

Eller

PROGRESS

ELLER COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION

SPRING 2004

Pam Perry
puts people
at the center
of excellence
page 7

Using
business
tools to
build a
better world
page 10

This Issue:
Women
of Eller

THE UNIVERSITY OF
ARIZONA
TUCSON ARIZONA





Karl and Stevie Eller.

Stellar Eller.

CONGRATULATIONS KARL
ON YOUR INDUCTION INTO THE
ADVERTISING HALL OF FAME
— YET ANOTHER STELLAR
ACCOMPLISHMENT.

IN 1999, THE UNIVERSITY OF
ARIZONA'S ELLER COLLEGE OF
BUSINESS AND PUBLIC ADMINISTRATION
WAS NAMED IN HONOR OF ITS GREATEST
BENEFACTORS, KARL AND STEVIE ELLER.

WE ARE GRATEFUL FOR KARL'S
ENDLESS CONTRIBUTIONS
TO BUSINESS AND EDUCATION. HIS
INTEGRITY, CREATIVITY, AND
ENTREPRENEURIAL SPIRIT ARE UNIQUE.

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ELLER COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION

From the Dean

It is a genuine pleasure for me to introduce this special issue of *Progress* with its focus on Eller College women and to dedicate it to the memory of our colleague Diana Hunter. As Director of Communications it was Diana who first conceived of a "women of Eller" issue of our magazine. Diana retired from the College in July 2003 and was enjoying a new career as a media consultant when she passed away unexpectedly in Tucson on March 15th.



Kenneth R. Smith

Diana Lynn Hunter was born December 7, 1946, in Williamsport, Pennsylvania. She graduated from high school and college in Pennsylvania and earned a masters degree in Library Science from Emory University. Before coming to the UA Diana enjoyed a varied career working in public library systems in Georgia and Colorado and also directed public relations for Williamsport Hospital in Pennsylvania and the Tucson Museum of Art.



Former Director of Communications Diana L. Hunter

When she came to Eller College in 1990 Diana brought with her a sense of style and fun we will never forget. Under her leadership our publications, including *Progress*, brought home awards and told our story to alumni and the wider community. She produced our first promotional videos and CDs and was quick to recognize how important a role the World Wide Web would play in our communications. Diana was a unique individual with an incandescent spirit. We will miss her terribly.

Diana proposed an edition of *Progress* celebrating the contributions of Eller women because she saw, as you will in these pages, the vital role that women play in our college leadership, on our faculty and in our community of external supporters. The quality of our graduates—as evidenced by grade point averages, leadership, and service—has risen steadily over the years, and our women students are a major part of that improvement. The Eller College is a perfect example of what can happen when greater numbers of talented people come through the door and raise the standard of excellence for everyone. Our continued progress will be tied to our success in attracting and developing the careers of talented women.

As I become reacquainted with the College's outstanding faculty, staff, students and community supporters in my role as interim dean, I can see every day that we are in a very good position to maintain the momentum established by Mark Zupan's leadership and to keep moving forward during this time of transition and beyond. The next dean will be fortunate indeed to work with the men and women of Eller. □

Kenneth R. Smith

Ken Smith
Interim Dean

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Eller PROGRESS

ELLER COLLEGE OF BUSINESS
AND PUBLIC ADMINISTRATION

SPRING 2004

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Some of the *Women of Eller*: (l to r, back row) Katherine Pasternak, Pam Perry, Susan Butler, Lil Mills; (l to r, front row) Bryna Zehngut, and Michelle Leal.

Barbara's Back

Stephen Gilliland counts among his most satisfying achievements as vice dean the successful wooing of Barbara Gutek to a chaired professorship in the Department of Management and Policy.

"We are so fortunate to have drawn Barbara back to Arizona. She is the leading expert on women and leadership and her return, after two years directing the University of Michigan Institute for Women and Gender, tells the world that Eller is serious about developing our expertise in this domain."



Barbara Gutek

Interested in bringing a psychologist's perspective to bear on the issues of women and work, Barbara Gutek's early research was underwritten by the National Science Foundation and focused on the nature and effects of sexual harassment on the job.

Her findings helped develop the base from which policies for addressing harassment were established throughout government and business.

Typical of a truly curious scholar, she has not confined her questions to one area. Her books, *The Dynamics of Service* and *Brave New Service Strategies*, set the research agenda, in the case of the former, and offer pragmatic advice, in the latter, for understanding the relationship between consumers and the firms and individuals who provide them services. "I make a distinction between service as an enduring, repeat relationship you might describe in the possessive, as in 'my travel agent, my accountant,' and what I term 'encounters,' a more goods and services mentality in which it is assumed that

any one of a number of providers in a given setting can offer effective service without knowing the customer. The encounters approach allows us to expand the economy; it is to service what mass production was to manufacturing. Fast food service is a prime example. An interesting question though is which is truly more efficient: the relationship or the encounter system? Is diagnosis made more efficiently by a specialist assigned by your HMO or by your family physician who knows you and your medical history personally?"

Developing a graduate course on work and family with Management and Policy colleague Cindi Gilliland and mentoring Ph.D. candidates has dominated her time since returning. "I think my greatest teaching contribution is actually outside the classroom, mentoring our women doctoral students in the business of being an academic, how you pursue a successful career above and beyond the obvious. I think there are special issues for them." As for the status of working women, Gutek says neither current reports of a trend toward professional women abandoning work for family or the belief that women have achieved employment equality, stand up to statistical scrutiny. "The numbers are clear: women's rate of entry into the workforce rises each year. It has slowed in some years, but it has never gone down since right after World War II. And, everyone is working harder, longer hours—without overtime pay if they're professionals. For women this is particularly tough because they still shoulder the burden at home. Men do more today, compared to their fathers, but still less than 50 percent. Will this ever change? I don't know. Maybe when we stop having to dominate every market, every corner of the globe?" □

"I think my greatest teaching contribution is outside the classroom, mentoring our women doctoral students in the business of being an academic... I think there are special issues for them."

Honoring Frances

"It's nice to be recognized. I feel privileged because not many women are. But I really have not done anything extraordinary." So says the 80 year old Secretary and Treasurer of Shamrock Farms from behind the desk of her Tucson office, where she manages the finances of a firm listed by *Fortune* as among the 200 largest privately held businesses in the nation.

Those who have honored her with Distinguished Service, Lifetime Achievement and Support of Academic Excellence awards in the Eller College, the UA College of Agriculture and the Scholarship Advisory Council, and for Outstanding Philanthropist of the Year and the YWCA's Woman on the Move Lifetime Achievement Award, would disagree. As her friend Priscilla Kuhn wrote to a 1994 awards committee, "I have enclosed 'the nomination letter' because it rounds out Frances' resumé which she, in her typical humility, always understates."

Perhaps achievement, service and philanthropy feel ordinary to Frances McClelland, conferred with an honorary degree by UA President Peter Likins at December 2003 graduation ceremonies, because her immigrant entrepreneur father instilled in his children an understanding: "...this country was awfully good to him, and we needed to give back."

W.T. and Winifred Parker McClelland were among the great waves of Irish immigrants who came to America at the turn of the 20th century. They embraced their adopted country. W.T. served with the U.S. Army in Europe in World War I. Afterward, the couple settled near relatives in Arizona and used their inheritance to buy farmland and launch a dairy business, taking the advice of Frances' grandmother in Ireland to name it with the symbol of their homeland. She remembers her parents as "full partners." "My mother was a whiz at figures. She ran the office while my father ran the farm and the dairy operation. It was a given that my brother and I would join the family business. And I had inherited my mother's gift for math, so it was said throughout my childhood that I would be going to the University to major in accounting." Brother Norman studied business and agriculture and together the McClelland children have continued in their parent's footsteps, partnering to transform the family dairy into one of the nation's most successful food distribution enterprises. "I didn't face the barriers that many women do, going to work in my family's business. I had no problem with acceptance and just deter-

mined to hold up my part in the accounting area, be good support to my brother. As president, he led the way. He was progressive, and my niche was in figuring out how to make his ideas work on the financial end."

Her ability to support initiatives and apply financial tools to business growth is at the center of her activist approach to serving her community. During her presidency of

Her ability to support initiatives and apply financial tools to business growth is at the center of her activist approach to serving her community.



SARA STROM

Frances McClelland (center) receives congratulations on her honorary doctorate degree at December '03 graduation ceremonies from (l to r) UA President Peter Likins, Chair of the Faculty Jory Hancock and Provost George Davis.

the YWCA, the Big Sisters program was launched, four day care centers opened and a halfway house for female parolees built. As co-founder and treasurer of Netwest, a development corporation serving vulnerable populations, she helped build over 1,000 low-income housing units, provide after school day care for working mothers, establish assisted living programs for octogenarian widows and dining and health care for the elderly, in rural Arizona. These gifts of time and talent, coupled with her and Norman's generous support of students, faculty and facilities in areas of the University ranging from agriculture to astronomy to business to women's studies, cause us to cast our vote with her friends. Frances McClelland has indeed done extraordinary things. □

7th Annual Intel MBA Case Competition

Intel Corporation once again backed Eller MBAs in the Fall 2003 Case Competition, awarding \$1,500 in prizes to the top two of twenty teams competing to answer critical marketing questions for Applied Digital Solutions and its Digital Angel, a product allowing individuals with medical conditions to be located and monitored by their caregivers from distant locations. □



First place finishers (l to r) Kalyan Sumanam, Manli Di and David Weinberg.

Winning Ventures from McGuire Entrepreneurs

McGuire Program entrepreneurs were among more than 150 students from every academic area of the University to present their work and compete for cash prizes at the tenth annual Homecoming Weekend Student Showcase. Sponsored by the Graduate and Professional Student Council, the showcase is the largest student-run exhibition of research and creative endeavor in the U.S. □



Business Division 1st place winners for Mr. Rootbeer, an at-home root beer brewing system, first up in the children's product line of "Kids at Heart," (l to r) Justin Nagel, Marissa Boyd, and John Legner.



Shamus Ankrom, Jason Haun (pictured) and Aaron McKenny, plan to launch a unique job placement service, The Walkon Group, offering tours of Wall Street firms to finance students pre-screened for the motivation and work ethic required for success in financial markets.

Eller College Philanthropy 2

Launched in 2002 by Eller students who wanted to create a college-wide program of service, Eller College Philanthropy 2 hit new highs of involvement and service in 2003. Over 300 students, faculty and staff joined forces to share their time and talents with the nearly 20 Tucson community service organizations listed below. □

- American Red Cross
- Handmaker Jewish Services for the Aging
- Rebuilding Tucson Together
- Arthritis Foundation
- Intermountain Center
- Tu Nidito
- Casa De Los Niños
- for Human Development
- Tucson Botanical Gardens
- Community Food Bank
- Old Pueblo Trolley
- Tucson Center for Women and Children
- Easter Seals
- Pima Council on Aging
- Tucson Museum of Art
- Girls Ranch
- Primavera Services Inc.
- World Care
- Gospel Rescue Mission



Eller College faculty, staff and students devote the day to: (from top) repainting porches at the Tucson Center for Women and Children, wrapping Christmas gifts at the Girls Ranch, and aiding disaster relief for the American Red Cross.

PHOTOS: KRISTEN CULLINEY



Making Honesty Everyone's Business

“Who do we want standing as examples of Eller College graduates? We aspire to produce tomorrow's leaders. Can people be leaders if they are cheaters?” Paul Melendez, Director of Undergraduate Programs found himself unsettled reading the results of a 1999 survey by Rutgers University's Center for Academic Integrity: 75 percent of 2,100 undergraduate students on 21 U.S.



“We cannot live for ourselves alone. Our lives are connected by a thousand invisible threads, and along these sympathetic fibers, our actions run as causes and return to us as results.”

~Herman Melville

Undergraduate Programs Director Paul Melendez.

college campuses admitted to “some form” of cheating while a third owned up to “serious” cheating on tests and half to “serious” cheating on papers. An internal survey conducted by Eller student leaders brought little comfort: of 635 surveyed, 54 percent had consciously violated written policies on cheating at least once. “I think business students are particularly vulnerable,” says Melendez, “they face immense pressure and they’re in a culture of ‘a little bit of cheating is okay.’”

Thinking “I’d be so much prouder if I could say ours is a culture of ‘no tolerance,’” Melendez determined to make weaving integrity into student life at Eller “my niche.” To do that he turned to the students themselves, to study the research, survey other institutions and develop a plan for action. Jenny Rimsza, business economics senior and a

member of the student study team, described the resulting approach in an interview with the *Daily Wildcat*, “We just want to flood students with integrity and keep it at the forefront of their minds.”

“Flooding” has meant an “all community members” approach, in which ensuring Eller graduates’ reputation as men and women of integrity becomes the work of faculty, staff and students, with students doing the heavy lifting. They coined the initiative “E-tegrity.” Aaron Wixom, first-year MBA and a program organizer, described its vision, “We’re trying to take it beyond... the Code of Academic Integrity...so that it goes with us into our careers.”

In E-tegrity, administration provides support and technological tools, while students handle integrity education and partner with faculty to address academic violations. An E-tegrity website explains policy, Dean of Student records are checked against the self-reports of applicants for upper-division standing regarding past conduct, and in Fall 2003, 43 Eller faculty members employed Turnitin.com, plagiarism-detecting software. Six more piloted an integrity awareness program, writing policy into their syllabi, discussing academic ethics in class and using online tools to speed the formal process for handling violations. Eller students can anonymously report violations through the E-tegrity website.

In mid-November the E-tegrity Student Honor Board launched the first annual “E-tegrity Week,” designed to raise students’ awareness of integrity as they headed into final exams. The week included special lectures, business speakers and research projects and culminated in a case competition sponsored by the Better Business Bureau of Southern Arizona. “I was really pleased at the depth of understanding and the students’ ability to frame and define the ethical issues,” BBB President Tom Collier reported on the bureau’s website. Board members will also work with faculty to determine violation seriousness and penalties when they occur.



Team members debate the pros and cons of an ethical dilemma in the E-tegrity Week Case Competition.

If these connected actions do run as causes to results, the returns of E-tegrity to the Eller College community just may be the culture of honor to which Paul Melendez would like to belong. □

The Perry Principle: Build Community, Breed Professionalism

A few days after agreeing to be the subject of a story about leadership in the re-making of Eller's undergraduate program, Pam Perry sent an e-mail asking that the emphasis be shifted away from just her. “I appreciate being featured for a *Progress* story, but I just ask one thing, that you emphasize the importance of the undergraduate team...our excellence comes from them.”

Well, yes. Walking through the Undergraduate Program offices it's obvious: there's a high-spirited, positive-minded, “can-do” community of people at work here. Every door is open, students are at home in the throughways, laughter punctuates the buzz of activity. To participate in an Eller undergraduate event, say the twice-annual Professional Admission interviews between 400 aspiring business majors and 150 College associates, is to experience a first-class team effort in action. From the welcoming smiles of the Eller College Ambassadors at the McClelland Hall doors, literally shining in their crisp, white, button-down oxfords, to the warm and polished interviewers' orientation, and the interview sessions themselves, graciously managed and running like clockwork, it is clear these teammates know their roles and relish playing them well.

It wasn't always so. Special Assistant to the Dean, Bill Barrett, who helped recruit Pam Perry in 1992, recalls academic program leadership and advising across the UA campus as historically “low level activity...basically tracking,” and the College undergraduate office as a “checker and enforcer, viewed as a negative element by students.” Julie Miranda, (BSBA '94, M.Ed. '98) now Director of Student Enrichment and Career Development, agrees. “It used to be, ‘come in if you need some form signed.’” The issue was numbers, Perry says. “We had more students then than now—1,300 entering per year compared to 800 today—and a fraction of the staff—just two full time people and thousands of students. It was like being in a bad bank: long lines of students facing overwhelmed staff; one unhappy customer after another.”

Perry came to the College with just the right combination of preparation and heart to head up a program with problems in student experience. A Tucson native and UA alumna (BS Agriculture/Horticulture, M.Ed. Higher Education), improving student experience has been the focus of her career since taking her first job as a coordinator in the UA Office of Student Services. Within three years she received her first managerial assignment: Director of the Center for Off-Campus Students and

Veterans Services. There, she served non-traditional students who didn't fit neatly amid the masses of entering freshmen and whose needs for a sense of belonging were both acute and difficult to meet. Developing programs “...to ease the process, make them feel that this was their University too,” became her mission. “She gave the off-

(Continued on next page.)



“She just keeps pushing people to grow, get better. She looks at your latest accomplishment and says, ‘That’s really good, what’s next?’”

Eller student Kristen Garcia (center), is coached and prepped by Pam Perry (2nd from left) and the Undergraduate Programs team (l to r), Caroline Patrick, Stacey Lippert, Paul Melendez, Matt Mars, and Julie Miranda.

campus students a way to fit in, a place to go. It's always been her job to build community," Miranda says.

The first years at Eller saw steps to improvement—most significantly a shift of mindset from compliance to service. MBAs were enlisted as advisors to increase personal attention and professionalism, in everything from program brochures to office spaces, was made a priority. The 1997 arrival of a new College dean, "...and then he

started hearing all these complaints," Perry recalls with a smile, created the break-out opportunity, to create college-wide momentum for transformational change. An Undergraduate Studies Task Force was formed in 1999, charged with making comprehensive improvement. By fall 2000 a reinvented program was in place. It served six goals: enrollment growth management; curricular integration of academic knowledge and professional skills; service to the broader University population through a

business minor; proactive development of an alumni network to enhance program offerings and add student value; and emphasis on communication skills.

At the center of the reinvention are class cohorts. "We had to get a handle on who our students were and how many we would enroll before we could create a quality experience. That led to enrollment limits. For operating models, we looked to MBA programs. We saw that curriculum, a faculty team, student services, could all be structured to build a community," Perry explains.

The 800 Eller students admitted via the professional admissions process annually are second semester sophomores who have taken pre-business courses in their first year and a half, including training in resumé writing and presentation skills to prepare them for the placement process. They are divided into 200+ person cohorts in which they take their core (junior year) classes, delivered by a team of master teachers. In the first semester the large classes are offset by 25-person business communication sections, creating a "home room" environment and the opportunity for personal attention. Each cohort elects representatives to an advisory board to create a channel for continuous feedback. Describing the resulting transformation, Perry says, "With cohorts, you must go from 'student services' to program management and ongoing development. And we have. Our core faculty is happy being a team, contributing to developing the foundation for majors. And bottom line, we were able to add staff. When the provost and president earmarked a percent of tuition for improving advising throughout the University, we seized the opportunity to grow."

Today Eller's undergraduate advising staff numbers eleven, including directors for lower and upper division programs and professional advisors for each of six majors. Faculty continuously renew curriculum, creating core courses capitalizing on College strengths like MIS and in 2002 added a capstone: MAP 402, Integrating Business Fundamentals with Ethics and Law in Management. Case competitions, honors classes, "company study" partnerships with firms like Intel and Honeywell, and an abundance of opportunities for students to be leaders in governance, professional associations and improvement projects, comprise an academic experience now vibrant with ownership and relevance. In a 2003 letter nominating Perry for a leadership award, Bill Barrett described new student perceptions: "Surveys reveal a very high degree of student satisfaction...they feel they are members of the College, have some influence/control over their experience and exhibit a strong sense of community." He points with obvious pleasure to a recent *Daily Wildcat* editorial advocating that the University's other academic programs "do things the way they do them at Eller."

But back to the team...what role does the leader play in building greatness? To listen to undergraduate students and staff describe their associate dean, is to hear a striking consistency between her view of how she leads and theirs. "My staff would say I have ambitious goals," she says with a laugh, "and it's true. I like to keep it fresh—find new, higher challenges, new stuff every semester. I do like the new! And I do believe people are most productive when they have too much on their plates. But this team is great. When someone can't quite get there on something, everyone helps out. We learn a lot that way. And we tend to move tasks around to fit people's skills."

As Program Director Paul Melendez describes it, "The best thing about working for Pam is that you learn that good managers get you to do things; great leaders get you to do things you didn't think you could do. She is all about development...the programs and ours. I got to build the team—recruiting, hiring, developing—learned line management. Now I'm creating a new niche for myself: making integrity pervasive in the Eller experience." Adds Miranda, "She just keeps pushing people to grow, get better. She looks at your latest accomplishment and says 'That's really good, what's next?'" Miranda wanted to shift from advising to career services. "I wrote my dream job description. Career services at the UA is centralized but I wanted to create a one-stop shop for our students—still a part of the bigger system, but a place where they could bring their career questions and we could serve recruiters too. She supported me." Staff development is not limited to the work at hand. Perry actively promotes advanced education: three staff members have completed or are in progress on MBAs, two are pursuing Ph.D.s. Students also feel the nudge. The Professional Women in Business Association, the Hispanic Business Students Association and Students Consulting Non-Profit Organizations were all founded by Eller undergraduates whose potential as leaders Perry recognized and nurtured.

What Perry calls "...just listening really, sitting in student meetings, hearing what they care about and doing something about it," looks more to those around her like the relentless movement forward of a spirit for whom 'good enough' never is. Says Miranda, "If you like change this is the place to be." It seems both staff and students do. "She's just a wonderful leader," Noah Knauf (BSBA MIS '01) says. "She doesn't think like an administrator, a bureaucrat, a technocrat. She really thinks out the logic of a situation, not the policy of the past. That she challenges. She walks into any situation and methodically disrupts the status quo." He first met Perry as a transfer student from computer science trying to convince the MIS department to accept his existing credits in place of their requirements. "Here I was, a sophomore, and I'm talking to the dean and she's engaged and she's acting as my advocate...I thought wow, she is so accessible."

"She's just a tireless cheerleader, re-making us into bold innovators. Any time I say 'look how far we've come,' she says 'look how far we have to go,'" says Melendez. That the Undergraduate Program is still on the move is abundantly clear. As for its associate dean, it appears that building a culture of continuous improvement is her greatest reward. "What do I love about my job? That we've become such a positive, can-do community, that we have all these positive stakeholders, that we are helping people achieve their dreams." □

Communication with Passion

The communication program Renee McConnell built is cut from classic Eller cloth. As she puts it: "What I'm most proud of is that after starting on a shoestring, determined to be innovative, experimenting repeatedly, in just our fifth year we've got a nationally recognized, model program." The start was McConnell, designing curriculum launched as a required course for 400 undergraduates with one other faculty member and 16 MBA teaching assistants (TAs) in Fall, 1999. By Fall 2003 the program had evolved to include an MBA requirement and a significantly enhanced

Director Renee McConnell (far right) and the full-time Business Communication faculty, (l to r) Sandra Rothchild, Mike Sechrest, Bryan Patchett and Diza Sauer.



undergraduate course. With an all-business focus on writing, speaking and team management, it employs diagnostics to separate students based on skill and provides the University's upper division writing assessment. Six MBA TAs and seven undergraduate preceptors support the teaching of what McConnell calls the program's foundation—four full-time and four part-time faculty members, "...communication professionals...you talk about people with a passion...the dedication of this team to these students is stunning." And not just McConnell thinks so. In March, Eller's Business Communication faculty were named recipients of the University's 2004 Team Award for Excellence. □

"...you talk about people with a passion...the dedication of this team to these students is stunning."

Transformation complete, a professional is prepared to meet the world.



"She doesn't think like an administrator, a bureaucrat, a technocrat. She thinks out of the logic of a situation, not the policy of the past...that she challenges."



It's Not All About Profit: Seeding Transformation

T rue social entrepreneurs are "transformative forces...people with new ideas to address major problems who are so relentless in the pursuit of their visions that they will not give up until they have spread their ideas everywhere," writes journalist David Bornstein, in *How to Change the World: Social Entrepreneurship and the Power of New Ideas*. He might have been describing Don Budinger.

The UA alum, founding director of the Rodel Foundation and friend to the Eller College, has stimulated what vice dean and executive director of the Rodel Social Entrepreneurship Initiative, Stephen Gilliland, calls "the seeding of a college-wide coalescence of interest in social responsibility," transforming individual efforts and pockets of activity into a "key theme in the Eller College strategic plan and a part of the Eller fabric."

Transformation comes naturally for Mr. Budinger. A former DuPont chemical engineer who left the company with a few other people in 1972, "scared" but possessed of an idea about a better way to make semiconductors, he helped found and became president of the Rodel Corporation, whose innovation contributed to the explosion in chip power that led to the fast and affordable computers on our desks today. Without it, says UA Associate Professor of Chemical and Environmental

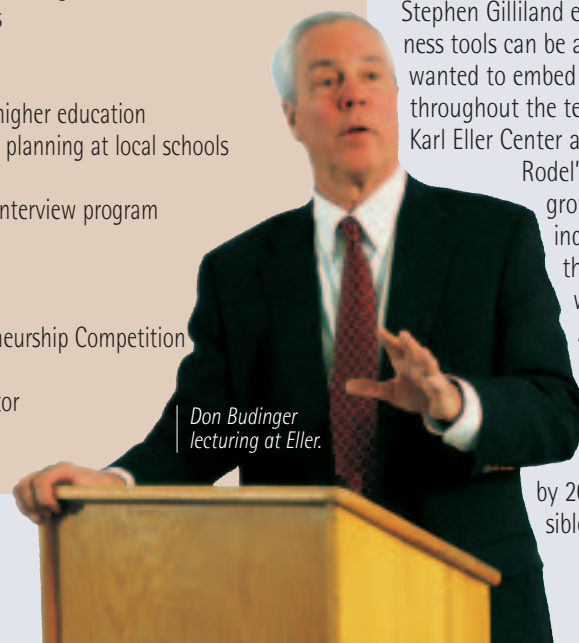
Engineering Ara Philipossian, the PC industry would have "basically fallen flat on its face."

Philipossian explains that "two parallel strategies must work together for the industry to advance year by year," increasing the speed of transistors through miniaturization and correspondingly, decreasing the area required for the silica-based interconnect systems that link transistors to make integrated circuits. Budinger and his colleagues invented the process that enables the decrease. Starting out in a rented garage, using an old bathtub for their experiments, they figured out how to flatten the surface of silicon wafers enough to build multiple layers, to go "up" instead of "out." This led to a 25% per year price drop and becoming the fastest growing integrated circuit technology of the 1990s.

As crucial as their know-how was their ethic, reflected in their company's mission "to fundamentally change the world we touch by solving impossible problems." Having succeeded wildly in industry, they turned to what Budinger calls part two of their vision, now the Foundation's business, "making a significant impact at key lever points in society." It is here, around education, that Rodel's and Eller's interests converged.

The Eller College prepares students for public sector careers through its School of Public Administration and Policy and offers a supportive environment for the socially conscious. As president of the UA service club Alpha Phi Omega, Noah Knauf (BSBA MIS '01) concluded that while volunteer tasks like envelope stuffing and garage cleaning were helpful to non profits, what they really needed was "organizing, business planning," and conceived of a student consulting service to provide it. Amy Shlossman (BSPA '04) wanted to help increase the chances that disadvantaged high school students will go to college and volunteered to create outreach to do so. Stephen Gilliland envisioned a course showing how business tools can be applied to social problems. Gary Libecap wanted to embed social entrepreneurship concepts throughout the teaching and research he directs at the Karl Eller Center and McGuire Entrepreneurship Program. Rodel's largess has planted the acorn that grows the mighty oak, transforming these individual ideas into an enduring program that stands among the nation's best and will grow beyond the life of the gift.

As for Mr. Budinger and Rodel, they're attacking what he calls a new "BHAG—big hairy audacious goal," transforming the Arizona public school system into the world's finest by 2020. For those who would say "Impossible!" see paragraph one. □



Don Budinger lecturing at Eller.

As crucial as their know-how was their ethic, reflected in their company's mission "to fundamentally change the world we touch by solving impossible problems."

The Rodel Social Entrepreneurship Initiative 2001-2004

- **Student Scholarship Funding: \$315,000+**
Rodel Scholars Program for Students Consulting Non-Profit Organizations (SCNO)
Social Entrepreneurship Summer Scholarship Internships
Graduate Teaching Assistants in social entrepreneurship
- **Community Impact Programs: \$125,000+**
Eller College LEAD Program for increasing minorities in higher education
Eller/Rodel Pipeline for Excellence for college and career planning at local schools
Eller College Day of Philanthropy
Eller College Professional Admissions development and interview program
SCNO program support
- **Social Entrepreneurship Curriculum: \$220,000+**
Entrepreneurship 500 core course for MBAs
Rodel Foundation Arizona Ventures and Social Entrepreneurship Competition
MAP 488/588 Social Entrepreneurship
SOC/PA 596 Theory and Research of the Non-Profit Sector
Social Entrepreneurship Course Development Grants
- **RSEI Program Support: \$70,000+**

The Social Entrepreneur

She's a first year honor roll MBA and Dean's Fellow, concentrating in entrepreneurship and finance. But she'll never work on Wall Street and is unlikely to launch her own business. Katherine Pasternak is on a different path. Her aspirations align with the goals of Net Impact, the student organization whose local leadership she just assumed: harnessing the power of business to create a better world.

"An MBA in finance seems very far from who I am and where I'll be. But my experience has shown me that the places where I plan to work are usually poorly managed and lack sustaining funding. For my future (international development) an MBA gets me the most bang for my buck. I have the political background, what I need is managerial skill. Studying finance answers the question, 'How do you fund an organization?' Entrepreneurship teaches organizing from the bottom up."

She's part of a worldwide movement and a new breed of MBA: the social entrepreneur. J. Gregory Dees, among the first to teach social entrepreneurship in the mid-1990s at Harvard, now director of the Center for the Advancement of Social Entrepreneurship at Duke's Fuqua School of Business, told the *New York Times* in December 2003, "We need innovative solutions to social problems, and increasingly societies are realizing that private citizens, acting in entrepreneurial ways, blending business tools with relevant social expertise, are the best hope for finding those solutions." Today 28 U.S. business schools, including Eller, Columbia, Stanford and Yale have programs in social entrepreneurship.

Katherine Pasternak's personal journey toward making a difference started in Albuquerque, as the child of an immigrant and a global nomad. Her father is Hungarian by birth, her mother a tireless traveler who introduced her three children to other cultures one at a time through extended visits to the country of their choice. "Because of our parents our world was always a little bigger," she says. She first lived abroad as a Duke University junior majoring in cultural anthropology and documentary studies, spending a semester in Cameroon. On arrival, "I felt such shock and fear. After two weeks I said 'Ok, I've seen Africa, no need to come back.' Seeing the suffering and poverty was so hard. But by the end I didn't want to leave. I came to love the people, they were so welcoming,

so spirited." She went back. After college she co-produced films for National Geographic television, led high school students through Costa Rica for World Horizons International and taught skiing at Tahoe before joining the Peace Corps and returning to Africa. Her experience in the Zambian village of Kalamata, helping the Chilonga people develop a gravity-fed system for drawing water during the dry season, clarified her life's work. "I realized that I feel best, do my best work when I'm helping other people accomplish something. And I learned I can't be in an organization and not care about the whole thing. I tried to leave the whole system—Peace Corps Zambia—better than when I came."

As leader of the Eller College chapter of Net Impact, an 8,700 member global organization founded in 1993 by MBAs at Yale, Pasternak embraces its vision of "changing business by teaching people early in their careers to think in terms of a 'true triple bottom line,' integrating social responsibility into the balance sheet. "It's a network," she says, linking people interested in activist business tools like micro finance, clean/renewable energy and venture philanthropy. Pasternak plans to extend the network to her Eller peers, sponsoring faculty forums on the topic, visiting socially committed businesses and bringing social entrepreneurs to campus. "We want to open up the possibilities, show people they can be really innovative, on the cutting edge with a social payback." Hearing her history, seeing her vision, one has little doubt that this woman will leave the world better than when she came. □



Katherine Pasternak

"We want to open up the possibilities, show people they can be really innovative, on the cutting edge with a social payback."

Achieving Leadership: ASUA

Each May 1st at twelve noon a transfer of power takes place on the UA Mall's west side. For five of the last ten years, inaugural ceremonies in the shade of Old Main have passed the presidency of the Associated Students of the University of Arizona to Eller students.

The job's greatest benefit: "Confidence... learning to talk to anybody. It's an incredible confidence building experience."

The record of "The Eller 5" testifies to lofty goals and street-level service.

- Anthony "T.J." Trujillo:** 1994-1995, Accounting and Finance
Goal: Continuity in student governance, mitigating annual leadership turnover
Achievement: 1 FTE professional staff position: ASUA Program Coordinator/Advisor
- Rhonda T.L. Wilson:** 1996-1997, Accounting
Goal: Establish effective national lobbying organization for guaranteed student loan recipients
Achievement: Founder, National Association of Students in Higher Education; organizer of Washington D.C. conference between 200 students and Congress members



Top: J.P. Benedict and UA President Peter Likins in their monthly meeting
Bottom: Eller student and ASUA Executive Vice President Melanie Rainer presiding over the ASUA Student Senate.

- Gilbert O. Davidson:** 1997-1998, Public Administration and Human Resource Management
Goal: Win student body endorsement of \$40 per semester fee for new student union
Achievement: Helped re-conceive financing after losing fee election; assisted planning through union completion
- Cisco Aquilar:** 1999-2000, Finance and Accounting
Goal: Ensure fair prices at UA bookstores; increase campus safety
Achievement: PriceMatch, a guarantee to match plus 10% any book found at lower price; more funding for Safe-Ride
- J.P. Benedict:** 2003-2004, Marketing and Entrepreneurship
Goal: Increase participation/quality of student government; build spirit
Achievement: Freshman through senior class councils, engaging 100+ additional students in leadership; improved student section at McKale, sponsorship of football tail gates, away-game bus trips, spirit for women's sports. □

What does it mean to be elected ASUA president and why are so many from Eller? Associate Dean of Students Jim Drnek describes ASUA as both a governmental system engaged in advocacy and a business organization providing services to its community. "Administrators on this campus look for student perspective," he says. To that end ASUA presidents meet monthly with the University president and sit on major decision making committees including the Faculty Senate, the Strategic Planning and Budget Advisory Committee, the Intercollegiate Advisory Board, the Alumni Association.

ASUA's business arm includes an array of programs and services, all student-led, under the direction of the president, nine appointed cabinet members and two elected vice presidents. Their work supports 421 UA student organizations—from the Aerial Robotics Club to Wildcats for Christ—with mail and computer services, fundraising assistance and \$75,000 in annual appropriations. Beyond student clubs ASUA officers manage fifteen permanent service programs including acquaintance rape education, legal assistance, driving services for disabled students and the biggest student-run carnival in the nation: Spring Fling.

It's the business function that Drnek sees as a good fit for business students, "...they are more eager; they like to use their experience in a practical way. They're good at making decisions, the best we've seen at that age." The experience is hands on. "We run like a business; we have to balance the books, plan effectively, handle human relations...it takes tenacity. They get their hands dirty," he says. As for their aspirations, he smiles, "Oh...they're here to change the world...but they take their cues from fellow students."

On the eve of the 2004 ASUA election, current president J.P. Benedict looks back and draws lessons likely known to his predecessors...and the average CEO: "The hardest thing? It's really difficult to penetrate a 35,000 student campus, truly represent the students." And balancing: "I have to manage, oversee programs, run meetings, handle media and still have time for individuals." As for advantages acquired at Eller, first he grimaces, "Preparation for writing memos," and then smiles, "Little things—business etiquette...and big—the cohort system, having seen an organized operation. And the training in problem solving...that's the basic concept here: solve problems." As for the job's greatest benefit, he does not hesitate: "Confidence...learning to talk to anybody. It's an incredible confidence building experience." □

Bryna Zehngut: History Maker

It is a woman, Bryna Zehngut, who was the first Eller student elected ASUA President. Breaking ground in more ways than one, she was just the second woman in the University's history and the first Jewish woman to hold student government's top job.

Running on the slogan, "No BS, I'll do my best," Zehngut was elected on a snowy day in March, 1973... and immediately was drawn into a conflict that would dominate her year in office. "I didn't run on a ticket. The VPs and some of the Senators had been on a ticket together and their candidate for president lost to me. That didn't automatically make us adversaries but from the start we disagreed about how to spend our money."

Elected on a platform of increasing minority and handicapped student rights, she intended to increase ASUA funding for these causes. Her fellow leaders were very involved in the UA Greek programs and wanted to put focus there. Deepening the fissure, when the University was forced by budget shortfalls to cut ASUA funding, Zehngut voted to return a portion of the salaries she and the two vice presidents received. They refused.

The differences peaked when Zehngut learned of student leaders using ASUA funds to study student government at another university in one of their hometowns—a misuse in her view. She confronted them on their return. They responded with defiance. The resulting battle spilled out of the ASUA offices and onto the pages of the *Wildcat* before being resolved by the student judiciary. "It was awful," Zehngut remembers. Still she says, "Though it was a difficult year, it was the best experience of my life. It taught me that if you want to make changes you have to work as a team, whatever your politics. You have to listen. You have to have patience. At the time I was just 'no, you're wrong.' I've learned compromise." The year was not without achievement. Zehngut won more funding for minority financial aid and significantly increased awareness of disabled students' access needs. Her administration collected 10,000 petition signatures seeking free student seats for football and basketball games (unsuccessful) and she worked on the effort to place a student on the Arizona Board of Regents (eventually obtained).

Bryna Zehngut's entire life reflects both the drive to achieve and desire to give that marked her year in office. Entering a tough job market in 1974, she was among a handful accepted for management training at Tucson's Valley National Bank, moving from loan officer to assistant branch manager by 1981 when she left to start a family. She then applied her planning and people skills to volunteering, fundraising for the Jewish Federation of Southern Arizona, Planned Parenthood and the UA Alumni Association (where her continuing efforts earned her the Sydney S. Woods Alumni Service award in November, 2003) and chairing Tucson's United Jewish Appeal Campaign. Resuming her career, she launched fundraising startups, as the first development director at Tucson's America-Israel Friendship League and Tucson Hebrew Academy.

Diagnosed with ovarian cancer in 1999, she again left paid employment but keeps on giving, organizing a cancer support group for women in the Tucson Jewish community. Still feeling the benefits 30 years out, she says of her presidency, "I tried to make a difference... and my experience that year has informed every other leadership role in my life. The biggest thing I learned is the importance of integrity...and that even in times of adversity I could keep mine." □



Bryna Zehngut

"The biggest thing I learned is the importance of integrity... and that even in times of adversity I could keep mine."

Ancient Questions, Modern Answers

Dear MAP 402 Student,
 Dr. Suzanne Cummins asked me to initiate a dialog with you on an ethics-related issue. Please respond to the following scenario: Eric, a top-performing financial analyst, is openly gay. Today, Ken, a teammate of his, stopped by my office to discuss an incident that made him very uncomfortable. Eric told Ken he had a dream about him in which they engaged in sexual acts. Ken said he had to "get this off his chest," because he is not gay and feels both embarrassment and revulsion about Eric's comments. Ken begged me not to do anything, afraid it might "leak" and "humiliate" him. I asked Ken if he felt harassed, and he said "No." What should I do?

Hello...
 I believe since Ken said not to do anything, you shouldn't. I am taking a utilitarian view. Ken may be able to resolve the matter himself and help the whole team by maintaining efficiency, especially since he does not feel harassed. If you take action it might get out, he could be embarrassed, and the team's efficiency suffer. I think keeping quiet is best for the company.

A follow up question...
 What if a similar incident involving Eric occurs again?

Hello again...
 If a similar incident occurs later, I still think the company would not reap damages. But if Eric causes someone else to feel harassed I think you would have to talk to him...even though Eric is a top performing employee, he might have to be moved to a different team or even fired.

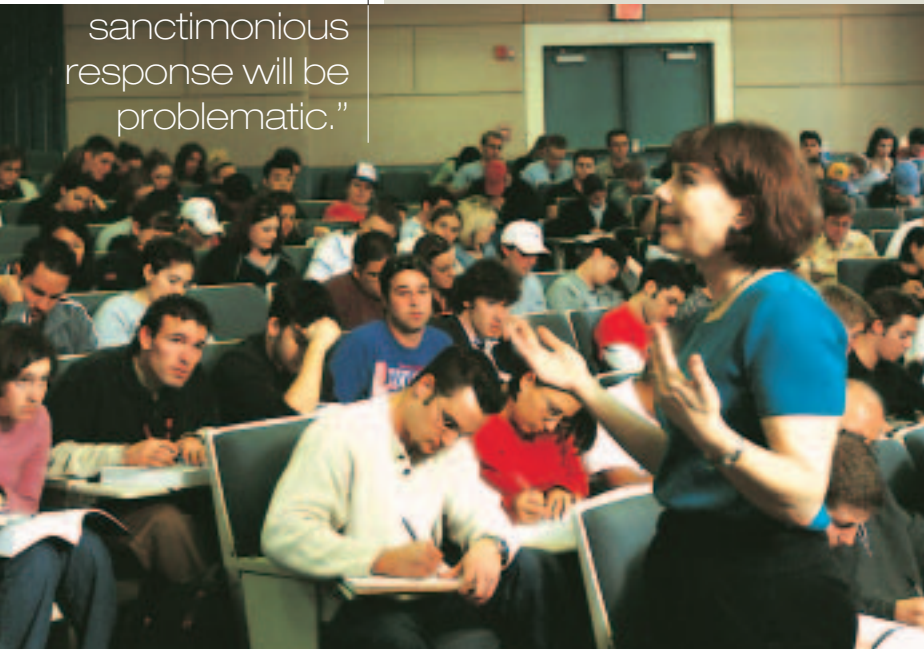
My thoughts for you on this issue...
 From a purely ethical perspective, I agree. This scenario shows how most problems involve multiple issues—leadership, policy, legal. Employees have collected damages in cases in which harassment occurs and the employer was aware of prior incidents. I've worked for companies that terminated first and asked questions later to avoid exposure. If Eric was that talented and I believe he didn't intend to make Ken uncomfortable, I might assume the risk...but if I'm wrong I'll be a manager sustaining a "hostile work environment" and could expect to lose my job...

This type of exchange between alum and student occurs hundreds of times annually in MAP 402: Integrating Business Fundamentals with Ethics and Law, a path breaking Eller requirement introduced by Management and Policy professor Suzanne Cummins. Her "...interdisciplinary analysis of how...economics, finance, accounting, marketing, management and information technology each raise ethical and legal considerations in business..." ranges widely, on topics from Ayn Rand to trade restraints. The goal of the exchanges, in which each alum interacts with ten students around a pre-written scenario or personal experience, is "to show students they

will face ethical problems and to let them learn from real managers that a 'black/white' view or sanctimonious response will be problematic."

Cummins, a UC Hastings Law graduate, has practiced in three states and was counsel to Nicolet Instrument Corporation before joining the faculty at Eller. Lauded for bringing not only real-world perspectives but a razor-sharp wit to her classroom, Cummins' MAP 402 syllabus reflects some black and white boundaries of her own: "This is an ethics class. Pay attention. It isn't about the intellectual side of ethics. It is about acting ethically... Students are expected to comport themselves in a manner above reproach." Alumni interested in helping illuminate the murky world of ethical choices can sign on at: scummins@eller.arizona.edu. □

The goal of the exchanges ...is "to show students they will face ethical problems and...that a 'black/white' view or sanctimonious response will be problematic."



Suzanne Cummins lecturing a packed MAP 402 section.

Reducing the Options for Tax Avoidance

Three years after Enron's December 2001 collapse, the federal case against its senior executives peaked with the February 2004 arraignment of former CEO Jeffrey Skilling on charges of conspiring to manipulate financial statements. Preceding him in court were the firm's former chief financial officer, chief accounting officer, treasurer and 25 other executives accused of misleading investors and manipulating markets with financial crimes that hid debt, evaded taxes or lifted earnings.

The government's response to Enron and similar corporate scandals goes beyond prosecuting individuals. Sweeping revisions in securities laws and changes in I.R.S. reporting rules will narrow the options for corporate use of accounting tools for earnings management. One change relates directly to the work of Eller College Associate Professor of Accounting Lil Mills.

Mills' ongoing research examines the sources and magnitude of difference between the income corporations report to shareholders in financial statements and the taxable income they report to the I.R.S. on tax returns. Enron and other cases of corporations reporting little or no taxable income, or increasing income without increased tax, have led the press and some policymakers to suggest that corporate tax returns be made public, to better discern actual earnings. That idea led to the April 2003 Conference on Public Disclosure of Tax Returns at the Brookings Institution in Washington, D.C., and a speaking invitation for Mills and MIT colleague George Plesko.

At issue are differences in two sets of rules governing whether and how related corporations are combined for reporting purposes. Generally Accepted Accounting Principles (GAAP) generally require more companies to be combined for the financial statements than the Internal Revenue Code permits for the tax return. GAAP consolidated financial statements include the parent corporation and all domestic and foreign subsidiaries in which the parent has control (more than 50 percent ownership). Tax rules only permit a domestic parent corporation to file a consolidated tax return with the domestic subsidiaries in which it owns at least 80%.

Mills and Plesko use Enron to illustrate the resulting reconciliation challenge: "Enron's 2000 year consolidated U.S. tax return included 713 returns that are part of its tax affiliated group...returns outside the consolidated tax return consisted of 190 domestic entities...1,485 foreign

branches and subsidiaries, and 98 partnership entities and branches..." The resulting gap, Mills says, "...in 2000 a difference of \$5B not transparent in the tax return." Further clouding book versus tax income are differing rules regarding whether and when an item constitutes revenue or expense under each accounting system.

Seeking a fresh start at comprehensive reconciliation between book and taxable income, Mills and Plesko focused on one tax form, Schedule M-1. "Current instructions to M-1," they argued, "are sufficiently imprecise as to permit substantial reporting flexibility," resulting in inconsistent reconciliation from one company to another. They recommended revising M-1 to make the starting point the worldwide income reported on SEC Form 10-K.

Nine months later, the Treasury did just that, introducing on January 29, 2004 a new draft Schedule M-3, which applies only to corporations with \$10 million in assets. "The proposed Schedule M-3 will make differences between financial accounting net income and taxable income more transparent," said Treasury Assistant Secretary Pamela Olson in the announcement. Reporting uniformity will allow statistical comparisons across companies, more swiftly and accurately identifying candidates for audit. If the comment period when companies can register opposition goes smoothly, the changes will apply for tax year 2004. Mills expects them to. She smiles, "In these times, corporations do not want to be on record opposing transparency." □

Lil Mills discusses shortcomings of the current Schedule M-1 instructions.



Mills expects proposed changes to meet with little opposition. She smiles, "In these times, corporations do not want to be on record opposing transparency."

Paths to Leadership

“I was on a temporary assignment in Detroit, running a project with a team of people and one day one of the guys said ‘Susan you could be a partner;’” recalls Susan Butler, Eller College National Board of Advisors member and founder of the Susan Bulkeley Butler Institute for the Development of Women Leaders. It was an epiphany. Although the 1965 graduate of Purdue’s Krannert School of Management

was already a groundbreaker, among the few women with business degrees at the time and the first consultant hired by Arthur Andersen who happened to be a woman, she says, “I realized that up to then I had been working at a job, not on a career.” Inspired, she became strategic planner of her future.

Staying with the company through its own evolution, Butler hit the target in 1979, becoming first woman partner at Andersen Consulting. By her retirement in 2002 she was managing partner and chief of staff in Accenture’s Office of the CEO, a member of its Executive Committee and president of the Accenture Foundation. Her mission today: to help other women clarify their goals and work strategically to achieve them.

Susan Butler’s personal motto and #1 piece of advice:

“Make things happen for you—don’t just let them happen to you.”

As president of the institute she founded, Butler shares her lessons of experience and draws on her many resources to develop women’s career skills and tap their leadership potential.

The Tucson-based institute is high tech and high touch. Its monthly e-newsletter opens with a warm greeting from Butler followed by a focused, “virtual roundtable” discussion of a career advancing topic. Covering issues like “Creating a powerful team” and “Giving and receiving effective feedback,” each month’s forum draws on a revolving ‘virtual team’ of executive men and women who add to Butler’s advice. The Institute also sponsors “live” events, like the March 2004 Women’s Leadership Development Conference, the second held at the UA for women in engineering, science and business. Students determine the day’s theme and then Butler works her network to draw in women leaders from organizations including Accenture, Ernst & Young, IBM, Intel, UC Berkeley, Sandia Labs and Spelman College. The best outcomes she says, are the personal connections made. “I really pitch the opportunity these meetings present, seat the dignitaries at tables with students and just let them talk. It’s so wonderful to see a young woman realize she can relate with a person of stature.”

Butler’s belief in the power of women who’ve “been there, done that” to help those who come after underlies the most extraordinary aspect of the Institute, the Virtual Mentor. She invites anyone with questions about “anything related to how you can excel in your professional career and as a leader...” to email her directly for coaching, “...to achieve your leadership potential.” Remembering the mentoring critical to her, Butler says it’s not necessarily an ongoing relationship but can be nuggets of advice that endure. She recalls the client who told her, “You need to develop supporters.” “So true,” she says. “As women we don’t make sure the right people know what we’re doing, can’t tout our own accomplishments. I ask the women I mentor, ‘Who’s on your team to help you get to where you want to be? Who’s pounding on the table for you?’”

Sustained or singular, a helping hand up is Butler’s personal offer to women worldwide. “The big ‘aha’ in Detroit was that I had been letting things happen to me rather than making things happen for me.” She’s turned that notion on its head, rephrasing it as her personal motto and #1 piece of advice: “Make things happen for you—don’t just let them happen to you.” □



Susan Butler at her home in Tucson.

Eller MBA Business Leaders Alliance

Enhancing the quality and reputation of the Eller MBA program by encouraging high impact, reciprocal and sustained interaction between local and regional business leaders and Eller MBAs and faculty...this is the goal of a unique alliance between civic and business leaders and the Eller MBA program. Conceived by Tucson executive John Halton as a way to link the futures of Southern Arizona business and Eller graduates, the Eller MBA Business Leaders Alliance took shape over the summer of 2002 in a series of meetings between Eller College and community leaders including Mayor Bob Walkup and executives from the region’s major business sectors. Two years later the BLA is moving to accomplish its objectives:

- Providing entrée for Eller MBAs to a rich mix of Southern Arizona businesses
- Strengthening the competitive position of BLA partner companies through internships and technical assistance projects
- Improving the quality and impact of action learning experiences for Eller MBAs
- Offering Eller MBAs a forum for professional development and career planning from an industry perspective

Among the most highly prized BLA benefits to MBAs is the “Day in the Life” program, offering a first-person experience with local executives and the firms they lead. Eller MBAs and their faculty have been hosted by Southern Arizona Compass Bank President Mark Mistler, RainBird Vice President Ken Mills, Whitmark Packaging President Mark McArthur and Diamond Ventures President David Goldstein among others, spending a morning in their offices, hearing their personal success stories and touring company operations before sitting down to lunch with their host and other top executives.

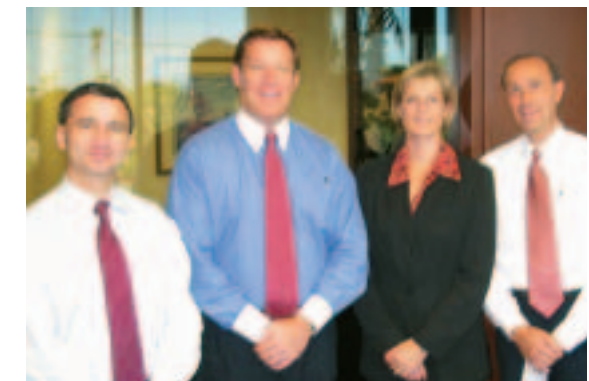
Associate Dean and Director of the Eller MBA program Brent Chrite calls the BLA an opportunity to “create an environment in which the intellectual rigor of the MBA program is complemented by the relevance that results from meaningful engagement with senior level executives from private industry,” and for “companies within the BLA network to realize a significant benefit from their participation in the alliance and relationship to the MBA program.” □



(L to r) BLA founder John Halton, and MBA program supporters William Lomicka, Robert Edison, and Jay Stallings.

Smith Barney/Citigroup Funds Smith Barney Scholars

Representing the best kinds of connections students hope for in pursuing business degrees, the Smith Barney/Citigroup Foundation has established the Smith Barney Scholars Program at the Eller College. The Foundation’s \$12,000 kick-off gift will increase access to a first-class business education for talented students who might otherwise not have the financial means to attend college. Smith Barney executives Michael J. Healey and Terrence D. Ormsbee presented the founding gift to Dean Mark Zupan in September, 2003, and with it made a commitment to each Smith Barney Scholar, to provide mentoring and opportunities to witness the work of financial advisors first hand through day-on-the-job experiences. Zupan said of the gift, “The opportunities this provides, for our students to graduate with not only strong academic preparation but also real-world experience, is invaluable in today’s competitive job market.” □



(L to r) Dean Mark Zupan with Michael Healey, Shaun Griffith Brenton, and Terrence Ormsbee.

“The opportunities... for our students to graduate with not only strong academic preparation but also real-world experience, is invaluable in today’s competitive job market.”

04/05 Economic Outlook Luncheon

Buckle your seatbelts...prepare for takeoff

- **Old story line:** "We're growing, but where are the jobs?"
- **New story line:** "We're beyond the 'jobless recovery' and beginning a 'virtuous cycle.'"

Eller economists Gerry Swanson and Marshall Vest had good news for the 400 listeners gathered at Westin La Paloma on December 5th to hear their annual economic outlook. Their forecast of sales growth and increased flow of corporate income gains to workers for 2004-05 is aligned with that of many Arizona business leaders as measured by the *Business Leaders Confidence Index*, a quarterly survey jointly sponsored by Compass Bank and the Eller College. Outlook highlights:

Key issues affecting the outlook

- **Consumer spending**—whose resilience in the last three years has been unprecedented.
- **Productivity**—which is the hero, not the villain.

Bouyed by low and falling interest rates, federal tax cuts and rebounding stock prices, consumer spending stayed strong through 2003. The forecast going forward: interest rates will rise, lending standards will tighten in the face of record consumer debt and more tax cuts, given huge federal deficits, are unlikely. Instead, spending will be driven by gains in labor markets and wage increases. In 2004 real compensation will rise as more of the corporate income gains from cost-cutting and productivity increases flow to workers. Compensation will grow more rapidly than inflation and real income will rise. More income will mean more demand, begetting more production and profits, which in turn will mean more income and more jobs...the virtuous cycle in motion.

Growth, but...

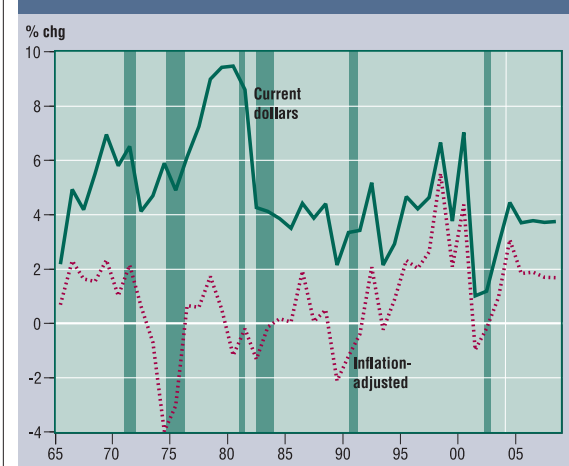
The economy is at the same stage of the business cycle as ten years ago. Barring a catastrophic event that sidelines decision makers, expect three to four years of solid expansion. Remaining to be seen is whether Arizona can identify and nourish New Economy jobs of the 21st century, and if New Economy companies will find the "quality of place" factors—a skilled workforce and well-above-average public schools—that professional workers require. □

If you would like to participate in the *Business Leaders Confidence Index*, and learn the economic trends as they develop, contact us at indexinfo@blcindex.com.

Key indicators for Arizona

- **Real wages will jump in '04**

Average wages per employee—private sectors, AZ



Private sector wage gains in Arizona are forecast to increase by 4.5% in 2004...the strongest increase since the turbo-charged technology boom of the late 1990s.

- **Job growth mirrors ten years ago**

Annual change in population and jobs, AZ



The forecast calls for the strongest growth in five years—over 90,000 new jobs statewide in 2004. Most job creation will be in the sectors serving an ever-growing Arizona population. The biggest increase will be in professional and business services with over 16,000 new jobs—one in every six hires. Also increasing jobs: education and health services (13,000), retail trade (11,000), financial activities (10,000), and construction (8,000).



Gerry Swanson, Professor of Economics



Marshall Vest, Director, Economic and Business Research

Technology and Management 2003 Awards Luncheon

Over 600 people, including Arizona Governor Janet Napolitano, gathered on December 12th to honor six individuals at the fifth annual Technology and Management Awards Luncheon. The Awards, hosted jointly by the Eller College and the College of Engineering and Mines, celebrate the role of technology and entrepreneurial enterprise in Arizona's economy. This year the two Colleges had the special honor of announcing a \$1.5 million gift from Arizona Public Service, adding to scholarships and faculty funding in technology and management.



Nicholas M. Donofrio
2003 Technology and Management Executive of the Year

Nicholas M. Donofrio, Senior Vice President of Technology and Manufacturing, IBM, was named the 2003 Technology and Management Executive of the Year. Donofrio provides the strategic leadership for developing and commercializing advanced technology across IBM's global operations. His responsibilities include IBM Research, the

Personal Systems Group, the Integrated Supply Chain and Integrated Product Development teams, the Import Compliance Office, Governmental Programs, Environmental Health and Product Safety, Quality, and IBM's enterprise-on-demand transformation team.

Mr. Donofrio holds seven technology patents. He is a Fellow of the Institute for Electrical and Electronics Engineers, a board member for the Bank of New York and a trustee of his alma mater, Rensselaer Polytechnic Institute. He is a vigorous promoter of mathematics and science as keys to economic competitiveness and a strong advocate for education, particularly of under-represented minorities and women.

The Eller and Engineering Colleges also honored five other outstanding University of Arizona alumni for lifetime achievement and distinguished service:

- **Lifetime Achievement Award, Eller College:** John Underwood, President, Desert Mountain Properties, and Tammy Underwood, Community Advocate, member, Campaign Arizona Presidential Leadership Team and founding board member, Steele Memorial Children's Research Center.
- **Lifetime Achievement Award, College of Engineering and Mines:** Allen B. Rosenstein, Ph.D., Professor Emeritus, UCLA College of Engineering, and Founder, Chairman and CEO, Pioneer Magnetics, Inc., which designs and manufactures switching power supplies.
- **Distinguished Service Award, Eller College:** Lawrence A. Poneman, Ph.D., Founder and Chairman, The Ponemon Institute, advancing ethical information and privacy management practices in business and government. Former CEO, Privacy Council, Inc. and founder and global managing partner of compliance risk management at PricewaterhouseCoopers.
- **Distinguished Service Award, College of Engineering and Mines:** J. Byron McCormick, Ph.D., Executive Director, General Motors Fuel Cell Activities. Past Co-Executive Director of GM's Global Alternative Propulsion Center and former executive with Delco Electronics, Los Alamos National Laboratories and Hughes Aircraft. □



Jon and Tammy Underwood



Allen B. Rosenstein



Lawrence A. Poneman



J. Byron McCormick

Technology & Management
2003 • AWARDS • LUNCHEON

News from Alumni

1960s

Robert Hagen MBA '67 is president of Hagen Computer Systems, Inc., and serving as chairman for the Southern Arizona Tech Council.

1970s

Paul Lawrence Bortolazzo '73 is president and CEO of a non-profit Christian ministry in Montgomery, Alabama, where he teaches prophecy seminars and writes Biblical novels. bortolazzo@msn.com

Jim McGeorge MPA '75 is retired after 25 years with the City of Tempe, Arizona and five with the City of Tucson, Arizona. He also served as a Peace Corps volunteer in Liberia from 1968-1971.

Todd G. Handy '79 is the chief financial officer for La Familia Medical Center in Santa Fe, New Mexico. Todd_Gilliss@yahoo.com

Let us
know what
you're up to
these days...

Update your
alumni information at:

www.eller.arizona.edu/alumni/updates/

1980s

Oscar R. Miranda '80 manages the technical support section as a lieutenant with the Pima County Sheriff's department. lincoln485@aol.com

Alan Cohen MBA '83 is president of Superba Seafood, wholesalers and importer of gourmet seafood products in Tucson, Arizona.

Tom Toombs '83 is director of sales for Robert Bosch Tool Corporation in Louisville, Kentucky.

Justin F. McCarty III '84 is vice president of commercial banking for National City Bank in Toledo, Ohio. Justin.mccarty@nationalcity.com

Arturo R. Gabaldon '85 has been appointed general manager of the Community Water Company of Green Valley, Arizona.

Mark E. Mattis '85 is vice president of PM Realty Group in Los Angeles, California, a top 20 commercial property management firm headquartered in Houston, Texas.

James Tighe '85 is assistant controller for BD Medical Equipment in Franklin Lakes, New Jersey. James_g_tighe@bd.com

Max A. Koss '86 is director of international tax for Moore Stephens Doeren Mayhex Accounting in Troy, Michigan.

Pamela Gjertson MBA '89 is an audiologist for a private practice diagnostic hearing, electronystagmography and hearing aid dispensing company in Vero Beach, Florida.

Michael Staub '89 is an IT solutions consultant for Access Technologies in Naperville, Illinois. mstaub@onebox.com

1990s

Venkat Badinehal '92 is director of investment banking for Merrill Lynch in New York City, New York.

Joshua M. Jacoby '92 is client service manager for Fidelity Investments in Merrimack, New Hampshire, where he manages defined benefit plan relationships. jmj@joshuajacoby.com

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(Continued on page 22)

Profile

Whitler Exhorts MBAs

Kim Whitler MBA '91

Vice President of Marketing, PetsMart

“You have to differentiate yourself, create a unique reason for people to want to talk to you. You've got a great education from a great school but you have to face reality. Brand management companies recruit at brand name schools. If you're not from a top-10 you have to make yourself stand out to get your foot in the door.”

Kim Whitler returns to the Eller College annually to counsel MBAs aspiring to careers in brand management. Having landed offers from brand management legends Pepsi Co. and Proctor & Gamble she is in a good position to do so. “I tell them they have to go the extra mile,” she says. Whitler literally went the extra mile to get her Pepsi offer. When she learned Pepsi recruiters would be visiting ASU but not coming to Tucson, she called them to ask if they would talk to her if she would drive to Phoenix. They did. She credits Marketing Professor and MBA Director Chris Puto with opening the door at P&G. “He sent my resume and about thirty others, promoting us for internships.” She got one, and was given “the smallest hand” in a project working with Harvard interns who played the larger role. She spent the summer demonstrating that her attitude and work ethic were second to none and when she accepted their offer of full time employment one year later was given “the biggest hand” of all new P&G recruits.

Whitler stayed with Proctor & Gamble nine years, developing markets for their cleansing products in Eastern Europe and across Asia. She moved from P&G to a small catalog company and then back to big business as Aurora Foods' vice president and general manager for their \$1B breakfast lines. Today, as vice president of marketing at PetsMart's Phoenix headquarters, she is thrilled to be back in the Arizona desert and working for a company that “really cares

about pets and the people who love them.” A “crazy pet parent” to her toy poodle Squirt, Whitler has found harmony between her personal and professional lives. “Everybody around me loves pets as much as I do. More associates in our stores donate dollars to PetsMart charities than to their 401Ks. This is a shining star, a unique place to work. This company donates space, time, and money to making the world better for pets.” Doubled in size from 1998 to 2003, from a \$1.7B to a \$3B company, PetsMart is poised for greater growth. If its ability to attract world class people is any indication, great things lie ahead. “I love this company,” says its VP of Marketing, “it is my privilege to work at driving a preference for this brand.”

She calls it “a responsibility” to share the good fortune of her career with people preparing for theirs and the passion in her message is palpable. “I tell them, once you get in the door your job is to get the offer. Over prepare! Nine out of ten don't prepare at all. Visit their stores, talk to employees, look at their catalogs, get annual reports, go in with a full page of questions, show the diligence in your decision process. I recently interviewed candidates for VP-level jobs. One said he wanted to work here because the salary would give his family a better standard of living. The other said ‘This company excites me. You've doubled in size. I can help you grow more. You need me! Which one do you think I should hire?’” □



Kim Whitler

“I tell them

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Over prepare!
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News from Alumni

2000s

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Phil Villareal '00 is a film critic for the *Arizona Daily Star* where he interviews directors and actors and reviews movies and video games. prv78@hotmail.com

John P. Ash '01 is a commercial real estate agent with Grubb-Ellis in Tucson, Arizona.

Mustahid Hossain '01 is a team leader for power systems at General Electric in Bangor, Maine. He earned an M.S. in spatial engineering from the University of Maine in 2003 and is the author of ten scholarly papers and a book about his "funny and interesting" experiences at the UA as a foreign student.

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Profile

Kirchoff Embodies Enterprise

Paul Kirchoff, BSBA Entrepreneurship '93

Vice President, Marketing and Business Development, United Devices

Just as artists must express their inner vision, true entrepreneurs are compelled to be enterprising. Paul Kirchoff defines the type. In the decade since graduating with a degree in entrepreneurship, he has courted venture capitalists in Hollywood, led a zero-to-\$1B-in-eleven-months start up at Dell Computers, launched his own venture, earned an MBA and self-published a corporate thriller.

Always knowing he had "two sides, the artist and the entrepreneur," he also recalls his Flagstaff, Arizona childhood as leaving a social conscious in his heart. German on his father's side, Hispanic on his mother's, he was "...exposed to things other people weren't." Fair haired and light complexioned, he "...moved through life looking like the one world, while being part of both" and says, "It opens your perspective. You are majority and minority," seeing history, culture, and prejudice from both sides.

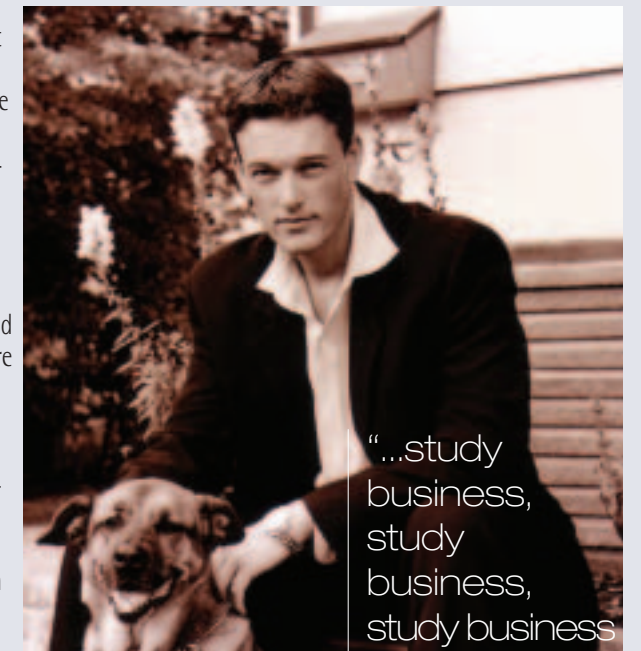
Art, heart and entrepreneur melded the summer before his senior year when he heard filmmaker Spike Lee tell an interviewer his first movie was financed by "maxing out my friends' credit cards." Filmmaking suddenly looked possible. The idea sent Kirchoff to the UA library and an industry friend to learn all he could about the art. The result was *Midnight Sunrise*, shot in the mountains south of Tucson, a 45-minute film about a black man and a white man who encounter each other from opposite sides of a lonely desert highway's center line. Premiered in the student union for an audience including the Wildcat basketball team and Tucson's mayor, the little movie won national attention and gave Kirchoff a focus. "I saw that this little piece of art required an entire business plan to produce. The fire was lit: study business, study business, study business...but practice art with a social voice. Investing in the artistic side you let yourself dream, while the business side helps you pick the dreams to pursue."

After graduating Kirchoff moved to LA, getting halfway to the \$16M bankroll for a new film before deciding he needed more business training. Completing his MBA at UT-Austin in 1996 he began a

four-year "fairy tale career" at red-hot Dell Computers where he was a ground floor player on Inspiron, a portable for consumers who want the latest technology.

"We devised a development model, the fastest introduction process in the industry, defined the market right, priced it right and it just exploded. Again I saw the power of imaginative leaps combined with business discipline." Leaving Dell he launched Yehti, a software venture whose architecture automatically transforms plain text emails into intelligent, interactive communications. Selling that in 2003, he joined United Devices, a producer of virtual super-computing grid software. But his desire to do something good for humanity is his current passion, embodied in his novel *Leapfrog*, a story of corporate greed and moral dilemmas in the cutting edge world of drug discovery.

Dedicated to the memory of his pharmacist father, *Leapfrog's* profits will go to helping find a cure for cancer. "Living both the best of the tech boom and the struggle after the bust gave me new clarity on what it means to leave a mark. Pouring my business skills into something where the metric isn't money, connecting to people for a cause, its addicting." Kirchoff's enterprise just keeps percolating. "This could be a business...*American Idol for Writers*...looking for the next big name...winners give their first book's proceeds to charity. I'm actually talking to potential investors...hearing real interest." Those interested in a good read and a good cause can reach Paul Kirchoff at www.kirchpandrews.com. □



Paul Kirchoff

"...study
business,
study
business,
study business

...but practice
art with a
social voice.
Investing in the
artistic side
you let yourself
dream, while
the business
side helps
you pick
the dreams
to pursue."

Profile

Davidson Manages Willcox

Gilbert Davidson,
BSBA Human Resources Management/BS Public Administration '98
MPA Public Administration '04
City Manager, Willcox, Arizona

Improving on the existing landscape is becoming the DNA of Gilbert Davidson's career, starting with his work as President of the Associated Students of the University of Arizona and now in his role as Willcox, Arizona, City Manager. Calling the student body presidency "hands down, the best possible

training" for a life in public leadership, he draws on its lessons of experience, "...the importance of adapting to your constituencies, of choosing your battles wisely, of figuring out what to make your cornerstone," as he works to leave Willcox with enhancements as tangible as those he left here.

Davidson made replacing the venerable, but dilapidated UA Memorial Student Union his presidency's cornerstone and before he left the university saw its doors open on a new, 405,000 square foot state-of-the-art facility. "Students were adamant about want-

Gilbert Davidson
ing a new union and at the time, it looked like the only way to finance its \$60M cost was a direct student fee," he recalls. The proposed fee, \$40 per student per semester, was put to a vote in fall, 1997 and soundly trounced. But what appeared a failure became the critical incident propelling the project forward. "It put the issue on the front pages of the state's newspapers and got administra-

tion's attention. They got behind it, devised a creative financing strategy to fund it and in the end, we not only built the Union but won students a greater voice in the University's operation. It was the first time students had been at the table on a major capital project." Davidson's work so impressed UA Senior VP for Business Affairs Joel Valdez that he created an assistant project manager position for him, giving him a lead role in the union's construction.

Invited to apply for the city manager job, Davidson says he never expected to land it but was delighted to try. He grew up in Willcox after his parents relocated from Phoenix to raise their family in a small community and says, "I always knew I wanted to come back, be part of making Willcox better." On June 10, 2002 he became its first native city manager in almost 30 years. "My goal is to move the community forward, build a solid foundation for competing to attract new families, new businesses." Initiating code enforcement and beautification projects, floating bond measures for utility systems and public safety facilities, seeking state and federal grants to offset taxpayer burden, Davidson daily applies his management education to civic development...and finds politics at the local level "fascinating." "Technically I report to the City Council but the public, hundreds and hundreds of citizens, gives me constant feedback. It's very personal, very direct. You hear immediately from your constituents." Leading change can be challenging among rural, western, individualists. "When we sought to establish business permits for the first time the apprehension was intense. One rumor circulated that the permits gave the city license to raid businesses." Cited as one of Arizona's twenty "young motivators" to watch in December, 2003, by the *Arizona Republic*, Davidson ticks off his lessons, sounding like a primer on leadership: recognize that dealing with people is the biggest part of any job; develop thick skin about people saying things that hurt; build alliances with opinion leaders; pay attention to your environment, and get out there, among the people. Pursue clear goals and know you will always have to adapt." □



"...recognize that dealing with people is the biggest part of any job; develop thick skin... and get out there, among the people..."

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Through its subsidiaries, Anthem provides health care benefits to more than 11.9 million people and is the fourth largest publicly traded health benefits company in the U.S.

He is an active member of the Eller College National Board of Advisors, has served the College as Executive in Residence, and is a frequent guest lecturer to both students and faculty.

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