$5 Million Commitment Establishes UC Davis Institute for Innovation and Entrepreneurship
Builds on Success of Center for Entrepreneurship

Women in Business
100+ Years to Crack Glass Ceiling in Corporate CA

Gallagher Hall LEED
First California B-school Building Awarded Top Rank

Custom Executive Education
Programs Focus on Long-term Value for Client Companies

Master’s in Accounting
New Degree Meets Education Requirements for CPAs
We’re celebrating our 30th anniversary this academic year—an important milestone and pivotal time in the evolution of the Graduate School of Management. The foundation built and extraordinary advances made in a relatively very short time have positioned us to achieve much more. In many ways, we are just getting started.

I recently presented our strategic plan for the School, a road map outlining our core values, pillars of strength and the resources we will need to become one of the truly great global business schools. Our momentum toward this ambitious goal is unmatched. We are the fastest-rising top business school in the country, having jumped 14 positions to the top six percent (No. 28) in the latest U.S. News & World Report graduate business school rankings. It’s the highest ranking in the 16 consecutive years the School has been recognized among the nation’s best.

This latest accolade reflects our historical commitment to ensuring the quality of faculty and students over the temptation to get bigger for the sake of simply being bigger. We use our scale to our advantage by being efficient and fast-moving in our operations and decision making. It allows us to make continuous improvements to our student experience and act on opportunities to propel our research and public service missions forward.

To fuel our vision, we must ensure the long-term financial sustainability of the School to deliver superior performance across all our programs and initiatives. With the continuing decline of funding from the State of California, we have a 10-year plan to minimize reliance on state funds.

In this issue of the Innovator, you’ll read about our three-pronged approach to strengthening our resources in ways that expand our influence and impact, opening up new avenues to promote economic growth and prosperity.

FIRST: Philanthropic support is critical to our future development. We are actively engaged in The Campaign for UC Davis, the first university-wide, comprehensive fundraising campaign to inspire 100,000 donors to contribute $1 billion. In November, we established a new interdisciplinary institute for education, research and outreach in innovation and entrepreneurship with the help of a $5 million commitment from alumni Mike and Renée Child. The institute builds on the success and experience of our Center for Entrepreneurship, which since 2006 has been the springboard for research commercialization efforts at UC Davis.

SECOND: We are responding to rising industry demand for specialized training with highly tailored executive education programs. This is fundamental to strengthening our corporate relationships, adding another opportunity for companies and their leaders to tap into the School’s management talent, internationally renowned faculty and broad network of experts.

THIRD: We are launching and expanding academic programs. This autumn, we will become the first University of California school to launch a master’s degree in professional accountancy—a response to major changes in educational requirements and the resulting need for improved training of certified public accountants in California. We also intend to grow our Working Professional MBA programs in Sacramento and the San Francisco Bay Area to meet the increasing need for world-class management talent across Northern California.

These are just a few of the many great activities happening at the Graduate School of Management as we glance into the rearview mirror at the past three decades and turn our focus on the bright future ahead. 

Steven C. Currall
Dean and Professor of Management

>> www.stevecurrall.com
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UC Davis has launched a new interdisciplinary institute devoted to education, research and outreach in innovation and entrepreneurship, with the help of a $5 million commitment from alumni Mike and Renée Child.

The Child Family Institute for Innovation and Entrepreneurship, which is housed at the Graduate School of Management, will help to integrate innovative and entrepreneurial thinking and actions across the university, and strengthen UC Davis’ role as a vital player in catalyzing economic development in the region, state and beyond.

“UC Davis is committed to improving society by bringing breakthrough technologies out of the university and into the world and by preparing our students to be entrepreneurial leaders, regardless of their academic field,” said Dean Steven C. Currall. “Mike and Renée are very excited about building this ecosystem of entrepreneurship across the campus.”

The institute builds on the success and experience of the Graduate School of Management’s Center for Entrepreneurship, which since 2006 has helped researchers and students move their innovations and ideas into the marketplace. The center’s founding director, Professor Andrew Hargadon, now serves as the institute’s faculty director.

Over the past five years, the center had a significant impact regionally, across the country and across continents. Its alumni have launched more than 45 companies in areas ranging from medical diagnostics to solar power to biodegradable plastics.

The center’s programs helped more than 650 graduate students, postdoctoral and faculty researchers explore the commercial applications of their ideas and connect them with business investors and industry careers.

Results-driven Innovation

The institute will strengthen the coordination of entrepreneurship and innovation activities across UC Davis’ colleges, schools, centers and organized research units. For example, the institute will help facilitate such current UC Davis initiatives as the Biotechnology Program in the Office of Research, the College of Engineering’s Engineering Translational Technology Center, the Science and Technology Studies Program in the College of Letters and Science, and the Center for Science and Innovation Studies, among others.

“UC Davis is home to an amazing array of expertise across disciplines. This institute will help our faculty and students translate their knowledge and skills into ventures that improve society and add value to the economy,” said Hargadon, who holds the Charles J. Soderquist Chair in Entrepreneurship.

The institute will develop and demonstrate the commercial potential of UC Davis research in science, engineering and medical fields where UC Davis is already a recognized leader and has strong partnerships with industry and policymakers. These areas include the work of the College of Agricultural and Environmental Sciences; the Energy Efficiency Center;
UC Davis is committed to improving society by bringing breakthrough technologies out of the university and into the world and by preparing our students to be entrepreneurial leaders, regardless of their academic field. Mike and Renée are very excited about building this ecosystem of entrepreneurship across the campus.

—DEAN STEVEN C. CURRALL

the Clinical and Translational Science Center; the Center for Biophotonics, Science and Technology; and the Institute for Transportation Studies, among others. The institute will also foster innovation and entrepreneurship for students in the humanities and social sciences.

Transformative Gift
The Childs’ $5 million commitment will be invested in an endowment, ensuring ongoing financial support for the institute and its important work.

Mike Child is a senior advisor at the Silicon Valley office of TA Associates, one of the oldest and largest private equity firms in the world. He graduated from UC Davis in 1976 with a bachelor’s degree in electrical engineering. Renée Child also graduated from UC Davis in 1976, with degrees in psychology and German. One of their daughters is a UC Davis student, and the other is a recent UC Davis graduate.

In addition to serving as a trustee on the UC Davis Foundation board, Mike Child is a member of the Campaign Cabinet, a group of volunteer leaders that is guiding the university during its first comprehensive fundraising campaign. Renée Child is a member of the College of Letters and Science’s Deans’ Advisory Council, a volunteer group that advocates for and advises the college. The Childs previously provided a leadership gift to name the Michael C. and Renée Child Faculty Office in the Graduate School of Management’s Gallagher Hall.

“We are very pleased to be able to support UC Davis’ remarkable work across diverse disciplines,” Mike Child said. “UC Davis provided us with an excellent education, and we’re happy to be able to give back to this outstanding university,” Renée Child added.

Their contributions will be counted as part of The Campaign for UC Davis, a university-wide initiative to inspire 100,000 donors to contribute $1 billion in support of the university’s mission and vision.

Educational Programs

Business Development Certificate Program
September–June

Food + Health Entrepreneurship Academy
February 6–9

Green Technology Entrepreneurship Academy
June 25–27

Biomedical Engineering Entrepreneurship Academy
July 11–13

UC Entrepreneurship Academy
September 10–14

Big Bang! Business Plan Competition
October–May

Angels on Campus
Angel investors mentor and consult on campus.

Chairperson on Campus
Corporate executives share their expertise.

Institute Alumni by the Numbers
650+ Science and engineering graduate students, postdocs and faculty have attended lab-to-market programs to explore the commercial potential of their ideas.

57 Business Development Fellows working side-by-side with UC Davis MBA students.

45+ Companies launched or supported in areas ranging from medical diagnostics to solar power to biodegradable plastics.

16 Entrepreneurship academies attracting participants from around the world.

More information on the Child Family Institute for Innovation and Entrepreneurship @ entrepreneurship.ucdavis.edu

Moving Research out of the Lab and into the World
The Child Family Institute for Innovation and Entrepreneurship integrates science and business for social benefit, building the networks and offering the tools that help researchers communicate the value of their research, explore commercialization strategies for their research, connect with industry partners, and design future research programs that address practical applications.
Entrepreneurship That Saves Lives
Biomedical Engineers Chart Lab-to-Market Path

Biomedical engineer Julia Choi wants to move life-saving technologies out of the research lab and into the world. Toward that goal, she joined more than 40 fellow scientists and engineers from universities across the U.S. at the inaugural Biomedical Engineering Entrepreneurship Academy at UC Davis last summer. Participants, ranging from professors to first-year graduate students, brought their research in fields from cancer to cardiovascular medicine to neurology—and a thirst to see their work have a real-world impact.

The week-long intensive academy, presented by the Graduate School of Management’s Center for Entrepreneurship (now the Child Family Institute for Innovation and Entrepreneurship, see page 2), integrates lectures, exercises and team projects to teach the building blocks of entrepreneurship.

The program was co-sponsored by the UC Davis Department of Biomedical Engineering and supported by the National Science Foundation’s Partnerships for Innovation: Medical Commercialization Clinic; SPIE, the international society for optics and photonics; and Global CONNECT, a university-based consultancy focused on technology and innovation.

“Participants created the first iterations of business plans around their science—explicitly identifying the problems their work solves, for whom and with what value,” explained Professor Andrew Hargadon, who holds the Charles J. Soderquist Chair in Entrepreneurship and founded the institute.

“They met with customers, crafted financial projections and set the first milestones for moving their ideas to the market. They learned from 45 entrepreneurs, angel investors, venture capitalists, IP and corporate lawyers, and corporate R&D managers, engaging in more networking than they could do in a year working on their own.”

For Choi, most important was the realization that, “Innovation is about connecting, not inventing. Ideas—no matter how technically elegant—cannot grow without people connecting people.”

Lighting the Way
Kyriacos A. Athanasiou, chair of the UC Davis Department of Biomedical Engineering, shared his experience commercializing more than 15 technologies out of his campus lab. His FDA-approved products include the first implant to treat small cartilage lesions in the lab and an instrument that allows the injection of drugs via the bone. “I am a proponent of university scientists working with colleagues from industry to translate mature research outcomes to products that save lives or improve the quality of life,” Athanasiou said.

University of Washington doctoral candidate Erik Feest is developing a targeted gene therapy to improve the quality of life for heart attack survivors. The academy, he said, brought home “the importance of considering the business plan and commercialization strategy early on in the R&D process.”

Choi’s academy team presented a low-cost mobile platform to rapidly detect infectious diseases from a single drop of blood. One team member recently launched a company to bring it to market. Choi, who earned her Ph.D. at UC Davis, is applying the academy’s lessons as an engineer and project leader at Hayward, Calif.–based Hantel Technologies, which helps Fortune 500 companies and start-ups bring their medical device ideas to market.

“The academy is one of the best investments an entrepreneurially inclined biomedical engineer can make,” Choi said. “It provides guidance in—and helps catalyze—the process of translating your ideas to reality.”

>> entrepreneurship.ucdavis.edu
Big Bang! Business Plan Competition Partners with NSF-Funded Program

Medical Technology Track

The MBA student-run Big Bang! Business Plan Competition got a booster shot this year with a new track offering $45,000 to the most innovative medical technologies being developed in the Sacramento region, a burgeoning sector driven by pioneering research being done at the UC Davis Health System.

The top three medical technology entrants in the 2012 Big Bang! will each receive a $15,000 grant to advance commercialization efforts. The money must be used in the lab of a UC Davis or California State University, Sacramento faculty. The Med Tech track entrants will be eligible to win the Big Bang!’s overall 1st place, 2nd place and People’s Choice awards.

The new awards come from a Partnerships for Innovation grant from the National Science Foundation that established the UC Davis Medical Technology Commercialization Clinic. It provides an engine for transforming knowledge at the intersection of engineering, life sciences and medicine into innovations that contribute to the Sacramento region’s economic development, while also educating science, technology, engineering, mathematics (STEM) students and clinicians in technology transfer and entrepreneurship.

GSM alumna Gabriela Lee ’04, the chief knowledge transfer officer at the Center for Biophotonics Science and Technology at UC Davis, which oversees the Medical Technology Commercialization Clinic, said linking with the Big Bang! and its workshops and network will spark new collaborations to help bring promising breakthroughs to life.

“Physicians, other healthcare professionals, STEM faculty, students, researchers, entrepreneurs and MBA and law students now have the opportunity to team up and develop commercialization plans for technologies that address unmet medical needs. In the process, they sharpen their knowledge of, and skills in, entrepreneurship,” Lee said.

The hope is that the Med Tech track will spur more success stories like that of Dr. Paul Henderson, an assistant adjunct professor of hematology and oncology at UC Davis Cancer Center. He is CEO of Accelerated Medical Diagnostics, which won the $10,000 first prize in the 2011 Big Bang! The start-up also won $15,000 in funding last year from the Medical Technology Commercialization Clinic’s separate commercialization plan competition, now rolled into this year’s Big Bang!

The innovation, based on accelerator mass spectrometry, can trace a small dose of an anti-cancer drug in a patient prior to treatment, enabling doctors to determine if the treatment will work before administering a full dose. “This personalizes chemotherapy,” Henderson said. “Our goal is to get the right therapy for the right tumor.”

The approach could save billions of dollars in medical costs for ineffective treatments, and spare patients unnecessary side effects. The procedure is now in early clinical testing in eight bladder and lung cancer patients, thanks to $200,000 from a federal Small Business Innovation Research grant.

Henderson said the introductions to students, investors and mentors through the Big Bang! and the Center for Entrepreneurship’s Angels on Campus program were game changing.

“My co-founder and I didn’t know anything about the business side going into it,” he said. “The expertise and connections from the Graduate School of Management have been critical. We have an extremely sophisticated and high-level business plan that will help us get further funding and investor interest.”

Henderson still needs venture capital or National Institute of Health funding to increase the clinical testing to 20 to 30 patients, enough data to seek FDA diagnostics approval. Then he’d need 300 patients to do a pivotal evidence of safety and effectiveness study. With full regulatory approval, he’s hopeful the technology could be on the market in three to four years.
Editor’s Note: Global climate change—and efforts to mitigate it—are creating an increasingly uncertain future for businesses. Although the long-term effects of a warming planet are difficult to predict, new policies, technologies and market preferences are already altering the competitive landscape of entire industries. The result: new challenges and new opportunities for companies that effectively produce and manage low-carbon innovations.

A report by Professor Andrew Hargadon for the Pew Center on Global Climate Change documents both these challenges and the best practices of leading companies that are bringing low-carbon innovations to a wide range of markets. The report, released in October, includes in-depth case studies from four large multinational companies: Alstom SA, Daimler AG, Hewlett-Packard and Johnson Controls, Inc. This article is adapted from Professor Hargadon’s recent blog post.

**Innovation is challenging** regardless of company or industry, but low-carbon innovation has distinct challenges—and requires particular capabilities—that reflect the nature of the technologies, opportunities and environments involved.

“The Business of Innovating: Bringing Low-Carbon Solutions to Market,” surveyed companies that have successfully developed and launched new low-carbon strategic initiatives. The report documents the challenges and best practices to inform other businesses developing their own low-carbon innovation strategies.

The report’s key take-away is that there are a large and growing number of opportunities for companies to grow their top-line revenue, through increased share of existing markets or capturing emerging markets, by effectively developing and launching low-carbon innovations. These opportunities are emerging throughout the economy, although—obviously and especially—in those markets where energy plays a significant role in manufacturing, distribution or consumption.

The main drivers of these market opportunities include:

- The growth in world energy consumption over the next two decades (an expected 40 percent, according to U.S. Energy Information Agency).
- The resulting investments in clean energy—from renewable power to energy efficiency solutions (expected to reach $2.3 trillion over the next decade, according to Bloomberg New Energy Finance).
- Rapidly shifting market preferences and local, regional and national policies (and regulations) that demand low-carbon alternatives.

Much attention has been given to corporate carbon footprints (see, for example, Newsweek’s latest “Top 50 Green Companies”). For most major companies, however, the emissions coming from the lifetime use of the products and services they sell are exponentially greater than the direct emissions of their own operations.

The report looks at low-carbon innovations—the new products or services that emit significantly fewer greenhouse gases (GHGs) per equivalent output than the products or services they replace (e.g., by using different power sources or materials, or by using less energy). In other words, we considered the products and services that make up the other roughly 95 percent of the carbon emissions under a company’s control.

The study drew directly from the experiences of leading corporations that have successfully developed and launched low-carbon innovations, through a survey of largely Fortune 500 companies, three workshops with companies and government representatives, and in-depth case studies of eight innovations from four companies.

Validating the recognition that there are real business opportunities for those who can effectively deliver low-carbon innovations, the companies in this study are pursuing low-carbon innovations for reasons very core to their business strategies: to pursue top-line growth, to respond to their customers’ current and emerging demands, to anticipate or shape regulatory changes, and to gain expertise in emerging technologies and markets.

At the same time, these opportunities aren’t easy to capture. Innovating for low-carbon products and services presents particular challenges, distinct from the challenges common to all companies
trying to innovate. These include the need to plan and act aggressively within an increasingly uncertain regulatory landscape; the challenge of bringing innovations to a well-entrenched energy infrastructure; and the requirements for simultaneously delivering these innovations to market at scale, reliably and often with enormous capital investments. The report outlines seven keys to low-carbon innovation strategies:

- **Manage Policy Uncertainty:** Companies must not only anticipate and react to public policy directions, but also engage with policy makers to shape regulations, standards, incentives and other crucial policies that help low-carbon solutions succeed in the market.

- **Commitment from the Top:** Successful companies appoint an influential “innovation champion” who lends experience and support to emerging innovations and who understands the importance of managing and can navigate policy uncertainties.

- **Deliver Value:** Companies in the study employed a user-centered design process; an explicit focus on clarifying and managing customer costs, benefits and uncertainties; and paid attention to all “customers” in the value network.

- **Business Model Innovations** shape the way, and the speed at which, low-carbon technologies come to market. New technologies often fare best with new business models.

- **Nexus Work** involves envisioning, building and maintaining the complex, interdependent business and technical systems that underlie innovations.

- **Robust Innovation Strategies** advance a company’s competitive advantage in the short run while preserving the flexibility to respond to the moves of competitors, suppliers, regulators, market conditions and customers over the long term.

- **Partnerships, Investments and Acquisitions** with and/or by large corporations can provide a critical bridge between scientific breakthrough and commercial success.

Andrew Hargadon is the Charles J. Soderquist Chair in Entrepreneurship at the Graduate School of Management and director of the UC Davis Child Family Institute for Innovation and Entrepreneurship. He is a senior fellow at the Kauffman Foundation.

Follow Professor Andrew Hargadon’s blog @
>> andrewhargadon.typepad.com

Download the report @
>> gsm.ucdavis.edu/pew

The Aspen Institute’s Center for Business Education ranks the UC Davis MBA program among the top in the world for integrating issues of social and environmental stewardship into curricula and research. The UC Davis full-time MBA program is ranked among the top 10 percent worldwide, at No. 56 among more than 600 accredited programs.

Beyond Grey Pinstripes is an independent business school survey and ranking that is published every other year. Findings from the survey highlight how academic institutions prepare students to meet tomorrow’s business challenges. Beyond Grey Pinstripes is unique—Aspen celebrates coursework, research and activities that prepare MBAs for social, ethical and environmental stewardship.

This year’s survey marked the first opportunity since the global economic downturn to measure the extent to which MBA programs have altered the content of their courses, and whether faculty are pursuing research that questions assumptions about the role of business in society. This year, schools from 22 countries submitted data, including more than 6,000 course descriptions and 6,000 faculty research abstracts. In addition, the survey team collected information on schools’ extracurricular activities, institutes and centers, joint degrees and specializations.
Starting in the 1990s, many large U.S. companies started setting up in-house investment units to gain a stake in promising start-ups, which have the potential not only to make money but also to give the larger corporation access to important new technologies, patents and intellectual property.

By 2001, more than 300 U.S. firms had established corporate venture capital units. The corporate share of venture capital rose from 2 percent in 1994 to 17 percent in 2000 at its peak, with a total of $100 billion invested in venture capital. In the years 2002 to 2006, the share leveled off at 6 to 8 percent.

But corporate venture capital investment strategies, goals and outcomes vary greatly depending on the backgrounds of their investment managers, according to new research by Assistant Professor Gina Dokko.

In an analysis of the corporate venture capital units of 93 U.S.-based information technology firms, Dokko and her co-author, Vibha Gaba, an assistant professor at INSEAD, found that if managers had private venture capital backgrounds, they tended to invest in start-ups with high-growth prospects—and had less regard for the start-ups’ technological or strategic “fit” with the corporate parent.

On the other hand, if managers came from inside the corporate parent, or had a strong technical background themselves, they tended to invest in start-ups that could fill a strategic need of the larger corporation.

The finding affirms that the experiences of the people who work for an organization shape its functions in important ways—and that this is true not just at the top.

“It is widely understood that the leaders of corporations have strong effects on the organizations, but we show that individuals at lower levels can also affect the way organizational practices are conducted,” said Dokko.


Using corporate websites, LinkedIn and other sources, Dokko and Gaba mapped the career backgrounds of the 311 corporate venture capital/investment managers at 93 firms. They looked at whether the managers had worked for independent venture capital firms, had been hired from within the corporation or had technical backgrounds.

Using venture capital databases, the researchers then determined the approach of the units to the timing and industry focus of investment, as well as their orientation toward financial or strategic goals. Statistical analysis showed how the managers’ backgrounds affected the approaches and goals of the venture capital units.

“We saw that corporate venture capital managers with an independent venture capital background are more oriented toward financial goals,” Dokko said.

“We also found that they are more likely to make investments in earlier-stage start-ups. They tend to be less focused about the industries they invest in. They’re just looking for something that appears very promising.”

Those with technology backgrounds, however, showed a different investment pattern.

“Managers who came to the job with technology backgrounds or from within the corporation tended to invest in a narrower range of start-ups, typically with a technological orientation that could help the larger firm,” Dokko noted.
In her 15 years at Hewlett-Packard, alumna Amy Stroud ’93 had seen employee engagement plunge at the Silicon Valley–based information technology giant. A series of controversies, cutbacks and rapid CEO turnover had left staff wary of company leadership. HP had gone from the top 10 of Fortune’s “100 Best Companies to Work For” to dropping off the list. Stroud, an executive with the company’s business strategy and development unit, wanted to create initiatives to improve employee engagement. She believed HP would benefit from expert help and outside perspective, so she approached Graduate School of Management Professor Kimberly Elsbach, an internationally renowned expert in organizational behavior.

“Ever since I graduated, I have been involved with the School, and I’ve followed the faculty research,” Stroud said. “What Kim was doing looked very relevant to what I was working on.”

Elsbach and Stroud decided to work together on a review of public information about HP’s communications to employees, then interpret what they found in an academic framework. Ileana Stigliani, a visiting professor from Imperial College in London, joined the project.

Over five months, Elsbach, Stigliani and Stroud sifted through more than 300 publicly available documents—media reports, agency filings, books and speeches—to paint a picture of how employee trust and distrust evolved between 1995 and 2010 at HP. They identified how distrust built in a series of distinct phases and how attempts to restore employee trust fell short.

The resulting paper, “The Building of Employee Distrust: A Case Study of Hewlett-Packard from 1995–2010,” is scheduled for publication in the journal *Organizational Dynamics*. Joint alumni-faculty research is not the norm at business schools. But after the successful collaboration with Stroud, Elsbach says such partnerships make a lot of sense. “It’s gratifying that our alumni have gained skills in critical analysis in addition to technical skills,” Elsbach said. “For faculty, this kind of partnership provides an opportunity to study important management issues in a real-life context. It also connects us to corporations and organizations.”

The case study details how the words and actions of leaders signaled dissatisfaction with employees, disrespect for employees and unfairness in treatment, engendering distrust, which deepened as events unfolded.

Stroud believes HP wants to learn from past mistakes. “I shared the study with my director before it was submitted for publication. He loved it. He said it was a trip down memory lane, although it was painful at times.”

The paper covers several years when HP was on the “Best Companies” list, and the subsequent tumultuous years under CEOs Carly Fiorina and Mark Hurd. The analysis concludes about the time Leo Apotheker was named CEO in the fall of 2010. Former eBay CEO Meg Whitman replaced Apotheker last September.

Stroud hopes employee engagement at HP will improve. “Meg Whitman is a local favorite. Her strategic plans look really good. All of her language is signaling respect and satisfaction with employees,” Stroud said.

Elsbach noted that the School has long-standing ties to HP. Many full-time MBAs work for the firm after graduation, and HP employees are enrolled in the School’s Working Professional MBA programs.

Elsbach intends to use the paper as a case study for her classes. “It should make the teaching more relevant,” she said.

Read the study @
>> gsm.ucdavis.edu/HPcasestudy
The proportion of women who lead California’s largest public companies is growing at such a slow pace that it will take more than a century for women business leaders to achieve parity with men, according to the Graduate School of Management’s seventh annual “UC Davis Study of California Women Business Leaders.”

The study found that women still occupy fewer than one in 10 of the top posts at the 400 largest public companies headquartered in California—a rate that has improved by just 0.2 percent annually.

And more than a third of California’s corporate giants—including household names like Adobe Systems Inc., Hansen Natural Corp. and Skechers USA Inc.—had no women among their highest-paid executives or board directors. Together, the companies in the study represent nearly $3 trillion in shareholder value.

“Having more women involved at the highest levels of business management and corporate governance brings greater diversity of thinking styles, industry knowledge, educational background and career experience, yet we continue to find disappointingly small proportions of women in leadership roles in what is widely regarded as a progressive, trend-setting state,” said Dean Steven Currall.

“There are plenty of qualified women to hire and promote, but the vast majority of the 400 largest public companies in the state don’t seem to recognize that. Our mission is to change that,” Currall said.

The survey is the only one of its kind to focus on gender equity in the boardrooms and executive suites of corporate California. The study looked at the five highest-paid executives for each company, also called “named executive officers,” as reported to the Securities and Exchange Commission. The study examined filing data available as of June 2011. The 400 companies were selected based on market capitalization.

TOP COMPANIES PRAISED FOR LEADERSHIP

For the second year in a row, the company with the best gender balance was Brisbane-based bebe stores inc. The women’s apparel company reported that women held 40 percent of the highest-paid executive and board director seats. The 2011 study was released at a news conference on December 7 at bebe stores’ headquarters, prompting widespread coverage on TV and radio, and in major newspapers, social media and web news portals.

Southern California-based Wet Seal Inc., also a women’s apparel company, showed a dramatic rise in its ranking. Last year, the company had only one woman among its highest-paid executives and board directors. This year, Wet Seal tied for second place, with women holding 36.4 percent of the top positions. In addition, Wet Seal was among the 13 public companies statewide with a woman CEO.

Orange County had the lowest overall percentage of women in top leadership positions of any county in the state.
Only One Woman for Every Nine Men in Top Posts at California’s Largest Public Companies

In an op-ed published December 9 in the Orange County Register, Currall and study author Amanda Kimball applauded Wet-Seal's progress, urging other companies to follow its lead. “At a time when the American public has diminished trust in corporate leadership, and when closing the gender employment gap could give our economy a much-needed boost, the future of business depends on the ability of corporate leaders to chart a new course in favor of greater diversity, just as Wet Seal has done,” they wrote.

MALE-DOMINATED SILICON VALLEY
Santa Clara County, home to the high-tech hot bed of Silicon Valley, had the second-lowest percentage of women in top leadership positions. Semiconductor and software companies, most of which are located in Silicon Valley, continued to rank at the bottom, with women holding three percent, or fewer than one in 28, of the highest-paid executive positions.

Meanwhile, San Francisco and San Mateo counties had the highest percentage of women in top leadership positions. Overall, the San Francisco Bay Area is home to 208 of the companies surveyed, while 178 are based in Southern California.

UC Davis partners on the study with Watermark, a Palo Alto, Calif.-based nonprofit that offers programs for executive women, including board readiness training.

“Women are the next global economy. They make up a majority of the workforce in nine of the 10 occupations that will add the most jobs in the next eight years,” said Marilyn Nagel, CEO of Watermark. “Despite this, women still represent a significant minority on boards. There are many qualified women capable of serving on boards who are not currently getting those roles.”

California Lags behind Much of U.S.
The progressive and innovative thinking that drives the world’s ninth-largest economy is not propelling women into top decision-making positions any more than the rest of the country.

On December 14, just a week after the UC Davis study of California companies was released, the nonprofit research group Catalyst published data showing that women occupy 16.1 percent of board directorships at Fortune 500 companies, about 6 percent more than at companies in California.

The same day, the InterOrganization Network—an alliance of 14 women’s business organizations that track women directors and executive officers of public companies based in their respective regions, reported that at 10 percent, California lags behind eight of the 14 regions in the percentage of board seats held by women. Watermark, which partners with the Graduate School of Management on the California study, is a member of ION.

Download the complete 50-page study with industry-by-industry and county-by-county statistics, view videos and read media coverage at gsm.ucdavis.edu/census
Empowering Agricultural Aid in Afghanistan

Agricultural aid workers in Afghanistan’s most rural areas have a new tool to help them help others, thanks to Wil Agatstein, visiting lecturer and executive director of the Child Family Institute for Innovation and Entrepreneurship, and Mark Bell, director of the International Learning Center at the UC Davis College of Agriculture and Environmental Sciences.

Agatstein and Bell received a $2.2 million, three-year grant from the USDA Foreign Agricultural Service to create a web portal that provides development organizations with information on Afghanistan’s most pressing agricultural issues and opportunities.

“Specialists who work in Afghanistan have a high turnover rate. All the information they gather on farming techniques or animal husbandry is lost to newly arriving specialists, and an inordinate amount of time is spent reinventing the wheel,” said Agatstein. “Our challenge is to maintain continuity and disseminate information to aid workers in the field.”

Working with a team of graduate students and postdocs, Agatstein and Bell launched a comprehensive website in October, employing existing technology, the iPad and a customized application. It features easily accessed, quickly downloaded information, which the team will continue to update and expand.

“Workers can download the app prior to going to Afghanistan and carry the information with them electronically,” said Agatstein. “In the future we hope to be able to export this capability to help people in even more remote areas of the world.”

Agatstein presented this work in December at the 7th International Lessons Learned Conference sponsored by the National Defense University. He and his fellow panelists—Neil Chuka of the Defense Research and Development in Canada; David MacNeil, U.S. Special Operations Command; and Dr. Dennis Leedom from Evidence Based Research, Inc.—discussed best practices and new processes and methodologies for improving information dissemination systems.

Corporate Frugality Isn’t Just about Cost-cutting

Media coverage of the frugality of companies like Southwest Airlines, Wal-Mart, Amazon.com and Ikea abound. But do they capture something enduring about how these companies really do business?

To find out, Professor Shannon Anderson and Professor Anne Lillis of the University of Melbourne conducted extensive interviews with managers of 14 large corporations and sent a mail survey to several hundred companies. They uncovered a complex interplay between frugality, organizational culture, business strategy and the ways that costs are managed.

“The news is full of stories that refer to companies that are slashing their budgets, laying off workers and cutting costs as ‘frugal’. We were skeptical that these heavy-handed, reactionary tactics exemplified frugality,” said Anderson. “Frugality is demonstrated through a consistent stewardship of resources that positions a company to weather unpredictable events and to thrive in bad times as well as good.”

Anderson and Lillis extrapolated from marketing research on consumer frugality to develop a working definition of corporate frugality.

“We found that frugality involves a more holistic orientation to running a business and managing costs for the long term,” explained Anderson. “It is not short-run cost cutting, stinginess or overzealous adherence to a budget. Rather, it is the ability to manage the business cautiously to preserve options for the future. It isn’t limited to companies that compete on the basis of cost. Innovative, entrepreneurial companies also benefit because being frugal allows them to fund organic growth.”

Anderson presented another research project, “Management Control and Residual Risk in Interfirm Transactions,” at Georgetown University’s McDonough School of Business in October and at the University of Melbourne in November.

>> gsm.ucdavis.edu/agatstein

>> gsm.ucdavis.edu/anderson
Seller’s Remorse Leads to Irrational Stock Buybacks

Investors are far from rational: They are often guided by emotions such as regret, disappointment, pride and contentment rather than an objective assessment of the facts.

Professor Brad Barber, a leading expert on investor psychology, joined with Terrance Odean of UC Berkeley’s Haas School of Business and Michal Strahilevitz of the Ageno School of Business at Golden Gate University to investigate how individual traders’ market experiences affect their purchasing behavior.


They looked at each day an investor made a stock purchase and whether the investor had sold that same stock for a gain or loss during the previous 252 trading days. They learned that investors are less likely to repurchase both stocks that were previously sold for a loss, and those that have gone up in price since they were last sold. Investors are more likely to repurchase a stock if they previously sold it for a gain and have the opportunity to repurchase it at a lower price.

“Having sold a stock, investors are disappointed if it continues to rise and regret having sold it,” said Barber. “They anticipate that their disappointment and regret will be more intense if they repurchase such a stock rather than not.”

Optimizing Ad Spend to Maximize Profits

What is the optimal advertising budget and allocation that maximizes profits across multiple regions and over time? The chief marketing officer of a Fortune 500 company raised the question after she noticed that increasing her company’s advertising expenditures enhanced sales as expected, while profits diminished.

“She was incredulous,” said Assistant Professor Ashwin Aravindakshan who, along with Professor Prasad Naik and Kay Peters of the Center for Interactive Marketing and Media Management at the University of Muenster, was intrigued by the problem.

They joined forces and discovered that the firm’s managers were relying on the brand development index (BDI) to calculate the company’s market budget and advertising allocations. The BDI does not optimally allocate resources at the regional and national levels because it does not take into account the firm’s profit-maximizing aims.

According to Aravindakshan, the BDI only measures the sales strength of a brand and the method estimates are ad-hoc, and thus, not sufficient. “It provides no means of providing or estimating the total ad budget,” he said.

Aravindakshan, Naik and Peters developed an alternative model that accounts for both the spatial (how advertising in one region will impact sales in an adjacent region) and temporal (how advertising in one period will impact sales in future periods) effects of regional and national advertising on sales. With these estimates, a firm can simultaneously determine the profit-maximizing optimal advertising budget, regional and national allocations, and the optimal split between regional and national advertising.

The researchers’ new model enhanced profits by 5.07 percent over the BDI. Their article “Spatiotemporal Allocation of Advertising Budgets” appears in the Journal of Marketing Research (February 2012).

>> gsm.ucdavis.edu/aravindakshan
>> gsm.ucdavis.edu/naik
Post-crisis: A Call for New System of Global Governance

Professor Nicole Biggart, director of the UC Davis Energy Efficiency Center, was among 30 distinguished scholars and policy makers attending the first Globalization TrendLab Conference at The Wharton School in April. Their objective: a multidisciplinary inquiry into some of society’s most pressing systemic disruptions.

Using the financial crisis as a launching pad, the group discussed the housing bubble, debating whether the crisis stemmed from bad policies and misguided regulations, or whether deeper institutional change and new financial instruments are necessary.

When the group began to discuss other risks that cause systemic disruptions, Biggart noted that, “There is nothing more systemic than our environment. Water, air—we all share environmental property. We have new property rights issues, but we don’t have ways of thinking or talking about them because our notion of property rights is rooted in very different understandings. We share systemic risk, but we do not govern ourselves systemically.”

Give Air Passengers an “Out” during Delays

Instead of holding customers captive in an idled plane on a tarmac during unforeseen delays, airlines should give passengers the choice to leave or stay—and compensate them either way.

Doing so could stave off costly government regulation and increase customer loyalty, ultimately improving airline profits, according to Associate Professor Rachel Chen and Assistant Professor Catherine Yang in their study, “Customer Bill of Rights under No-Fault Service Failure: Confinement and Compensation.” The paper’s third author, Eitan Gerstner, is a former Graduate School of Management professor now working at the Israel Institute of Technology.

The paper, forthcoming in the journal Marketing Science, explores existing and proposed federal regulations governing extended passenger confinements due to blizzards and other unforeseen events. The U.S. Department of Transportation requires airlines to let passengers off after three hours on a tarmac or face a fine of up to $27,500 per passenger.

“Because airlines, cruises and other service providers do not see themselves responsible for delays due to weather or other issues that are beyond their control, too often they are reluctant to implement customer-friendly solutions,” said Yang. “But such a policy is likely to be perceived as socially responsible because it promotes customer satisfaction—and reduces complaints by those who suffer the most from captivity.”

Chen, who was recently promoted to associate professor, had her study, “Optimal Multiple-Breakpoint Quantity Discount Schedules for Customers with Heterogeneous Demands: All Unit or Incremental?,” co-authored with Lawrence W. Robinson of Cornell University’s Johnson Graduate School of Management, published in the Institute of Industrial Engineers’ flagship journal, Transactions.
Dialing in on India’s Mobile Market

India’s rapidly growing mobile market has reached an estimated 900 million accounts, with service in rural areas expected to fuel further growth in a nation with 1.2 billion people, according to global consultancy Deloitte. In a cover story for one of India’s leading business magazines, The Analyst, Professor Hemant Bhargava and Xiahua Wei of the Department of Economics at UC Davis explore the impact of the country’s recently adopted Mobile Number Portability (MNP) policy and how it will change purchasing behavior of mobile subscribers.

Bhargava and Wei believe that the policy is intended to enhance market competition by allowing consumers to switch carriers while maintaining the same phone number and avoiding additional costs. They note that the percentage of customers who discontinue service for mobile operators would increase from 4 percent per month to 6–7 percent. This increase may cause operators to become more competitive by offering consumer incentives, like better service and lower prices.

While the result may be greater efficiency, Bhargava and Wei are skeptical, noting that operators may be more devious about maintaining their customer base through creative switching costs and lock-in effects. And, the long-term effects of the MNP policy could be a disadvantage for smaller companies due to reduced profit margins associated with lower switching costs, and an increase in expenses to retain existing customers.

This could result in industry consolidation and less choice for consumers. For Bhargava and Wei, less consumer choice means less competition—an unintended consequence of a policy that had good intentions. ▶

>> gsm.ucdavis.edu/bhargava

Successfully Managing Innovation

How does one manage risk, failure and breakthrough during an innovation process? Professor Andrew Hargadon explored how managers throughout history have innovated and managed that innovation in a plenary talk at the 2011 Independent Sector Annual Conference in Chicago in October. The conference drew 1,000 of the brightest minds from nonprofits, foundation and corporate giving programs.

Hargadon noted that innovations are not necessarily new technologies. Rather, innovation is the ability to combine existing technologies and reproduce them. This, he says, is where management is critical.

Remembering Steve Jobs

Hargadon stressed the importance of innovation management in a poignant blog post after the death of Apple CEO Steve Jobs. He wrote: “Jobs led. In our own worlds, he challenged us to do the same. He also had the will to push his vision. Few people are willing to admit that iron-fisted aggression is a cornerstone of innovation, but Jobs did not rebuild Apple by watching a thousand flowers bloom. He never hesitated to impose his vision on others, demonstrating a will that would ensure his vision would come together where it mattered most—in the details. It was this will that would come to define his public personality, and make employees both fear his wrath and follow him wherever he would lead.

“Finally, he had taste. Equally rare among corporate leaders, Jobs had a sense of style that drove everything he controlled. A style that, I admit, I preferred. Like a symphony conductor, he had the vision to see what could be and the will to demand that every last detail hew to that vision. All of which would be worthless without the ear for the music. Without that style, great companies have been built but few will mourn their passing. Forget the computers, the music, the apps and just imagine what his legacy would be if we expected the same vision, will, and style in all our leaders.” ▶

>> entrepreneurship.ucdavis.edu/hargadon
Marketing Dynamics Conference
Ideas Transforming Nations and Communities
by Jacqueline Romo

Recognizing India’s transformative role in the global economy, Professor Prasad Naik and Assistant Professor Ashwin Aravindakshan co-chaired the 8th Annual Global Marketing Dynamics Conference in Jaipur in July. The international forum engaged more than 100 leading academics, C-level executives and senior managers at the intersection of cutting-edge marketing theory and successful practice.

Delegates and speakers included executives from BBDO, Cisco, Wipro Technologies, United Breweries Limited and Knowledge Kinetics, and thought leaders from Yale University, Stanford University, The Wharton School, New York University and top Indian business schools. “It was the first time our marketing conference has been hosted in India and it exceeded all expectations,” Naik said. “India represents an emerging market and generates much interest, which made it an excellent time to bring an American delegation of scholars to Jaipur.”

The first Global Marketing Dynamics Conference was hosted at the Graduate School of Management in 2005 as an open-enrollment summit. The conference has since been held in other U.S. cities, Europe, New Zealand and Turkey. This year’s conference theme — “Transformative Marketing” — explored not only the classical role of marketing to transform commodities (cars, detergents) into brands (BMW, Surf), but also its modern role to transform communities, consumers, communications and countries. “The final presentations were about innovative initiatives and programs that develop alternative distribution channels to benefit people living at the bottom of the socio-economic pyramid,” Naik explained.

For example, S. Sivakumar, the chief executive of the Agri-Business Division of ITC Limited of India, presented his trailblazing initiative, e-Choupal, aimed at increasing incomes and improving the quality of life in India’s rural farming communities while delivering sustainable shareholder value. By introducing effective infrastructure, computers and web access, the program provides rural farmers with real-time weather information and market prices on their crops.

“E-Choupal removed the middle-man from the process and placed power in the hands of the farmers,” said Aravindakshan. “This in turn led to an increase in product quality and gave poor farmers the opportunity to increase their revenue.”

Professor Rhjesh Chandy of the London Business School presented on M-Pesa, or mobile money, in Kenya. He explained that Kenyan micro-entrepreneurs have a cash flow problem and were unable to save the surplus they earn to sustain them during bad economic times. M-pesa allows micro-entrepreneurs and individuals to save and exchange their money in the form of cell phone minutes. The system worked so well in Kenya that it is being used in other emerging markets, including Egypt and India.

“Kenyans purchase goods and services by trading cell-phone minutes; it’s a great idea,” Naik said. “M-pesa was just one transformative marketing idea that has made life better for the poorest socio-economic groups.”

>> www.gmdc2011.com

Hands-on Qualitative Methods Workshop Builds Scholars’ Skills
by Jacqueline Romo

A select group of 24 U.S. and international scholars attended an intensive, three-day Qualitative Methods Workshop at the Graduate School of Management in July. The workshop drew both professors and doctoral students, many with little or no experience in qualitative methods, but wanting to learn how to augment their research. Others came to improve their methodological approach and review best practices in the field.

The event, spearheaded by Associate Professor Beth Bechky and co-organized with Professor Kimberly Elsbach and Professor Andrew Hargadon, immersed the participants in a hands-on team project to give them both a conceptual and practical understanding of qualitative research methods.

“I was impressed by how approachable, engaged and practical Professors Bechky, Elsbach and Hargadon were,” said Associate Professor Oana Branzei of the Richard Ivey School of Business in Ontario, Canada. “It was great to have these extraordinary qualitative researchers, who are at the top of their field, provide us with hands-on training and advice.”

“Doing the research on-site in Davis motivated us to collaborate with each other regardless of our stature as a professor or graduate student—it was an equalizing experience,” said Tiona Zuzul, a doctoral candidate in the strategy program at Harvard Business School.

With high interest from many other scholars, Bechky and Elsbach are planning a second workshop for summer 2012.
Auditors’ Fees Give Clues to Bearish News

Investors and stock analysts should keep an eye on unexplainable increases in companies’ auditors’ fees to avoid losing money in a future drop in stock prices at those companies.

“A rise in audit fees acts to deliver a precursory message about trouble within the company,” said Professor Paul Griffin. “Auditors’ fees, which are reported to the Securities and Exchange Commission and are public, will go up if the auditors are worried about irregularities that can cause them to have legal exposure.”

Griffin’s findings are reported in “Audit Fees Around Dismissals and Resignations: Additional Evidence,” published in the Journal of Contemporary Accounting and Economics (December 2011). The paper is co-authored by Professor David Lont of the University of Otago, New Zealand.

Public companies are required to have independent audits. When a company lacks adequate controls or shareholder protections, and perhaps has weak governance practices, the risk of legal exposure to the auditor rises. To stay in business, the auditor must charge a higher fee to cover the potential risk, and often will eventually resign to avoid further risk.

“An auditor resignation and the attendant adverse publicity typically causes a significant drop in company stock,” Griffin said.

Eye on Stock Short Sellers & Bonds

Savvy investors who follow short sellers to predict bearish news about a company’s stock—and sell their stocks in that company to avoid losses—should keep an eye on the company’s bonds as well, a new study by Griffin and Hyun Hong, assistant professor of accounting at the University of Memphis, suggests.

“Traditionally, traders and academics have focused on analyzing the positions of short sellers as an indication for investors to sell the stock, and therefore to avoid the loss from a further decline in the stock’s value,” Griffin wrote in a working paper, “Price Discovery in the Corporate Bond Market: The Informational Role of Short Interest.”

Griffin and Hong analyzed more than 9,000 bond observations, or sales and purchases of a bond in a given month, from 660 companies from 2005 to 2007. They discovered that bonds showed a similar pattern to short sales. “Bond investors could avert significant losses by following the simple rule of selling bonds based on elevated or rising short interest,” said Griffin.

The excess returns on bonds decrease in the months immediately following a high or increasing “short” position.

Recognition and Presentations

Griffin and Professor David Lont and Kate McClune of the University of Otago’s School of Business, won the Peter Brownell Manuscript Award for the best paper published in Accounting & Finance in 2010, “Agency Problems and Auditor Fees: Further Tests of the Free Cash Flow Hypothesis.”

Griffin presented his paper on how companies’ disclosures about greenhouse gas emissions and the impact of climate change affect shareholder value at the 2011 Annual Meeting of the American Accounting Association in Denver, and at seminars in Brisbane, Australia, and Wellington, New Zealand.

Griffin also published an article titled “Climate Change Disclosures Under-GGRT: Should Analysts Care?” in CFA Magazine (November/December 2011). The article advises financial analysts on what to look for when the Environmental Protection Agency makes public considerable information on companies’ greenhouse gas emissions.

Four Faculty Awarded Fellowships

Four faculty members have received prestigious fellowships for their research productivity, teaching excellence and dedicated service to the School.

Associate Professor Greta Hsu, a specialist in organizational behavior and economic sociology, was awarded the Seeman Faculty Term Fellowship. The fellowship is made possible by a generous gift from alumna May Seeman ’89 and her husband, Philippe.

Professor Prasad Naik, who specializes in marketing, advertising strategy and dynamic market response models, received the Otero Faculty Term Fellowship. The fellowship is made possible by a generous gift from alumnus Mark Otero ’07.

Associate Professor Roger Edelen, whose primary research interest is institutional investing, and Associate Professor Ayako Yasuda, an authority on the economics of financial intermediation, were awarded the Dean’s Faculty Term Fellowship, provided by anonymous UC Davis alumni donors.
CSI in the Real World

Associate Professor Beth Bechky, an expert in organizational behavior, recently spent 18 months studying the impact of the intersection of science and law at a forensic laboratory. She presented her preliminary findings to a diverse group of scholars at a workshop on “Forensic Performances: Tracing Crime, Constructing Evidence” at UC Davis in October.

In discussing “DNA Envy, Objectivity and Forensic Science Work,” Bechky said that the convergence of science and law created workplace tensions that ultimately led to organizational change. She noted that the institution of law, with its courtrooms, lawyers and judges, influenced forensic presentations to appear more “scientific,” and explained how the presentation of DNA evidence changed to become more accessible and believable in the courtroom. “When DNA testing first came on the scene as a viable source of material evidence in cases, it went through a vetting process in the courts that changed how DNA evidence would be presented,” explained Bechky. “These alterations had more to do with what is considered legally relevant than with the objective truth of the scientific data.”

Over time, said Bechky, the practice of presenting DNA evidence in the courts gave the impression that the science was irrefutable, making DNA the standard to which other forensic subfields, such as narcotics and firearms, are held accountable. 

Wise Companies Save for a Rainy Day

Marketing managers and their companies are better served by spending less on building brand loyalty upfront and maintaining a reserve for advertising during a post-crisis period. Further, ad spending after a crisis is more effective in building brand interest than before a crisis.

That’s the recommendation of Professor Prasad Naik, Assistant Professor Olivier Rubel and Professor Shuba Srinivasan from Boston University School of Management. Their paper, “Optimal Advertising When Envisioning a Product Harm Crisis,” published in Marketing Science (Nov.–Dec. 2011), analyzed how companies and marketing managers can prepare for a potential product harm crisis — and demonstrated that there is an optimal course of action for incorporating risk into the allocation of marketing resources.

The researchers developed a dynamic model of sales growth that assumes a crisis will occur at random times in the future. Their findings complement theoretical models recommending the best advertising budget decisions that incorporate crisis planning.

The bottom line: save for the rainy day. Using the 2000 Ford Explorer rollover problem as an example, the researchers show that Ford’s baseline sales dropped 65 percent immediately following the crisis, which cost the company $3.5 billion. Ad expenditures before the crisis were less effective in maintaining sales afterwards, when profits sank.

Eighth Annual Napa Conference on Financial Markets Research

The Graduate School of Management continued its partnership with the Financial Management Association International to co-host the Eighth Annual Napa Conference on Financial Markets Research from May 13–18, at the Cakebread Winery in Napa Valley.

Thirty top scholars—from Rice University, New York University, Northwestern University, University of Michigan and other leading institutions—discussed subjects ranging from the effects risk taking has on financial conglomerates and the financial crisis of 2008 to how journalists impact asset prices. “We had about 145 applications from both national and international scholars,” explained Professor Brad Barber, who co-chaired the conference.

Associate Professor Joe Chen and William G. Christy, editor of the journal Financial Management, served as co-chairs and oversaw the highly competitive review of paper submissions. “The acceptance rate was five percent, and the process involved 37 reviewers in total, with each paper read by two reviewers,” explained Chen.

Two studies shared the top paper award. The first, “Journalists, Persuasion, and Asset Prices” by Casey Dougal, Joseph Engleberg, Diego Garcia and Christopher A. Parsons, all from the University of North Carolina, Chapel Hill, shows that a small set of financial columnists have a causal effect on short-term aggregate market returns.

The second paper, “Who Writes the News? Corporate Press Releases During Merger Negotiations,” by Kenneth Ahern and Denis Sosyura, both from the University of Michigan, explores whether firms have an incentive to manage media coverage to influence the outcome of important corporate events.
“Organized” Innovation for a Prosperous Economy

A little-known but very successful federal research program—and the ground-breaking principles behind it—could, if better funded, help the U.S. retain its technological edge and leapfrog ahead into new industries.

National Science Foundation–funded Engineering Research Centers (ERCs) are university-private sector partnerships that focus on such areas as data compression technologies for better transmission of digital information, the creation of new human tissue for transplants, and new methods for imaging the earth’s crust.

Dean and Professor Steven C. Currall and two co-authors, Assistant Professor Emily M. Hunter of Baylor University’s Hankamer School of Business and Assistant Professor Sara Jansen Perry of the University of Houston-Downtown, College of Business, published their research titled “Inside Multi-disciplinary Science and Engineering Research Centers: The Impact of Organizational Climate on Invention Disclosures and Patents” in the November 2011 issue of Research Policy.

Currall and his co-authors show how internal organizational climates in a university setting impact the rate of commercialization activities. Most research on the topic focuses on the impact of external funding. “We were interested in measuring how the organizational climate effects commercialization,” explained Currall. “We identified two organizational facets that have an impact: commercialization-support climate and boundary-spanning climate. Each facet has a differential effect on the commercialization process.”

Currall and his co-authors surveyed 218 faculty members, graduate students, administrative leaders, project leaders and postdoctoral researchers from ERC at universities nationwide. They reviewed research centers’ annual reports and collected survey data on invention disclosures and patent awards, and interviewed key participants.

They found that an organizational structure and leadership that promotes and rewards commercializing endeavors has a positive impact on the rate of invention disclosures one year after the beginning of the commercialization process. In addition, an environment that promotes research collaboration across multiple disciplines had a positive impact on patent awards two years after the commercialization process began.

“The process of commercializing involves invention disclosures that may lead to patent awards,” explained Currall. “It is part of a process that may or may not lead to a patent, but having an organization that is effectively promoting these endeavors is critical.”

The study also found that the most productive centers were not from the most historically productive universities—suggesting that it isn’t just the presence of faculty with a track record of innovation that determines success, but rather the university’s organization and management.

Currall and his co-authors hope that their project will open a new stream of organizational research that further explores how the organizational climate drives commercialization and scientific discoveries. Currall plans to publish a book based on the research.

Download the study @ >> gsm.ucdavis.edu/erc

Focusing Executives on Long-term Value Creation

Concerned for the future of capitalism if it continues its trend towards the redistribution of wealth and away from creation of wealth, Currall co-authored a Harvard Business Review blog titled “A Model for Focusing Executives on Long-term Value Creation” with Bill Jesse, vice chairman of The Wine Group.

Currall and Jesse argue for a set of values and incentives that reward long-term sustainable value creation. Their approach is two-fold: monetize what executives earn as active managers and make it dependent on the performance of their successors, and measure success over a longer time frame than is currently the trend.

Currall and Jesse cite the success of The Wine Group’s six-point plan that has experienced growth over four generations of management teams. They argue that these six elements, The Wine Group’s “Recitals,” discourage executives from taking long-term risks for short-term gains, and make it impossible to “kick the can down the road” because problems get dealt with quickly and largely remove the effect of industry cycles from company valuation.

>> gsm.ucdavis.edu/hbrblog

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With industry demand rising for specialized training to keep senior managers ahead of the curve, the Graduate School of Management has launched an ambitious non-degree, custom executive education program, offering tailored and transformative learning experiences that have a lasting influence on the individual, the team and the organization.

At the helm is Wendy Beecham, a veteran executive with more than three decades of experience in the private sector and nonprofits. As managing director of executive education, she oversees the development of client-focused learning experiences that make a difference.

Nondegree executive education is fundamental to strengthening the School's corporate relationships, adding another opportunity for executives to tap into the School's management talent, internationally renowned faculty and broad network of experts.

“All business schools have deep partnerships with the business community,” says Dean Steven Currall. “We see executive education as central to our overall vision of a truly great global business school.”

Beecham and Currall, who taught international executive education courses in corporate governance while at London Business School, plan to pursue global executive education markets, including China.

The program is designed for groups of employees, rather than sending individual managers to conferences and hoping they pass along their knowledge to colleagues, Beecham says. Programs can be held at the company, off-site or at one of the School’s campuses in Davis, Sacramento and the Bay Area.

“It’s a much higher return on investment for the company because an entire team can learn a common language and common skills simultaneously,” Beecham explains.

An Extensive Background

Beecham brings an extensive background developing educational content for the corporate market, including the first non-U.S. version of the Westlaw online legal research service as CEO of the London-based Sweet & Maxwell. She also served as senior vice president of the $200 million Enterprise and Library Division of LexisNexis Group in Washington, D.C.

Most recently, Beecham was CEO of Watermark, a Bay Area nonprofit organization for women leaders that the Graduate School of Management partners with on its annual “UC Davis Study of California Women Business Leaders.” She also ran a San Francisco–based boutique consulting firm offering coaching to CEOs. As both a creator and participant, Beecham understands how nondegree executive education programs can help businesses meet their goals.

CUSTOM PROGRAM OPPORTUNITIES

- Product management
- Innovation and entrepreneurial mindset in corporations
- Design thinking
- Productivity and strategic cost management
- Supply chain management
- Values-based leadership and its relationship to company vision
- Communication leadership for technical divisions
- Business analytics
- Building trust and engagement
The Graduate School of Management and the Department of Viticulture & Enology will present the 12th annual UC Davis Wine Executive Program in March, drawing on top faculty in business, viticulture and enology, and partnering with leading industry experts to teach the management skills critical to success in the wine industry.

With a broad national and international blend of attendees, the proven four-day program offers powerful knowledge sharing about wine business best practices and valuable and lasting connections. A half-day boot camp quickly brings those new to the business and science of winemaking up to speed.

A global innovator in university–based wine and food sciences research, education and outreach, UC Davis is the only academic institution offering the combination of wine industry and management expertise and leadership.

Long-term Value for Clients
Following up with companies is key to the program’s success, says Bob Lorber, a visiting assistant professor at the School who teaches in the MBA and executive education programs. “I think that will help us build long-term relationships with these companies—that they see us as a resource long-term, not just for one session,” says Lorber, president and CEO of The Lorber Kamai Consulting Group in Davis, Calif.

Moss Adams LLP Partner Jeff Gutsch contacted the School to develop a training program for the company—one of the largest regional accounting firms in the U.S. Gutsch says Moss Adams is looking to change its culture and turn its tax specialists and accountants into trusted advisors, able to help their clients with any business problem. Gutsch appreciated Beecham’s willingness to tailor a pilot program.

Lary Kirchenbauer, president of Exkalibur Advisors Inc. and a Moss Adams consultant, helped design the three-day program held in August at Gallagher Hall. Kirchenbauer joined Moss Adams employees from the food processing and agriculture group for sessions on business acumen and how to build trust with clients.

“I can say clearly the people that attended the program have received the tools to start looking at their client relationship differently,” Gutsch says.

Leadership at the Vacaville, Calif., manufacturing plant of Genentech—the South San Francisco–based biotechnology firm now part of Roche—is planning a second program for about 70 managers at the School in February.

Elissa Berrol, a strategic learning partner at Genentech’s Vacaville plant, says she appreciates Beecham’s commitment to connecting classroom learning to the business and promoting accountability after the session. Berrol says she likes Beecham’s approach to continuity. Bringing back one of the presenters from last year’s program ties the new sessions to what employees previously learned. It’s that kind of forward thinking that makes Genentech want to return, Berrol says.

“It sets a precedent that these are not isolated events but that the learning is continuous, and we build upon each building block of knowledge.”

Learn more and read our new exec ed blog @

>> gsm.ucdavis.edu/exced
As the Graduate School of Management celebrates its 30th anniversary, Dean Steven Currall has unveiled an ambitious strategic plan to further elevate the School's impact and visibility nationally and internationally.

Driving the key initiatives is a proposed new business model that strengthens the School's long-term financial sustainability by minimizing reliance on state funds over the next 10 years.

“The new framework is innovative and bold,” Currall says. “It leverages our ability to further diversify our revenue streams, develop new programs and invigorate current programs to expand our portfolio of education options for prospective students.”

Currall has submitted the plan to campus leadership. It calls for retaining all student tuition and fees from degree programs, expanding nondegree open enrollment and custom executive education, and a greater dependence on endowment income from philanthropy.

Currall shared the strategic plan and the new funding model in his State-of-the-School address last September. “To fuel our strategy, we must have sustainable resources to deliver superior performance,” he said, explaining that the School needs more flexibility to realize its vision while reinforcing its commitment to the University of California’s mission.

UC recently restructured how state funds are distributed to each campus, giving chancellors greater discretion in decision making. UC Davis will change its revenue allocation model in July.

The backdrop is a UC system that has been squeezed by successive years of declining state financial support. UC’s state funding has fallen from $3.25 billion in fiscal year 2007–2008 to $2.37 billion in fiscal year 2011–2012. Another $200 million cut looms if voters don’t approve a state sales tax increase in November.

The university has relied on large tuition and professional school fee increases to offset the impact of state cuts. The Graduate School of Management has weathered the storm better than other academic units because of earlier strategic moves toward revenue-generating programs and philanthropic support following deep UC budget cuts in the early 1990s.

Today, the School generates 73 percent of its $19 million budget from self-supporting activities, including the Working Professional MBA programs in Sacramento and San Ramon, and private support. In 2010–2011 the School received roughly $5 million in state general funds, about 27 percent of its budget, down from 44 percent in 2003–2004. Currall’s goal is a $30 million budget by 2020–2021 that assumes no state funding.

It is not an unprecedented move. The University of Virginia’s Darden School of Business has been self-sufficient for almost a decade. And, the UCLA Anderson Graduate School of Management has proposed to forgo state funding in return for greater “self-sufficiency.”

“It’s a time of great change and reflection in the UC system,” Currall told former BusinessWeek Executive Editor John Byrne in an interview for Poets & Quants, Byrne’s website devoted to graduate business school education. “My job is to insulate my students and faculty from this budget challenge.

“I’m not thrilled with the cuts, but I am thrilled with the reflection they are causing,” Currall said. “People are having to rethink the whole business model and accept the fact that we have to have a new business model. It’s a great change-management story. I guarantee we are going to be better off—more efficient, more market oriented. I think this is a blessing in disguise.”

View Dean Currall’s State-of-the-School presentation @
>> gsm.ucdavis.edu/stateoftheschool

Download the School’s strategic plan @
>> gsm.ucdavis.edu/strategicplan

As the UC Davis business school, the mission of the Graduate School of Management is to be a global leader in business and management research and education. As part of the world’s premier public university system, the University of California, we pursue significance, excellence and scholarly rigor in our research, teaching and service to society. We emphasize curiosity, creativity, and high standards in the generation and transmission of theoretical and practical knowledge relevant for for-profit and nonprofit organizations.
The Graduate School of Management’s vision is to spur new business and job creation, prepare management leaders and accelerate investment and innovation through partnerships with industry, education and government. Dean Steven Currall is actively involved in economic development initiatives, working with business, community and government leaders at the local, state and national levels to chart a new course toward renewed prosperity.

Hit hard and still reeling from the deep recession, the six-county Sacramento region has responded with concerted action. Currall is collaborating with diverse California leaders and area stakeholders on Next Economy, a public-private regional revitalization plan—a top priority for the School. GSM alumnus Mark Otero ’07, CEO and founder of online gaming developer BioWare Sacramento, serves on the six-member Next Economy Leadership Group.

UC Davis plays a pivotal role as a powerful economic engine for Northern California, generating $6.9 billion in annual economic activity and accounting for 69,000 jobs, according to an analysis released in December by Sacramento-based Center for Strategic Economic Research.

At the state level, Currall joined business leaders at the announcement of Lt. Governor Gavin Newsom’s “Economic Growth and Competitiveness Agenda for California,” in San Jose in July. The agenda is a workforce strategy with eight pillars, such as aligning with regional strengths, driving innovation and accelerating the clean economy.

Along these lines, Currall has advocated for university enterprise zones to better connect researchers with critical partners—entrepreneurs, investors and corporate partners—both locally and internationally. The zones would offer incentives to build launch pads for start-ups and serve as a landing area for larger, established companies to work more closely with universities. UC Davis is reviewing more than 40 concepts for such an Innovation Hub.

The campus took this idea to the next level in July by hosting John Fernandez, the U.S. Commerce Department’s assistant secretary for economic development, at a town hall to discuss the Sacramento region’s future. Currall moderated the Q&A with Fernandez involving leaders from the Sacramento Area Regional Technology Alliance, Sacramento Area Commerce and Trade Organization, Sacramento Area Council of Governments, Valley Vision and the Northern California World Trade Center.

The vision for the School is to serve as an engine of economic prosperity in our region and globally. Economic prosperity involves wealth creation as well as fostering opportunities for upward economic mobility for all citizens. Promoting economic prosperity operates at two levels. First, the School must be a supplier of first-class business and management leadership to public and private, medium- and large-sized organizations. Second, the School must act as a catalyst to help small, entrepreneurial companies bring innovations to market.
Maurice J. Gallagher, Jr. Hall, campus home of the UC Davis Graduate School of Management, has earned a “platinum” certification from the U.S. Green Building Council, the first business school building in California awarded the highest green building ranking. Nationwide, only two other business school buildings have won a platinum ranking.

“We’re delighted with the platinum rating for Gallagher Hall, which reflects the Graduate School of Management’s and UC Davis’ culture of environmental responsibility and our collective commitment to furthering the global adoption of sustainable green building and development practices,” said Dean Steven Currall. “UC Davis is a pioneer in clean technology research and energy-efficiency solutions, and this is yet another example of how our campus both creates and adopts clean energy innovations,” Currall added.

Since opening in September 2009, the 83,000-square-foot complex that houses Gallagher Hall and the adjacent UC Davis Conference Center has been recognized and presented as a case study in excellence for its eco-friendly design, and engineering and sustainability features.

The platinum award adds to UC Davis’ reputation as a pioneer in sustainable building and practices. The Gallagher Hall/Conference Center complex is the third project at UC Davis to earn the platinum certification, more than any other University of California campus. Worldwide, only 610 buildings have earned this rigorous certification since 2000, when the building council established its LEED rating system.

Philanthropy played a key role in the achievement. Gallagher Hall was supported by a $10 million gift from Maurice J. Gallagher Jr., CEO of Allegiant Airlines and a UC Davis alumnus, and his wife Marcia.

“Marcia and I were thrilled to earn the platinum rating. It’s the result of a team effort that reflects the School’s collaborative culture and leadership on issues of clean energy and environmental sustainability, which are also very important to us.”

— MAURICE J. GALLAGHER JR.
UC Davis alumnus; CEO, Allegiant Airlines

Gallagher Hall was designed and built to use 30 percent less energy than a typical office building. A 110-kilowatt photovoltaic solar array recently installed on the complex’s rooftops is expected to provide 15–20 percent of its power needs.

LEED, or Leadership in Energy and Environmental Design, is an internationally recognized green building certification system that provides a framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance approaches. The Green Building Council is a Washington, D.C.–based nonprofit committed to achieving a sustainable future through cost-efficient and energy-saving green buildings.

According to the council, buildings are responsible for 39 percent of carbon dioxide emissions, 40 percent of energy consumption and 13 percent of water consumption nationwide. Greater building efficiency can meet 85 percent of future U.S. demand for energy, and a national commitment to green building could generate 2.5 million American jobs, according to council estimates.

More information on Gallagher Hall @ gsm.ucdavis.edu/gallagherhallLEED
In today’s face-paced, highly scrutinized and transparent business world, the biggest challenge facing leaders is adroitly balancing the needs of the organization and its success with the social and ethical obligations owed to different and often conflicting stakeholders.

Developing the skills and abilities to handle the demanding responsibilities to effectively run large, complex companies, government agencies and nonprofits will be the focus of an MBA course this spring taught by Kevin Bacon. He joins the Graduate School of Management as the Robert A. Fox Executive-in-Residence, and will teach the course at the San Ramon campus.

Bacon brings more than 30 years of senior executive experience providing consulting services to public sector organizations, including vice president of business consulting at IBM Corp. and two decades as a management consultant and partner at PricewaterhouseCoopers. He has worked with federal, state and local agencies in implementing large projects designed to improve the quality, cost and speed of their services.

He will offer students a “tour guide to leadership” to prepare them for their future experiences. “By exploring how leaders in a variety of situations dealt with their challenges, we can draw valuable lessons that will help us shape our own approach to leadership,” Bacon explains. “It is not an easy task and not something you can reduce to a formula.”

Bacon’s diverse examples will include Roy Vangelos, who led pharmaceutical giant Merck; Eugen Kranz of NASA, the flight controller of Apollo 13; and Joshua Lawrence Chamberlain, a Union hero of the Battle of Gettysburg.

An all-star line-up of guest speakers will offer real-time lessons from the field. They include William Sullivan, CEO of Agilent Technologies; Retired Army Brigadier General Howard Prince, a Vietnam veteran and professor of leadership and ethics at the University of Texas, Austin; Julia Gregory, a veteran pharmaceutical industry executive; and Dr. Ken Kizer, a distinguished professor in the Department of Emergency Medicine at the UC Davis Health System, who served as director of the California Department of Health Services and Under Secretary for Health of the U.S. Department of Veterans Affairs.

Bacon’s UC Davis roots run deep. He earned his undergraduate degree in political science at the university in 1972. He also holds a master’s in economics from the London School of Economics. Since 2003 he has served as a UC Davis Foundation trustee and now chairs the volunteer board that helps to raise and increase philanthropic support, advocates for the university and manages a portion of its endowment. He is also teaches at the LBJ School of Public Affairs at the University of Texas, Austin.

Bacon’s MBA course reinforces the School’s principles of values-based leadership and applying the highest moral and ethical standards to management decisions. Among the many qualities needed, Bacon says, leaders must have a willingness to sacrifice short-term personal comfort for the larger good.

“I strongly believe that business schools can help students develop their leadership framework to guide them through their careers,” Bacon said. “While one’s moral and ethical foundation is a product of many sources—including family, religion and cultural heritage—there is much we can do in higher education to help students understand what leadership is about.”

Bacon’s advice to students: “Start working on developing your leadership skills and abilities today. Don’t wait until some later date when you are ‘at the top’. It will be too late if you wait.”

By exploring how leaders in a variety of situations dealt with their challenges, we can draw valuable lessons that will help us shape our own approach to leadership.

Learn more about the Robert A. Fox Executive-in-Residence program @
>> gsm.ucdavis.edu/eir
The Graduate School of Management has launched a School-wide diversity plan led by newly appointed Chief Diversity Officer Linda Oubre.

“Diversity is a core value of UC Davis and the Graduate School of Management,” Dean Steven Currall said in naming Oubre to lead the effort. “As our chief diversity officer, Linda will be responsible for advising me on all diversity matters. She will work across our GSM constituencies to develop and implement initiatives that reflect our commitment to achieving a diverse and outstanding student body, faculty and staff.”

Oubre has added the role of chief diversity officer, having joined the School in February as executive director for corporate relations and Bay Area business development. She previously served as executive-in-residence.

A graduate of UCLA and the Harvard Business School, Oubre brings more than 25 years of corporate and start-up experience with the Los Angeles Times, Walt Disney Co., BriteSmile and other ventures.

“I am honored to head this important effort,” Oubre said. “As the demographics of California change and the business world becomes more global, it is imperative that management schools continue to train leaders who can manage the complex and diverse communities that we serve.

“We are committed to achieving diversity at all levels in all of our constituencies,” she added. “It is central to our mission to ‘prepare innovative leaders for global impact.’”

Aligned with the UC Davis Principles of Community, the Graduate School of Management has implemented initiatives designed to strengthen and ensure the quality of research, teaching and public service related to diversity, equity and inclusion; extend pathways for access and success; and foster an engaging and healthy campus climate.

Specific diversity initiatives include:

- The establishment of a new Faculty Committee on Diversity. This committee will initially be focused on adopting the School’s first Statement on Diversity and on finding ways to ensure issues of diversity are a part of the School’s curriculum. The Faculty Committee will be chaired by Professor Kim Elsbach, and include Professors Brad Barber and Shannon Anderson, Assistant Dean of Student Affairs James Stevens and Chief Diversity Officer and Executive Director, Corporate Relations Linda Oubre.
- Increasing the diversity pipeline for all academic programs through the implementation of recruitment and student retention programs designed to increase the pool of diverse applicants.
- Recruiting and selecting a diverse faculty and staff.
- Building awareness of the importance of equity, inclusion and diversity across the Graduate School of Management community.

Over the past several months, Oubre has led a team in identifying diversity efforts for the coming year. These include the adoption of an official Statement on Diversity, highlighting the School’s commitment to diversity through marketing and advertising, and designing programs to enhance student recruitment, retention and long-term pipeline development.

With these initiatives in place, the School is well-positioned to meet its goal to increase all diversity.

>> gsm.ucdavis.edu/diversity
The Graduate School of Management will become the first University of California school to offer a master’s degree in professional accountancy (MPAc)—a response to major changes in educational requirements and the resulting need for improved training of certified public accountants in California.

“The degree will provide a vital educational offering for the residents of California, as well as serve as a valuable component of the Graduate School of Management’s academic portfolio and business model,” said Dean Steven Currall. “Offering this degree is both timely and essential.”

The first students will be admitted to start in fall 2012.

The establishment of the new degree comes on the heels of new educational requirements for those seeking to become a CPA. A California law passed in 2009, Senate Bill 819, significantly revised the educational requirements for CPAs. The new law requires—starting in 2014—an additional year of post-secondary education before a candidate can become a CPA in California.

Students with a bachelor’s degree from an accredited college or university, and who meet the minimum entrance requirements, may apply to the program. The School accepts the GMAT (Graduate Management Admissions Test) or the GRE (Graduate Record Examination) in its application process.

The MPAc program, largely designed around California’s new law, requires students to pass an examination after advancing to candidacy, and at the end of all coursework, in order to receive the degree.

HIRING TRENDS UP
Associate Professor Robert Yetman, faculty director of the program, said there are great employment opportunities for MPAc program graduates because the demand for highly trained accountants in California exceeds the supply.

“Already some accounting firms in California only interview and hire students who meet these new requirements,” he said. “I encourage students from all undergraduate backgrounds to apply to the program, and start their journey into the field of professional accountancy.”

The demand for accounting graduates nationwide has rebounded significantly from the economic downturn in recent years. Nearly 90 percent of U.S. accounting firms forecasted the same or more hiring of new accounting graduates in 2011 compared to 2010, according to “The 2011 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits,” an annual survey published by the American Institute of Certified Public Accountants. Seventy-one percent of the largest firms anticipated an increase in hiring in 2011 compared to the previous year, the survey found.


The School is now accepting applications for the new degree. Upcoming deadlines are February 15, March 31, and June 1, if space is still available.
Collective Creativity Brings Disney’s Magic Alive

Behind the Disney magic that has inspired a sense of awe and imagination in young and old for several generations is a rich legacy of quality creative content, exceptional storytelling and a spirit of innovation. Today, The Walt Disney Company is the world’s leading international family entertainment and media enterprise, with four business segments: media networks, parks and resorts, studio entertainment and consumer products.

Disney Consumer Products alone is a $30 billion business, reining as the world’s largest licensor with merchandise ranging from apparel, toys and home décor to books and magazines, foods and beverages, stationery, electronics and animation art. Overseeing finance and accounting and strategic reviews of the segment is Executive Vice President and Chief Financial Officer Anne Gates, who visited the Graduate School of Management’s Bay Area campus in October as a Dean’s Distinguished Speaker.

Drawing on her two decades of executive experience at Disney, Gates presented a multimedia and operational tour of its many franchises and “magical” products. Like a ride at Disneyland, she bounced from Disney-Pixar’s Cars and Toy Story movies to the multi-billion-dollar Disney Princess line and new ideas such as Disney Baby for new parents and Disney English, an immersive, interactive digital learning environment for children based on Disney storytelling that is a big success in China.

Gates explained how Disney’s collective creativity fills a pipeline of innovative new products. “We have to control our own destiny and pull it all in-house,” she said of the team-based brainstorming, design and prototype process. “It very much operates like a virtual toy company linking across our retail network. It’s brand management 101, but nobody else does this in the entertainment industry.”

She said Disney identifies key partners as licensees, such as Mattel or JAKKS Pacific, Inc., that do the heavy lifting on manufacturing, retail placement and marketing. The challenge in a market dominated by price-competitive Wal-Mart and Target is balancing high product quality with gross margins for licensees.

“That’s the piece we are constantly battling, especially in this economic environment: it’s quality versus the margin,” she said. “But we are not going to give up on the quality.”

To stay on top of the issues, she said Disney now has offices near Wal-Mart headquarters in Bentonville, Ark., and Target headquarters in Minneapolis.

And it’s not just bricks and mortar, it’s competition from Amazon.com, Walmart.com and other online retailers that carry Disney merchandise. “Our Disneystore.com site’s biggest competitor is us—the rest of our licensing—so the site has to create added value.”

One of the biggest missteps, she said, was licensing the Disney Store chain to The Children’s Place. “They didn’t understand the ethos of Disney,” she explained. “That experience fundamentally altered our retail strategy and focus.” Disney took back its stores, introducing “The Best 30 Minutes of a Child’s Day” theme with interactive areas for kids. She said store traffic is up 20 percent and now more people visit the more than 350 Disney Stores worldwide than the company’s theme parks.

Wrapping up, Gates recalled a brief encounter with Apple co-founder Steve Jobs, a Disney director and its largest shareholder, who had passed away two days before. “He lectured me on quality and why it is so important and how that drives both bottom- and top-line growth. And he was, and is, so right.”

Read more about Anne Gates @
>> gsm.ucdavis.edu/gates

“If you can dream it, you can do it. Always remember that this whole thing was started with a dream and a mouse.”
—WALT DISNEY

A New Disney Brand? Disney’s Anne Gates hugs Mickey clad in GSM attire, a gift of appreciation for her talk about the company’s $30 billion consumer products business.
Mark Hoplamazian got his first taste of the hospitality business working the graveyard shift at the front desk of a two-star hotel while studying at the London School of Economics. While short, that experience still shapes his single-minded pursuit of top-quality customer service as president and CEO of Hyatt Hotels Corporation. During a campus visit last spring—including a stay at Hyatt Place at UC Davis—he spoke as a Dean’s Distinquished Speaker, sharing his serendipitous return to the hotel business.

While earning his MBA at the University of Chicago in the late 1980s, Hoplamazian was introduced to Jay Pritzker, the billionaire Chicago businessman who co-founded Hyatt in 1957. Impressed with Hoplamazian’s Wall Street experience in international mergers and acquisitions, Pritzker brought him aboard to first work on a bid for Eastern Airlines amid a contentious labor dispute, then a reorganization plan for Pan-Am.

“I was at the right place at the right time, he had never hired anyone straight out of business school before,” said Hoplamazian. He went on to become president of The Pritzker Organization, the investment advisor of the family’s business portfolio, then named to lead Hyatt in 2006.

Hoplamazian said customer segmentation is key to Hyatt’s success and strategic global expansion to 478 properties in 45 countries. The company’s subsidiaries manage, franchise, own and develop hotels and resorts under the Hyatt, Park Hyatt, Andaz, Grand Hyatt, Hyatt Regency, Hyatt Place, Hyatt House and Hyatt Residence Club brands.

The cornerstone is nurturing a company culture that puts a premium on concierge service and personal attention, Hoplamazian explained. The goal: be the most preferred brand in each segment, not necessarily the biggest or fastest-growing. “That’s how we define being No. 1,” he said.

That approach led to a “huge fight” with Hyatt’s investment bankers while prepping for Hyatt’s IPO road show in 2009. Hoplamazian won the behind-the-scenes clash. The bottom line, he said: “If you want unit growth, then don’t buy the stock. The strength of the brand is more important than growth for growth’s sake.”

The brands largely rest with Hyatt’s invested franchise owners who run more than 300 properties and Hyatt depends on for third-party capital, Hoplamazian said. Hyatt benefits by allowing franchisees latitude to manage pricing, operations and entering emerging markets. At the same time, Hyatt runs about 100 company-owned hotels and 30 other joint ventures.

“To price centrally is a bad idea. With more than 435 properties, you can’t do it effectively” he said. “The best decisions are made close to the customers. We like to keep decision making at the general manager level of each property. They carry our DNA and uphold the culture of our company.”

The global economic recession hit hard, but Hoplamazian said occupancy growth is back to 2007 levels while room rates are still depressed. He said corporate customers have become more conservative. Hyatt’s corporate bookings that used to be at 75 percent capacity three months out are now stagnant at 50 percent.

Looking forward, Hoplamazian is very bullish on China, India and Brazil. Hyatt is building a new hotel in Rio de Janeiro, and targeting Central Asia for more opportunities. He said one challenge in China’s new capitalism is a high employee turnover rate as small wage increases quickly attract workers elsewhere. ☑️
As a teenager in Laredo, Tex., Delia Perez yearned for a bigger world. “Growing up first-generation Mexican-American, I was fascinated by cultural diversity,” she remembers. “I was very interested in the French language, but there were no opportunities to study it. So I researched study-abroad programs and started working as a tutor and saving my money. I convinced my parents to send me to France and embarked on a journey that changed my life.”

Over the next six summers, Perez traveled and learned—not only a new language, but how diverse and interconnected the world truly is. “With each international experience, I learn more about myself and how to interpret the world around me,” she says.

Perez pursued a five-year double degree, earning her bachelor’s in industrial and systems engineering at the prestigious Monterrey Institute of Technology and Higher Education in Mexico and a master’s in materials and performance management at École d’ingénieurs in Paris. Upon graduation, she joined the multinational construction materials giant CEMEX as an industrial engineer, working with cement projects.

Perez led major drilling and blasting efforts—“basically, controlled explosions,” she explains. One significant project included identifying the most cost-effective blasting agent—and then heading negotiations to ensure its use. The switch saved CEMEX hundreds of thousands of dollars a year per cement plant.

“CEMEX gave me incredible opportunities and experiences in France, Mexico and the U.S.,” she says. But as the global economy deteriorated, Perez sought a career change in a new industry. Drawn to the dynamic, fast-paced tech sector, in January 2010 she joined Intel in Folsom, Calif., as a new product planner in the Non-Volatile Memory Solutions Group.

She has since successfully planned, launched and managed supply for four solid state drive (SSD) product lines. SSDs, which have no moving parts, offer accelerated performance and are more reliable and energy efficient than conventional hard disk drives in PCs and data centers—benefits enjoyed by everyone from gaming enthusiasts to IT managers to small business owners.

Seeking to expand career opportunities and her professional network, Perez enrolled in the Sacramento Working Professional MBA program. Her studies have helped Perez to better understand her work group’s business decisions and strategic direction.

“We’re concentrating on automation, standardization and continuously improving business processes and our supply chain,” she says. “I can immediately apply what I learn in class to my everyday life at work.”

Perez’s extracurricular activities have enhanced her MBA experience. Serving as vice president of the Dean’s Student Advisory Council affords a rare “opportunity to interact with some amazing, motivated people, deepen my involvement with the School’s community and have a lasting impact on its future,” she says.

She’s also involved with the Sacramento Leadership Cooperative Program, which collaborates with a public charter school to mentor and tutor underprivileged and at-risk youth. “We help them build self-esteem, and motivate them to excel and pursue a higher education,” Perez explains. “Life has given me some amazing opportunities. I give back because I believe I can make a difference.”

Perez’s dual commitment to personal growth and to helping others excel will ultimately lead to a career in academia. “I have been passionate about teaching since I tutored math and science in high school,” she explains, “and a Ph.D. has always been on my mind. I want to be part of the expansion and communication of knowledge, and to have an impact on global business and education.”
IT Innovator Brenda Guo Raises the Bar

Brenda Guo prepared to enter the Chinese foreign ministry, but serendipity led her to a 12-year career in information technology and most recently to the Bay Area Working Professional MBA program, where she is a second-year student.

Guo, a native of China, has built her career at a diverse collection of U.S. companies, and a stint as an entrepreneur in China. She earned her undergraduate degree from the China Foreign Affairs University. While most of her classmates entered the Chinese Ministry of Foreign Affairs, Guo moved to New York state with her husband, who was enrolled in a Ph.D. program at Cornell University, to pursue a master’s degree in corporate communications at Ithaca College.

She had aspired to work in the communications field after graduating in 1998, but instead joined Burntsand Inc. in San Jose, Calif., during the Internet bubble. As an information technology consultant, she designed and built web-based databases, completing projects for Fortune 500 companies such as Wells Fargo, AT&T and Boeing.

That experience sparked her interest in harnessing the transformative power of technology rather than doing corporate communications. The more she learned how to program computers, the more she enjoyed it. She also found she has effective problem-solving skills, essential for a successful IT career.

Since 2006, Guo has thrived as a senior IT programmer analyst for the Continuing Education of the Bar (CEB), a program of the University of California that is cosponsored by the State Bar of California to cultivate the professional development of lawyers. She is a system administrator overseeing four systems, two of which she designed. Guo is responsible for the systems’ health, helping users when they encounter daily problems and introducing new systems. She and her team have earned CEB recognition awards for their work.

Guo likes the fast-paced nature of IT, researching changing technology and proposing new products to senior management. “You feel like you’re adding a lot of value to a business, and it’s a very challenging job,” she says. “Also, once your system is up and running, you feel a lot of power because you have to help a lot of people to do their daily work.”

Recently, Guo convinced her managers to change the technology of their web catalog, which advertises products for attorneys. The old catalog had a “straight, plain PDF layout without URL links.” The new one, in its final testing phase, is like a virtual magazine with pages that flip and inserted links that let customers buy products with a mouse click.

Before joining the CEB, Guo worked for Bio-Rad Laboratories in Irvine, Calif., as an IT business system analyst and as an independent consultant to American Honda Motor Company Inc. in Torrance, Calif. In 2005, she and her husband returned to China where she and some friends launched Yiyouxing Technology Inc., an online training company that they sold four years later.

As a UC Davis MBA student, Guo is an officer of the Bay Area Marketing Association and has set her sights on becoming a general manager leading an international team. Courses in marketing and finance, she says, will help her better set business strategy, interact with customers and allow her to pursue a product management career path.
The Graduate School of Management has been designated a “military-friendly school” by *G.I. Jobs*, a magazine for military personnel transitioning into civilian life. The 2012 Military Friendly Schools list honors the top 20 percent of colleges, universities and trade schools that are doing the most to embrace U.S. military service members and veterans as students.

A revamped GI Bill, the federal Yellow Ribbon Program, and the MBA Veterans Network and Operation MBA—sponsored by the Graduate Management Admissions Council—have served to improve funding and resources available to veterans who want to pursue graduate education, and the GSM is an active partner in the programs. The School also waives the MBA application fee for current members and veterans of the armed services.

Tony Lawson piloted drones over a tsunami-devastated Japan and flew refueling planes during wars in Afghanistan and Iraq. Last July, he retired his nine-year tour with the U.S. Air Force for a new mission: a UC Davis MBA.

Lawson has experienced some culture shock as a first-year Daytime MBA student, but welcomes the change. He marvels at the School’s cultural diversity and his fellow students’ varied life experiences compared to the Air Force’s homogeneity.

“It’s a perfect transition because the camaraderie and skills I learned in the military directly translate to school,” he says. “Everybody is really tight-knit, and we’re working together for common goals.”

Growing up in an Air Force family, Lawson witnessed first-hand the excitement of flying. Enlisting upon graduating from West Virginia University, he relished the fellowship among his crew, the travel and meeting new people. After his last assignment at Beale Air Force Base, Lawson planted roots in Northern California with his wife and two children.

Lawson separated from the military well-equipped with proven leadership and management abilities. At UC Davis, he is focusing his studies on technical management and finance.

His short-term, post-MBA goal is to join a company such as IBM selling products to businesses or consumers. Someday, he’d like to enter state or national politics.

Lawson started his Air Force career as a KC-10 aircraft commander. Deployed to the Middle East, he often flew missions into combat zones over Iraq and Afghanistan. He likened a KC-10 to “a flying gas station.” While he piloted the plane, a crew member extended a fuel-carrying tube that attached to a fighter jet flying just 40 feet below.

“I was upgraded to aircraft commander, in charge of the whole crew, the whole plane, the mission,” he says. “I’m a mid-20s guy flying a $88 million plane around the world. It was cool and scary at the same time.”

In 2008 he was assigned to Beale, where he piloted Global Hawk drones, flying high-altitude reconnaissance missions for combat and humanitarian purposes. When a tsunami devastated Japan last March, Lawson remotely controlled drones that photographed the wreckage to help the Japanese government assess the most damaged areas. It was the first time such a drone had been used in a humanitarian mission, he says.

The Air Force often assigns pilots to office jobs in addition to their flying duties, and one of these led to a notable accomplishment for Lawson. After a colleague missed a promotion because his application for a medal was still winding through the paper-based process, Lawson decided to overhaul the system.

“I took over the shop and saw how inefficient it was,” he says. “I swapped everything over to an electronic system. We did it via e-mail and cut the time in half.”

GSM Recognized as Military-friendly School

The Graduate School of Management has been designated a “military-friendly school” by *G.I. Jobs*, a magazine for military personnel transitioning into civilian life. The 2012 Military Friendly Schools list honors the top 20 percent of colleges, universities and trade schools that are doing the most to embrace U.S. military service members and veterans as students.

A revamped GI Bill, the federal Yellow Ribbon Program, and the MBA Veterans Network and Operation MBA—sponsored by the Graduate Management Admissions Council—have served to improve funding and resources available to veterans who want to pursue graduate education, and the GSM is an active partner in the programs. The School also waives the MBA application fee for current members and veterans of the armed services.

>> gsm.ucdavis.edu/military
Antonio Zaccheo's landed his first paying job at the age of 12. He would rise early, pick peaches from the family orchard outside Rome, pack them into wooden crates and balance them on his moped to deliver the fruit to produce shops.

Zaccheo '93 has spent his life working in agriculture at his family's farms and wineries in Italy and for U.S. agribusinesses. For the past nine years he has led sales and marketing efforts at Carpineto, a winery founded by his father, Antonio Zaccheo Sr., and winemaker Giovanni Sacchet.

Carpineto, based in a valley of the same name in the Chianti region of Tuscany, has 40 full-time workers on four estates totaling 1,000 acres. About 300 acres are vineyards and 75 are devoted to high-end olive oil production. The rest is mostly planted in durum wheat for pasta, and woodlands.

Carpineto grows a dozen varieties of grapes, producing about 2.5 million bottles of mostly red wine annually. It exports about 90 percent of its production to 70 countries; major markets include the U.S., Canada, Germany and Japan.

Zaccheo's grandfather started the family business in 1950 when he bought vineyard property outside Rome and started making wine under the name Fattoria Pavan (Pavan Farm). Zaccheo's father joined the business and, in 1967, launched Carpineto. While his partner, Sacchet, focused on quality winemaking, Zaccheo Sr. concentrated on sales and marketing.

After strikes paralyzed Italian universities during Zaccheo's last year of high school, he followed the advice of a family friend who taught at San Francisco State University, and enrolled. He received a bachelor's degree in international business and returned to the family wineries. When competition from a government-funded cooperative drove the Pavan enterprise out of business, Zaccheo headed back to California, attracted by UC Davis' reputation.

At the Graduate School of Management, Zaccheo helped Professor Robert Smiley to conduct his first survey—now in its 20th year—of California wine professionals. After graduating, Zaccheo spent five years at Cargill as an administrative manager in the animal feed division and as a grain trader at the private agribusiness giant's Minneapolis headquarters. California's wine country lured him to Wente Vineyards in Livermore, where he worked for five years as vice president of strategic planning. When Zaccheo and his wife had a son and wanted to watch him grow up on a farm in Italy, Zachero joined Carpineto as vice president of sales and marketing.

Today Zaccheo spends about half his time traveling. "I'm constantly jetlagged," he says. His global itineraries include wine shows, visits to wine shops and restaurants, and meetings with wine writers, hotel chains and other customers.

When on-site, he works with importers to develop sales strategies. He's also out making suggestions in the vineyard, where it is all hands on deck as needed. Zaccheo recently filled in for an ailing tractor driver to deliver olives to the mill for pressing.

He's also leveraging new technology to build brand loyalty. Carpineto became the first winery in Italy, Zaccheo says, to add QR codes on its labels in 2010. Customers with smartphones can scan the codes to get instant information about the wine.

"We're making a consumer product that's very complicated," he says. "It's a product that's laden with emotion and culture and history. You have to give more."
Incident Prompts Lessons in Crisis Management

by Tim Akin

UC President Mark Yudof described the November 18 pepper spraying and arrest of student demonstrators on the campus Quad by UC Davis police as “appalling,” and he appointed a task force to review the action.

The incident drew worldwide attention, prompting several investigations and a state legislative hearing. After seated protesters refused to move, they were doused with pepper spray at close range. Two officers and the campus chief of police were placed on administrative leave.

Yudof said the UC task force will assign responsibility for the events and make “recommendations to me and to Chancellor Katehi regarding improvements to police procedures, command protocols and campus policies and oversight structures that will help ensure that the rights and safety of nonviolent protestors and the entire campus community are protected.”

For MBA students, the incident presented a learning opportunity on how to manage in difficult times. Following the pepper spraying, the Graduate School of Management held a community conversation at Gallagher Hall to talk about the incident. That forum led to two workshops, at Davis and at the UC Davis Sacramento campus, both led by Visiting Professor Colin Biggs, a management consultancy expert focused on managing change in the public sector.

Biggs was already teaching an elective course on Crisis Communication, so the incident quickly turned into a real-life case study that he applied in a business context.

Biggs asked students to assess the campus events, the university’s response and what it could have done differently. Biggs cited several high-profile corporate crises ranging from the Union Carbide plant in Bhopal, India, and the more recent BP oil spill to Enron and Toyota’s stuck accelerators. He said the business world has a long history of failing to read signs, failure of key personnel or outright deception that lead to crisis.

“Crisis avoidance and management involves above all having the right top management strategic mindset,” Biggs told students. “Although some crises result from external and uncontrollable triggers such as earthquakes or acts of terrorism, most result from a lack of adequate management and are made worse by ineffective leadership in the moment.”

Maurice J. Gallagher Jr. Keynotes

by Marianne Skoczek

One hundred and eighty men and women assembled for the last time as UC Davis MBA students on June 11 and marched with pomp and circumstance onto the stage at the Mondavi Center for the Graduate School of Management’s 29th commencement ceremony. It was the largest graduating class in the School’s history.

“Trajectory is a key theme for our celebration today,” Dean Steven Currall said, noting the School’s rapid rise as it “ascends the ranks of global business schools faster than any other business school in the top 50.”

And the graduates, the dean continued, “are now on a new, more promising life and career trajectory as a result of earning their MBA. Their investments will pay off in the form of a deeper understanding of business dynamics and new career vistas and opportunities.”

Maurice J. Gallagher Jr. (above), president and CEO of Las Vegas-based Allegiant Airlines, gave the keynote address.

Gallagher and his wife, Marcia, gave a $10 million gift to name Maurice J. Gallagher, Jr. Hall, the School’s campus home.

A 1971 UC Davis alumnus, Gallagher is a former member of the School’s Dean’s Advisory Council, and he and his wife established the Maurice J. and Marcia G. Gallagher Chair in Finance, held by Professor Brad Barber. He is an honorary co-chair for the Campaign for UC Davis, the university-wide initiative to raise $1 billion in philanthropic support.

Gallagher told the graduates that whether they would become successful entrepreneurs like himself or pursue excellence in the corporate world, “the great part of the experience will be the journey. And for a successful journey, you need to pursue a business plan of your own.”

Drawing on his experiences and challenges in establishing and running start-up airlines and other businesses, Gallagher urged the graduates to master discipline in both their professional and their personal lives.

“Study the possibilities, understand your environment, do your homework,” he urged. “When an opportunity is presented, be prepared to make a decision. Be the master of your own business plan.”

View the 2011 commencement ceremony @
> gsm.ucdavis.edu/commencement2011
Connections Count

by Marianne Skoczek

When a promised position with a major investment firm fell victim to the recession and was rescinded just after Daniel Hwang graduated in June, the new Daytime MBA graduate turned to the School’s Career Development team.

Led by newly appointed Senior Director of Career Development Christine Dito, they helped Hwang land a plum position with GAP. Dito, the former manager of career recruiting programs at UC Davis, drew on her deep knowledge of career development, her extensive employer network—and the energy and tenacity required to help the School’s students find work experiences that match their long-term career goals.

“Chris provided a lot of advice about job-search strategy,” says Hwang. “She coached and conducted multiple practice interviews with me, and connected me with people at firms I was interested in—invaluable assistance in today’s ultra-competitive job market.”

Today, as a staff analyst in GAP’s Field Finance Department, Hwang helps manage and allocate payroll labor hours across GAP North America’s store fleet. “I help to ensure that stores have enough employees to provide a quality environment for customers, and that we hit our financial targets,” he explains.

“UC Davis MBAs are highly motivated, eager and hungry for opportunities,” says Dito, who applies her decade-long background in employer relations to bring students’ resumes before recruiters. “Often, just making sure their resume gets to the correct hiring manager is the helpful piece of the puzzle.”

Developing relationships is key. In October, Dito accompanied more than 50 Daytime and Working Professional MBA students—along with Dean Steven Currall and Assistant Dean of Student Affairs James Stevens—to the National Society of Hispanic MBAs conference in Anaheim. University of California business schools were a lead sponsor of the annual event, which hosts recruiters from hundreds of top-tier companies.

Taking Dito’s advice to heart, the students networked with recruiters for firms both local and from across the country. Many secured interviews for internship or career positions in fields including finance, consumer products, sustainability, food and beverages, IT and health care.

The effort has already paid off richly for MBA student Laurie Grimsmann, who will begin her finance career at Intel Corp. upon graduation in June.

Judy Nagai
Develops Momentum

by Tim Akin

Bringing more than 18 years of higher education management experience in development, alumni relations, student affairs and communications activities, Judy Nagai joined the School in November as assistant dean of development and external relations.

“Judy has the in-depth understanding of institutional advancement and capital campaigns to build momentum and financial support for our mission,” said Dean Steven Currall. “She has hit the ground running to lead our team and the School to even greater heights of effectiveness and visibility.”

“I’m pleased to join the Graduate School of Management at such an exciting time in the history of UC Davis,” Nagai said. “I’m impressed by the MBA program ranking among the top six percent in the nation, and by the School’s entrepreneurial approach to educating a diverse student body.

“I’m delighted to see the generous philanthropic support by our alumni and friends, which is critical to our success as a top-tier business school.”

From 2002 to October 2011, Nagai served at the director of external relations at the College of Hotel Administration at the University of Nevada, Las Vegas (UNLV). She was actively involved with key gifts that led to the completion of a $500 million comprehensive campaign, led the Dean’s Advancement Team, managed the Dean’s Advisory Board, and directed alumni relations, publications and communications.

Before joining UNLV, Nagai developed and implemented successful alumni engagement strategies at Stanford University, where she served as the Stanford Alumni Association’s deputy director of young alumni and university outreach, and associate director of class alumni relations.

Nagai earned her B.S. from California Polytechnic State University, and a Master of Education in higher education and student affairs administration from the University of Vermont. In 2011, she received a Ph.D. in educational leadership from UNLV.

>> gsm.ucdavis.edu/nagai

>> gsm.ucdavis.edu/dito

UC DAVIS GRADUATE SCHOOL OF MANAGEMENT • 35
MBAs on the Ground in Latin America

Two Worlds Apart: Argentina & Chile

ARGENTINA AND CHILE: Two countries that share a common language and climate but remain worlds apart. As Chile flexes its economic muscles, Argentina struggles.

Following 10 weeks of intensive classroom preparation, last March, 18 UC Davis MBA students traveled to Buenos Aires and Santiago accompanied by Wil Agatstein, executive director for the Center for Entrepreneurship. Their goal: new insight into international trade and the distinct twists in each country’s business environment.

“Visiting such contrasting countries highlighted the impact that political and cultural values have on business dynamics and economic performance.”
—MBA Student Monica Giovannetti

“The trip’s biggest surprise? Argentina’s out-of-control inflation and the government’s efforts to hide it. Everyone sees it, but no one talks about it on the record. Long-term planning is two weeks; a year is unthinkable.”
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THE CAMPAIGN FOR UC DAVIS
Invest in the Graduate School of Management

Through The Campaign for UC Davis—a university-wide initiative to inspire 100,000 donors to contribute $1 billion in philanthropic support—UC Davis is expanding its capacity to meet the world’s challenges and educate future leaders.

The Graduate School of Management has joined this campus effort with an ambitious goal of $25 million in three key areas: faculty and student support, programs and emerging opportunities. We have made significant progress—recently surpassing $22 million, or 91 percent of our goal—thanks to our many supporters.

Alumni set new records with their financial support to the School during the 2010–2011 fiscal year. One out of five graduates participated, contributing a total of more than $170,000, the largest annual amount of alumni gifts in the School’s history.

Yet, there is much more to do. We have bold aspirations for the Graduate School of Management, and ask you to be equally bold as you think about your personal support and how you can make an impact. We invite you to join us.

With The Campaign for UC Davis in full swing, the Graduate School of Management Alumni Association’s board of directors has made a significant leadership commitment to help the School meet its $25 million goal.

When the board held its first meeting of the fiscal year in August, the directors were presented with a challenge from the San Francisco–based Herbst Foundation, Inc., which offered to match a portion of the directors’ gifts raised that day. The 13-member board rallied to pledge $5,625, and upon hearing the good news, the foundation increased the matching grant from $1,500 to $5,000, bringing the total raised to $10,625.

Herman and Maurice Herbst established the foundation in 1961 as part of their long-range estate planning. The foundation focuses on providing funds for tax-exempt organizations in San Francisco, including support for art and performance endeavors, hospitals and education.

“We are grateful to the Herbst Foundation for recognizing the value of supporting the Graduate School of Management and spurring our alumni board to match their generous grant,” said Roberta Kuhlman, the School’s director of development and alumni relations.

“The alumni board is committed to increasing participation in the Annual Fund and overall giving to the School,” said Phoebe Cameron ’98, chair of the board’s fundraising committee. “Our goal is to boost participation in the Annual Fund from 11 percent last year to 15 percent this year.

“Every top business school relies heavily on alumni for support, and the Graduate School of Management is no different,” Cameron said. “We want to surpass our track record, and meet or beat our peer University of California business schools and other top-tier MBA programs. Thanks to the board’s leadership gifts, we are off to a great start.”

Cameron and her board colleagues have engaged 22 class agents to raise the bar on giving from their fellow alumni and achieve this year’s fundraising goals. “As alumni, we all owe a debt of gratitude to the GSM, and one very important way to show this is by contributing however we can,” Cameron said.

More information about The Campaign for UC Davis and giving opportunities @ gsm.ucdavis.edu/campaign

$10,000 Raised in One Day
Directors Top Herbst Foundation Matching Grant Challenge

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Thank You

The UC Davis Graduate School of Management extends a special thank you to all of our generous donors who have supported a variety of priority initiatives during the 2010–2011 fiscal year. We are pleased to share that the School received nearly $3.5 million in cash, pledges and in-kind donations from more than 715 donors. We sincerely appreciate your support. Your contributions are invested in the School to further its mission to prepare innovative leaders for global impact.

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The UC Davis Graduate School of Management has strong ties with the business community throughout California and beyond. By providing crucial funding and support, our corporate partners help the School stay ahead of the curve in business education. We recognize and thank these companies that have given so generously this past year.*

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We strive to ensure accuracy when listing benefactors who made gifts, excluding pledges, from July 1, 2010, through June 30, 2011. If there is an error or you wish to make a change, please call us at (530) 754-6939.
Name is Bond, James Bond: Channeling Agent 007, Fort Mason on the waterfront in San Francisco was transformed into a Monte Carlo–style gaming club for “Casino Royale”—a sell-out November 5 networking event produced and directed by the Associated Students of Management. More than 200 students, alumni, faculty, staff, business partners and guests enjoyed an evening of reconnecting and building the community.

Tell Us What’s New!
Send us your class notes @
>> gsm.ucdavis.edu/classnote

2003
Michelle Maddaus: We are happy to announce the arrival of our second child. Our son Alex was born on Mother’s Day, May 8, 2011. Kayla, now age 3, is a proud big sister. I continue to enjoy running my own firm, working nationally and internationally. We have been very busy and expanded our five-employee water-efficiency company.

2005
Oscar Garavito: My wife and I welcomed our second child, Tomás Antonio, on October 26. Our daughter, Isabella, is now 19 months old. She is growing up so fast and adjusting well to her new brother. I am still with Hewlett-Packard, working as a business planning architect with the Personal Systems Group. Hope everyone is doing well.

2007
Jeremy Foland: I got a great new job at Broadcom Corporation working as a program manager in Durham, N.C. Last summer we packed up the family and moved all the way across the country. So far so good!

2008
Adam Lipman: Recently departed from Genentech/Roche after 13 years to join Chaotic Moon Studios, a mobile software studio, as chief operating officer.

2009
Erol Odabasi: I rejoined Johnson & Johnson in July and relocated with my family to New Jersey. I have a great new position with responsibility for the sustainability strategy for J&J’s medical device and diagnostic sector. We welcomed Rowan Hopkins Odabasi into the world on September 24, and are very excited to be growing our family.

Quyen Teng: Just completed a 3-month work assignment in Perth, Australia, with Chevron.

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