Advancing Eller: The New Executive MBA and Other Innovations
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Schramm Coaches Eller Entrepreneurs
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CEO Terry Lundgren on Change
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FROM THE DEAN

When I first visited the Eller College a year ago, I immediately had the impression that this is a place where exciting things are happening.

That impression has only grown stronger in the months since I joined the College as dean in July. 2005 was a remarkable year for the evolution of the College, with major advances in the Eller MBA, Undergraduate Programs, the McGuire Center for Entrepreneurship, and more. And while 2005 was a great year, we can all look forward to even better things to come.

I’m honored to be a part of Eller’s continuing growth and thankful to all of the dedicated faculty and staff, alumni, and friends of the College who have made Eller what it is today.

Paul Portney
Dean

Let Us Hear from You
Please e-mail comments, questions, or feedback to progress@eller.arizona.edu.
Eller sharpens its focus on merging leadership and scientific expertise with the Salter Distinguished Professorship in Management and Technology.

In recent years, the Eller College has partnered with other colleges and the private sector to champion a growing class of graduates skilled in business and leadership as well as science and technology. The Salter Distinguished Professorship in Management and Technology adds new vitality to that initiative with support for research, programming, and scholarly activities that will encourage more students to bridge the gap between these historically disparate worlds.

UA alumnus Peter W. Salter, ’64, president of the Peter and Nancy Salter Family Foundation, funded the professorship in the spirit of an initial 2004 gift to the Eller College and the College of Engineering to support their burgeoning collaboration. His interest in supporting that partnership grew out of his experience working with interns from both colleges at Salter Labs, the company he founded in 1975. Salter’s belief in the marriage of management and technology also reflects his own success story. As president and CEO of Salter Labs, he has captained the creation of more than 150 medical care products and expanded the company’s operations to an international scale.

Salter holds 15 U.S. and worldwide patents and has additional patents pending. In addition to his venture into medical technologies, Salter built Success as one of the founders of Sierra National Bank, which later merged with Bank of the Sierra and today has branches throughout the San Joaquin Valley in California.

Salter Professorship Recognizes MIS Leadership

Mohan Tanniru (center), management information systems department head, holds the Salter Distinguished Professorship in Management and Technology created with a gift from Nancy and Peter Salter (pictured above). Peter graduated from the University of Arizona in 1964. He founded Salter Labs in 1975, a company that thrives on innovation by “Engineering Tomorrow’s Ideas into Products Today.” His accomplishments earned him the UA’s Distinguished Alumni Award in 2002. The Peter and Nancy Salter Family Foundation has given generously to the Eller College, as has Peter personally, serving on the College’s National Board of Advisors, teaching courses, and providing internships and full-time positions for Eller MBA students and graduates.

A Management and Technology Model of Success

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The McGuire Center for Entrepreneurship stands as one of the best in the nation, most recently ranked eighth by U.S. News & World Report and second by Entrepreneur magazine’s highly focused evaluations. Now, through an endowment from Jim Muzzy, MBA ’63, and his wife, Pamela, Eller entrepreneurship is preparing to climb to the next level of influence and accomplishment.

In January, the Eller College and The University of Arizona began a nationwide search to appoint the Jim and Pamela Muzzy Chair in Entrepreneurship. A tenured faculty member, the Muzzy Chair will serve as the executive director of the McGuire Center for Entrepreneurship at the Eller College and a leader in the College’s entrepreneurship research. Targeted research areas for the Center include knowledge transfer, venture capital financing and small business lending, entrepreneurial law, and intellectual property, to name just a few. Overseeing a combination of world-class instruction and research, the Muzzy Chair holder will help the Eller College become an even greater leader in the teaching and application of entrepreneurship.

Expanding that leadership role includes enhancing the way existing organizations can grow and operate entrepreneurially—an objective very much in line with Mr. Muzzy’s thoughts on the role of entrepreneurship in today’s economy. Pointing out the success of General Motors Corporation’s European operations—smaller, younger, and more agile than the company’s struggling U.S. operations—Muzzy underscores the importance of an entrepreneurial approach in any organization. “If an entrepreneur comes into a company and it’s too bureaucratic or regimented, that entrepreneur is going to leave,” he explains. “If you’re not entrepreneurial in today’s world, you’re going to be an also-ran.”

Build Community

Jim Muzzy and his wife Pamela both majored in business at The University of Arizona. Jim is a founder and managing director of PIMCO, operating out of the company’s Newport Beach, Calif. offices. With more than $800 billion in assets under management and 800+ employees, PIMCO is one of the largest fixed-income managers worldwide. The company prides itself on staying at the forefront of the industry, pioneering solutions, and maintaining a management structure that allows it to respond quickly to an ever-changing global environment.

While the couple gives generously to education, they also direct their charitable support to other areas: the arts, healthcare, and programs for the homeless and underprivileged. All of these, Pamela explains, are essential. “My husband and I have been very fortunate, so we feel it’s important to give back in ways that make our community better for future generations.”

Where Leadership and Innovation Unite

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Eller College programs in management information systems (MIS) fourth in the country. Eller is among only five schools to maintain this top-tier status since U.S. News began ranking the discipline in 1989. With that track record, it’s not surprising that the work of our MIS faculty draws recognition from far and wide.

Student-Driven Change
The Student Empowerment Conference taps the nation’s top achievers to brainstorm solutions to challenges in education.

Seventy students and administrators from 15 of the highest-ranked public undergraduate business programs collaborated at the Eller College in November to create initiatives to take back to their schools. 2005 marked the first year that the Eller College hosted the event, which has always convened at McCombs School of Business at The University of Texas at Austin, where it originated.

Marketing seniors Jordan Miller and Sarah Armand co-chaired the conference committee. Miller lauded participants for their level of involvement. “The students all seemed to genuinely want to make a difference in their schools.” Miller said. “They had real concerns, but also great ideas to improve their colleges. The conference was successful not only because of the content of the program, but also because the delegates were truly excited to be a part of it.”

While the attendees looked at a number of challenges in education, they identified building better relations between students and faculty as a top priority. Initiatives the students and administrators brainstormed to address this challenge — for example, competitions involving both faculty and students — will be piloted at schools across the country this semester.

Terry Lundgren Contributes
Executive Expertise
Terry Lundgren (right) — UA alumnus and president, chairman, and CEO of Federated Department Stores (May’s, Bloomingdales, and others) — gave the keynote talk at the Student Empowerment Conference in November. Lundgren addresses innovation, growth, and change in this issue’s Last Word feature on page 24.

IRS Honors Lillian Mills for Contributions to Tax Compliance
Lillian F. Mills, associate accounting professor and Stevie Eller Accounting Fellow, was recently presented with the Commissioner’s Award from the Internal Revenue Service Large and Mid-Size Business Division, the highest award the Division bestows. The honor recognizes Mills’ work on the task force that created Schedule M-3, the IRS tax form aimed at greater transparency in reporting the differences between tax-able income and financial accounting income for large domestic corporations. The M-3 debuted last August, replacing the M-1 form for these organizations.

Mills became involved in the joint IRS/Treasury task force on the heels of research that earned her the Deloitte Wildman Medal from the American Accounting Association. Her award-winning paper, co-authored with George Plesko of the University of Connecticut, detailed the inadequacies of M-1 for large companies and the disparity between their book and taxable incomes.

Mills has consulted with the Treasury since 1997. In addition to appearing in academic and industry journals, her work has been reported in The Economist, Forbes, and The Wall Street Journal. Before joining the Eller College, Mills was a tax senior manager with Price Waterhouse.

National Academy of Public Administration Inducts Brinton Milward
Associate dean and director of Eller’s School of Public Administration and Policy, H. Brinton Milward, McClelland Professor of Public Management, was recently elected a fellow of the prestigious National Academy of Public Administration (NAPA). NAPA provides advice on issues of governance and public management to government leaders at every level domestically and internationally. As part of its 1967 congressional charter, it conducts in-depth research, forums, congressional testimony, and executive briefings. The independent, non-profit corporation’s current work includes initiatives related to HIV/AIDS in Sub-Saharan Africa, homeland security, and a potential restructuring of the National Science Foundation.

Milward is best known for his research on the “hollow state,” circumstances in which extended networks of private firms and nonprofit agencies jointly deliver social services. His recent research on “dark networks” has been widely cited for its applications to understanding the network qualities of terrorism, human trafficking, drug smuggling, and other illegal activities. This spring, Milward will give talks on dark networks at the University of Southern California, Harvard University, and the Naval Postgraduate School.

The Eller College thanks the sponsors of the Student Empowerment Conference: Federated Department Stores, Vanguard, Enterprise Rent-A-Car, GEICO, Cintas, Pepsi, and Starbucks

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Collaborations and Community Education Promote Public Service with a Management Edge

Efficient and Effective Government
When you think “government,” what do you picture? Black-suited men and women running around Capitol Hill?

In fact, 53 percent of government employees are at the local level, and they almost all have one thing in common: “Everywhere in the country we’re hearing the same call,” says Paul Melendez, lecturer in Eller’s School of Public Administration and Policy (SPAP) and Southwest Leadership Program director, “the need for efficient and effective local government.”

“Effective” and “efficient” are adjectives often associated with business management more than public service, a fact that ideally positions SPAP — housed within the Eller College of Management — to play a leading role in broadening the skill sets of public administrators through the College’s Southwest Leadership Program for public-sector and non-profit professionals.

With a newly revised curriculum and format, the Program still draws on both academic experts and experienced practitioners for faculty, but now delivers their combined knowledge in a single, concentrated week of learning.

Changes in the curriculum also reflect the fact that the public sector operates more and more like the private sector. The new sector operates more and more like the private sector. The new

Albert Elias, director of Tucson’s Department of Urban Planning and Design and a recent graduate of the Southwest Leadership Program, admits he was initially skeptical about the value of the program. “Once there, however, he was impressed by the quality of presenters, who transformed what at first seemed like it might be familiar subject matters. The cohall of his classmates added a whole other dimension to the program, Elias notes. “I knew right away that these were all experienced, high-performing people,” he explains. “The relationships you develop with the other participants are among the best aspects of this program.”

Wider Networks, Broader Knowledge

The U.S. justice system doesn’t work. At least not well enough, according to Roger E. Hartley, assistant professor in the School of Public Administration and Policy: “There are a number of alternative justice programs entering our justice system right now because judges, attorneys, and others feel the current system is ineffective with certain offenders.”

Working with a grant from the National Science Foundation, Hartley has partnered with Linda G. Mills, vice provost and professor of social work at New York University, to explore the outcomes of one of these alternative systems: peace circles.

While traditional systems rely solely on the government for “corrections,” the peace circle model creates a group of volunteers in the offender’s immediate community — family, religious leaders, friends, doctors, etc. — to work with the offender, victims, and supervising public officials to determine appropriate sentencing. Their goal is not only to make the offenders atone, but also to reintegrate them into society. Each circle relies on a wide variety of organizations — public, private, and non-profit — to accomplish these objectives.

“What this program does is widen the network of justice to community resources,” Hartley explains. And there’s the rub. Public administrators in this kind of model need a number of skills on top of public policy expertise. They need to be able to identify and leverage resources, build partnerships across organizations, manage funding, and more. In short, they need to be expert managers as well as expert public administrators.

“These programs require something other than traditional judges or prosecutors,” Hartley points out. “Our students will be dealing with courts that are much more connected with other agencies. They need to be prepared to operate effectively in that environment.”

Partnersing to Advance Healthcare Leadership

The outstanding success of the flagship Arizona Healthcare Leadership Academy program has led the Eller College, the College of Nursing, and the Arizona Nurses Association to launch a second-tier advanced program.

With funding from a second Arizona Hospital and Healthcare Association grant, the tier-two initiative has been designed for more experienced healthcare professionals and those currently working as managers and administrators.

For information on the Arizona Healthcare Leadership Academy, visit www.azhealthleadership.org.

Award-Winning Research Analyzes Networks in Border Health Services

Public service agencies seeking grants today need to do more than show how well their organizations perform. They also need to show how well they cooperate. The change in grant requirements reflects a broad, ongoing trend — government, the private sector, and non-profit agencies working together more and more to jointly deliver services.

“The environment has changed,” explains Keith Provan, Eller professor in the Department of Management and Policy and the Mel and Enid Zuckerman College of Public Health. “The goal is to increase community capacity. Resources are scarcer and the demand for services is greater. There’s outside pressure to collaborate.”

That need to collaborate is at the heart of the study that recently earned Provan and co-researcher Mark Veazie of Indian Health Service in Flagstaff, Ariz. the 2005 Brownlow Award from Public Administration Review for the best article by a practitioner or practitioner–academic team.

In the article, “The Use of Network Analysis for Strengthening Community Partnerships in Health and Human Services,” Provan and Veazie use network analysis tools to illustrate how Southwest border communities and organizations tended to overestimate their collaborations. Giving these communities a realistic snapshot of their current networks is a first step in identifying ways to make those networks stronger.

Nurses and other healthcare professionals throughout Arizona sharpen their management skills at the Arizona Healthcare Leadership Academy.

Keith Provan partnered with Mark Veazie of the Indian Health Service in Flagstaff, Ariz. and UA College of Public Health professors Lisa K. Stasen and Nicolette L. Deuel-Shane to study health services networks in border communities. Their research was honored with the 2005 Brownlow Award.

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Eller Economists Forecast a Booming 2006

Boom. That’s the word Marshall Vest, director of the Economic and Business and Research Center (EBR), used to describe Arizona’s current economy to more than 700 people at the twenty-fifth annual Economic Outlook luncheon in December 2005.

Joined by Dean Paul Portney and Gerald Swanson, Thomas R. Brown Chair in Economic Education, Vest predicted that consumer spending will scale back in 2006, but losses will be offset by increased corporate spending.

Meanwhile, Arizona’s housing economy continues a steady climb, with Phoenix and Tucson scoring some of the highest growth rates in the country.

EBR’s outlook also indicated growth in manufacturing and noted that recent investments in biosciences have put Arizona “on the map” in this coveted field.

So what should Arizonans worry about? Beyond the state’s borders, the same economic monsters loom on the horizon: the solvency of Social Security, Medicare, and Medicaid, ballooning federal budget deficits and health care costs; and dependency on foreign money to finance America’s debt. None of these issues will be solved easily, but Arizonans can be thankful that—at least in the near future—they’re relatively free of local economic snags.

Arizona Housing Prices Play Catch-Up

Housing prices continue their upward surge in Tucson and Phoenix, both riding the wake of preceding swells in Los Angeles, then Las Vegas.

Save the DATE

The University of Arizona Executive of the Year Award Luncheon
Friday, March 10, 12 p.m. at The Westin La Paloma Resort & Spa, Tucson
The University of Arizona honors J. E. Press, President and COO of Toyota Motor Sales, U.S.A., Inc. as one of the nation’s most exceptional business leaders. Driving U.S. operations for a primary force in automotive innovation, Press is taking Toyota—and the auto world at large—to new horizons. Guests may purchase individual tickets for $60 or a table of 10 for $600 and may choose to donate seats for student attendees. For information, visit www.eller.arizona.edu/eoy.

Leadership Speaker Series
5 p.m. at McClelland Hall
March 23: Patrick Khuse, Business and Ethics Speaker/Consultant
March 30: Lloyd Sydney, Director of Human Resources, Bourne Partners, LLC
April 7: Mark Lapman, President and CEO, Independence Investments
April 13: Jay Geldmacher, President, Astec Power

Mid-Year Economic Update
Wednesday, June 7, 7:15 a.m. at the Doubletree Hotel, Tucson
Presented by the Economic Business and Research Center, this annual event offers a mid-year look at Arizona’s economy. Reservations required. For information, visit www.eller.arizona.edu/outlook.

Eller and Engineering Exemplars

The Eller College and College of Engineering honor leaders in management and technology.

With greater collaboration every year, The University of Arizona’s College of Engineering and Eller College of Management are shaping the next generation of leaders, a cadre of managers and scientists with both business acumen and technological expertise.

In December, the Colleges for the seventh year honored individuals who exemplify the potential of enterprise built on these combined skills at the 2005 Technology and Management Awards Luncheon.

J. Steven Whisler was recognized as The University of Arizona’s Technology Executive of the Year. Chairman and CEO of the Phoenix-based Phelps Dodge Corporation, Whisler leads a Fortune 500 company that employs 15,000 people in 27 countries and produces some 2.5 billion pounds of copper annually.

The awards ceremony at The Arizona Biltmore Resort & Spa also recognized five other outstanding role models for students of business and science.

J. Steven Whisler
Chairman and CEO of Phelps Dodge Corporation
The University of Arizona Technology Executive of the Year

Donald V. Budinger
Chairman and Founding Director of The Rodel Foundations
College of Engineering Distinguished Service Award

Patricia Winter
Former President of The Magheramorne Foundation
College of Engineering Distinguished Service Award

William D. Mensch, Jr.
President of Western Design Center
College of Engineering Lifetime Achievement Award

Bruce T. Halle
Chairman of Discount Tire
Eller College Lifetime Achievement Award
In the last issue of Progress, Patrick Jones, director of The University of Arizona Office of Technology Transfer, ended the magazine with a pointed summation of what it takes to succeed in technology transfer: it’s evolve or die.

The same can be said for colleges and universities, and 2005 was a year of remarkable evolution at Eller. The College launched the Eller Executive MBA to serve the fastest-growing segment of graduate management students. At the same time, Eller forged new dual-degree programs combining an MBA with graduate degrees in science and technology.

Undergraduate Programs piloted a sea-change in the curriculum for first-year professional students with the Core Project requirement, integrating coursework in line with real-world business challenges. The Honors Program also ratcheted up curricular return on investment with MBA-like field projects.

Add to these innovations the College’s first national case competition, new courses, new conferences, and more, and you have a red-letter year of educational change from which students emerge bolder, brighter, and better prepared.

A year of evolution at the Eller College takes students to new heights in experience, confidence, and expertise.
A NEW WAY TO AN MBA

With a curriculum constructed from the ground up, the Eller Executive MBA offers regional leaders a distinct choice in graduate management education.

What It Takes to Succeed

Everywhere in the world firms compete like never before. To succeed, organizations need to be smarter, faster, and more agile than ever. Within those companies, executives had better clear that same bar if they’re going to effectively lead the legions of eager and educated professionals who are today’s rank and file and tomorrow’s top brass.

To help meet the need for this specialty segment of MBA education, the Eller College launched the Eller Executive MBA program in 2005—a program unlike any other in the region. Several elements set the Eller EMBA in other programs throughout the region. The Eller EMBA begins in Phoenix this August.

A Curriculum Mapped to Needs

But the heart of the program—and the innovation that truly sets the Eller EMBA apart from other EMBA degrees—is the curriculum. In creating the Eller EMBA, the College’s leadership identified critical management knowledge sets. Next, they looked at the MBA body of information and broke it down to its fundamental elements—units of knowledge from all the traditional MBA disciplines, like finance or marketing. Finally, they combined those fundamental elements not into courses mapped to departments, but mapped instead to those critical management knowledge sets.

The resulting modules deliver information in the way that working executives need and use it—exploring how to build knowledge management into business processes, for example, or grow an enterprise through a customer-centric approach. At the same time, they more efficiently integrate that knowledge, pushing participants to learn as much or more compared to other programs, but in a shorter amount of time.

Accelerating a Two-Year Degree to 14 Months

To achieve a 14-month span, the Eller Executive MBA bypasses some of the most basic components of the MBA knowledge set. It also packs an extra eight hours of class into the month as compared to the full-time program, even though EMBA classes meet only every other Friday and Saturday every other week with participants staying on site overnight.

Through a distinctive, integrated curriculum taught by experts from both the academic and experiential worlds; unlike other programs, the Eller EMBA deconstructs the traditional MBA curriculum and combines its vital elements, not into courses built on topics like “marketing” or “accounting” but into modules around real-world issues like “The Competitive Landscape and Fundamentals of Strategy.”

To achieve a 14-month span, the Eller Executive MBA takes

innovation by breaking down the MBA body of information to its fundamental elements and mapping them to critical management knowledge sets. This approach ensures that participants learn as much or more compared to other programs, but in a shorter amount of time.

A NEW WAY TO AN MBA

With a curriculum constructed from the ground up, the Eller Executive MBA offers regional leaders a distinct choice in graduate management education.

What It Takes to Succeed

Everywhere in the world firms compete like never before. To succeed, organizations need to be smarter, faster, and more agile than ever. Within those companies, executives had better clear that same bar if they’re going to effectively lead the legions of eager and educated professionals who are today’s rank and file and tomorrow’s top brass.

To help meet the need for this specialty segment of MBA education, the Eller College launched the Eller Executive MBA program in 2005—a program unlike any other in the region. Several elements set the Eller EMBA in other programs throughout the region. The Eller EMBA begins in Phoenix this August.

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Casting a Wide Net

In January, billboards, newspapers, radio articles and spots announced the Eller Executive MBA’s move into Phoenix, Ariz. Viable participants—professionals in high-level leadership roles—are dispersed throughout the Southwest, explained associate dean Brent Chrite, director of Eller MBA programs. Offering the Eller EMBA in Phoenix creates a more accessible education option for this distributed talent base—an option distinct from other programs throughout the region. The Eller EMBA begins in Phoenix this August.

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THE ELLER EMBA AT A GLANCE

WHO: Designed to serve high-level leaders and accomplished professionals

WHAT: An Executive MBA program delivering two years of management knowledge in just 14 months

WHERE: Phoenix yearly; Tucson every other year

WHEN: The program starts at the end of August and continues through the beginning of November, approximately 14 months; classes typically meet Friday and Saturday every other week with participants staying on site overnight

WHY: To support national growth and leadership in an increasingly competitive global economy

HOW: Through a distinctive, integrated curriculum taught by experts from both the academic and experiential worlds; unlike other programs, the Eller EMBA deconstructs the traditional MBA curriculum and combines its vital elements, not into courses built on topics like “marketing” or “accounting” but into modules around real-world issues like “The Competitive Landscape and Fundamentals of Strategy.”

Innovation Project

The Innovation Project marks another distinctive element of the Eller EMBA curriculum. Think of it as the entire EMBA faculty and class acting as an extended consulting team for a company project you spearheaded.

All EMBA participants define significant projects to complete for their organizations—objectives on the scale of creating a merger and acquisition plan or analyzing the profitability of a business unit. They then complete those projects within the program, applying relevant knowledge as they progress through the curriculum modules and drawing on the experience and expertise of not only faculty but also class peers.

Learn More

Professionals interested in the Eller EMBA can learn more and register for information sessions at www.EllerEMBA.com or by calling (888) Eller-EMBA (355-3762).
The Eller College has long recognized the value of combining business and management studies with other fields. Increasingly, the College has focused growth in this area along paths of science and technology as the basis of corporate value shifts from tangible property to intellectual property.

In 2005, the Eller College launched the first of a series of dual-degree offerings forged under the direction of Amar Gupta, Thomas R. Brown Chair in Management and Technology, aimed at creating business leaders with a deep understanding of technology and the management skills to effectively leverage knowledge assets in that area.

IBM and other organizations will sponsor participants in the program beginning in 2006.

The first three of these dual degrees combine an MBA with master’s degrees from the Colleges of Science, Engineering, and Optical Sciences. Kate O’Toole had already enrolled to pursue a master’s in Electrical and Computing Engineering (ECE) when she signed on for the MBA + ECE dual degree. As an intern, she had observed managers who supervised scientists but lacked science expertise themselves. “There are a lot of good engineers who are bad managers, and good managers who don’t manage engineers well,” she explains. The problem: business leaders who couldn’t distinguish the most vital contributors, assess the complexity of technological issues, or reasonably project the time and resources needed to overcome them.

At the highest level, the dual-degree program aims to accelerate innovation. In a knowledge-based economy, successful organizations build on intellectual property the way industrial-era giants combined mortar and steel. That means recognizing new applications for technology, assessing their viability, and taking them to market. These aren’t skills you learn in the lab. But then again, not many VPs can unravel a DNA sequence or talk computational linguistics over lunch.

ENTREPRENEURSHIP COMPONENT

With the big-picture goal of accelerating innovation, the new MBA + Science dual degrees are the first worldwide to incorporate entrepreneurship education as an integral part of the program.

Students complete part of their entrepreneurship education in the classroom. Extensive feasibility analyses on the technologies explored in their theses serves as the second part of the entrepreneurship experience as students spend a summer exploring ways in which those technologies could be applied in business ventures.

For the final component of the experience, each student spends 100 hours evaluating an entrepreneurial firm along 12 business dimensions.

Uniting Management and Technology

For information on the Eller MBA + Science dual degrees, contact DualMastersMBA@eller.arizona.edu.

ELLER ENTREPRENEURSHIP TAKES INNOVATION IN-HOUSE

Entrepreneurship is fundamentally about recognizing and capitalizing on opportunity. So when Sherry Hoskinson, director of the McGuire Center for Entrepreneurship, saw an opportunity to make an already top-rated program even better, she seized it, evolving a new model for Eller entrepreneurship.

With a changing economic environment, the outside professionals who traditionally taught curriculum and mentored teams were increasingly active in concurrent ventures, unable to give the time and commitment needed in their critical program role. At the same time, the roles of developing curriculum and teaching it were effectively separate.

“Every year we were adding program management to stay in that model because that’s how entrepreneurship education had always been done,” Hoskinson explains.

Not any more. Evolving the entrepreneurship program beyond tradition, the McGuire Center model is built on three foundations:

Mentors-in-Residence

This new role integrates the two simultaneous paths of the program: classroom learning and venture development. Now, the faculty who develop curriculum teach it, and so know it inside and out. They also serve as primary mentors for all the venture teams, bringing in outside mentors for niche roles in technology, communications, and investment. One of the biggest challenges of entrepreneurship education is that all ventures are different and all progress at different rates at different times. Because the faculty who develop the curriculum now teach it and mentor the teams, they can calibrate class work to each team’s current progress and move those teams forward effectively.

The Idea Path

Because every venture is different, teaching entrepreneurship by conventional methods would require a different textbook for every team. Hoskinson and the McGuire Center team now meet this challenge with The Idea Path, a construct for the phases of any innovation, new business, or otherwise. Serving as a roadmap to venture development, The Idea Path ensures that ventures mature consistently even while they mature at different rates.

Venture Benchmarks

Ten benchmarks identified by the McGuire Center team function as building blocks that combine to create the stages of The Idea Path. Teams must “test out” of each phase before moving to the next. They pass that test by having met the benchmarks relevant to that stage of the process. No team can begin, for example, the Validation Phase of The Idea Path — identifying competitive advantages, barriers to entry, etc. — before they meet the three benchmarks of the Innovation Phase: identifying a concept and its opportunities, due diligence behind it, the new model for entrepreneurship education created in 2005 was, indeed, successful. “Entrepreneurship is a highly ambiguous discipline with a lot of opportunities for disconnects,” Hoskinson says, adding with a smile, “This model sews up all the gaps.”

In 2005, Sherry Hoskinson became director of the McGuire Center for Entrepreneurship, advancing from her former role as associate director when Gary Libecap stepped down after 21 years of leadership. The Eller College is actively seeking an executive director — see the story on the Muzzy Chair on page 3 — who will bring research expertise to Eller entrepreneurship.
PUTTING KNOWLEDGE TO WORK

Core Curriculum Integration and Honors Field Projects give Eller undergraduates new opportunities to put their education to the test.

Connecting the Dots in Business Education
Remember word problems from high school math? You have $20 and need to get across town 20 miles as quickly as possible. Taxis cover half a mile a minute at $1.00 per mile, while shuttles average 15 mph at $1.00 per mile. Most students groaned, but word problems operate on a basic tenet of education — we learn better when we see how that knowledge applies in a meaningful context, connecting the dots between school and life.

Curriculum Integration Project connected learning from required classes in accounting, business communication, management and policy, and marketing. Working in cross-class teams for the span of the first semester of their senior years, students created new venture business plans. The projects culminated in not only the written plans, but also presentations to panels of judges from outside the College play – poster displays for the Core Project Expo and competitive oral presentations to judges from the College.

The Core Project was the result of feedback from students asking for ways to better integrate their studies. A team of faculty working with learning technologies manager Veronica Diaz identified business plan development as a process that links critical elements from various disciplines.

Thus, the marketing component of the project was evaluated, in part, on tasks such as identifying target markets, detailing a strategy for segmenting those markets, and reporting on market research. Creating pro forma statements drew on accounting skills. Organizational charts and leadership strategies pulled management and policy into the mix. Business communication instructors evaluated the plan itself, the logical development of information, organization and clarity, style and tone.

The excitement of 400 juniors filled McClelland Hall as they presented their semester-long work at the Core Project Expo in December. “This is the culmination of student initiative and faculty collaboration,” said Pam Perry, associate dean and director of Undergraduate Programs. “The student enthusiasm and the quality of these projects suggest that course integration is working.”

Core Project Expo
The entire class of first-semester juniors — some 400 students — proudly presented months of work at the first Core Project Expo in December. The business plans on display — ranging from multi-functional ATMs to a Phoenix-Tucson light rail system — were the culmination of a pilot that began the previous fall. Each of the 12 teams worked with corporate mentors to develop innovative proposals for businesses that would benefit from the students’ creative thinking.

The students’ challenge: to redesign a box for one of its products. Sound simple? It’s not, something the team members quickly learned as they studied transportation, packaging and energy with 95 teams!

The students worked with learning technologies manager Veronica Diaz and her business communication and accounting instructors. The Core Project was the result of feedback from student focus groups asking for ways to better integrate their studies. The projects culminated in not only the written plans, but also presentations to panels of judges from outside the College playing the roles of investors.

Mentors Add Real-World Insight
The first Core Curriculum Integration Project didn’t just link up classes to give students a sense of how what they’re learning might apply in the real world. It went a step further and secured professional mentors to work with all the teams.

The Eller College sends a special thanks to Sharon O’Brien and these 12 alumni — brokers, teachers, entrepreneurs, company presidents, and more — for volunteering their time and energy with 95 teams!

Jennifer Andrews MBA ’02
Marisa Aragon MBA ’05
Steve Erickson ’05
Kevin Fitchmeyer ’05
Travis Hamon ’02
Clayton Hubis ’05
Carolyn Kraus MBA ’04
Lea Marquez-Peterson ’92
Matt Mertel ’97
Jason Nolander ’85
Tracy Rubayjanes ’00
John Sparks ’03

Honors Field Projects
Left to right: Honors students Jennifer Lipski and Christine Andrews (seniors) with Jessica Hardee and Brett Major (juniors) at a booth showcasing outcomes of the pilot Honors Field Projects. Second-year MBA students — who had already completed their own field project consulting — mentored each of the 12 teams, Randy Accetta, business communication adjunct instructor, conceived the projects and collaborated with Eller Exchange program manager Tammy Farris to recruit local organizations for the consulting projects.

Honor Consultants Wow Real-World Clients
“This is the first class where we’ve been able to do this. To me, this is as good as any internship I’ve had — probably even better because of the creative power you give us.”

Those were the words of Daniel Shlossman, marketing senior, addressing the leadership team of Solar Industries, one of the companies that hosted student consultants during Eller’s first semester of Undergraduate Honors Field Projects last fall.

Solar Industries is a growing manufacturer of skylights and mirrored doors. The students’ challenge: to redesign a box for one of its products. Sound simple? It’s not, something the team members quickly learned as they balanced issues concerning the size of the box, how it’s displayed in stores, how different distributors’ racks are designed, how easily the product can be transported, and whether or not it will get mashed in transit. Then there are costs — costs that fluctuate widely based on small design details. And there are the design details themselves — some vendors recognize value in packaging design and will pay for it. Others won’t.

The challenges didn’t daunt the Eller Honors students. They energized them.

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That energy and enthusiasm, as much as the marketing skills the students brought to the table, made the project an incredible success, according to Brad Thompson, national sales manager for Solar Industries. “The company was founded on youth and energy — we’re getting old,” Thompson joked.

Kidding aside, Thompson and the rest of the Solar Industries team, including owner Don Medoff, took the project — and the students — very seriously.

When the students and the Solar Industries team had finished discussing the final box design in the project’s culminating presentation, Medoff took the discussion to the next level. “I’m looking to build a bigger relationship,” he said. “I know that the key to business is young people like this.”
INTEGRITY ON A NATIONAL SCALE

Eller’s 2005 National Ethics Case Competition challenged students from 13 U.S. universities to integrate principles and profit.

It’s true that “integrity” was the word most looked up on Merriam-Webster’s Online in 2005. But with execs from WorldCom and Tyco convicted and a widening wake of unease rippling from the guilty pleas of Capitol Hill’s leading lobbyist, it’s easy to believe that ethical leadership is just a quaint idea, long dead if it ever existed.

The Eller College is working to change that.

In October, the College hosted the National Ethics Case Competition — the evolution of last year’s regional competition and a new high point for the College’s E-egrity (Eller Integrity) Initiative, which promotes ethical business, decision-making, and personal conduct. Competing students took on the roles of executives at a construction company faced with an all-too-common dilemma: whether or not to follow the competition and use illegal labor to lower costs. Ingenuity was pushed to the limit as teams weighed social, legal, and political heat against a seemingly fatal competitive handicap.

Judges gave top honors to Eller undergraduate students Julia Joens and Spencer Mosness, both economics seniors, outperforming co-finalists from Oregon State. Their winning solution eschewed using illegal labor and focused on cultivating an alternative labor force from marginalized populations, tapping government grants for training programs and government-funded business development incentives to offset extra costs.

“We wanted to find a way to avoid taking the easy way out,” Joens said, explaining the extensive research that laid the foundation for their catalog of creative solutions. “It wasn’t an option to bankrupt the company, so we had to find a complete and viable solution.”

Next year, the growth of the event continues as Eller expands the Ethics Case Competition to include international teams. “Our namesake, Karl Eller, has always emphasized the importance of integrity in business,” said Dean Paul Portney. “That legacy has become a defining element of our programs, so it’s fitting that we take a leading role in education with this competition.”

In Memoriam

Lewis C. Murphy, former mayor of Tucson, died on December 1, 2005, at the age of 72.

Murphy graduated from The University of Arizona with a bachelor’s degree in business administration in 1955. Completing three years as a pilot in the U.S. Air Force, he returned to the University to earn a law degree in 1961. After successful careers as a private lawyer and then trust officer, Murphy became Tucson’s city attorney in 1970.

Murphy will be remembered as a model statesman and effective leader, presiding over the City of Tucson as mayor from 1971 to 1987, during which time the city swelled by some 120,000 residents and nearly doubled its area. Murphy’s tenure as mayor saw him tenaciously pursue and succeed in passing many initiatives, not least of which was his leading role in establishing Tucson’s permanent Community Food Bank, an organization to which he continued to give his time and energy for 12 years on the Board of Directors after leaving city government.

Legislators and council members who worked with Murphy have described him as “a force of nature” — politically moderate, but bold, driven, and devoted to the city he dearly loved.
A Legacy of Love

Albert Makkay, BSBA ’61, Marketing

When dean Paul Portney announced that Al Makkay would receive the Leo B. Hart Humanitarian Award at the 2006 Homecoming alumni awards ceremony, he expressed a hope that students in the audience might go on to become the Al Makkays of the future. Certainly the world will be a better place if that hope is realized.

Makkay’s legacy began humbly. Lacking money for college, he joined the service to take advantage of the G.I. Bill. It helped, but he needed to work to make ends meet. Despite two jobs and a heavy course load, Makkay still made time to give back to his community: As a student, he became involved with the Beacon Foundation and helped build the first Boys Club of Tucson.

That effort was an early indicator of what would become a lifetime of service. For years, Makkay has worked with Korean War and Vietnam veterans, efforts that earned him the Crystal Award, the National Association of Broadcasters’ highest award for community service. But Makkay’s work on behalf of veterans makes up only a part of his and his wife Maureen’s philanthropy, which includes building playgrounds for children, establishing high school scholarships, and giving to hospitals. More recently the couple has worked to change lives in Honduras where children were unable to attend school for lack of proper clothing.

The Makkays bought the families sewing machines and fabric so that the mothers could sew.

“The more you give, the more you get back.”

Facing the next hurdle, lack of transportation, they bought buses. When the distance proved too far for all students to travel, they built a dormitory. Other efforts in the community helped forge a soymilk cooperative and establish programs to improve diet and nutrition.

Despite the magnitude of the transformation, Makkay references it unpretentiously. “The more you give, the more you get back,” he says. “I honestly believe that.” That same modesty surfaces when asked what in his life he is most proud of. His answer isn’t any of the aforementioned accomplishments. It isn’t launching the first rock station in Cape Cod and going on to build a broadcast network that pulled in $32 million when sold two years ago. It isn’t his world travels covering now 135 countries, nor his and his wife’s recent induction into the Sovereign Order of Malta, an ancient Catholic organization comprised of only 12,000 members worldwide, all working for social justice and aid.

Instead, he answers without hesitating, “My family.”

Maureen Makkay, a teacher, joined her husband in radio when they moved to Cape Cod. The couple met in Tucson in 1962 and were married five months later. They raised a family of three, and while many kids prefer to keep a time zone or two between them and their parents, the Makkay’s children — Allison, Albert, and Colleen — all decided to leave successful careers and bring their MBAs to work with their parents in building their broadcasting dream. Even today, the entire family lives in a few-mile radius, ensuring that Al and Maureen have plenty of time with their six grandchildren.

“I’m very thankful to have the family I have,” Makkay says. “My wife moved around a lot as I went where the jobs were. My kids were ‘radio brats’ — always moving like a military family. And when they decided to join the business, they were potentially giving up a lot.”

The secret of their achievement working together as a family? With candor and sincerity, Makkay sums it up simply: “It’s a lot of love.”

From Marshmallows to Mars

Tamsin Campbell, MBA ’92

To microbes, a few molecules of H2O look like a great place to raise a family. It’s aspirations like these that keep Tamsin Campbell in business.

As president and CEO of Decagon Devices, Inc. — a company her father launched in 1983 — Campbell, MBA ’92, helps steer the technology that has won the company the business of 80 of the top 100 food companies when it comes to ensuring that products are safe from bacterial growth.

Decagon’s edge in the market stems in part from their focus on measuring “water activity” in foods — jerky, marshmallows, bread, or just about anything that isn’t powder dry — rather than water content. Think of water activity as bachelor and bachelorette water molecules. While some water molecules are bound to salts and chemicals, others fly solo. It’s these freel-wheeling water molecules, the ones that microbes need to grow, that matter. Thus, every food recipe has a different level of safe moisture content, but every recipe has the identical level of safe water activity.

Decagon’s instruments that quickly and accurately measure the latter help companies save big on time and money in food development and quality control.

While Campbell lives and works in Pullman, Wash. in the beautifully idyllic region known as The Palouse, Decagon has its sites on a distant target. The company will travel to Mars with a specially designed probe incorporated into the Phoenix Mission rover that will land on Mars in 2007. Stuck into a scoop of Martian soil, the probe will report any presence of unfrozen water. If found, it would be the first indicator that Mars could potentially sustain organic life — and that’s the kind of work that doesn’t just go down on a resume; it goes down in history.

Getting What You Want, And Wanting More

Augusto Sasso, MBA ’98

A job in investment banking is no easy score. But when Augusto Sasso set out to get a job with Donaldson Lufkin & Jenrette (DLJ), the company was in the middle of an acquisition. He worked out his own financial model for the transaction and made repeated trips to DLJ to get it seen. He loitered by elevators. He tracked down e-mail addresses. He was, he admits, a stalker, but it worked.

For the next six years, Sasso lived his dream career from DLJ’s Los Angeles offices. But 120-hour weeks and traveling 300,000 miles a year didn’t lend itself to a growing family, a fact that ultimately led Sasso to Manhattan Beach, Calif. to become a founder and managing partner of Preservation Partners Development (PPD). He still flexes his finance prowess, but now for low-income families. PPD buys and rehabilitates affordable-housing properties, and that’s where his expertise comes into play — creatively building finance packages that rival what “open market” developers can pay.

His passion for meaningful action has also led Sasso to create the non-profit Santa’s Truck, which provides gifts to low-income families. He recalls how, in the organization’s first year, he parked a Ryder truck full of gifts in a family’s driveway. A six-year-old boy, eyes wide, said, “Wow, Christmas presents! Is that Santa’s truck?” The name stuck, as did the memory of the boy’s happiness, erasing any doubts Sasso might have had about stepping away from the career he fought so hard to win. “That’s exactly why I left,” he says. “If I can affect someone that much, I did the right thing.”
Last Word on Change

with Terry Lundgren,
CEO, President, and
Chairman of Federated
Department Stores, Inc.

An alumnus of The University of Arizona, Terry Lundgren was the keynote speaker at the Student Empowerment Conference hosted by Eller in 2005 (see story on page 6). He presides over Federated Department Stores, Inc., one of the nation’s premier retailers, encompassing the Macy’s and Bloomingdales brands as well as many other well-known names in retail. The company operates some 1,700 stores in 49 states, the District of Columbia, and Puerto Rico.

PROGRESS: How big of a role does innovation play at Federated? How is it built into operations?

Terry: Certainly, innovation plays a major role in our company. The consumer is changing, and we need to change along with our consumer to stay ahead of our competitors. While we talk about the bigger, sweeping changes in our corporate strategy group every week, innovation also lives and breathes throughout the organization. Many times ideas come bubbling up to us from individuals who are on the front line. I also think people appreciate it when those ideas are communicated back to them, so whether an idea didn’t quite work out or it did get accepted, we communicate that back to make sure that they’re in the loop.

PROGRESS: When you first started at the U of A, you wanted to play basketball. When that didn’t work out, you went into pre-veterinary medicine, then switched tracks again. How did your college experiences help shape who you are now?

Terry: To tell you the truth, I was really pretty nervous at that point. It was the end of my sophomore year, and I didn’t have a clue about what I was going to do. I was in a fraternity house, having a great time, then I got this dire phone call from my father: We wish you well, son, but we can’t continue paying your way through college. My father couldn’t afford it — he had six kids and was working two jobs. When I got that call, I thought my life was over. But I finally just picked myself up and said, “Wait a minute, I’m not going to give this up. I love my college life. I’m going to figure this out.” While it seemed like a very difficult and chaotic time, when I look back, it’s the absolute best and perfect thing that could have happened to me at that time. It forced me into evolving as a person, getting serious about my education and my future.

PROGRESS: Anytime we make a change there’s the chance it will turn out to be a bad move. How do you temper that risk?

Terry: I know that as long as I’m doing the right thing and continue to work very hard, listen to smart people around me before I make decisions, and surround myself with strong, talented, bright leaders, I’m not going to get too far off track. I think people also have to measure risk against the status quo. A lot of times people are more comfortable with not making a change, but when they look back, the status quo was, in fact, a much bigger risk and what ultimately hurt them.

PROGRESS: In your experience, what’s the biggest obstacle to change?

Terry: I think one of the biggest obstacles is success. If you feel like you’re already successful, you might say to yourself, “Why does the company need to change?” I would argue that in most businesses, true success is measured not in a moment in time but over time. And to have success over time, you need to continue to grow as a leader. When I came to Federated, we were at $7 billion in sales, and this year, 2006, we’ll see $28 billion in sales. If I was the same leader today that I was back when I was running a $200 million business or even a $2 billion business, I wouldn’t have the chance of success that I believe I have now.
JAMES E. PRESS
President and COO
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Undergraduates from among the top 20 business schools convened at the Eller College for the 2005 Student Empowerment Conference. See story on page 6.