his wife, Christy Clarke, of Orinda, California, have pledged \$100,000 to establish the David and Christy Clarke Enrichment Fund, which will help support and promote personal finance education for Virginia Tech's students.

A distribution of \$100,000 was received from the estate of **SHIRLEY V. PARRISH**, of Virginia Beach, Virginia, to establish the Joseph Alfred Deans Parrish Memorial Scholarship in the Department of Accounting and Information Systems.

RAYMOND VICKS JR. (ACCT '81), of Rockville, Maryland, has pledged \$100,000 to establish the Beulah Mae Vicks/PricewaterhouseCoopers Diversity Scholarship. The scholarship was established in honor of his mother and is intended to enhance the educational opportunities available to traditionally underrepresented populations of students at Virginia Tech.

A charitable gift annuity of \$100,000 was established by an **ANONYMOUS DONOR**, which will ultimately support the Department of Hospitality and Tourism Management.

A charitable gift annuity of \$51,484 was established by **ROBERT L. GREGORY** (ACCT '70) and his wife, Mary G. Gregory, of Midlothian, Virginia, which will ultimately support the Department of Accounting and Information Systems.

GREGORY C. THOMPSON (ACCT '77) and his wife, Kathryn L. Thompson, of Atlanta, Georgia, contributed \$50,000 in support of the Business Learning Community.

CHRISTOPHER D. SMITH (FIN '86), of Marietta, Georgia, has pledged \$50,000 to establish the Christopher D. Smith Dean's Fund for Excellence, which will provide unrestricted support to the Pamplin College of Business.

THOMAS W. CASON (FW '77, FIW '80, MBA '82) and his wife, Carol P. Cason, of St. Petersburg, Florida, have pledged a generous bequest, which will ultimately benefit the Center for Innovation and Entrepreneurship.

B. ALVIN RATLIFF (BAD '67) and his wife, Vivian M. Ratliff of Pinehurst, North Carolina, have designated a portion of their retirement account for a gift that will ultimately provide scholarship support for underrepresented students at Virginia Tech.

Union gift supports entrepreneurship

UNION FIRST MARKET BANK has pledged \$300,000 in support of Pamplin's Center for Innovation and Entrepreneurship. The gift will be used to establish the Union Junior Faculty Fellowship in Entrepreneurship and to provide funding for activities related to the center's mission (see story on p.2).

The Fellow will teach courses, conduct research, and engage with the entrepreneurial community. Activities that the gift will support will include an "Innovation through Entrepreneurship" business plan competition.

The gift is part of a multi-year partnership between the university and the Richmond, Virginia-based bank that includes sponsorship of Virginia Tech athletics.

"As the largest community bank headquartered in Virginia, we understand the importance of entrepreneurship to the Virginia economy and believe this partnership will build the skills necessary to successfully start new ventures in the commonwealth," said Union's chief executive officer, Billy Beale.

Outright gifts and pledges of \$10,000 or more given to the Pamplin College of Business from July 1, 2013 through June 30, 2014.

Carman J. Liuzzo (ACCT '83)
and Rebecca Liuzzo

Jacob A. Lutz (FIN '78)
and Robin R. Lutz

Mary F. McVay (ACCT '78, MBA '81)
and Theodore R. Rosenberg

Floyd W. Merryman III (MGT '81)

J. Frederick Merz (ACCT '57)

Robert C. Morris Jr. (ACCT '80)
and Alicia M. Morris

Estate of William L. Owens (BAD '60,
M.S., ECON '61)

James E. Pearman Jr. (ACCT '70)
and Brenda K. Pearman

Steven C. Pierson (FIN '90)
and Stacy B. Krieger

Bruce A. Riggins (ACCT '94)
and Mara C. Riggins

Robert J. Robertory (ESM '87, MBA '89)
and Paige Robertory

David J. Ryan (ACCT '89)
and Judith C. Ryan (ACCT '89)

John H. Saunders (ACCT '79)
and Danielle O. Saunders

William B. Schwartz (ACCT '89)
and Lorraine H. Reale

Christopher D. Smith (FIN '86)

Richard E. Sorensen
and Carol A. Sorensen

Robert F. Thorndike (FIN '84)
and Traci L. Thorndike (FCD '85)

Scott R. Wells (MKTG '91)
and Mary K. Wells

Richard R. Whitt (ACCT '87)
and Jeanne C. Whitt (ACCT '87)

Annette A. Willis (ACCT '84)
and James S. Willis III (GEOL '84,
M.S., CE '88)

Linda F. Winder (FIN '87)
and Timothy C. Winder (ACCT '87)

Paul A. Wohlleben (FIN '72)
and Sharon E. Wohlleben

Chris M. Xystros (ACCT '84)
and Cheryl L. Xystros

BEQUESTS

Thomas W. Cason (FW '77, FIW '80,
MBA '82) and Carol P. Cason

David P. Clarke (MKTG '81)
and Christy Clarke

Katherine E. Ramsey (IS '86)

CORPORATIONS, FOUNDATIONS, AND ORGANIZATIONS, \$10,000

Altria Group

BB&T Corporation

Deloitte

GE Appliances

Grant Thornton

KPMG

Kantner Foundation

Leonard Family Foundation

Mike Naff Memorial Golf Tournament

PricewaterhouseCoopers

Target Corporation

Virginia-Carolinas Scholarship

Foundation Trust

Honors + Awards

NATIONAL



CHRISTOPHER W. ZOBEL, R.B. Pamplin Professor of Business Information Technology, has received a Fulbright Scholar Award to study disaster resilience. He will spend three months in the spring of 2015 at the Center for Disaster Management and Risk Reduction Technology at the Karlsruhe Institute

of Technology in Karlsruhe, Germany. Zobel has taught and conducted research on the design and development of decision support systems for the past 15 years.

His recent research has focused on disaster operations management and on supply chain resilience, but he is also interested in decision making for environmental applications. The analytic techniques he has used include simulation, optimization, and stochastic modeling.



GREG JENKINS, professor of accounting and information systems, is one of three researchers who received the 2014 AAA/ Deloitte Foundation Wildman Medal Award for their study on how brainstorming meetings can help auditors detect fraud.

Jenkins received the award, along with co-authors Joseph F. Brazel, of North Carolina State University, and Tina D. Carpenter, of the University of Georgia, for their article, "Auditors' Use of Brainstorming in the Consideration of Fraud: Reports from the Field," published in the July 2010 issue of *The Accounting Review*. The award recognizes research that will make a significant contribution to the advancement of the practice of public accountancy.

UNIVERSITY



WAYNE ROBINSON (FIN '80), of Greensboro, North Carolina, received a 2014 Alumni Distinguished Service Award.

Robinson is the chief diversity practice leader with Wyndham Mills International, a global leader in placing talented executives.



Hospitality and tourism management professor and department head **NANCY GARD MCGEHEE**

received the 2014 Alumni Award for Excellence in International Research.

McGehee conducts research on rural tourism development and volunteer tourism management.



DEBRA A. SALBADOR, associate professor of accounting and information systems, has been named a Martin Junior Faculty Fellow by

the Virginia Tech Board of Visitors.



LINDA WALLACE, associate professor of accounting and information systems, has been reappointed as the John and

Angela Emery Junior Faculty Fellow by the Virginia Tech Board of Visitors.



Lazor, with President Timothy Sands, at new student orientation.

ELIZABETH LAZOR, of Centreville, Virginia, a senior majoring in finance, was elected president of the Student Government Association for the 2014-15 school year. She is a resident advisor and a member of the Pi Sigma Epsilon Professional Marketing Fraternity and the Student Alumni Associates.

NEW FACULTY

NINE faculty members joined Pamplin this fall. The college is committed to hiring tenured and tenure-track faculty to further strengthen its teaching, research, and business outreach, particularly in the areas of business intelligence and analytics, innovation through entrepreneurship, and international programs.

Pamplin currently has 117 teaching and research faculty members, of whom 96 are full-time, tenured or tenure-track faculty.



DANIEL J. BEAL
Associate professor of management



JINGJING HUANG
Assistant professor of accounting and information systems



RICHARD A. HUNT
Assistant professor of management



JUNCAI JIANG
Assistant professor of marketing

ON THE MOVE



Management professor **KEVIN D. CARLSON** has been appointed head of the Department of Management after serving as interim head since July 2013.

A faculty member at Virginia Tech since 1997, Carlson has taught courses related to staffing, recruitment, training and development, turnover, productivity improvement, human capital metrics and analytics, and the effective use of technology in organizations.



VIJAY SINGAL, the J. Gray Ferguson Professor of Finance, has been reappointed head of the Department of Finance, Insurance, and Business Law.

Singal first led the department from 2003 to 2009. A faculty member at Virginia Tech since 1992, he succeeds finance professor Art Keown, who returned to full-time teaching in July 2014.

NANCY GARD MCGEHEE has been appointed head of the Department of Hospitality and Tourism Management. She succeeds Professor Rick Perdue, who returned to full-time teaching and research in July after serving nine years as department head.



LINDA OLDHAM has been appointed executive director of the Center for Innovation and Entrepreneurship.

Oldham, former executive director of Georgia Tech's Denning Technology and Management (T&M) Program, has extensive experience building relationships with high profile corporations. She led that program for seven years, building a nationally prominent initiative that bridged the business and engineering colleges.



DERICK MAGGARD has been appointed director of the Center for Innovation and Entrepreneurship.

Maggard, a former executive director of the Roanoke-Blacksburg Technology Council, has substantially increased the council's membership and funding. Maggard has worked in business development, operations, marketing, and public relations.



DANA HANSSON has joined Pamplin as associate director of its evening MBA program. Hansson was most recently responsible for marketing and recruiting for several programs at George Washington University.

EMERITI

SAMUEL A. HICKS, associate professor of accounting and information systems, has been conferred the title of "associate professor emeritus" by the Virginia Tech Board of Visitors.

A member of the Virginia Tech community since 1979, Hicks published numerous books and peer-reviewed journal articles in both academic and practice-related journals as well as peer reviewed proceedings on the subject of accounting and taxes.

From 2000 to 2011, he was the program chair of the Virginia Accounting and Auditing Conference.

LARRY N. KILLOUGH, KPMG Professor of Accounting and Information Systems, has been conferred the title of "professor emeritus" by the Virginia Tech Board of Visitors.

A member of the Virginia Tech community since 1969, Killough has applied behavioral research methods to issues in cost and managerial accounting. He has authored or co-authored more than 60 peer-reviewed journal articles. He served as associate editor for Decision Sciences Journal from 1995 to 1998 and again from 2000 to 2005.

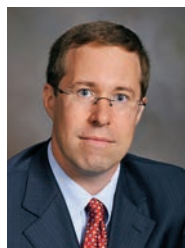
DILIP K. SHOME, professor of finance, has been conferred the title of "professor emeritus" by the Virginia Tech Board of Visitors.

A member of the Virginia Tech community since 1983, Shome has contributed significantly to the research mission with several high-quality publications and to the teaching and service missions of Pamplin.

He served as head of the Department of Finance, Insurance, and Business Law from 1996 to 2000. During this term, the department achieved some of the highest levels of research productivity in elite finance journals.



HEE JUNG (ANNETTE) KANG
Assistant professor of hospitality and tourism managements



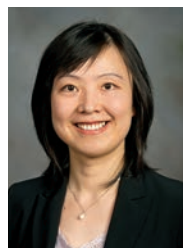
FRANK MAY
Assistant professor of marketing



MICHELLE M.H. SEREF
Assistant professor of business information technology



DAVID M. TOWNSEND
Assistant professor of management



JIN XU
Assistant professor of finance



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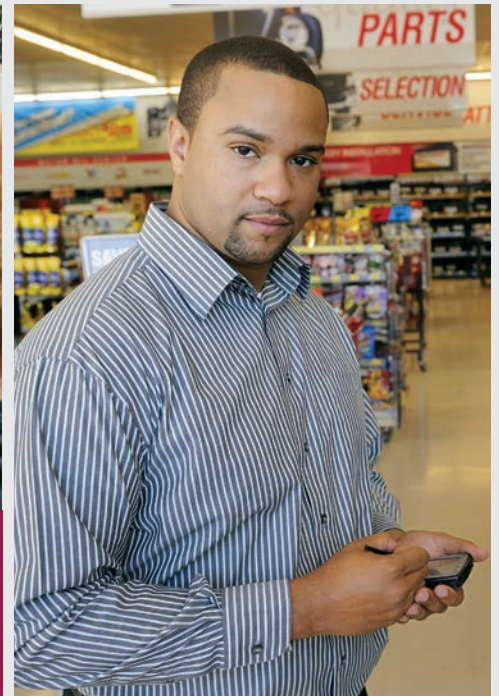
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