

KNOWLEDGE BASE

Business School Recognizes Top Faculty

Over the summer the Business School conferred its annual awards honoring exemplary faculty achievement for academic year 2005-06.

The PACCAR Award for Excellence in Teaching went to **Mark Forehand**.

The Dan Siegel Award for Service went to **Jennifer Koski**.

The Ron Crockett Award for Academic Excellence in Business, recognizing outstanding faculty performance that brings honor, distinction or stature to the Business School, went to **Karma Hadjimichalakis**.

The William A. & Helen I. Fowler Endowment for Special Achievement, recognizing outstanding achievement by a member of faculty, staff or the student body, went to **Jim Gillick**.

The Charles Summer Outstanding Teaching Award, selected by MBA and PhD students to honor a professor who exhibits wisdom, constructive criticism, high standards and personal integrity, went to **Ed Rice**.

The Dean's Faculty Research Award went to **Shiva Rajgopal** and **Yong Tan**.

The Dean's Junior Faculty Research Award went to **Frank Hodge** and **Yong-Pin Zhou**.

The Wells Fargo Faculty Award for undergraduate teaching went to **Steve Sefcik** and **Ronnie Sadka**.

The Andrew V. Smith Faculty Development Award, recognizing significant and meritorious service to the Business School, went to **Kathy Dewenter** and **Emer Dooley**.

The Lex N. Gamble Family Award for Excellence in the Field of E-Commerce went to **Ann Schlosser**.

FACULTY CASE AWARDS:

Bob Bowen (Microsoft's "Red-Ink" Xbox)

Suresh Kotha and **Sandip Basu** (vCustomer: Shaping the Outsourcing Industry)

Dick Nolan, **Subodha Kumar** and **Karen Brown** (Esterline Technologies: Lean Manufacturing).

GRADUATE PROGRAMS PROFESSORS OF THE YEAR (chosen by students):

MBA Professor of the Year (Class of 2007): **Jennifer Koski**

MBA Professor of the Year (Class of 2006): **Mark Forehand**

EMBA Excellence in Teaching Award (Regional): **Bob Bowen** and **Rocky Higgins**

EMBA Excellence in Teaching Award (North America): **Bob Bowen** and **Karma Hadjimichalakis**

The Management Program Excellence in Teaching Award: **Pat Bettin**

Global EMBA Excellence in Teaching Award: **Pat Bettin** and **Debra Glassman**

TMMBA Excellence in Teaching Award: **Charles Hill** and **Karma Hadjimichalakis**

MSMBA Excellence in Teaching Award: **Dan Turner** and **Karma Hadjimichalakis**

ISMBA Excellence in Teaching Award: **Dan Turner** and **Jarrad Harford**

PhD Outstanding Mentor Award: **Kevin Steensma**

UNDERGRADUATE PROGRAM INSTRUCTORS OF THE YEAR (chosen by students):

Accounting: **Bill Resler**

Marketing & International Business: **Leta Beard**

Finance & Business Economics: **Alan Hess**

Entrepreneurship: **Tara Ceranic**

Information Systems & Operations Management: **Sam Eldersveld**

NEW FACULTY APPOINTMENTS & PROMOTIONS:

Fares Boulos – Hansen Visiting Professorship

Bob Bowen – PriceWaterhouse Accounting Professorship

Jarrad Harford – Evert McCabe Fellowship

Shiva Rajgopal – Herbert Whitten Professorship

Scott Reynolds – Helen Moore Gerhardt Fellowship

Larry Schall – Evert McCabe Fellowship

Ann Schlosser – Marguerite Reimers Fellowship

Doug MacLachlan named chair of Marketing & International Business department

Terry Shevlin named chair of Accounting department

Shiva Rajgopal promoted to full professor of accounting

Kevin Steensma promoted to full professor of management & organization

Apurva Jain promoted to associate professor of management science

Ann Schlosser promoted to associate professor of marketing & international business

Yong Tan promoted to associate professor of management science

Associate Professor of Marketing Wins PACCAR Teaching Award



Mark Forehand, associate professor of marketing, was selected by MBA students to receive the 2006 PACCAR Award for Excellence in Teaching. The PACCAR Award is the Business School's premier teaching honor that includes a \$25,000 stipend from PACCAR, Inc., a global technology leader in the capital goods and financial services markets. "Winning the PACCAR

Award is a tremendous honor," Forehand says. "It carries great meaning to me since it comes directly from the students."

Forehand's serious research agenda—his prolific publishing has earned him a Marguerite Reimers Endowed Research Fellowship—doesn't dampen the sense of fun he brings to the classroom. Since his arrival at the UW Business School in 1997, students have consistently raved about Forehand's passion for brand management and the way he teaches with humor. In nominating him for the PACCAR Award, one MBA student wrote that Forehand's knowledge of the subject "is only matched by his sense of humor. This professor has created the perfect balance in and outside the classroom and is truly an inspiration."

Forehand began his higher academic life studying biochemistry as an undergraduate at Stanford. But the introductory sequence of organic chemistry left him bored. At that point he had taken one psychology course and was intrigued by it. He recalls being fascinated by the process by which we make decisions and develop our attitudes, and how our social environment influences our perceptions, which led him to research and eventually teaching.

Forehand did not set out to be an academic, but was captivated by research. His undergraduate faculty advisors in psychology advised him to consider a graduate degree in

business. He worked a few years in litigation consulting after graduation. But the call to research and teaching led him back to Stanford, where he earned his PhD in marketing in 1997.

Since coming to the UW Business School, Forehand has been recognized for both his inspired teaching and research productivity. He has been published in myriad journals and voted MBA Elective Professor of the Year three times. Recently he studied the effectiveness of celebrity voice-overs in television commercials, which was published in the *Journal of Consumer Research*.

Forehand teaches only a few marketing and brand management courses to MBAs and executive students, but they are filled with verve. "It energizes me to be in front of a group of people," Forehand says. "I really enjoy teaching."

His classes offer a mix of case studies, lectures, projects, and guest speakers along with a heavy dose of humor. Forehand often pokes fun at himself, which gives him more leeway to jest with students and engage them in the discussion. For Forehand, the most rewarding aspect of teaching is "the feeling that your students are walking away with something that they can actually use and they've enjoyed the process of acquiring it."

— Sarah Massey

Accounting Professor Awarded for Notable Contribution

Shiva Rajgopal, the Herbert Whitten Professor of Accounting, has won the American Accounting Association's 2006 Notable Contribution to the Accounting Literature Award for his paper, "The Economic Implications of Corporate Financial Reporting," published in the *Journal of Accounting and Economics*.



Accounting Lecturer Wins UW Distinguished Teaching Award



Before he started teaching accounting at the UW Business School in 1989, Bill Wells' hobbies included skiing, cycling and golfing. Since then, commuting four hours each day between campus and his home on Whidbey Island has become his new pastime, and has provided him with "great thinking time" that he uses to prepare for grilling his students in three under-

graduate accounting classes he teaches each year.

It shows. Wells was honored with a 2006 University of Washington Distinguished Teaching Award, one of only five given each year to the top educators at the UW.

But it was a long road back to higher ed for this acclaimed senior lecturer. His own undergraduate accounting education (at UC-Berkeley) was so uninspiring that he spent a career as far away from academic life as he could get. His 20 years in military service included stints as an intelligence officer in the US Army, a financial analyst for NATO, and finally an analyst and controller for the Army. After retiring from military duty, Wells decided he wanted to teach the way he would have liked to have been taught when he was an undergraduate. He earned an MBA at Syracuse University, then his master's in professional accounting at the UW Business School in 1989.

Now a veteran in the classroom, too, the discipline Wells acquired in the Army has infiltrated his tough-but-fair teaching style. Yet he's also known around Balmer Hall as

the "Pied Piper of Accounting" (as the certificate in his office attests), for the seemingly endless lines of students who follow him between office and classroom. His open door is well-attended by students stopping by for further instruction or just to say hello. Says former accounting department chair Jane Kennedy: "Bill's office seems to serve as a mini-classroom."

Even the one extracurricular that Wells' schedule allows is devoted to students. The former faculty advisor of the UW chapter of Beta Alpha Psi is now Northwestern regional director of the national accounting organization.

Professor of Management Wins Distinguished Scholar Award



Terence Mitchell, the Edward E. Carlson Distinguished Professor in Business Administration at the Business School, has been named this year's Ida Cordelia Beam Distinguished Visiting Professor at the University of Iowa. As recipient of this prestigious honor, Mitchell is delivering several lectures and seminars this fall.

Mitchell, who has been at the UW Business School since 1969, is a professor of management and organization. He is also a professor of psychology at the UW. His internationally regarded research melds his expertise in psychology and management to uncover secrets of motivation, leadership and decision making.

At Iowa, Mitchell has delivered public lectures on "Leadership and Motivation in Ordinary and Extra-Ordinary Times," and "Goal-setting and Motivation," and a seminar on "Using Qualitative Methods in Psychological and Management Research."

BEDC Hosts Diversity in Business Research Conference

The UW Business and Economic Development Center (BEDC) held its inaugural Diversity in Business Research Conference in September. Funded in part by Microsoft, this cross-disciplinary conference assembled many of the nation's top scholars in the area of business diversity, including Art Brief from Tulane University, Lisa Nishii from Cornell University, Gavin Clarkson from the University of Michigan, Timothy Bates from Wayne State University and our own Bill Bradford, Mark Forehand, Terry Mitchell and Detra Montoya. Through two days of panel discussions, research presentations, networking and keynote lectures, the conference offered a marketplace where researchers developed partnerships and new ideas for study in this quickly emerging field.

RESEARCH

Stock Analysts Likely Punished for Unfavorable Recommendations

UW Business School researchers have found that investor relations professionals at public companies often give less information to analysts whose stock recommendations are unfavorable and provide more information to analysts who have reputations for giving positive recommendations or promising earnings forecasts.

In their study, Dawn Matsumoto and Shuping Chen, associate and assistant professors of accounting, respectively, analyzed roughly 20,000 analyst recommendations given from September 1993 through June 2002. Using Thomson Financial's Institutional Brokers' Estimate System (IBES), a forecast database which tracks analysts' recommendations and earnings forecasts, the researchers examined how accurately analysts are able to forecast a company's earnings after issuing a favorable vs. an unfavorable recommendation. If company managers chose to give analysts additional information, analysts would be able to forecast earnings more accurately.

The research suggests that managers give more information to analysts with more favorable recommendations. The evidence is strongest for the period before the federal Securities and Exchange Commission's 2000 passage of Regulation Fair Disclosure, which prohibits publicly traded companies from providing inside or material information to selective stock analysts. The study does not find statistical evidence of discrimination against analysts who rate companies unfavorably after Regulation Fair Disclosure was enacted, but such discrimination existed before the rule was passed, which suggests the regulation may be marginally effective.

"Financial officers and investor relations managers have the ability to favor analysts who have more favorable opinions of their firms," Matsumoto says. "They can use various exclusionary tactics such as barring analysts from analyst-firm meetings, refusing to return phone calls from analysts, canceling pre-scheduled meetings with the analysts and refusing to answer questions from analysts during conference calls. These tactics can have a negative impact on the analysts' job performance."

The type of information that companies regularly provide to investors and analysts can be as specific as a precise estimate of earnings per share or as broad as qualitative statements about market conditions. Without enough correct information from the company, Matsumoto adds, analysts cannot make accurate predictions about a company's future, and they run the risk of losing business from investors who want a more accurate prediction of a company's future earnings or stock value.

— Nancy Gardner

Students Explore India's Culture, Economy

Scholars have long trekked to the aeries of highest India in search of answers to life's greatest mysteries. This summer Business School students visited modern India to learn the secrets of IT offshoring, and got a few invaluable life lessons along the way.

Vandra Huber, a professor of human resources and management at the Business School and adjunct professor in the UW School of Pharmacy, led the UW Exploration Seminar, for which students receive university credit. Students from the Business School and other disciplines at the UW's Seattle and Bothell campuses made an unforgettable 17-day exploration of India as an offshore business partner and an emerging global market. After a one-week classroom orien-



tation, students visited New Delhi, Mumbai and Hyderabad, seeing the sites and visiting a number of thriving companies in the nation's two fastest-growing and most-profitable business sectors: information technology and pharmaceuticals. Among their stops were vCustomer, Hinditron, Infosys, Microsoft Research & Development Center, ICICI Bank, National Stock Exchange, Sun Pharmaceuticals, DR Genetics and Hero Honda. The students also visited HITEC City, Dr. Reddy's Discovery Research Center, and the Pochampally textile markets, as well as the Taj Mahal, Bollywood, even a Ganesh festival.

"The opportunity for these students to study these areas in the broader context of this country of contrasts is invaluable," says Huber. "India is a massive country with a blend of different cultures and languages. It is an enormous sub-continent known for extremes—extreme temperatures, altitudes, landscapes. But much like the United States, it is India's diversity and extremes that work to make it one of the strongest competitors in the world today."

MBA Case Competition Tests Hard and Soft Skills

Happy Friday, everyone. vCustomer, a Seattle-based international business process outsourcing company, wants to expand. Could you study the company, the industry and the climate for IT offshoring in every potential market and sector in the world? We'll need you to draw up recommendations, polish a presentation and make your pitch to the company's CEO and vice president for business development. How soon? Oh, take the whole weekend. We'll see you first thing Monday morning.

Sound like the consulting assignment from hell? Welcome to the business end of the MBA core curriculum.

In May, 20 teams of first-year students took on this real-world challenge in the second-annual MBA Case Competition. The competition is a kind of collaborative final exam for the Professional Development Program, a recent addition to the core that leads each student on a customized course of work to hone his or her communication, presentation, teamwork and leadership skills.

But the MBA Case Competition does more than mark progress in the “soft”

skills. It's also a de facto capstone and culmination of the first-year studies, drawing on virtually every tool in the management briefcase. It's the ultimate measure of both substance and style.

“The Case Competition is an important piece of the MBA program,” says Johanna Werner, a member of one of two teams that shared victory. “It incorporated a lot of our learning over the first year. And it was an excellent exercise in strategy and team work.”

The case was prepared by Suresh Kotha, professor of management and organization, and research associate Sandip Basu, based on interviews with vCustomer CEO Sanjay Kumar on current expansion challenges facing his successful company. Kotha and Basu outlined vCustomer's history and strategy to provide high-quality, low-cost technical support and other back-office services to a roster of large computer and networking companies. And they introduced the opportunities and risks of expansion to different countries and industries.

The rest was up to the students over one of their least restful weekends. As if

further motivation were required, vCustomer's Kumar and VP of business development Ramesh Parameswaran served as final round judges.

“It's the last opportunity you have to work closely with your teammates,” says Max Samimi, member of the other winning team. “And there are definitely some competitive juices flowing, because everyone knows everyone else's strengths.”

Win or lose, the event challenged the students to take their professional development and analytical skills for a test ride.

“Case competitions like this one, with a real, live, local business problem, challenge people to work collaboratively—not necessarily a strength people have coming out of graduate school,” says Dawn Loeliger, a vice president at Hitachi Consulting who judged the MBA Case Competition. “But that's the way the business world works today, and a critical skill to develop in business school. Programs like this are critical to enabling students to be successful when they walk into that first post-graduation job.”



Cheers! Summer Internships Take on a British Accent



UW students (l-r) Neal Waite, Jacquelyn Duysen, Joe McNulty, Frances Bresnahan and Joe DeVleming at Brentford Football stadium.

customer service skills at EasyCar, a low-cost car rental company. Jacquelyn Duysen experienced online market research at RS Consulting. And Joe McNulty was exposed to virtually every aspect of running a professional sports team at the Brentford Football Club.

While working for Revlon, Ashline found her passion: public relations. “I wasn't sure about the field of public relations,” she says. “However, after this internship I am sure that I would be happy doing it for the rest of my life.”

Though he was excited to be a part of a pro soccer organization, McNulty was initially concerned that he would be spending the summer in a cubicle. Just the opposite happened. He got his hands into every aspect of the business, from working with talent scouts to selling tickets in kiosks to helping the grounds crew. “I got a chance to view the club from all different points of view and understand how to most effectively run a business of its unique nature,” he says.

The Business School four joined five other UW students in this internship program facilitated by the UW Global Business Center through the Boston-based EUSA, which places more than 1,000 students each year in London, Dublin, Madrid, Paris and Geneva. With positive experiences all around, the Center hopes to place more students in European internships in the future.

Especially if they keep returning with the new-found confidence of Duysen: “The thing I learned most during this internship is that I can make it in another industry and another country.”

— Sarah Massey

Management Science Department Changes Name

Effective September 1, the Department of Management Science has changed its name to the Department of Information Systems and Operations Management. Semantics? Not at all. The new name better describes the activities of the department, making it more visible with students, alumni, local businesses and other external constituencies.

MBA Explores the Foreign Land Known as... Canada



Pop quiz: What is the United States' largest trade partner? Canada.

Okay, you probably got that one. Still, the intricacies

of this unique trade relationship, as well as the business practices and market structures of our northern neighbor, remain largely unvisited in the classrooms of American business schools.

To increase her own awareness, Saara Romu, a second-year UW MBA student, traveled to Ottawa and Montreal in June to attend the second Canadian Leadership Orientation for US MBA students. Alongside 18 other students from top American business schools, Romu spent the week meeting with highly placed Canadian executives, academics and government officials.

Full disclosure: Romu is Canadian, born in Ontario. “But I learned so much,” she says. “As I wrote on my application, I have worked in the US and go to school in the US, and you don't learn anything about Canadian business.”

Topics that opened her eyes included the strategies of American companies that operate in Canada, the political and trade relations between the two countries, the impact of shipping regulation, the impact of increased border security post-9/11, even the fallout of the US trade deficit with China.

Now back stateside, Romu is planning to extend this education to her classmates in the MBA program via a four-day study tour to British Columbia in February. Though it may lack in exotic locale, the tour should prove invaluable to anyone who might wind up in business with the United States' largest trade partner. Says Romu: “We are motivated by the fact that Canada is often overlooked as a country full of business opportunities.”

How Do You Learn Board Skills? Ask the Experts

To illuminate the daily topics in Neil McReynolds' popular "CEO and Board Governance" MBA elective, he doesn't just open the proverbial rolodex. He calls up a veritable database of well-placed colleagues, board associates, former bosses, collaborators, neighbors and golf partners. Here's the roster from this past spring's edition, many of whom have participated since McReynolds took on the course five years ago:

- **Dick Cooley**, retired CEO of Wells Fargo and Seafirst Banks, on the CEO's leadership role and relationship to the board.
- **Joan Enticknap** (MBA 1978), president of HomeStreet Bank, leading a mock board meeting.
- **Phyllis Campbell** (MBA 1987), president and CEO of The Seattle Foundation and member of numerous corporate boards, on board composition, recruitment and expectations.
- **Jon Fine**, president and CEO of the United Way of King County, on non-profit boards.
- **Frank Shrontz**, retired chairman and CEO of The Boeing Company and board veteran of Chevron, Texaco and 3M, on CEO and board evaluations and compensation.
- **John Ellis**, retired CEO of Puget Sound Power & Light and the Seattle Mariners, on balancing the interests of shareholders vs. stakeholders.
- **Mike Flynn**, publisher of the *Puget Sound Business Journal*, on the media's view of corporate governance.
- **Judy Runstad**, member of Wells Fargo, Safeco and Potlatch boards, and former chair of the Federal Reserve Bank of San Francisco, on the new role of the audit committee.
- **Andy Dale**, managing partner of private equity firm Buerk Dale Victor, on early stage company boards.
- **Rick Bender**, president of Washington State Labor Council and AFL/CIO board member, on labor's view of corporate governance.

- **Kirby Cramer** (MBA 1962), investor in some of the region's best-known companies and veteran chair of Immunex and many other corporate boards, on board independence and non-executive leadership.
- **Dan Evans**, three-term Washington governor and US senator, on boards and public responsibility.

The maestro of this ensemble, McReynolds is a veteran of more than 50 corporate, higher education, non-profit and trade association boards. Now the strategic director of Buerk Dale Victor and a corporate governance consultant, McReynolds continues to serve on the boards of HomeStreet Bank, Adinfonitum, and Washington Dental Service.

For the past five years, he has enjoyed sharing this lifetime of board experience—and his wealth of personal contacts—with students from the Business School's MBA, EMBA, TMMBA and GEMBA programs, as well as UW Health Sciences, the Law School, the Evans School of Public Affairs, and the Jackson School of International Studies.

"In their careers most of these students will work with boards, serve on boards, or even form boards for their own companies," McReynolds says.

The typical MBA will leave school knowing all about the role of a CEO, but board work may be more of a familiar mystery. McReynolds is working to change this by meeting one-on-one with students and facilitating lively discussions following each topic speaker (they're graded on quality of questions, too).

"Boards give an organization a competitive edge," McReynolds says. "The problem is that a lot of people who have a board don't know how to use it. How can the CEO and management team draw upon the expertise and experience around the table? And if you don't have the right skills and experience, how do you go out and get them? Being a good board member is more than just being a watchdog. It's looking for ways to make a contribution to the success of the organization."

MBAs Compete in First Data Analysis Case Competition

Data, data everywhere, and not a byte to eat. This retrofit of the Ancient Mariner's conundrum can be the overwhelming reality for companies who find the amount of available market data growing faster than their ability to analyze and use it to their competitive advantage.

To prepare students for this growing challenge, the Business School held its first MBA Data Analysis Case Competition in May. A dozen teams entered, with three selected to present their case analyses before a panel of judges that consisted of

senior executives from Microsoft, Starbucks, F5 Networks, Frasier Technology Ventures and Tableau Software, which sponsored the event.

The three finalist teams represented the full-time MBA program, the Technology Management MBA (TMMBA) program and the Master of Science in Information Systems (MSIS/MBA) program. The winning team consisted of full-time MBAs Arkan Kayihan (MBA 2006), Ciara Murphy (MBA 2006) and Kevin Scharpenberg (MBA 2006).

Executive MBAs Hone Entrepreneurial Chops in Business Plan Competition



KEN BATTIÉ, KeepEmClose

It turns out that scrappy young iconoclasts-in-garages don't hold the patent on great business ideas. Some of their more, ahem, mature counterparts showed off their entrepreneurial chops at the third Executive MBA Business Plan Competition in May.

The final four business plans included Baby EZ-Rider, an infant-soothing device that simulates a car ride; Z-Factor, an automation device for home controls; and myHealthcare, an advanced information technology aimed at transforming the doctor's office.

This year's champion was KeepEmClose, a novel use of radio frequency identity device (RFID) technology to protect expensive personal electronics—embedding a tiny chip in your camera, cell phone and PDA that would sound the alarm if you left them behind.

Founder Ken Battié (EMBA 2006) explains that he got the idea when his mother left her purse at a restaurant. The familiar entrepreneur's mantra spilled from mind to mouth. "I thought, *there's got to be a better way*," he says.

Battié read up on RFID technology that has transformed the modern supply chain, spoke to an engineer about building a prototype, and worked with his EMBA study team to develop a business plan that they could enter into the requisite competition, which serves as a capstone for the program. "You get assigned to a team when you walk in the door; you don't get to pick your peers. It's very much like joining a company," Battié says. "I had a very strong team that got along great. I couldn't have won this competition without their help."

But where his teammates harbored no illusions that they would throw away their careers to pursue KeepEmClose with Battié, the founder has both the entrepreneurial acumen and mentality to pursue his bright idea. He has served in a long list of senior finance and business development positions with accounting, consulting, health care, software and telecom firms. Many were early stage companies, including his most recent, Unified Signal Holdings, a provider of private-label cellular services. When Unified Signal stalled, Battié decided to enroll in the Business School's Executive MBA Program.

"I needed something to recharge me," he says. "I had thought about the Executive MBA 20 years ago and every four or five years since. But then life would get in the way. Finally the time was right, and I'm so glad I did it."

Still working on the next chapter in his professional life, Battié continues to pursue KeepEmClose. He estimates the plan's remaining technological kinks (unit size, battery life, false alarms) should be worked out in the next year. If he can secure more start-up cash and a committed technical partner, he'll be off to the races.

"I'm a finance and management person; I've raised millions of dollars and helped companies grow," Battié says. "But I'm certainly not an engineer. If I can find the right RFID expert, I'll give it a go without a doubt."

MBA Program Welcomes Multidisciplinarians

Recognizing that management education need not be exclusive to management students, the Business School has increasingly opened its doors to graduate students in the sciences, engineering, urban design, medicine, law and virtually every other school and department at the UW. Nearly 150 non-MBAs enrolled in various Business School courses in the last academic year. Among the most popular were entrepreneurship courses that approach a university multidisciplinary dream-state.