

# PAMPLIN

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2010

COLLEGE OF BUSINESS



## NIELSEN 2.0

### SIZING UP THE DIGITAL CONSUMER

CEO DAVID CALHOUN (ACCT '79)  
EVALUATES NEW MEDIA MARKETS

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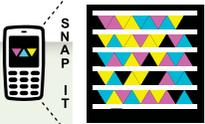
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97 and was the retired CEO of Georgia-Pacific, and businessman, philanthropist, and alumnus Robert B. Pamplin Jr.

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## NOTABLE

# PARTNERING FOR DOUBLE DEGREES

Students at Virginia Tech's engineering and construction programs and at the Edward Via Virginia College of Osteopathic Medicine (VCOM) can now earn the Master of Business Administration in conjunction with other graduate degrees: M.S. in Industrial and Systems Engineering, M.S. in either Building Construction or Construction Engineering and Management, or Doctor of Osteopathic Medicine.

The new two-degree opportunities are the result of partnerships between Pamplin's MBA program and the Grado Department of Industrial and Systems Engineering, the Myers-Lawson School of Construction, and VCOM.

Prospective students must meet the admissions criteria of both programs in the double-degree partnership. Students will be selected jointly by administrators in the MBA and partner programs.

Steve Skripak, Pamplin associate dean for graduate programs, says engineering and construction graduates often find that a deeper understanding of business is useful, as many seek to advance through management ranks in corporations. "Many

applicants to Pamplin's MBA program have undergraduate degrees in engineering."

As for osteopathic physicians, Skripak says that many of them, after medical school, go directly into private practice for which a certain amount of business education is helpful. A business education, he says, is particularly valuable for physicians seeking positions as hospital or other health-care administrators or those seeking to manage their own practice.

"The joint programs can bring us highly qualified individuals who as engineering, construction, or medical students will bring new and different perspectives into the classroom, to the benefit of all students in that program."

For more information, please contact Steve Skripak at [sskripak@vt.edu](mailto:sskripak@vt.edu).



Steve Skripak

MICHAEL KIERNAN

## LOOK WHO'S TALKING



David L. Calhoun



Nick D'Angelo



Brad Casper



James S. Gilmore

COURTESY OF JAMES GILMORE

### Wachovia Distinguished Speakers

Nielsen chairman and chief executive officer David L. Calhoun (ACCT '79), whose talk was titled "Success in Business," is this spring's cover story (see pp. 4-7).

Dial president and chief executive officer Brad Casper (FIN '82), in his talk, "Leaving the Comfort Zone: Managing in the Global Economy," shared lessons he has learned about being an effective manager in a multicultural environment and about balancing the demands of "going global and acting local."

In his talk, titled "Ut Prosim," Wells Fargo Securities vice president Nick D'Angelo (FIN '00, MGT '00) discussed service to customers, communities, and self. "Share your time, talent, and treasure with others," he said, urging students to

improve their communities through philanthropy and volunteer work. D'Angelo, Pamplin's 2009 Outstanding Young Alumnus, serves on the finance department's alumni advisory board and is a member of the Charlotte chapter of the Campaign for Virginia Tech.

### BB&T Distinguished Speaker

James S. Gilmore, who served as governor of Virginia from 1998 to 2002, gave a talk, "America's Financial Crisis: What Needs to be Done," as the featured speaker in the BB&T Distinguished Lecture Series on Capitalism.

For more information: [www.pamplin.vt.edu/spring10/lwt](http://www.pamplin.vt.edu/spring10/lwt)

# EDUCATION NEEDS IN IRAQ

U.S. universities are in an exceptional position to help higher education institutions in Iraq, and Virginia Tech can be among the leaders in this effort, says Lance Matheson, associate professor of business information technology who visited Iraq last year.

Matheson, who was Pamplin's international programs director at the time, and Virginia Tech

the Middle East for centuries."

Recalling how excited Iraqi faculty and administrators were to meet the U.S. group, Matheson says "they are very eager to restore the quality of their education system and to work with our universities. They have many areas of interest in which we can pursue research and teaching partnerships and have followed up our visit with e-mails requesting collaborations."

Research areas of interest to the Iraqi universities include nanotechnology, genetic engineering and biotechnology, biodiversity and renewable energy. Faculty, administrators, and government officials the group met, he says, are also seeking opportunities for business, administrative, and pedagogical training; assistance with social sciences curriculum development and with launching online learning programs; co-advising of their master's and doctoral students; and donations of equipment and books.

"The Iraqi government announced this past summer that it would like to send 10,000 students a year abroad — 8,000 undergraduates and 2,000 graduate students — preferably to U.S. universities." The details of this program are evolving, Matheson says, and developments are being monitored by Virginia Tech's Outreach and International Affairs Office.

"There is also a great need for Iraqi faculty to visit our universities to update their knowledge and skills. Many of their older faculty earned doctorates from American or European universities, while younger ones completed their studies in Iraq." Due to travel restrictions and economic difficulties the country encountered as a result of the embargo and the wars, however, all faculty have been cut off from newer technologies, equipment, research, and academic collaboration for years.



CHASE MARTINEZ

## HTM Compass Day

Representatives from Compass Group provided industry perspectives to Pamplin's hospitality and tourism management students during a campus visit last fall.

The 16-member team was led by Compass Group Eurest division president Mark Maloney (HRIM '82). Representing various divisions of the food service management company, the visitors taught and participated in panel discussions in classes related to food purchasing, production, and management; financial management; human resources; meetings management; and service.

The visitors, several of whom are Pamplin alumni and friends, included executive chefs, a hospital director, food safety compliance and diversity managers, and operations, catering, and image and décor directors.

"Compass Day," said hospitality and tourism management department head Rick Perdue, is "a great opportunity for our faculty and students to learn first hand from a top name in the hospitality business."



COURTESY OF LANCE MATHESON

biological sciences professor Khidir Hilu visited three universities in Iraq as part of an academic group that included faculty members from Michigan State University and the University of Idaho. The week-long trip was sponsored by the Department of Defense task force for business and stability operations in Iraq.

The group visited the University of Baghdad, University of Kufa, and American University of Iraq in Sulaimaniyah and met with university presidents, college deans, government ministers, and U.S. Embassy officials.

Despite the difficulties, he says, "people are trying to get on with their lives — they say the only thing they have is hope for their future. Everyone we met was very hospitable and gracious. They are all eager to redevelop the country and make the education system a full partner in the modernization efforts."

Matheson notes that Iraq and the broader region of Mesopotamia of which it was part have a long history of academic development and achievement. "Baghdad was a center of learning in



COURTESY OF LANCE MATHESON

Lance Matheson (second from right) says group members were provided very thorough security.

## GREAT FALLS COHORT JOINS PAMPLIN EMBA PROGRAM

The Executive MBA program has enrolled its 12th class, known as the Great Falls cohort. Its 17 students completed a three-day orientation in January that included team dynamics, team building, and leadership sessions led by program executive director Charles Jacobina and management faculty members Richard Wokutch, Steve Markham, and Wanda Smith. The students are employed at Booz Allen Hamilton, Federal Resources Corporation, Ferguson Enterprises, General Dynamics, Harris IT, JB&A, Kol Bio-Medical Instruments, Long Fence Commercial, Mitre, National Defense Industrial Association, NVR Ryan Homes, U.S. Army, and U.S. Department of Homeland Security.

## GAINING AN EDGE WITH BUSINESS BASICS

The college will again offer a "business basics" certificate program for non-business students this summer. The three-week, non-credit, on-campus program is designed to give a competitive edge to Virginia Tech juniors and seniors in engineering, architecture, science, liberal arts and human sciences, natural resources, and agriculture and life sciences, says Sharon Scott, Pamplin's associate director of management and professional development. The program was created in 2008-09. The program, known as Business Applications Summer Experience, or BASE, will be held on May 17 - June 4. Please visit [www.cpe.vt.edu/mpd.base](http://www.cpe.vt.edu/mpd.base) for more information.

# NIELSEN 2.0

## SIZING UP THE DIGITAL CONSUMER

“I think, for the first time, we will begin to see some really great business leadership examples from the media industry”

**W**hen Nielsen Company chairman and CEO David Calhoun (ACCT '79) goes through airport security, his laptop bag, with its blue and gray Nielsen logo, frequently draws attention. “People always want to know how they can become a Nielsen household,” says Calhoun. “Their pitch is usually something like: ‘I want to be a Nielsen household so I can decide which TV shows get cancelled.’” But Nielsen doesn’t eliminate shows, he says. “We just measure them.”

While Nielsen is most commonly known for its TV ratings business, it has now partnered with Facebook to help companies market on the Internet. Calhoun says he loves social media for its ability to connect consumers or any like-minded individuals or groups with one another. People can reach out and talk to others who share their interests, he says, “so amazingly fast.”

The growth of consumer-generated content and the rise of consumption-based business models — services that help consumers research potential purchases — these are among the changes taking place throughout the media industry that, Calhoun says, “make it a very exciting place to work.”

Indeed, the industry’s “enormous order of magnitude change has its most important companies concerned for the first time about survival,” says Calhoun, who was appointed to lead Nielsen in 2006. Long holding dominant positions and controlling distribution, these companies have been able to weather economic cycles, but, “now, with all these new digital alternatives, they actually have to worry about whether they can survive the change.”

The new challenges, he says, will test media executives and develop their abilities at a very rapid pace. The media industry has long been known for “spectacular programming or content development,” less so for business leadership. “I think, for the first time, we will begin to see some really great business leadership examples come from the media industry. They’ll start using terms

like ‘lean,’ they’re going to apply good old-fashioned industrial disciplines to a lot of delivery systems that need it,” says Calhoun — sounding much like a guy who was, at one time or another, the CEO of GE’s lighting, reinsurance, aircraft engines, and transportation businesses.

His decision to leave GE, after a 27-year career there that led to the vice chairmanship, was driven by a desire for “a little anxiety” in his professional life and more family time in his personal life. “It was never lost on me that, as well as things were going inside GE for me, I had grown dependent on a series of institutions that had been developed at that company over 100 years.”

Could he develop an operating system, a set of values, and a leadership perspective for a company without all of those “very refined GE institutions” behind him? “I was curious how I would do, what would my leadership capacity really be?”

Despite being a newcomer to the market-research industry, Calhoun was confident that he could bring a useful perspective to Nielsen from his diverse GE assignments. There’s a solid business reason behind GE’s practice of rotating senior executives through its assorted business units, he says: you can learn more from industries outside your own.

When he was at GE’s aircraft engines business, for example, he learned more about customer service from the lighting industry than he did from aviation competitors Rolls Royce and Pratt & Whitney. “Aircraft engines has this luxury of 10-year development cycles, but the light-bulb business has to react to clients every day, get their shelves filled, or they lose business. It’s the cross-industry learning that differentiates you as a company,” states Calhoun.



JIM STROUP

David Calhoun

**“It’s not good enough to catch what they’re watching, you also have to find out what they do after they’ve viewed content. Do they go to Amazon and buy something? What did they buy?”**

## SO FAR, SO GOOD

Calhoun feels “very good” about his three-plus years at Nielsen. The company has been on a steady path of change that has been well received by its clients, investors, and employees. The job is far from done, he says, but “on all those fronts, we have regained our confidence as a company.”

Building confidence, he says, was job one — “confidence in our vision and confidence in the corporate office to add value to the work that was getting done in the field for our clients.” Mincing no words, Calhoun says that though “there was nothing wrong with the vision” at VNU (Nielsen’s former Dutch owner), clients and investors had “lost confidence in the people running the company. It owned all these wonderful market-research companies, but it never put any of them together in a way that helped clients ... it was just a horribly frustrating situation.”

Calhoun’s first task was to overhaul his senior management team: “I mean, I really overhauled it. I changed out everybody in the corporate office, and I had to repurpose all their work to make it easier for our businesses to work together to capitalize on the integration of the company for our clients — and ultimately do better by our investors.”

The years spent at “a big, complicated company that never stopped working on integration” really helped, he says. At GE, “we were always trying to figure out how to make it easier for our businesses to work together.”

## FRAGMENTED AUDIENCES

Calhoun identifies two big current opportunities for Nielsen. The first lies in helping its clients — companies such as Kraft, Procter & Gamble, and General Mills — deal with pronounced changes in their customers’ buying habits as a result of the severe recession and unemployment. “They’re now becoming value-oriented consumers; they need more for less, all of them.” And it’s likely, he says, that these changes will last.

Nielsen can investigate the behavioral changes in detail and help its clients focus on the part of the value chain that interests them. “If we’re not innovative about how we do that, they’ll go to somebody else. So we have to be really rigorous in the way we evaluate consumer behavior.”

The other opportunity relates to the enormous changes in advertisers’ ability to reach their audience, Calhoun says. “Digitization has changed everything. What used to be a very simple, television-centric way of reaching audiences has now become very complex, because those audiences have fragmented so much.” The five major broadcasters have steadily lost audience share to the Internet, on computers and smart phones, as well as to cable and satellite channels, the number of which has exploded.

This audience fragmentation bodes well for advertisers, he says, as they can buy more precise audiences that are more finely aligned with their potential customers. Companies have a very clear view of their target customer when they develop a new product, he explains. But TV advertising, except on specialized cable channels, typically does not buy audiences that companies target, but larger audiences that overlap their customers. This is less true of Internet sites, which are built around

specific interests. “So you buy more precise audiences as a result of media fragmentation,” Calhoun says, “and you get more value for the audience that you buy.”

The challenge for Nielsen is to extend its traditional strength in TV-audience measurement to the new media. If reliable audience data can be gathered from computers and mobile devices and accepted by industry, Calhoun says, advertisers would be able to purchase audiences across, and build marketing campaigns around, these three screens in a consistent way.

Audience engagement, however, is harder to measure on the Internet than on TV. Nielsen, he says, currently measures Internet audiences for major publishers through an online panel. “Our online measurement also includes whether they are watching TV at the same time.”

The Internet’s special challenge, he says, is the click-through series of events. “It’s not good enough to catch what they’re watching, you also have to find out what they do after they’ve viewed content. Do they go to Amazon and buy something? What did they buy? Did they click on an ad, what did it take them to, and did they do anything with that ad? Did it register?”

“On TV, we know exactly what viewers saw and how long they saw



Top: During a visit to campus last fall, David Calhoun (center) chats with Dean Richard E. Sorensen (right) and Nicholas Oppelt, a senior double-majoring in management and finance.

Left: Nielsen's headquarters in New York City. Calhoun works, however, at an office in Wilton, Conn., that he says would impress nobody.



it. We can also measure whether viewers remember ads they saw last night. We measure the level of engagement viewers have with programming and advertising messages.”

In contrast, on the Internet, Calhoun says, “somebody may have clicked through, but that doesn’t mean they remember anything about what they saw.” Clicking through, going to a site, is not the same as engaging with the site, he says, and the opportunity for Nielsen is to “bring some clarity to that.”

The company has, in recent years, acquired or invested in various companies and technologies that, Calhoun says, will “define the future of consumer insights by giving marketers faster and more precise solutions.” Among these are: IAG Research, which measures how well consumers remember TV and online ads and how much they like particular shows; Neurofocus, which measures TV viewers’ brainwave activity to assess their level of engagement with a program or commercial; Telephia, which measures video-viewing on mobile devices; and BuzzMetrics, which measures blogs and other consumer-generated media.

## AN UNBIASED CONVERSATION

What consumer behavior trends are important for Nielsen clients to know?

That it will be a very slow economic recovery, for one. “When we ask consumers what they’re going to do with every next discretionary dollar, they highlight two out of the top three alternatives: pay down more debt and put it in the bank as savings,” Calhoun says. “This has never happened before in a post-recession environment. There is a very real behavioral change.”

Though consumers never end up doing everything they say they’re going to do, he adds, they will likely save more of their disposable income than ever before. “That’s going to be a very important thing for everybody to know and understand.”

A second trend is the power of consumer-generated media, both as a research tool and as a marketing influence. “It’s everything a consumer or a blogger creates or a dialogue that is not prompted by a marketer. It’s an unbiased conversation about the world they live in and their likely

**Consumer-generated media,  
Calhoun says, is an amazingly  
powerful research and marketing tool.**

behavior. It's an amazingly powerful research tool — and if you can find your way into their conversation or influence their conversation, it would be an amazing marketing tool.”

The growth of social media has also introduced a new business model built around organizing consumption. Companies are emerging that develop software products that help consumers research, organize their thoughts, and buy what they want to buy. “This new business model has to be factored into everybody’s thinking. It’s going to shorten product and company life cycles and force innovation.”

Calhoun also likes to point out to his clients that despite the growth of the Internet audience, “TV viewership is still huge and continues to go up at an amazing rate. TV viewing has never had a down quarter.” What Nielsen has found, he says, is the high rate of simultaneous Internet and TV use, with people often discussing on Facebook the TV show they’re watching. “The amount of multitasking is growing at a very, very rapid rate.”

Calhoun has also devoted time to talk to news media about the changes he sees in the industry. “It’s imperative for us to put forward our most leading-edge thinking on where the world’s going in marketing.”

## INSECURITY A FATAL FLAW

Nielsen recruits on campus and participates in Pamplin’s annual Business Horizons career fair. Taking another page from the GE playbook, Calhoun developed two-year training programs that broadly introduce new graduates to Nielsen’s operations through job rotations in various functional departments.

The employees Nielsen seeks, he says, are “wildly curious people,” “people who just can’t stop asking questions,” but who are also “quietly confident.” Insecurity in the media and marketing industry, he says, is a

fatal flaw. “Somewhere in your lifetime, you have to have acquired some level of confidence in what you do and who you are.”

It would help to be smart, of course, and to be nimble with numbers: “We do have to deal with data, and we do have to use measurement science to prove our point.” He advises marketing majors, in particular, to get their “dose of measurement” early. “I don’t care how creative you are, you’re not going to do anything that isn’t through some measured media. Any major campaign, multimillion-dollar expenditure is going to go through some form of measured media. You learn more about your audiences from a measurement company early on than you ever will running a campaign.”

Asked how he would convince students to consider a career in the media industry, Calhoun starts with the business challenge. “I’m a big believer in going where the environment is changing at a very rapid pace, because then you have to cope with the change, and you have a chance to be on the leading edge. I believe the media industry is changing at light speed, more so than many other industries.”

It’s also cool, he says. “Marketing, media, advertising — you’re talking about new products, how to influence thinking. It’s all fun stuff ... and it’s going to be very different than in the past.”



**WEB EXCLUSIVE!**  
How is David Calhoun changing Nielsen?  
Read more online at:  
[www.pamplin.vt.edu/spring10/nielsen](http://www.pamplin.vt.edu/spring10/nielsen)

## ROLLING THE DICE

Choosing to leave GE, Calhoun says, was “a high-anxiety moment, similar to some of the very early moves I made in my GE career, when I went to do something I’d never done before.”

**S**till, he might not have left without the encouragement of friends who had made similar decisions and found them rewarding. It’s important, he says, to have support networks, to stay in touch with people and learn from their career moves.

“I’d always followed people closely when they left GE, to find out what it was like.”

Calhoun says he compounded the career risk in two other ways: making the leap from a public to a privately owned company, and then — feeling that there was “one other dimension” he needed testing on — taking “everything I’d ever earned in my GE career and betting almost the whole thing on equity in the company that I was now going to run — a highly leveraged company.”

Asked about one magazine story where he described the decision’s impact on his financial situation as walking away from “a sure thing at GE,” Calhoun affirms, “That is the perfect expression, and that’s still the case. I went from a sure thing — an annuity, as long as I performed — to putting a sizable portion of my net worth in equity in a highly leveraged transaction — and that was before the recession. There are some highly leveraged companies that have gone through bankruptcy proceedings, where investors can lose it all. That’s still my perspective, nothing’s changed.”

The gamble is very uncharacteristic of him, he says, but he has “always had enormous respect for entrepreneurs, real entrepreneurs, and their willingness to bet most of their livelihood on their business interests. In a big public institution, you never do that. Everything’s given to you. So, I rolled the dice a little bit.”

Though having to contend with Nielsen’s six private-equity firm owners was a concern, it was also a mitigating factor. “None of the individual sponsors can do anything on their own to change our company direction. Decisions are made on a collective basis, including the company’s management ... much like a public board.”

The career switch has also given him much greater control over his personal time. “I was out of the country most days a year in my prior position, and now I’m probably out of the country 20 percent of the time. That’s really the big difference. I can get home on weekends.”

He works, not at Nielsen’s corporate headquarters in New York, but at an office in Wilton, Conn., with four of the company’s senior executives. “Nobody would be impressed with our offices, *nobody*. But that’s okay. I run a very distributed company, so the whole notion of a headquarters is less relevant.” Besides being closer to his home, the Connecticut office makes for “a very informal, high-touch environment, and that’s what I enjoy.”

# TRADING PROFITS GO UP

## WHEN THE SUN GOES

# DOWN



ISTOCK

The night and day effect ... is driven in part by high opening prices, which subsequently decline in the first hour of trading.

It's more profitable to trade stocks at night than during the day, new research by Michael Cliff, assistant professor of finance, suggests.

In a study co-authored with Michael Cooper of the University of Utah and Huseyin Gulen of Purdue University Cliff analyzed stock market returns from 1993 to 2006. The finding that night returns — measured from close to open — are greater than day returns — measured from open to close — is a “surprising new pattern in returns,” Cliff says, leading to “the unexpected finding that the U.S. equity premium (as measured by the S&P 500) over the last decade is solely due to overnight returns.” The equity premium is the extra return that individual stocks or the stock market must provide over government bonds to compensate for market risk.

The night and day effect, he says, is driven in part by high opening prices, which subsequently decline in the first hour of trading. The results of the paper indicate that discretionary selling should be done near the open and discretionary buying later in the day, Cliff says. “The magnitude of the effect is small, and it does not apply to mutual funds.”

In their paper, “Return Differences between Trading and Non-trading Hours: Like Night and Day,” Cliff and his co-authors write that “night returns are consistently higher than day returns across days of the week, days of the month, and months of the year. The returns during the night are strongly

positive, and returns during the day are close to zero and sometimes negative.”

Their results, the researchers note, are “extremely robust,” holding across multiple asset types (individual stocks, equity indexes, and futures contracts on equity indexes), different market structures (NYSE and Nasdaq exchanges), and subperiods.

Cliff says that their findings have practical and theoretical implications. Portfolio managers may be able to develop profitable strategies, using the research results related to the particular securities that experience greater day and night effects, he says. “At the very least, our results may provide guidance to investment managers concerning the timing of their buy and sell orders.”

Their research would also interest finance scholars who study the efficiency of market opening and closing mechanisms, intraday returns associated with event studies, and returns around market closures. “Even though the impact of periodic market

closures on trading volume and volatility is well documented, its impact on stock returns is still not fully understood,” he notes.

One potential explanation for the night and day effect may come from the “growing and widespread practice of algorithmic trading” (trading based on computer programs) by hedge funds and other financial institutions, which may exert price pressure on stock prices. The researchers hope that additional research will help explain further the sources of this effect.



MICHAEL KIERNAN

Michael Cliff



# GUESTS' GREEN HABITS SLIP DURING HOTEL STAYS

A significant gap lies between consumers' attitudes towards "green" initiatives in the hospitality industry and their actual behavior, says a recent study by two hospitality and tourism management graduate students. Moreover, consumers who engage in environmentally friendly behavior at home behave differently when staying at a hotel, their study found.

Master's students Melissa Baker, of Marshfield, Mass., and Eric Davis, of Lorton, Va., in a project supervised by hospitality and tourism management professor Pamela Weaver, say that while more hotels are adopting green practices, few scholars have examined the relationships between such initiatives and consumer knowledge, attitudes, and behavior.

Will knowledge about their hotel's green practices change guests' behavior, for example? "It has been argued that if individuals became more knowledgeable about environmental issues, they would become more aware of the problems and be more motivated to act in responsible ways," Baker and Davis say in their study. "Prior research, however, has not shown this assumption to be true."

They cite that the hospitality and tourism industry is under pressure to become more environmentally friendly as a result of consumer demand, environmental regulation, and managerial concerns based on ethics as well as economics. Linen and towel reuse policies are now commonplace, and low-flow showers and toilets and energy-saving light and thermostat systems have been installed by many hotel companies. Also, most major hotel companies have created green mission statements or LEED-certified green hotels.

Baker and Davis conducted an online survey of 881 students in four Virginia Tech classes (undergraduate and graduate). The survey received 322 responses, for an overall response rate of 36.5 percent. The survey aimed at gauging knowledge of environmental issues, personal attitudes about environmentally friendly behavior while staying in hotels, the extent to which hotels should operate sustainably, and green behavior at home and while a guest in a hotel.

Only a quarter of the respondents correctly answered eight or more of the 12 environmental knowledge questions. Though 54 percent agreed that being environmentally conscious while in a hotel will have long-term environmental benefits, only 35 percent stated they would prefer to stay in a green hotel instead of a non-green hotel. Regarding the extent to which hotels

should "go green," three quarters of the respondents thought that hotels should use energy efficient or automatic lights; nearly half thought that hotels should have automatic sink faucets and nearly 60 percent thought that Styrofoam should not be used as a serving container in hotel guest rooms.

Nearly 60 percent said they were likely or extremely likely to stay at a hotel that changed sheets only when requested during their stay; the number was 55 percent regarding towel changes. However, 45 percent stated that they would be unlikely or extremely unlikely to stay at a hotel that provided amenity dispensers instead of individual bottles.

As for their home versus hotel behavior, close to 60 percent of respondents recycle paper products at home, but only 30 percent recycle them while at a hotel. Sixty percent of respondents conserve water at home, but less than 40 percent do so at a hotel. Eighty percent of respondents conserve energy at home, but only 40 percent save energy while at a hotel.

As for the behavioral differences between home and hotel, other researchers have suggested that "individuals might feel more obliged to behave in an environmentally friendly manner in their local community as opposed to the tourist destination," Baker and Davis note. In addition, the destination or hotel may lack the infrastructure necessary to practice green behavior. Lastly, engaging in green behavior may detract from the whole experience of being a hotel guest, the students note, pointing out that some researchers have found "a strong trade-off between participation and the sacrifice of comfort and luxury."

Though their study did not find a significant relationship between knowledge and concern with regard to environmental issues, Baker and Davis say more research is needed. The hotel industry, they note, can help educate consumers to develop a greater level of understanding and concern about their environmental impact as hotel guests.



RICK GRITHS

Hospitality and tourism management professor Pamela Weaver



CHASE MARTINEZ

Melissa Baker and Eric Davis

# CHILD LABOR

## MORE COMPLEX THAN YOU THINK



ISTOCK PHOTOS



**C**hild labor, perhaps surprisingly, is a divisive issue. “The large numbers of children working in developing countries continue to provoke calls for an end to such employment,” says management professor Larry French. Many public officials, child advocates, and social scientists, however, contend that such appeals are unrealistic, ignore the benefits that sometimes result from such work to the children and their families, and have, in some cases, driven children to seek work in the “less regulated, less visible, and far more hazardous informal and illegal sectors of the economy.”

Many reformers, French says, argue that the focus should be on “ending the exploitation of children rather than depriving them of all opportunities to work” — a position that recognizes children’s diverse needs and work situations.

Research on child labor, however, “typically neglects these complexities,” he says, “fails to distinguish between types of labor market jobs, dismisses household chores as irrelevant, and conceptualizes children’s needs largely in terms of the education they require for successful careers.”

In a case study of child workers in Brazil, French examines how work — at home as well as in factories — affected children’s welfare. French

surveyed and interviewed 7th and 8th graders, working and not, in two public schools in two different neighborhoods in the town of Franca, where leather shoes are manufactured for export and 5-to-17-year-olds are extensively employed in this and other industries.



Larry French

KIM PETERSON

His research, he says, departs from previous studies in several ways: it uses multiple welfare indicators, including education, health, and life satisfaction; defines work more broadly, including unpaid household chores; and examines jobs in the labor market in terms of job content, employment context, and pay as well as work hours.

His initial findings were published recently in the *Journal of Business Ethics*, along with his recommendations for multinational employers that “go beyond the usual calls for ridding their facilities and supply networks of child workers.”

One of his preliminary conclusions, French says, attests to the difficulty of getting rid of child labor. Secondly, he says, “labor market jobs appear to have different consequences for different dimensions of children’s welfare.” In his case study, such jobs and especially those in the shoe industry appear to threaten the health of young workers, but have little impact on their school attendance or performance.

“Moreover, most employed children believe that they benefit from

## PLOTTING POWER PLANT DATA TO STUDY THE EFFECTS OF REGULATORY UNCERTAINTY



JOHN MCCORMICK

Carl Ullrich



MIKE PAVNE

**H**ow does regulatory uncertainty affect power plant investment and construction?

The answer could have implications for the banking, auto, and other industries far beyond electricity generation and supply, says finance assistant professor Carl Ullrich, a specialist in electricity markets and pricing.

In studying this issue, Ullrich is taking an innovative approach, using data reported about every power plant in the United States to test models developed for studying financial markets. His findings, he hopes, will shed light on the broader impact of regulatory uncertainty.

In corporate finance academic circles, Ullrich says, the idea that uncertainty delays investment has been well discussed, but “it’s been a hard thing to test, because there hasn’t been the data.” Many theoretical studies, he points out, have been done on “real options,” which are assets, such as machinery, factories, or power plants, that can be treated like financial options (securities that give buyers the right, but not the obligation, to buy



Children around the world work inside and outside their home. When management professor Larry French included domestic chores in his study of the consequences of child labor, his results were surprising.

their jobs. Most are quite satisfied with their work and feel that their jobs contribute to their independence from parents and their own personal development as well as their acquisition of skills and capabilities useful in school and the labor market.”

Thirdly, French notes, the detrimental effects of some jobs for children can be reduced, if not eliminated, through changes in the jobs themselves. Employers could replace toxic glues, for example, with non-toxic adhesives — which are available but unpopular, because they take longer to dry.

His findings also suggest that child health is also impaired by business-owner parents who do not allow their working children much discretion in the family workplace.

Lastly, and perhaps unexpectedly, French finds that household chores appear to be more harmful to children than labor market jobs, through their impact on their education, life satisfaction, and health. Girls, he says, who bear the brunt of household chores and childcare, which continue even after they enter the workforce, appear to suffer more extensive, adverse consequences than boys. “Efforts to eradicate labor market work by the young may have the perverse effects of forcing families to impose more domestic work on them and, as a result, hurt them more than had they remained in the market.”

Further research, he says, is needed in several areas: the family context of child labor, in both household chores and family businesses; the

relationship between domestic and market work, particularly the extent to which one serves as an alternative for the other; the interplay between education, particularly poor-quality public schools, and work; the factors driving young people to work; and lastly, the impact of various programs launched by multinational companies to end child labor in their facilities and supply chains.

Regarding such actions by multinational employers, French says, firms would do better by ensuring that working conditions do not harm any employee, not just underaged ones. He also suggests that firms consider the family context of individual employees — terminations of child laborers may result in their being assigned more harmful, domestic work by their parents.

Firms should seize opportunities for collective action to address child employment, French says, including cooperative efforts to enhance local schools, develop vocational training programs in local firms, and “initiate community conversations about appropriate norms for domestic and labor market work by children for their parents.”

French became interested in child labor after observing its prevalence in Brazil while serving in the Peace Corps. His research has been prompted by what he sees as the odd attitude of “many middle-class residents in the U.S. and Western Europe who condemn any form of work by children in developing areas, while endorsing part-time work for their own children as useful learning experiences.”

or sell an asset at a set price at a later date).

“But there’s been very little empirical work to verify or test these real options models on how uncertainty affects investment, mostly because we haven’t had a lot of good data.” Until now.

He used publicly available data that “anyone can download from the Energy Information Administration’s web site but that “no one has ever used in this way before.” And it’s a treasure trove of statistics — almost 20 years’ worth of facts and figures on all U.S. power plants, those that were built, proposed, expanded, or otherwise modified. It’s information, he says, that plant owners must submit yearly to the federal government.

This data makes the research project exciting and unusual, says Ullrich, who is working with finance associate professor Randy Billingsley and doctoral student Jaideep Chowdhury on different studies that examine the impact of regulation on overall changes in planned power plant investment and on start-up and shut-down decisions.

“We have a unique data set that has the kind of information most

finance data sets do not have — in particular, data related to planned changes, things that don’t exist yet,” he says. “You know, it takes a long time to build a power plant, so a regulatory decision today — we might not see that reflected in what’s actually built, for a long time. But you can change plans relatively quickly, so we can see from the data how plans have changed in reaction to regulation.”

Regulatory uncertainty is an important issue, he says. “I’m not talking about a high level of regulation versus a low level, but about what happens if regulators dawdle, if they leave us in the dark, and we don’t know what the field looks like or what the rules of the game are.”

Read the full story and its companion piece, “Minding our electricity use,” in the latest issue of Virginia Tech’s *Research* magazine, available online at [www.research.vt.edu/resmag/](http://www.research.vt.edu/resmag/)

# OLD BATTLEFIELDS NEW CONFLICTS

## Former investment manager strives to protect Civil War history

**C**ivil War history has long captivated Denman Zirkle (BAD '60). After more than 25 years in the financial services industry, Zirkle found a second career — helping to protect, manage, and interpret long-ago fighting grounds as the executive director of the Shenandoah Valley Battlefields Foundation. The challenges of historic preservation, he has discovered, mean a constant battle for funds and against development.

The Roanoke-born Zirkle says that as a native Virginian, he has always been fascinated by things Civil War — its causes, the military brilliance of Generals Lee and Jackson, and “how the defeat of the Confederacy has continued to define our nation, both politically and socially, through almost 150 years.” His interest in historic preservation, however, “came later in life, as I became increasingly aware of our dwindling natural and historic resources and the relentless commercial pressure to compromise them.”

Zirkle, who also earned an MBA at the Wharton School and is a retired lieutenant colonel in the U.S. Army Reserve, has worked in the finance industry since 1983, when he joined Morgan Stanley from Consolidated Rail Corp. He later moved to Lynch & Mayer, a New York investment advisory firm where he was senior vice president in charge of marketing, and Franklin Templeton Investments, where he was executive vice president for the institutional business division. More recently, he was chief executive officer of another New York advisory firm, Carret and Co.

Appointed in April 2009 to lead the battlefields foundation, Zirkle says the organization’s work must be “ramped up, both in terms of management and interpretation of the acreage that has been protected, as well as the acquisition of remaining battlefield land.”

The foundation was incorporated in 2000 to “protect, interpret, and promote” battlefields in the newly designated Shenandoah Valley National Historic District. At that time, some 2,000 acres had been protected — core battlefield land on the 10 battlefields of the eight-county historic district. “Today, that number stands at around 6,400 acres, the increase being about equally attributable to initiatives by our foundation and our partners — Civil War Preservation Trust, Lee-Jackson Educational Foundation, and others.”



Denman Zirkle at a marker on the Fisher's Hill battlefield in Shenandoah County.

Historic preservation isn't just a professional pursuit for Denman Zirkle, it's also a personal passion. The family farms that he helps run near Edinburg, Va. include buildings that are on the Virginia Landmarks Register as well as designated as National Historic Landmarks by the U.S. Department of Interior. The property, which supports 500–1,000 head of cattle, includes tracts that his family has owned since the late 18th century.

It is a remarkable record for eight years, he says, “but approximately 14,000 acres of core battlefield remain unprotected, much of it already being encroached upon by development. Some of our most threatened battlefields are those in Frederick County, but the same development pressure is creeping up the valley into Shenandoah County and Rockingham County. Both interstate highways and development have already significantly encroached on battlefield land in Frederick County and Warren County, where little protected land is left. We do not have long to protect the remaining acreage.”

The foundation's biggest challenge, he says, is to continue pursuing the \$2 million in land acquisition funding that Congress authorized when it passed legislation in 1996 creating the Shenandoah Valley Battlefields National Historic District. The funding, Zirkle says, has not been consistent, “but without it, we cannot use matching grants from the commonwealth and other sources to purchase land or even easements on land.”

The 1996 legislation also authorized up to another \$2 million in matching funding for “programs,” that is, management, interpretation, and promotion of battlefields. “We have never received any of this funding,” he says, “so much of our protected battlefield land lies fallow.”

With the shift in political power over the past year, the challenge has become even greater, Zirkle notes. “We are in a Republican area but are now working with Democrats!” The good news is that both sides understand the importance of preservation, and “Senator Jim Webb is a strong supporter and believer in protecting our Civil War heritage,” he adds.

“Our needs are great, especially with the upcoming sesquicentennial commemoration of the Civil War, which begins in 2011. Along with federal funding, we are now assessing how we can partner with local businesses to increase their revenues while looking to them to assist with our battlefield interpretation and promotion efforts. We are also initiating a private and corporate development program, something new for the Battlefields Foundation.”

Faced with a “wonderful opportunity” to protect additional land at the Third Winchester battlefield, site of one of the largest battles fought in the Shenandoah Valley, the foundation recently purchased a 209-acre farm. “With another property previously protected by the foundation, and a third tract protected earlier by the Civil War Preservation Trust, we now have more than 570 contiguous areas of this battlefield



Reenactment of the Battle of Cedar Creek of October 1864 in the Shenandoah Valley near Middletown. The battle dealt a crushing blow to the Confederacy and helped spur the re-election of President Abraham Lincoln.

protected.” But the farm was bought in part with a \$500,000 loan — the foundation's largest transaction ever — which must be repaid, Zirkle says. “Again, a big challenge.”

The process of protecting battlefields, he says, involves identifying the individual parcels, working with interested sellers, and providing the necessary funding for purchasing either the land or conservation easements on the land. “Without funding, it is pointless to engage in the detailed preparation work.” And after battlefields become protected, they need to be “respected,” Zirkle says, through proper maintenance and interpretation that will provide both recreational and educational experiences for the public — all of which requires financial support.

“We have to tell our story to the citizens of the Shenandoah Valley and the commonwealth as well as to a larger audience across the nation,” Zirkle says. “When more people are aware of our work and future challenges, I am confident of significantly more private support.”



Top: Zirkle at September 2009 press event announcing the purchase of the Huntsberry Farm at Third Winchester (entrance above).

# GATHERING NO MOSS

## ROLLING CONES HEAD FOR MONGOLIA IN RALLY



Laid off from his corporate finance job last year, Joe Pyrek (FIN '04) prepared to do what anyone in his predicament would do: drive a pink ice-cream truck halfway around the world to Ulaanbaatar, Mongolia, to raise funds for charity.

Participating in last summer's Mongol Rally, Pyrek and three teammates logged more than 10,000 miles making their way across deserts, mountain ranges, large bodies of water, and 18 countries in Europe and Asia. They arrived in the Mongolian capital 35 days after they pushed off from Chichester, England — though without their truck, which had broken down in Tajikistan, some 2,000 miles from the finish line.

They had the time of their lives, of course, but the stories they can regale party guests with are only a superficial benefit of the experience, Pyrek says. The real gains have to do with learning and self-discovery. "You realize that the world isn't such a scary place after all."

Moreover, the venture required management, financial, marketing, and other skills. "I sort of amazed myself at being able to plan and execute such a major undertaking," says Pyrek, who played the lead role in assembling the team, route, schedule, and budget; getting a vehicle ready; and lining up funding sources.

The entire experience, he says, was a defining event. "There was a point on the trip, in the middle of Turkmenistan, where I am on my belly in the middle of an extremely hot, scorpion-infested desert, digging sand out from under the back tires of the truck — and I couldn't believe I was enjoying it. I figure I'll have an office job most of my life, and I am fine with that, but after doing this rally, I realize where my passions are and how I want to spend some of my time."

### The bright side of job loss

The Richmond, Va., resident — a globetrotter who had visited 26 countries before the Mongol Rally — first considered entering the event in 2007, after meeting rally participants during a trip to Ulaanbaatar to see a friend. He had himself just completed an autorickshaw rally across

India during a month-long assignment there with Capital One. Pyrek was a financial analyst at the bank for four years before moving to Genworth Financial, which laid off 15 percent of its workforce four months after he signed up. Though his job loss has been a financial strain, Pyrek says "it made the decision to take the trip that much easier."

His teammates were Bert Muhleman, a waiter and University of Virginia graduate whom Pyrek calls "a well-traveled, smart, and interesting guy," and Pyrek's childhood friends Andrew Ritz and Alex Neuhausen. Neuhausen, an electrical engineering doctoral student at Stanford, helped raise funds and recruit sponsors. Ritz, a programmer, certified mechanic, and Virginia Commonwealth University graduate, "worked with me many late nights building the truck and planning the trip."

### A pink truck

Their truck — really a 150,000-mile-old newspaper delivery van — needed a lot of work, which Pyrek and Ritz did themselves. Pyrek says: "I wanted to make a splash with the organizers, other ralliers, and people along the route, so an ice-cream truck seemed like a great way to do that. Then, you need a fun, witty name ... and 'The Rolling Cones' came to me. Alex thought a pink truck would be great. Andrew designed the striping and flames, while I designed the map decal layout with a friend at a local sign business."

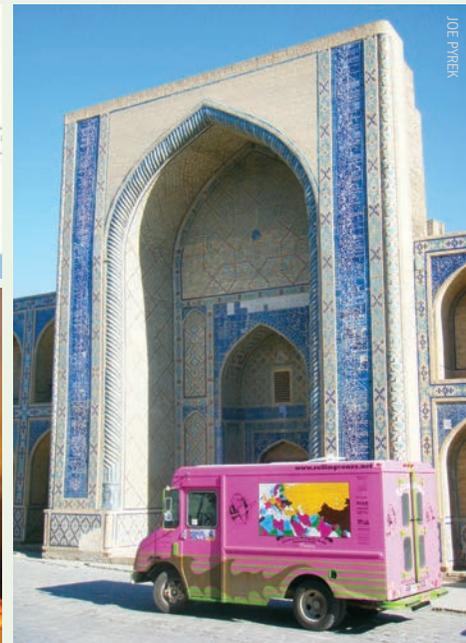
All were less than confident about the truck's stamina for the expedition. "We wanted to make it a challenge but feared that a truck specifically not designed for what we wanted to do with it would not make it." Their fears were realized when it broke down.

The team's adventures began even before the rally. Pyrek had arranged to ship the truck out of Baltimore at the end of June to arrive in Southampton, England on July 11, a week before the rally began. "I got a call on July 1 saying that the ship had an issue and that our truck was to be shipped out the following week and arrive in Southampton on July 20th.



Joe Pyrek at a 2007 auto-rickshaw rally across India.

CARLY MEADE



Left: Outside Penjikent, Tajikistan. Center top: Map of the rally route. Center bottom: Joe Pyrek and Andrew Ritz “surf” on the truck inside the Chunnel. Right: The truck outside the Ulugh Begh Madrasah in Bukhara, Uzbekistan.

This wasn't suitable, as the rally's start was July 18th.”

Working furiously, Pyrek arranged for the truck to be sent to Germany instead, where it would arrive a week before the rally, allowing them to drive it to the U.K.

But problems often brought them in touch with good people, as Pyrek and his friends were to discover many times during their journey. A member of another rally team helped them drive the truck from Germany nonstop and another offered them a place to stay near the rally's start.

Among the trip's many happy moments, Pyrek recalls, was the truck's arrival at the rally campground. “Everyone was aware of our troubles with shipping and that there was a chance we would miss the start. Everyone also knew how much time and effort we had put in, so when we got there, we literally got a standing ovation from the other participants.”

Helping one another, sharing, and making friends for life, he says, was a common theme during their travels, and not just within the rally community. “People would invite us into their homes to feed us, perhaps because we were a novelty passing through their small town, or more so, because we were travelers, and well ... this is just what you did for travelers.”

From the team's perspective, the opportunity to meet local people and experience their cultures was the core reason for the trip. But they themselves were an object of interest for the locals. “Everyone we met had so many questions; they were curious why we were there, where we had been, where we were going, and what this giant pink truck was.”

The scenery, natural and manmade, was humbling. “Some of the places had little impact from humans, and at night, you'd see a sky full of stars brighter than you had ever seen before,” Pyrek recalls.

The good times far outweighed the bad: “when we had to dig our truck out of the sand; border crossings that took over 50 hours; days when it was 130 degrees; many, many days without bathing or other basic amenities; days with little sleep.”

### Trouble in Tajikistan

The worst was when they arrived in Dushanbe, Tajikistan's capital (by hitching a ride after selling the truck), only to learn that many flights had

been grounded due to the terrorist bombings of the presidential offices, police cars, and the airport. “We didn't think we could get flights out and would then be thrown in jail for visa violation.” Moreover, Pyrek was unsure whether the cash sale of their truck was permissible. “I was really sweating when we went through customs, afraid that they'd ask about the stamps in my passport regarding the truck.” They got out after finding a flight, with literally hours left on their visas.

Another less than salubrious experience was the ferry crossing of the Caspian Sea and its aftermath. “The sister ship to the one we were on had sunk in 2005, with only one survivor, but, more than that, this ship was in horrific shape. The lifeboats were made of rotting wood and had many holes in them, and I had little confidence that the ship's crew could deal with any sort of emergency.

“The crossing isn't very far, only about 90 miles from Baku to Turkmenbashi, but it took more than two nights for us to get there, and then they kept us in the harbor without allowing us to dock. This wouldn't have been that bad had it not been for the 110-degree heat and the fact that the ship had run out of water. It wasn't so much the fear that you'll die, but being in a spot where you can do nothing.”

### Adieu, old friend

The saddest occasion, Pyrek says, was when “it sank in that we were going to have to leave our truck. The roads — and lack of them — had destroyed our radiator tanks. Without the ability to cool the engine, there was no way for us to go forward with the truck. We had the option of jerry rigging it and using other radiators, but our backs were up against the wall with visas — even if we got it fixed, we probably would not have left the country on time.” The buyer was an ex-Soviet cognac factory, “where it will hopefully have a long and continually hilarious life — it came so far from being a simple newspaper delivery vehicle in Camden, N.J.!”

Read the whole story, see more pictures, and catch Pyrek's advice to students and future ralliers at [www.pamplin.vt.edu/spring10/cones](http://www.pamplin.vt.edu/spring10/cones)

# PLANTING SEEDS FOR THE FUTURE



COURTESY OF SEED

Not many undergraduates get an opportunity to gain hands-on experience managing a stock portfolio, but Jay Rosenstock (FIN '95) and Trey Snow (FIN '93, MBA '95) did just that as participants in the Virginia Tech Student Endowment for Educational Development program, better known as SEED.

They both say that experience made them stand out from other job candidates after graduating.

In gratitude, and to help the program continue to excel,



COURTESY OF JAY ROSENSTOCK

Alumni Jay Rosenstock (top) and Trey Snow have pledged gifts to create the SEED Alumni Fund for Excellence



COURTESY OF TREY SNOW

Rosenstock and Snow recently pledged significant donations to create the SEED Alumni Fund for Excellence.

“SEED has always been a very forward looking organization,” says Snow, a resident of Mechanicsville, Va., who most recently was a senior vice president of Priority Capital Management. “We wanted to give it that leeway and flexibility to grow in directions that even we can’t foresee.”

Rosenstock lives in Harrison, N.Y., and is senior vice president for corporate development at Discovery Communications. He says he and Snow chose to donate because “Trey and I wanted to make sure the program has the right level of funding and capacity to continue to secure top-notch students and provide them a platform to ... secure jobs at the large money centers around the world — New York, London, and other places.”

SEED invests in stocks, using more than \$4 million from Virginia Tech Foundation. The foundation allocates 1 percent

of the university’s endowment to SEED’s management. BASIS, a student team that invests in bonds, manages 1 percent as well.

Snow was CEO of SEED during his senior year. He says the program’s emphasis on teamwork requires students to develop group-decision-making skills that are essential in the finance industry. “Most times, if you are managing institutional money, you are working in a group setting ... which we all had [in SEED] as well,” he says.

Rosenstock and Snow are reaching out to other SEED alumni to encourage them to contribute to the program’s new alumni fund. They, and university officials, are looking to organize gatherings of SEED alumni at several locations. To learn more, please e-mail [mbegly@vt.edu](mailto:mbegly@vt.edu), using SEED Alumni Fund in the subject line.

— by Albert Raboteau, *Development Communications*



COURTESY OF SEED

The New York Stock Exchange is an essential stop during SEED members’ visit to Wall Street each fall. The SEED team manages and invests more than \$4 million of the university endowment. 2009 team shown above.

## Fellowships awarded to ACIS faculty

Fellowships in the Department of Accounting and Information Systems were awarded to four faculty members, who will retain them for three years: France Bélanger, professor, Byrd Senior Faculty Fellow; Sudip Bhattacharjee, associate professor, Konrad W. Kubin Junior Faculty Fellow; Weiguo (Patrick) Fan, associate professor, L. Mahlon Harrell Junior Faculty Fellow; and Greg Jenkins, associate professor, William S. Gay Junior Faculty Fellow.

The Byrd fellowship was established by Tom and Daisy Byrd in 2008. Tom Byrd (ACCT '80), retired president of Anthem Blue Cross and Blue Shield of Virginia, is a member of the ACIS Advisory Board, the Pamplin Advisory Council, and the Pamplin Campaign Steering

Committee.

The other three fellowships were established by alumni and friends in honor of former accounting faculty members Konrad Kubin, who taught auditing and financial accounting from 1972 to 2003 Mahlon Harrell, who taught from 1931 to 1971, and William Gay, who taught from 1929 to 1969 and was also the first head of the department.

Bélanger’s publications include 32 journal articles, two books, and 56 conference proceedings. Her honors include the 2008 Hoeber Excellence in Research Award and the 2008 IEEE Education Society Research Excellence Award. She was co-principal investigator on two National Science Foundation grants, Fulbright Distinguished Chair in Information Systems at

the Technical University of Lisbon, and Visiting Erskine Fellow at the University of Canterbury.

Bhattacharjee’s publications include 12 peer-reviewed journal articles, three of which are in the top journals in academic accounting. Fan’s publications include 32 journal articles and 67 conference proceedings. He has been co-principal investigator on seven sponsored research projects, five of which have been funded by the National Science Foundation.

Jenkins has published an accounting principles textbook and more than 20 journal articles. He served on an American Accounting Association research task force that was charged with assisting the Public Company Accounting Oversight Board on revisions of quality control standards.

# MAJOR GIFTS

## Ambler scholarships

John D. Ambler (BAD '56), of Wilton, Conn., has contributed \$50,000 to create the John D. Ambler International Business Scholarship to support undergraduate and graduate students enrolled in a study-abroad program or an academic travel program or placed in a supervised international internship or cooperative education program.

## Barrett Excellence Fund

Thomas W. Barrett (FIN '85), of Winston-Salem, N.C., and his wife, Dorothy W. Barrett, have pledged \$25,000 to establish the Tom and Dorothy Barrett Excellence Fund in the Department of Finance. They have also supported the college with an additional bequest. Tom Barrett is a financial advisor with Scott & Stringfellow.

## Cornwell Charitable Trust

Gary D. Cornwell (ACCT '73), of Bluefield, Va., and his wife, Laura B. Cornwell, along with the Cornwell-Bireley Family Charitable Trust, have pledged \$50,000 to establish the Gary Cornwell and Cornwell/Bireley Charitable Trust Business Endowment for the college. Funds from the trust are unrestricted and will be used at the dean's discretion to promote the college's mission.

## Stevens Fund for ACIS

Craig R. Stevens (ACCT '83), of Fairfax, Va., and his wife, Belinda L. Stevens, have made a commitment of \$25,000 to create the Craig and Belinda Stevens Excellence Fund in Accounting and Information Systems for expanded opportunities for students and faculty in the department.

## Bates MBA Fellowship

John W. Bates III (BAD '63), of Richmond, Va., has contributed \$50,000 through a charitable gift annuity to establish the John W. Bates III MBA Fellowship. The scholarship will be based on demonstrated academic achievement.

## Dean's Fund for Excellence

The college has received \$55,000 from Altria and \$20,000 from Freddie Mac for the Dean's Fund for Excellence. The fund supports Pamplin's mission of recruiting and educating outstanding students by providing resources to maintain or improve.

The corporate gifts will help support scholarships and such initiatives as the business information technology senior capstone class project and student workshops in leadership or diversity.

## A GIFT PLAN THAT FITS YOU

There are many reasons to support the Pamplin College of Business and many ways to make your gift. Here are a few options to help you identify a gift plan that fits your goals.

### MAKE A GIFT THAT PAYS YOU LIFETIME INCOME

You can make a gift that pays you income for retirement or other needs. You can also arrange lifetime payments for a surviving spouse, for aging parents, or for someone else you name.

Virginia Tech's life income gifts include charitable gift annuities, charitable remainder trusts, and a pooled income fund. When your plan ends, typically after your own or your named payee's lifetime, the remainder becomes your gift to the college.

### MAKE A GIFT THAT SIMPLIFIES YOUR LIFE

Some gifts simply make life easier for you or for your loved ones.

Because the life income gifts mentioned above provide professional management for donated assets, they can be an especially helpful way to provide a worry-free income stream for an elderly parent, surviving spouse, or other loved one who lacks the time, health, or expertise to make investment decisions.

To create more free time and shorten your

own to-do list, consider donating a burdensome or costly asset, such as unneeded or distant real estate. While the university is not able to accept every such asset, these gifts can be an excellent way to support the college.

You can even "simplify twice" by funding your life income gift with real estate.

### MAKE A GIFT THAT DOESN'T AFFECT YOUR LIFETIME FINANCES

Estate gifts come to the college after your lifetime. You retain full lifetime control of your assets along with the flexibility to change your estate gift provision any time you wish.

Such gifts are established with a bequest in your will or trust. Or you can designate the Virginia Tech Foundation Inc. as a beneficiary of assets remaining in your IRA, 401(k), 403(b), SEP, or other retirement fund.

Retirement account beneficiary designations can be exceptionally tax-wise gifts that allow you to donate assets that would otherwise be highly taxed, while directing more favorably-taxed assets to heirs. Beneficiary designations



can also be made for certain other assets, such as life insurance.

To learn more about these and other ways to support the Pamplin College of Business with a gift that fits your goals, contact Mark Begly, director of development, at (540) 231-5662, [mbegly@vt.edu](mailto:mbegly@vt.edu).

— by Judith Davis, Office of Gift Planning

# HONORS & AWARDS

## DECISION SCIENCES INSTITUTE FELLOW



Cliff T. Ragsdale

Business information technology professor **Cliff T. Ragsdale** was named a Fellow of the Decision Sciences Institute. Ragsdale is one of only 108 scholars worldwide to receive this distinction, which recognizes exceptional contributions to the theory and practice of decision sciences.

Ragsdale was recognized in part for his service as treasurer, vice-president at large, chair of the instructional innovation award competition, and as chair and member of the investment advisory committee. He has published more than 40 journal articles and serves on the editorial advisory boards of several journals. Widely regarded as a thought-leader in management science/operations research education, Ragsdale has participated in many teaching workshops. His book, *Spreadsheet Modeling & Decision Analysis*, has become a best-seller and has been used in business schools throughout the world.

## LIFETIME ACHIEVEMENT AWARD



Michael Badawy

Management professor **Michael Badawy** received the International Association for Management of Technology's 2009 Lifetime Achievement Award. The award is the association's highest honor, granted to individuals for their "valuable and sustained contributions in support of education, research, and academic service in the field of management of technology."

Badawy, the award's first recipient, was recognized for his "internationally acclaimed work, pioneering leadership, distinguished research, dedicated service, and institutional building in advancing the technology management discipline." Badawy's research interests cover many aspects of the interdisciplinary field of technology and innovation management. He is the founding editor-in-chief of the *Journal of Engineering and Technology Management*.

## BEST PAPER



Jeongdo Park

A paper by **Jeongdo Park** (M.S./HTM '09) and hospitality and tourism management professor **Ken McCleary**, was selected as one of three best papers at the Graduate Student Research Conference In Hospitality and Tourism. Their paper, "The influence of general managers' environmental attitudes on environmental management in hotels," was selected from nearly 300 papers presented at the conference. The paper was a result of Park's master's thesis, which McCleary supervised.

"The area that Jeongdo studied is important in the hotel industry, as hotels have a large negative impact on the environment," McCleary said. "The results of the study emphasize the need for commitment from top managers and executives for there to be effective implementation of environmental programs," he said. "The commitment of these execu-

tives to implementing such programs in their hotels is strongly related to their attitudes toward the environment."

Park is now pursuing his doctorate at the University of Tennessee.



Ken McCleary

## PI SIGMA EPSILON SALES AWARD



Victoria Pickett

**Victoria Pickett**, an accounting and information systems junior from Chesapeake, Va., and president of Pi Sigma Epsilon on campus, placed second at PSE's Pro-Am Sell-a-Thon sales competition at its Atlantic Regional Conference last fall. She received a paid trip to compete at PSE's national convention in Milwaukee, Wis., in April.

Pickett competed against students from three other universities in presenting a mock sales call to a panel of judges. The Virginia Tech PSE chapter is advised by marketing instructor Donna Wortalik.

## IN MEMORIAM | Abon Mozumdar

**Abon Mozumdar**, 44, associate professor of finance, died November 5, 2009, after a long battle with cancer. He is survived by his wife, Biswita, and son, Akaash.



Mozumdar joined the finance department in 1996. Since 2002, he had been based at the Northern Virginia Center in Falls Church. Mozumdar had a doctorate in finance from New York University, an MBA from the Indian Institute of Management in Calcutta, and a bachelor's degree in electrical engineering from the Indian Institute of Technology in New Delhi.

"Abon was a brilliant researcher with research interests in the areas of interest rates, fixed-income securities, and interest-rate derivatives," said

finance department head Raman Kumar. Mozumdar's research paper on the default risk of interest-rate swaps, Kumar recalled, was presented to the Board of Governors of the Federal Reserve and the Federal Reserve Bank of New York.

Mozumdar taught courses in the undergraduate, MBA, and Ph.D. programs on the Blacksburg campus and supervised doctoral dissertations. At the Northern Virginia center, he taught courses in the part-time and executive MBA programs. A recipient of Pamplin's Teaching Excellence Award, Mozumdar "was always willing and eager to help the students and the faculty in the department in any way he could and was often the first to volunteer his services for any departmental activities," Kumar noted. "He was an excellent colleague and a good friend. He will be missed by all of us in the department."

# 2010 COLLEGE AWARDS



Julie Ozanne



Richard Wokutch



Larry Killough



Dilip Shome



Kevin Carlson



Jim Littlefield



David Brinberg



Janine Hiller

## EXCELLENCE IN RESEARCH

Marketing professor **Julie Ozanne** “has amassed a distinguished record of achievement,” wrote marketing head Kent Nakamoto. She “has challenged orthodoxy in consumer research,” and has focused on “interpretive, particularly critical, approaches to the study of consumer behavior.”

## EXCELLENCE IN INTERNATIONAL RESEARCH

Management professor **Richard Wokutch** is recognized as “a leading expert in the field of international business ethics and corporate social responsibility,” writes department head Anju Seth.

## EXCELLENCE IN TEACHING

**Larry Killough**, professor, accounting and information systems; and **Dilip Shome**, associate professor, finance. “Professor Killough is consistently one of our best teachers,” wrote ACIS department head Bob Brown. Shome was the driving force behind the complete overhaul of the undergraduate curriculum, the restructuring of

MBA course offerings, and the design and implementation of the AQ Bridge Doctoral program, said finance head Raman Kumar.

## OUTSTANDING FACULTY IN DOCTORAL EDUCATION

**Kevin Carlson**, associate professor of management, “has played a pivotal role in revising our doctoral program to position it for greater strength,” Seth wrote.

## EXCELLENCE IN OUTREACH

Marketing professor **Jim Littlefield** is “a model for how a professor can share marketing knowledge with both local and international communities, and then bring that experience back to his teaching and research,” wrote Nakamoto.

## EXCELLENCE IN INTERNATIONAL PROGRAMS

Marketing professor **David Brinberg** has worked tirelessly to build the semester-long study-abroad program in Switzerland that he origi-

nated in spring 2001 into a model international program for the college.

## DIVERSITY EXCELLENCE

**Janine Hiller**, business law professor, has chaired the college’s diversity committee; served on the campus EO/AA committee, including as chair; and advised the student Pamplin Multicultural Diversity Council since its founding.

## HOLTZMAN OUTSTANDING EDUCATORS

### Larry Killough

Professor  
Accounting and  
Information Systems

### Martin Jones

Instructor and Advisor  
Business IT

### Dilip Shome

Professor  
Finance

### Ken McCleary

Professor  
Hospitality and  
Tourism Management

### Devi Gnyawali

Associate Professor  
Management

### Jane Machin

Assistant Professor  
Marketing

# STUDENT AWARDS

## OUTSTANDING DISSERTATION

In her dissertation, “The Social Construction of Poverty and the Meaning of Deprivation: An Ethnographic Exploration of Mobile Home Park Residents,” **Bige Saatcioglu** (Ph.D./MKTG '09) examined how poor consumers deal with their constraints. This is an under-researched area, notes marketing head Kent Nakamoto, and “Bige’s work is very innovative.”



Bige Saatcioglu



Peter Kim



Kristian Braekkan



Elizabeth Goergen



Kristina Leonard



Evelyn Kim

highly interactive classroom style that is very engaging,” wrote management head Anju Seth.

## OUTSTANDING GRADUATE STUDENT

**BeomCheol (Peter) Kim**, a doctoral student in hospitality and tourism management, has taught four courses over the past three years. Seven of his papers have been published or accepted in refereed journals; one paper received the Best Paper Award at a national conference.

## OUTSTANDING SENIOR

**Elizabeth A. Goergen**, a management major, has helped recruit students to the college as a Pamplin Ambassador and organize the Pamplin Student Leadership Conference as a member of the Leadership Development Team. She received two merit-based scholarships.

Epsilon Sigma Alpha, a coed service fraternity. She helped organize the annual Pamplin Student Leadership Conference as publicity chair and a campus-wide health care policy seminar as vice president of Pi Sigma Alpha.

## GRADUATE STUDENT TEACHING

**Kristian Braekkan**, a fourth-year doctoral student in management, received high teaching evaluations from his students. “Kristian uses a

## H.H. MITCHELL OUTSTANDING LEADERSHIP

**Kristina A. Leonard**, a management and political science double major, served as president of

## OUTSTANDING COLLEGE SERVICE

Marketing senior **Evelyn Kim** helped to recruit and mentor new students as a Pamplin ambassador and helped organize the annual diversity awareness conference as a member of the Pamplin Multicultural Diversity Council. She was a senator for the college at the Student Government Association and also served as SGA public relations director.

Change service requested

# FROM VIRGINIA TECH TO ULAANBAATAR



CAROLYN PIREK

## Alum taps VT experience in road rally to Mongolia

**T**hree experiences from his student days served him well during the Mongol Rally, says Joe Pyrek (FIN '04), who set out on a 10,000-mile drive across Europe and Central Asia last summer in a flamingo-pink truck with three friends to raise funds for charity.

He had been a member of the Virginia Tech Rescue Squad, and his EMT skills and experiences were invaluable on the trip. "There were many injuries and a lot of sickness to deal with along the way," Pyrek recalls, "and everyone felt a lot better that at least one person there had a scrap of training." Time on the Virginia Tech squad also taught him a lot about working on a team and executing common goals, both large and small, says Pyrek, now a member of the Lakeside Volunteer Rescue Squad in Richmond, Va. And driving the rally vehicle, he discovered, was not so different from driving an ambulance, "except the truck is a bit bigger!"

In preparing for the rally, he had to call potential sponsors and explain "how they could benefit from me driving an ice-cream truck to Mongolia. It was sometimes quite hard to do." But he was successful on many forays and credits his experience cold-calling potential program underwriters, as the national sales director for student radio station WUVT, as key to securing some of his team's sponsors.

Pyrek says his rally team, the Rolling Cones, ended up raising about

\$5,000 for Mercy Corps, a Portland, Ore.-based global charity. "The minimum each team must raise is £1,000. With 560 teams entered and a huge majority raising way more than the minimum, as well as the cars (that make it) being sold at auction in Mongolia, the total amount raised for charity is in the millions of dollars."

Lastly, Pyrek, who works as a financial consultant, says, one of the most important aspects of the project was the financial planning. He prepared a "budget of expectations" covering everything up to the team's departure from the U.S. (truck preparation and shipment, all fees, airfares). "My forecasting skills hit us almost spot on — I was \$30 off. I also laid out a gas budget using weighted averages, based on mileage per country, and average price per gallon, based on 2008 averages and using an average mpg for the truck, based on some tests we had done. We kept hitting our numbers right where we expected.

"I can't really credit one professor, as I learned so much across the board — but I would say to any current finance student: pay attention in Dr. Pinkerton's classes. The scenarios and cases he throws at you will prepare you for real-world finance. The methods used to budget and forecast are the ones I have used in my career and to help plan this ridiculous adventure." (Read more about Pyrek and the Mongol Rally on pp. 14-15.)

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