A Post-Crisis View from Wall Street

**Alumni Insights**

**Tim Freeman ’96**
Head of U.S. Equity Derivatives Sales
Capstone Global Markets
World Trade Center, New York

**May Ngai Seeman ’89**
President and CEO, MEAG New York

INSIDE: GREEN TECH REPORT | FACE TIME MATTERS | $1 BILLION CAMPAIGN
Now more than ever, business schools must make bold moves to train a new generation of innovative, globally aware leaders who can put new ideas into action and do so responsibly and with integrity.

At the Graduate School of Management, our strong culture of collaboration and values-based leadership merges with unparalleled teaching and pioneering research to prepare MBAs who are committed to fostering economic prosperity for all. We are dedicated to that mission.

As I start my second year as dean, I am energized and inspired because we have reached a pivotal time in the evolution of the School. We are at an inflection point—a once-in-a-life-time moment to build on our outstanding foundation of recognized excellence in scholarship, research and academics.

I believe that no other U.S. business school has this particular convergence of momentum and the opportunity for extraordinary advances in visibility and impact on the regional, national and global stages.

In October, I shared my vision of a blueprint for the School’s strategic renewal and how our community, working smarter and harder, can accomplish this goal together. With input from thousands of the School’s stakeholders over the past year, we have set priorities that will guide us.

As we craft our strategic plan, I am focused on several initiatives to develop the world’s best management talent and accelerate economic growth, including:

Renewing our MBA curriculum: Based on the forward-looking recommendations of a task force of business leaders, faculty and alumni, we will strengthen the structure of our core coursework, and introduce key new elements to ensure the quality of our student experience and better prepare our students for their professional goals.

Enhancing our global outreach: One strategic area that I am passionate about is the further internationalization of our student experience. During my recent trip to China, I negotiated student exchange programs with four of that country’s most highly regarded business schools. I also opened the doors to faculty research projects and partnerships in the areas of innovation, entrepreneurship and the clean-tech industry.

We will extend our outreach across Asia and Europe to stay ahead of the curve.

Leveraging our locations in Northern California: Our three MBA teaching locations connect the world’s greatest innovation hub—the San Francisco Bay Area—to California’s capital city—Sacramento—giving UC Davis MBA students and faculty access to leading companies and hotbeds of start-ups that fuel economic engines linked to global markets.

Research commercialization: UC Davis is a global research powerhouse, with a constellation of programs and interdisciplinary initiatives that is unique on the world stage. Through our Center for Entrepreneurship, Big Bang! Business Plan Competition and other programs, we supply business expertise to transport life-changing science and engineering discoveries from the lab to the market. UC Davis is a world leader in clean tech and sustainability, and we’re deeply involved in creating a vibrant start-up ecosystem to turn the Bay Area–Sacramento region into a leading clean-technology center.

Building philanthropic support: It is critical that we move further toward financial independence as state of California funding diminishes. Through The Campaign for UC Davis—a university-wide initiative launched in October to raise $1 billion in philanthropic support—the Graduate School of Management has a historic opportunity to raise awareness of, and investment in, our collective aspirations and mission.

Years from now, I am confident that we will look back and say that now was the time that we charted a course that propelled us forward to become one of the world’s greatest business schools. We have a very exciting journey ahead.
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Alumni Tim Freeman ’96 and May Ngai Seeman ’89 have built successful careers in finance in New York, rising to become top executives and innovative leaders in investment banking and asset management.

They continue to navigate choppy markets in the wake of the worst financial crisis since the Great Depression. Both stewarded portfolios through the global meltdown that led to the too-close-for-comfort collapse of some of the biggest financial institutions on Wall Street, unprecedented government bailouts of too-big-to-fail banks and rescues of other companies, and shockwaves that sank stock markets around the world.

We asked the two veteran New York investment professionals to share their experiences on the frontlines of finance, how their career paths unfolded, and how the Graduate School of Management prepared them for the challenges and rewards of working in one of world’s great financial centers.
As an offensive tackle and member of the NCAA National Champion Penn State Nittany Lions football team in 1986, Tim Freeman won several awards for his spirit, loyalty and commitment to his team. He brought that enthusiasm and dedication to excellence to the UC Davis Graduate School of Management and then on to Wall Street.

After earning his MBA in 1996, Freeman began his investment banking career as a sales trader in municipal markets at Merrill Lynch in New York. He later transferred to equity derivatives sales, where he rose to managing director. After a 13-year career at Merrill, Freeman joined Capstone Global Markets in September 2009 as head of U.S. equity derivatives sales.

At Capstone Global Markets’ office at the rebuilt 7 World Trade Center in lower Manhattan, Freeman manages a highly motivated team experienced in volatility risk and creative client solutions. He also has become a go-to commentator on CNBC’s “Squawk Box” and “Closing Bell” programs, offering his perspective and expertise on the latest market moves and trends.

Q UC Davis Innovator: In the wake of the financial crisis, regulating the derivatives market has been one of the most contentious issues. The Dodd-Frank Act imposes far-reaching regulations on derivatives and market participants, yet the rules have not been set. What impact do you see on the derivatives market and how are you advising clients in this new environment?

A Tim Freeman: The full effect will not be known until long after the actual regulations are written and implemented. The word “derivatives” can be used to describe many different products actively traded in today’s debt and equity markets. Regardless of the derivative instrument, or the underlying asset it derives its value from, the key driver of risk to the marketplace has been and will continue to be the leverage that instrument affords investors. Credit Default Swaps (CDS), a form of insurance on a bond or a bond-like security, are a prime example of this problem facing the markets. Investors have been allowed to make very large, very cheap bets on the default of a company or country, where their entire loss is limited to the small premium they paid for the CDS contract. If regulators forced investors to post more margin for their trades, i.e., reduced the leverage available to the investors willing to make those bets, much of the risk to the system would be dramatically reduced. In general, financial leverage creates large systemic problems. Many equity derivatives are already heavily regulated and traded on exchanges. I expect regulators will develop or use existing exchanges to mediate derivatives that have historically been traded in the Over-the-Counter market. These exchanges would be in a position to monitor the open interest and margining requirements for each specific security at MEAG New York, the internal asset manager of Munich Re Group, one of the world’s leading reinsurers. Specializing in U.S. and Canadian bonds, Seeman oversees a multibillion dollar portfolio of fixed-income assets and has, over the past 15 years, expanded the firm’s investment mandate.

Q UC Davis Innovator: What are your responsibilities and management style at MEAG New York? How did your career path evolve?

A May Ngai Seeman: We are responsible for the management of assets belonging to various reinsurers within the Munich Re Group. As the CEO of MEAG New York, I see to it that our investment strategy satisfies these liability-oriented investors, who have future payment obligations arising from its core business of insurance. Since we are fewer than 60 colleagues attending to more than $40 billion, I tend to be straightforward in my approach and have an open-door management style. I have been committed to the insurance industry from the beginning, as I believe in its social and economic value. My entry into structured financial products such as asset- and mortgage-backed securities was accidental as they entered a growth phase in the late 1980s. During that period, sell-side firms had a tendency to treat insurers and banks as easy sales because of the buy-and-hold nature of these investors, and the expectation was that the insurers and banks would take a less-than-vigorous analytical approach. I appreciated the importance of insurers needing sufficient funding to meet their obligations, and focused my career to help create an appropriate investment process. When Munich Re decided to bring its asset management in-house from external managers in the mid-1990s, it was a perfect opportunity for me.

Q What are the advantages and challenges of overseeing the U.S. headquarters for one of Europe’s leading asset-management firms, and one with a global footprint?

A Clearly, with German parentage, there is a European perspective that enriches our thinking, even for the North American markets. With operations in Munich, New York and Hong Kong, MEAG’s regional core-competence structure allows flexibility in drawing on the talents specific to what is needed and offered locally.

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After earning her UC Davis degree, May Ngai Seeman joined Prudential Insurance Company, where she specialized in bond quantitative analytics and developed structured cash flows expertise at a pivotal time in the growth of asset- and mortgage-backed securities. After six years at Prudential, she joined MEAG New York as a portfolio manager in 1995.

Today, Seeman is president and CEO of MEAG New York, the internal asset manager of Munich Re Group, one of the world’s leading reinsurers. Specializing in U.S. and Canadian bonds, Seeman oversees a multibillion dollar portfolio of fixed-income assets and has, over the past 15 years, expanded the firm’s investment mandate.
product, much as they currently do in the equity market. Many clients who I speak with have dramatically reduced the amount of risk they have to the marketplace in general and are waiting for clarity from Washington as financial regulatory reform is implemented.

Q: After 13 years at Merrill Lynch, what attracted you to make the jump to Capstone Global Markets, a boutique broker dealer?

A: I always thought I would retire from Merrill Lynch after a long and fulfilling career. I was attracted to Merrill Lynch in 1995 as a summer intern in their Municipal Bond Group. Merrill had a unique and wonderful culture that matched my personality and values.

After earning my UC Davis MBA, I made a decision to work at an investment bank rather than a commercial bank that had an investment bank as a subsidiary. Bank of America’s purchase of Merrill Lynch in 2009 made me seriously consider leaving for the first time. Flexibility and innovation have always driven Wall Street firms, and I saw an opportunity created by the market turmoil in 2008. Helping my institutional clients make money is my primary focus, and I was fortunate to meet Paul Britton at Capstone Global Markets. We shared the same vision and had similar ideas about culture and building a best-in-class equity derivatives client coverage sales team. Capstone Global Markets focuses exclusively on the analysis, trading and management of volatility risk. Moving to a boutique firm allowed me to focus on my clients and marketplace exclusively.

Q: What signals are you seeing in this choppy market? What is your outlook for the near term and long term?

A: The market has been and will continue to be excessively risky and subsequently highly correlated. I have been and will continue to be very cautious on the market for an extended period. In the immediate future, through the end of the year, I have seen investor confidence improve, and I would not be surprised to see the S&P 500 Index between 1225-1250 by year end. The midterm elections and continued quantitative easing by the Federal Reserve figure into this assessment. I am more bearish on a longer-term basis. Asset values across all asset classes—namely government debt, corporate debt, equities, commodities and real estate—have all been positively impacted by the amount of money the U.S. government has flushed into the markets. The government must at some point reduce the amount of spending and easy monetary policy. The timing and magnitude of those policy decisions will have a dramatic impact on asset values across the markets. The level of U.S. government debt is nothing short of alarming, and if fiscal responsibility does not return quickly, investor confidence will erode and asset values will suffer dramatically.

ALUMNI INSIGHTS:

In addition to the asset-liability management, sometimes a minimum return has to be generated independent of the capital market environment and regardless of whether our market view proves correct. The challenge is to achieve a high return at an acceptable and calculated risk level. In doing so, MEAG has to take account of parameters that vary greatly, depending on the structure and profile of the liabilities covered. The success and soundness of an investment is the result of extensive planning and individual investment approaches of our specialists, who integrate risk management, transaction processing, reporting and accounting, and collaborate with colleagues in the insurance companies belonging to the Munich Re Group.

Q: What do you enjoy most about your work? What is MEAG’s culture like?

A: Technically, as a firm, we focus on the left side of the balance sheet, i.e., the assets, but due to the nature of the underlying insurance business, our perspective tends to go beyond the immediate market picture. So as an investment professional, I have the advantage of being specialized in specific market segments and, at the same time, the luxury of having broad intellectual challenges in the business aspects. In addition, the long-term orientation affords me the opportunity to look at issues that are dear to me, particularly in the areas of environmental, social and governance (ESG), more commonly known as responsible investing. Generally, MEAG is results oriented with a laid-back atmosphere and collegial environment. In New York, we often bring together colleagues from across departments before projects get started to solicit input and ensure everyone is on the same page.

Q: How have you and your firm experienced the fallout from the global financial crisis and the new regulatory climate? Has MEAG had to alter its risk-management strategies or the way it invests?

A: Certainly, some of the shine has been taken out of finance as a result, but Munich Re and most insurers steered safely through the turbulent waters in the last few years. On the regulatory front, a lot has been done, and a lot more still is being considered. When tackling regulatory reforms, policy makers need to take into account that the business model of insurers differs substantially from that of other financial services providers. Unlike banks, which rely mainly on short-term deposits or short-term credit funding, insurers are funded by advance premium payments. In most cases, funds cannot be withdrawn on demand or prematurely.

Therefore, traditional insurers are much less susceptible to—nor can they originate—a liquidity panic. Insurers have been paying the bill, to some extent, for central banks helping banks with lower interest rates to try to support global economies through the recession. Low interest rates are a great source of
refinancing for the banks, but for insur- ers low interest rates are a real challenge. Some regulators are calling for extra cushions and buffers for insurance companies. Government interventions in support of the insurance industry have to be carefully evaluated and justified against insurance-specific criteria.

Since the early 2000s, MEAG has been building a risk-management system that we practice and incorporate into our investment process. The financial crisis has proven the system’s worth, but in general, we continue to refine and hone our tools to prepare ourselves for different scenarios.

Q The number of women in the finance industry is fading, according to the U.S. Bureau of Labor Statistics. Over the past decade, 2.6 percent of female workers left the industry, while the percentage of men grew by 9.6 percent. Your thoughts on reversing this trend?

A I think that uncertain times favor new thinking and approaches, so this is a good time for committed souls to try their hands in finance if they see it as their calling. Specifically, many women are proficient in considering multiple scenarios to arrive at a conclusion and are adaptive in their approach. This bodes well for our prospects in this environment, where the direction of the economy, the regulatory reform and therefore the business model itself, should all be examined and subjected to “what-if” analyses. The ability to consider consequences and look at the improbable will define the preparedness of businesses.

Q How did the Graduate School of Management prepare you for your career path and success?

A My GSM years were invaluable in that I needed to decide where my intellectual curiosity could be applied practically. The teamwork to help address a business’s issue was tremendously instrumental. Though my entry into structured financial products was purely accidental, the class project we did on mortgage prepayment laid the foundation for my career.

Q You recently established the Seeman Faculty Opportunity Fund to support faculty research and teaching at the Graduate School of Management. How does new research and thought leadership from business schools influence your decisions, actions and strategies?

A If we have been taught anything by the financial crisis, it is that we live in a truly global world, more interconnected than ever before. The U.S. and the world have embarked on an entire overhaul of the financial markets. Choosing the appropriate economic policy and the measurement of those decisions on the U.S. and global economies is critical. The Graduate School of Management and other top business schools play a major role in teaching current and future managers and business leaders how to analyze these problems and ultimately drive businesses through this financial crisis over the coming years.

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UC DAVIS GRADUATE SCHOOL OF MANAGEMENT • 5
THE ROAD TO RECOVERY
Finance Reform and New Economic Realities

As the Obama administration, Congress and finance industry lobbyists hotly debated a bill that would ultimately become the biggest expansion of government power over banking and markets since the Depression, the Graduate School of Management convened a panel of leading investment, regulatory and academic experts for a candid conversation about the post-crisis landscape and the road to recovery.

The Dean’s Distinguished Speaker event in March in San Ramon brought together Professor Brad Barber, the Maurice J. and Marcia G. Gallagher Professor in Finance and director of the UC Davis Center for Investor Welfare and Corporate Responsibility; Jack Ehnes, chief executive officer of the California State Teachers’ Retirement System (CalSTRS), the nation’s second-largest public pension fund; Mark Edmunds, vice chairman and regional managing partner of Deloitte & Touche’s Northern Pacific Region; and William Haraf, commissioner of the California Department of Financial Institutions.

Moderated by Dean Steven Currall, the blue-chip panel pinpointed key factors that knocked the global economy to its knees nearly two years earlier, then tackled the question of how the new regulatory and economic environment would fundamentally change the way both governments and companies do business. The conversation ranged from consumer protection, stricter limits on leverage and capital, and regulation of derivatives trading to corporate governance, executive compensation and curbs on banks and lenders. The consensus: the biggest challenge is breaking the cycle of crises and reactionary reform.

The panelists’ commentary and analysis proved prophetic: The sweeping Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law in July, will likely alter the U.S. financial services industry forever once hundreds of new rules are set.

Eliminating Moral Hazard

Speaking just days after briefing Federal Reserve Chairman Ben Bernanke on the state of the California financial sector, Haraf said while the unprecedented government actions to prevent a collapse—including the “alphabet soup” of Federal Reserve programs, bank bailouts and the conservatorships of Freddie Mac, Fanny Mae and AIG—provided a floor, but they came with a greater cost than the billions injected into the system.

“The problem is that a lot of these short-run interventions have created a set of conditions and market expectations that are going to make financial reform and the new economic realities more difficult,” said Haraf, who oversees the secure operation of California’s state-chartered financial institutions. He said eliminating moral hazard should be the top priority. Government bail-outs of lending institutions can encourage risky lending in the future, if those that take the risks believe that they will not have to carry the full burden of losses.

Haraf Named to Financial Stability Oversight Council

As the representative for the Conference of State Bank Supervisors, Commissioner of the California Department of Financial Institutions William Haraf serves on the Financial Stability Oversight Council, which held its first meeting with U.S. Treasury Secretary Timothy Geithner in October. The council, established by the Dodd-Frank Wall Street Reform and Consumer Protection Act, is charged with coordinating financial regulators in order to identify systemic risks to the nation’s financial stability. Haraf has been a visiting professor at the Graduate School of Management, teaching a course on Business, Government and the International Economy in all three MBA programs.
“In my mind, the biggest issue is the moral hazard problem. We have to find a way to let banks fail when they screw up—essentially, that’s the bottom line. We need to get out of the business of having governments bailing banks out.”

— PROFESSOR BRAD BARBER
Maurice J. and Marcia G. Gallagher Professor in Finance
Director, UC Davis Center for Investor Welfare and Corporate Responsibility

“In my view, it is not going to be possible to correct the moral hazard problem on the basis of regulation,” Haraf explained. “You need to restore market discipline, not just with shareholders but with creditors and counterparties of these large financial institutions, which need to be careful with whom they are dealing with in the marketplace…. We have to create better incentives for market discipline.”

Barber agreed that the moral hazard issue is paramount. “We have to find a way to let banks fail when they screw up—essentially, that’s the bottom line,” he said. “We need to get out of the business of having governments bailing banks out.”

In the wake of the meltdown, Barber has focused on how to avoid a repeat. He said one intriguing solution to the moral hazard problem is contingent convertibles (Coco) bonds. The idea is to have some debt in the capital structure of banks that converts to equity when a bank faces financial distress—and it would give regulators a verifiable, market-based trigger to force banks to issue equity.

“These are exotic instruments, but a fairly elegant way to solve the moral hazard problem,” Barber explained, referencing the work of The Squam Lake Group, 15 of the world’s leading economists who are offering guidance on financial regulation reform.

Proxy Access and “Say on Pay”
Job one for CalSTRS CEO Jack Ehnes is securing the financial future and sustaining the trust of nearly 850,000 of California’s public school and community college educators.

“Some people are surprised that we are so active all the time on corporate governance and trying to introduce change,” said Ehnes, emphasizing that the goal is to protect the pension funds’ investments over the long term, through good times and bad. CalSTRS, the largest U.S. teachers’ retirement fund, dropped more than 20 percent post-crisis, from a high of $180 billion to $141.3 billion in October.

Ehnes said one way CalSTRS is working to transform capital markets is by convincing executives, investors and policy makers to shed short-term thinking and adopt long-term value creation for the multiple stakeholders of a firm. On that front, CalSTRS subscribes to The Aspen Institute’s Aspen Principles, a call to action and guidelines for both operating companies and institutional investors.

“We’re trying to figure out the trigger points to get people to think long term in their business strategy to match up with the long-term investment strategy of an investor like CalSTRS,” he said. To influence corporate strategy and governance, CalSTRS and other activist investors have lobbied hard for proxy access. Their efforts succeeded. In August, the SEC approved a new rule making it easier for large shareholders to nominate board candidates.

Similarly, CalSTRS wants greater “say on pay” for top executives. “That pay should be set to clear performance targets articulated by shareholders and should reflect long-term goals for the corporation and not short-term performance, and that’s where we’ve failed,” Ehnes said. The Dodd-Frank Act only gives shareholders a non-binding advisory vote on executive pay.

Ehnes said good things have come out of the crisis. “We’re changing our behaviors,” he said. “We are incorporating ESG—environmental, social and governance factors—to make sure companies understand long-term sustainability and measurement of that, and do it in a much more holistic fashion.”

“Permanent Reset”
Edmunds, a 30-year veteran at Deloitte & Touche, told the audience that the audit, tax and consulting firm has weathered the recession fairly well and has begun hiring again. “Inside our company, we think this could be a permanent reset,” he said of consumer spending trends.

“There will be more savings, which could be healthy for the U.S. economy.”

He said Deloitte’s economists believe the worst is over but high unemployment will continue for quite awhile. “Our economists do predict a V-shaped recovery versus a U-shaped or double-dip recovery,” he noted. “I predict that two years from now—especially this center of innovation in the Bay Area—the economy will be rocking again.”

“As we think about our fiduciary responsibility and how we evaluate companies on risk and business strategy, we are incorporating ESG—environmental, social and governance factors—to make sure the best companies understand long-term sustainability and measurement of that, and do it in a much more holistic fashion.”

— JACK EHNES
Chief Executive Officer
California State Teachers’ Retirement System (CalSTRS), the nation’s second-largest public pension fund
Competitions Sharpen Students’ Investment and Analysis Skills

by Tim Akin

UC Davis MBA students with an interest in finance are gaining hands-on experience navigating equity markets and analyzing public companies through several student-run and international competitions.

This past spring, 27 teams from the Daytime MBA and Sacramento Working Professional MBA programs participated in the first annual MBA Portfolio Challenge sponsored by the students’ MBA Finance Association. The winning team, Boom GSM, achieved a 7 percent risk-adjusted return, the highest during the 10-week competition.

Second-year MBA student Brent Johnson, a member of the winning team, said the contest was a “great opportunity to make real-time investment decisions. I often woke up and immediately checked my positions.”

At an award ceremony in May, alumni Skip Wise ’89, co-founder of Galileo Planning Group, a San Francisco Bay Area financial planning firm, spoke about the financial crisis of 2008 and how it has affected the way he manages his clients’ wealth.

The Bay Area Working Professional MBA Finance Association held a similar investment game for students. Suneel Indupuru was crowned champion for the highest return on investment, with a 0.58 percent return. He managed the only portfolio with a positive return after the Euro crisis in late May sank all of the participants’ investments. Kirby Ung took first for the highest Sharp Ratio, with −0.34. The Sharpe Ratio measures whether a portfolio’s returns are due to smart investment decisions or a result of excess risk.

This winter, a team of five Daytime MBA students—Sarah Dolnick, Michael Thomas, Timothy Wood, Fernando Ortiz de Zevallos and Mahesh Kuma—entered the 2011 CFA Institute’s Global Investment Research Challenge. Advised by Finance Professor Joseph Chen and mentored by Arthur Han, an investment officer with CalPERS’ Global Fixed Income group, the students will research, analyze and report on Redwood City-based Electronic Arts Inc., a leading global interactive entertainment software company. The team will compete against others from western business schools during the first round in San Francisco.

“The competition challenges students to integrate lessons they learned in various courses, ranging from finance and accounting to strategies, and apply them under the mentorship of an experienced industry professional,” Chen said.

The teams’ final report and presentations are judged by high-profile panels of portfolio managers and chief investment officers from the world’s top firms. The local champions advance to regional competitions in the Americas, Asia and Europe and then to the global finale in Omaha, Neb., in April 2011.
As an engineer at General Motors, Shannon Anderson was put in charge of "a really interesting cost system design project" working with her plant’s controller—and two professors from Harvard University. With their encouragement, she rethought her career and decided to pursue her doctorate in business economics at Harvard. Today Anderson is an expert on the design and implementation of performance measurement and cost-control systems. Her work has been widely published in top academic and professional journals; she is co-author of the award-winning Implementing Management Innovations (Springer, 2001) and of Fundamentals of Cost Accounting (McGraw-Hill/Irwin, 3rd ed., 2010). Her numerous research and teaching awards include the 2010 Greatest Influence on Practice Award, presented by the American Accounting Association's Management Accounting Section.

Professor Anderson joined the Graduate School of Management in July from Rice University’s Jesse H. Jones Graduate School of Business. She was previously on the faculty at the University of Michigan. We asked Anderson about her research expertise, teaching style and what attracted her to UC Davis.

**Q** UC Davis Innovator: Where is your current research taking you?

**A** Shannon Anderson: I’m very interested in how firms’ cost-management cultures impact their financial decisions in both good and bad times. My co-author, Anne Lillis of the University of Melbourne, and I recently presented our findings at the 25th annual Contemporary Accounting Research Conference in Kingston, Ontario. Future projects will draw on our data to dig deeper into this issue.

Another stream of research explores how firms structure and control strategic alliances to compete and achieve their objectives. In the past I’ve considered how firms use contracts to mitigate risk. However, contracts are a small part of the equation; my new work is focused on non-contractual elements of management control and the risks that they entail.

Finally, the growing interest in accountability in education has me looking into the use of learning diagnostic systems and performance management in K-12 schools, and the related issue of teacher pay for performance.

**Q** What inspires your research?

**A** I’m drawn to problems and issues that are important to practicing managers, seeking to reconcile the complexity of modern business practice with theories from economics, operations strategy and management accounting. When real-world data conflict with the theory, we have an opportunity to expand our understanding—either through theory revision or theory creation.

**Q** What attracted you to the Graduate School of Management?

**A** I am very impressed with the strong sense of community and across-the-board commitment to excellence. The School is on the cusp of a new growth phase that will create wonderful opportunities for collaboration—both at UC Davis and with businesses in the area and far beyond.

**Q** You’ve been praised for your multi-faceted approach in the classroom.

**A** As an undergraduate at Princeton I majored in engineering, so I understand the efficiency of lectures, problem sets and team projects. However, in 17 years of teaching MBA students, I’ve learned to recognize that students’ different learning styles require that the material be presented in several ways. The active learning that case studies demand results in real and lasting knowledge, and the complexity and real-world nature of good cases allow students to grapple with interdisciplinary problems that aren’t evident in more straightforward problems.

**Q** Tell us about the Strategic Cost Management course you’ll teach this spring.

**A** My course takes a constructive approach, asking students to examine an organization’s architecture, products and processes, and to consider how cost management at the formative stages—including relationships with suppliers, alliance partners, customers and the community—can create a sustainable platform for competing, wherever we are in the business cycle.

My new work is focused on non-contractual elements of management control and the risks that they entail.
The executive argued that it is important for these future leaders to “muddle in the muck” to understand how their businesses work. He also claimed that up-and-coming leaders can use face time to demonstrate to others that their work takes priority over their lifestyles, and that they are willing to make a daily commute to ensure being there when important things happen—and even when they don’t.

While these benefits of face time sound accurate, and this executive speaks from vast experience, our research with telecommuters and on-site office workers over the past decade tells a more complex story. We’ve found that, for most employees and their organizations, “being there” is a double-edged sword.

THE PARADOX OF BEING THERE
What this executive, as well as many of us have discovered, is that being at work causes others to perceive that we possess many of the traits necessary to lead, making face time an important tactic for the upwardly mobile manager. Yet, past accounts of face time have not explained which traits, in particular, are implied by face time.

Our own research, involving hundreds of managers in corporate office settings, helps to answer this question. Specifically, we found that the more a person sees you at work—even if that person does not interact with you and does not know what you are doing—the more likely he or she is to perceive you as dependable and committed.

As one manager from a technology firm told us: “…as a manager, you’re responsible for knowing what you’re managing. You’re responsible for knowing ‘Okay, I’ve got these people doing these things.’ And if you can walk to their desk, then there’s more of a ‘Yes! This person is doing what I’m expecting.’ And if they’re not there, then you just have to trust… that something’s happening.”

We also found that these performance perceptions often developed unintentionally—without the knowledge of the observer. Based on a set of tightly controlled experiments, we found that managers were 9 percent more likely to unconsciously attribute the traits “dependable” and “responsible” to people who were merely observed at work during normal working hours, and were 25 percent more likely to unconsciously attribute the traits “committed” and “dedicated” to people were observed at work in the evenings or on the weekends. These results are not only sizable practical effects, but they were statistically significant across each of our experiments. So for individual employees who want to be on the fast track, being there translates to improved images of dedication and reliability.

In a recent web column, a high-profile business executive discussed the importance of “face time” at work. He claimed that, while telecommuting is great for some people, for those who want to lead organizations, “being there” is paramount.
Yet, these findings also highlight the negative side of being there from an organizational perspective. That is, a focus on being there may lead to appraisal and promotion decisions that over-reward those with good attendance (but perhaps poor performance), and under-reward those with good performance (but poor attendance). As such, the value we place on simply being there may lead us to promote the wrong people. The worst part is that these errors in judgment may happen without us even knowing it.

A manager from a financial services firm put it this way:

“I think the negative part is that when you are not in the office, it’s ‘out of sight out of mind.’ Your manager just doesn’t think about you as much. Whereas if you’re in the office, there is sort of this opposite perception that you’re doing work, even if they can’t see the work you’re doing. It’s probably not even a conscious process.”

Now, as an employee you might be thinking—“Yeah, but for me this is great! I just have to make sure I’m seen at work, and I’ll increase my chances of promotion.” We suggest you think again. Because by attempting to be seen ubiquitously at work you may be actually hurting your productivity. We found that managers who were worried about their face time at work spent hours each week just making sure they were being seen—to the detriment of their work output.

As one manager from a telecommunications firm commented:

“There seems to be a norm that anyone hoping to move up in the management ranks needs to be here late at night and on the weekends. If you’re not willing to do that, you’re not going be seen as dedicated enough to get promoted. It’s definitely one of the tests of management material…. but it ends up wasting a lot of your time, and you often get little done because you are more worried about being seen than getting things done.”

Further, we found that telecommuters, who felt disadvantaged by their lack of face time in the office, often engaged unproductive and time-consuming activities on a daily basis to make themselves look more reliable and dedicated (e.g., they sent hourly status reports, or woke up to send e-mails in the middle of the night).

**MANAGING THE PARADOX**

What should you do in light of these findings? Perhaps the most important implication for managers is awareness. To the extent that you can monitor and then check your assumptions that an employee’s physical presence means committed, while his or her absence means uncommitted, you may be less likely to make errors in your reward and promotion decisions.

A second step is to do away with “trait-based” performance measures. Subjective, trait-based performance evaluations are still prevalent in many organizations where managers rate employees on traits such as “dependability,” “leadership” and “initiative.” Yet, our findings show that trait-based performance appraisals lead to an unfair disadvantage for employees who are productive but lack visibility in the office. In particular, hard-working remote workers often suffer unfair comparisons and poorer performance ratings relative to their in-office peers.

Instead of using trait-based performance systems, gather your information about workforce performance using a combination of customer evaluations and objective output measures. In terms of the customer evaluations, figure out who the customer of each job is (internal or external) and then ask them at the end of key work cycles whether they are getting what they need and what could be done better. In terms of objective measures, work with job incumbents and get them to commit to some measurable outputs that they will accomplish on the job, and then follow up to see whether or not those outcomes were accomplished. Both of these tactics should cause you to focus your attention on the value created on the job rather than the traits of the person and whether they are regularly just “being there.”

**Editor’s note:** Professor Elsbach, Professor Cable and Professor Jeffrey Sherman of the UC Davis Department of Psychology teamed on this first-ever academic study of “passive” face time—when workers are simply seen in the office without any interpersonal interaction. Their findings were published in the June 2010 issue of the journal Human Relations.
Commercial Building Norms Often Wall Off Energy Efficiency Saving

While energy efficiency technologies can significantly cut new buildings’ energy bills, the commercial building industry often resists their use. Professor Nicole Woolsey Biggart, who was recently named the Chevron Chair in Energy Efficiency and director of the UC Davis Energy Efficiency Center (see page 20), and Professor Thomas D. Beamish of the UC Davis Sociology Department recently presented their work on “Social Heuristics: Decision Making in Network Production Industries” at Stanford University’s Engineering School and at the European Group for Organizational Studies in Lisbon, Portugal. From investment bankers and developers to the workers who wield tools, the construction industry relies on “social heuristics”—abstract understandings and conventionalized practices—to get the job done without a centralized authority or face-to-face meetings. Systems and procedures are broadly understood and rarely change. Biggart and Beamish explain that new practitioners and practices are not part of this shared set of mental short cuts and so they face resistance. “One way to implement innovative technologies is through regulation,” said Biggart. 

> [www.gsm.ucdavis.edu/biggart](http://www.gsm.ucdavis.edu/biggart)

The Synergy of On- and Offline Marketing

Professor Prasad Naik and Professor Kay Peters of the Center for Interactive Marketing and Media Management at the University of Münster, Germany, have won the 2010 Journal of Interactive Marketing best paper award for their article, “A Hierarchical Marketing Communications Model of Online and Offline Media Synergies.” Naik and Peter’s research was the first of its kind to analyze synergies in and across online and offline advertisement media. The researchers developed a model using real market data to parse out the impact different media have on consumers. They found that offline advertising can have synergy with online advertising, the two modes working together to produce specific and desired outcomes. “Our model is useful for marketing managers because it measures the effect of synergy and identifies how to best spend marketing resources,” explained Naik.

> [www.gsm.ucdavis.edu/naik](http://www.gsm.ucdavis.edu/naik)

Who Benefits from Stock Buybacks?

U.S. companies spent nearly $1 trillion on stock buybacks in 2007, a record amount that exceeded dividends paid and represented about two-thirds of net income. Since 2000 those same companies have returned more than $3 trillion to shareholders through buybacks. “By any measure, these amounts are staggering and evidence a substantial distribution of cash to shareholders that might otherwise be put to other uses—like job creation,” said Professor Paul Griffin, whose recent paper with Professor Ning Zhu, “Accounting Rules? Stock Buybacks and Stock Options: Additional Evidence,” was published in the June issue of the Journal of Contemporary Accounting & Economics. When a company buys back its own stock, it removes stock from the market, increasing earnings per share and, hopefully, stock price. Buybacks are intended to benefit all shareholders, but Griffin and Zhu found that weak governance and unclear accounting allow companies to tilt the playing field in favor of their executives, who receive additional compensation because the buyback makes their stock options more valuable. Griffin and Zhu also discovered a positive relation between CEO insider selling following a buyback and the number of shares repurchased.

> [www.gsm.ucdavis.edu/griffin](http://www.gsm.ucdavis.edu/griffin)
E-Medical Records: A Silver Bullet for Healthcare Reform?

The introduction of electronic medical records—dubbed the “silver bullet” of healthcare reform—appears to have uneven effects on physicians’ productivity, according to a study by Professor Hemant Bhargava. “Our research emphasizes that a ‘one-size-fits-all’ design does not work—the ideal technology design should vary by physicians’ requirements and work-flow demands,” he said. Bhargava and Abhay Mishra, an assistant professor of health administration at Georgia State University, and research assistant Shuang Liu, a UC Davis Ph.D. candidate in applied mathematics, analyzed a Clinical Information Technologies project installed and implemented at the UC Davis Health System from 2003–2006.

The system digitizes patient records and allows for electronic prescriptions, messaging and web-based scheduling. The federal government has allocated $19.2 billion in stimulus funds to help pay for such conversions. Bhargava and his co-researchers studied about 100 physicians in three specialties (internal medicine, pediatrics and family practitioners) at six primary care clinics. They found that internal medicine units became somewhat more productive, while pediatricians experienced a slight drop in productivity. Productivity rates for family practice doctors were inconclusive. While the study was limited to the impact of electronic record-keeping on productivity, research still needs to be done on how it affects patients, Bhargava said.

Best Paper Award: How Accounting Research Impacts the Practice

Professor Michael Maher and his co-authors won the 2010 best paper award from the American Accounting Association (AAA) 2010 Accounting Horizons for their study on “The Impact of Academic Accounting Research on Professional Practice,” published in the December 2009 issue of Accounting Horizons. They received a $2,500 cash prize—which they donated to charity—and special recognition from the association’s membership, who voted on the year’s best paper. Maher was a member of AAA’s Research Impact Task Force, which found that academic accounting research impacts all areas of accounting practice, from congressional committees that apply the research to policy generation, to practitioners who take what they learn in business school to their careers.

Cleaner Air: Making a Case for Vehicle Feebates

Professor David Bunch received an $800,000 grant from the California Air Resources Board to lead a year-long study of the costs and benefits of “feebate” programs. Bunch said such programs “discourage the purchase of high-emitting vehicles by assessing fees, and encourage the purchase of low-emitting vehicles by giving rebates.”

The project included researchers from three University of California campuses. The UC Davis team led a market modeling effort with participation from UC Irvine; the UC Berkeley group conducted consumer focus groups and a statewide survey. The models took into account vehicle redesign schedules, differences in product offerings, California-specific consumer preferences, and concurrent performance-based light-duty vehicle greenhouse gas (GHG) emissions standards. Three-quarters of phone interview and survey respondents support a feebate-type program to slow the rate of climate change.

The team found that feebates can cost-effectively reduce fleet-average GHG emissions in California by 3–10 percent above the reduction achieved through emissions standards. Under most scenarios the program pays for itself because the total social benefits outweigh the costs, including those associated with improvements in vehicle technology.
California’s Smart Energy Investment

Professor Andrew Hargadon served as moderator for “California’s Smart Energy Investments: Enabling the Next Generation of Energy Efficiency,” the last in a series of forums exploring “The Roots of Energy Efficiency” presented by the UC Davis Energy Efficiency Center (EEC) in June. Hargadon, who holds the Charles J. Soderquist Chair in Entrepreneurship, was the founding director of the EEC, and the series premiered under his direction.

In November Hargadon moderated the Pew Foundation’s Business Environmental Leadership Council workshop in Washington, D.C. The workshop brought together business leaders, policy makers, scientists and others to develop new approaches to complex environmental concerns. Five days later, Hargadon presented on “Growing Green Tech Entrepreneurs” at a pre-conference for the Governors’ Global Climate Summit 3 at UC Davis. He also has joined Sacramento Mayor Kevin Johnson’s leadership team on Greenwise, an initiative to transform the region into a hub for green and clean technology.

As director of the UC Davis Center for Entrepreneurship, Hargadon will lead the center’s Food + Health Entrepreneurship Academy from January 31–February 4, 2011, at UC Davis. The intensive innovation program is designed for researchers in the fields of nutrition, viticulture and enology, plant science, biochemistry, nutritional genomics and fields relevant to foods for health.

>> http://entrepreneurship.ucdavis.edu/hargadon

Public Trust: Easily Lost, Hard to Regain

Not surprisingly, trust in private business deteriorated during the Great Recession. “The financial meltdown caused public distrust toward the private sector and increased trust in nonprofits, academic institutions and government,” Professor Kim Elsbach told an audience during a panel discussion in Sacramento in March to frame the release of the “2010 Edelman Golden State Trust Barometer.”

The event was hosted by the global public relations firm Edelman, whose annual surveys provide a snapshot of public sentiment. Elsbach, who holds the Newberry Chair in Leadership, said the public perceived the financial crisis as a lapse in integrity or a purposeful deceit for the personal gain of a few. “From the public’s perspective, this is unforgivable,” Elsbach said. “Conversely, when a wrongful act occurs due to incompetence, the public is more likely to forgive with the expectation that that the wrong will be fixed.” In collaboration with Dean Steven Currall, Elsbach has written a chapter about understanding threats to the trustworthiness of leaders for an upcoming book, Restoring Trust: Challenges and Prospects (Oxford University).

In May, Elsbach joined a panel discussion on the state of leadership in education and future job training at “Lead Sacramento,” hosted by the Sacramento Metro Chamber. She discussed the Graduate School of Management’s diverse leadership training efforts, including in-class group projects and problem-solving exercises, business plan competitions, Challenge for Charity competitions and MBA Consulting Center projects.

Recently, Elsbach conducted a workshop for the Society for Women in Science on “Gender Differences in Communication.” Women, she said, often employ an apologetic voice, and men a more direct and curt voice. While the apologetic voice comes across as disorganized, women can construe the more direct, indifferent voice as a rejection.

>> www.gsm.ucdavis.edu/elsbach

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Assistant Professor Ayako Yasuda, in collaboration with Professor Alberto Marconi of INSEAD and Professor Massimo Massa of Tilburg University, the Netherlands, has researched the behavior of investors who were significantly exposed to toxic assets during the 2007–2008 financial crisis. Using a novel dataset of institutional investors’ bond holdings, they examined how the crisis moved from the securitized bond market to the corporate bond market via investors’ joint ownership of these bonds. Institutional investors, intoxicated by mortgage-backed and other securitized bonds, experienced greater pressure to liquidate corporate assets and sell them at a lower price following the onset of the crisis. The result: corporate bond prices plummeted. “These institutional investors—in particular, the bond mutual funds—played a critical role in the contagion of the market shock that moved from the subprime market into the broader economy,” said Yasuda. She has presented this research at UC San Diego’s Rady School of Management; University of Oregon’s Lundquist College of Business; the Financial Crisis conference organized by the National Bureau of Economic Research in New York City; and at the Western Finance Association Annual Meetings in Victoria, B.C. (Canada).

Yasuda’s research with Professor Andrew Metrick of the Yale University School of Management was published in the June issue of *Review of Financial Studies*. Using a novel dataset, “The Economics of Private Equity Funds” details the differences between the value venture capitalists and buyout fund managers bring to large and small companies. It is among the top 100 most-downloaded research papers in the Social Science Research Network.

Yasuda and Metrick’s textbook, *Venture Capital and the Finance of Innovation* (Wiley and Sons, September 2010), includes a web learning tool that has drawn the interest of the Institutional Limited Partners Association, a networking group of more than 230 member organizations worldwide that manage assets of more than $5 trillion.

**Assistant Professor Ayako Yasuda**

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**Assistant Professor Ayako Yasuda**
Governors’ Global Climate Summit 3 Brings World Leaders to UC Davis

California Gov. Arnold Schwarzenegger and United Nations officials welcomed more than 1,500 attendees from more than 80 states, provinces and countries to UC Davis on November 15 and 16 for the Governors’ Global Climate Summit 3: Building the Green Economy, one of the world’s largest gatherings of regional leaders focused on climate solutions.

The two-day summit brought together prominent business, government, education and policy leaders to collaborate on strategies to stimulate economic growth, reduce dependence on fossil fuels, create green jobs, promote clean energy and reduce greenhouse gas pollution.

At the opening ceremony, UC Davis Chancellor Linda P.B. Katehi joined Schwarzenegger and former U.S. Secretary of State George Shultz to greet delegates at the Robert and Margrit Mondavi Center for the Performing Arts. She described UC Davis as “a top public research university that has long been a leader in clean-technology research and has become an emerging model for sustainable change up and down the state of California, across the nation and around the world.”

The chancellor emphasized UC Davis’ pioneering solutions in such fields as sustainable agriculture, nitrogen dynamics, food security, water management, sustainable energy and biofuels, and plug-in and hybrid electric vehicles.

Schwarzenegger agreed, citing his decision to move his annual summit from Los Angeles, the entertainment capital of the world, to “the environmental capital of the world.”

Dean Steven Currall took the governor’s declaration a step farther, saying: “We believe that UC Davis can be to the green economy what Stanford University was to Silicon Valley and the information technology industry.”

Currall said the Graduate School of Management community serves as a catalyst. “We educate business leadership talent to bring new science and engineering discoveries to the marketplace through commercialization of innovations.

“The mission of a great university is to serve society and foster economic prosperity,” he said. “We achieve this by creating new knowledge through research, by educating and inspiring students to be informed global citizens, and by being a hub of innovation and entrepreneurship that serves as a magnet for researchers, businesspeople and investors to translate our discoveries to tangible, useable products and services that enhance the quality of life for all those we serve.”

Later in the morning, Currall moderated “Capitalizing the Green Dream: Defining the Challenges and Opportunities,” a panel discussion on commercializing clean technology with three thought leaders: Seethapathy Chander, chair of the Energy Committee of the Asian Development Bank; Craig Cogut, managing partner of Pegasus Capital Advisors; and Ambassador Richard Jones, deputy executive director of the International Energy Agency in Paris.
by Sylvia Wright and Clifton B. Parker

UC Davis is taking a leadership role in spurring the innovations, ideas and dialogue that are needed to help create a clean energy future for Northern California—and beyond.

The university launched the initiative with a May 12 forum titled “E3: Economic Prosperity, Energy and the Environment.” The goal is to build a network of university researchers, government, corporations and investors all working together to drive innovations from labs into the marketplace.

Graduate School of Management Dean Steven Currall moderated the E3 panel discussion on how government and universities like UC Davis can support clean energy, and he interviewed Gov. Schwarzenegger, who has led the charge to establish California as a leader in the green economy and a climate change trailblazer.

“California has led the way in enacting ambitious policies and programs to combat climate change, reduce our dependency on foreign oil and grow our green economy,” Schwarzenegger told the capacity audience in the Vanderhoef Studio Theatre at the Mondavi Center for the Performing Arts. An overflow of guests watched a webcast in the Graduate School of Management’s Gallagher Hall.

Forum participants also included Sacramento Mayor Kevin Johnson, who has launched a Greenwise Initiative for the region; Desmond King, president of Chevron Technology Ventures; Nancy McFadden, a senior vice president at Pacific Gas and Electric Co.; and other regional and national leaders.

“We intend to build momentum and promote action to move California and the nation to a future characterized by economic prosperity, new jobs and a greener future grounded in innovation and entrepreneurship,” Chancellor Linda P. B. Katehi said in a keynote address. For Katehi, the forum marked progress on her vision of UC Davis as the launching pad for sustainability and socially responsible innovations. The Sustainable 2nd Century initiative at UC Davis builds on the university’s academic excellence and international impact on issues from clean cars and green wineries to energy-efficient air conditioning and streetlights.

Gov. Schwarzenegger, with his attendance and remarks, backed up Katehi’s vision: “UC Davis is a university that doesn’t just talk about and theorize about the kind of interesting things that you develop here,” the governor said, “but you also put it on the market and make it workable and it has such a tremendous effect.”

Schwarzenegger’s participation in the forum helped pave the way for his later announcement to hold his Global Climate Summit 3 at UC Davis. The summit welcomed more than 1,500 influential policy-makers, climate change experts and economic development officials from around the world (see main story).
As she prepared to leave Lake Tahoe, Katherine Rostkowski, a doctoral candidate in civil and environmental engineering at Stanford University, sent out a tweet: "It has been an exhausting week, but I feel as though I’m walking away with years of education in entrepreneurship."

In June, Rostkowski joined nearly 50 fellow scientists, researchers and engineers from more than 20 universities across the U.S. They brought their knowledge and work on a range of cutting-edge sustainable technologies to the fourth annual Green Technology Entrepreneurship Academy (GTEA), held at the Tahoe Center for Environmental Research in Incline Village, Nev. During the week-long intensive program, they explored the true nature of innovation and learned strategies to successfully bring their research out of the lab and into the world.

The academy, presented by the Graduate School of Management’s Center for Entrepreneurship, focused on the critical building blocks of entrepreneurship. Workshops covered intellectual property, elevator pitches, development strategies, market validation, business presentations, creating a team and establishing an organization. Complementing the workshops were daily networking and mentoring sessions with venture capitalists, angel investors and clean-tech attorneys. At the closing session, attendees presented their business plans and commercialization strategies to a panel of investors and corporate partners who offered constructive critiques.

**Igniting Innovation Networks**

Nearly 500 scientists, engineers and business students from universities around the globe have attended the center’s 13 academies since the GTEA premiered in 2007. More than two dozen companies—focused on sustainable technologies, foods, health and wellness, and other industries—have been launched or supported, with more in the pipeline.

“Our biggest impact is to foster network relationships connecting researchers with investors, big companies, utilities and the public sector. This has been a big missing piece in the puzzle of getting innovation out of the labs,” said Professor Andrew Hargadon, director of the Center for Entrepreneurship, who holds the Soderquist Chair in Entrepreneurship.

The project proposed by the team that Rostkowski is working with involves producing high-value bioplastic.

**Micromidas Travels Green Road to Success**

**Your sludge is his plastic.**

John Bissell has developed a green business around converting municipal wastewater sludge into high-performance biodegradable plastics, helping to solve one of the world’s toughest environmental challenges.

Bissell’s start-up, West Sacramento, Calif.–based Micromidas, uses water and microbes native to the earth’s soil to make plastics that are as durable as their conventional counterparts. However, unlike petroleum-based plastics that can take centuries to degrade, Micromidas plastics can decompose in just a few months if placed in a landfill, compost pile or even the ocean.

Micromidas incorporated in 2008 after founders Bissell, Casey McGrath and Kristin Matsumura—all UC Davis graduates—learned the skills to turn it into a viable business at the Green Technology Entrepreneurship Academy. With Bissell as CEO, they quickly secured seed funding, rented a lab, and begin developing and testing the technology.

They took first place in the U.S. Environmental Protection Agency’s Annual P3—People, Prosperity and the Planet—
design competition and the $85,000 grand prize, then won the Air, Water and Waste group in the California Cleantech Open last year. That attention drew experienced mentors and supporters, and Micromidas recently raised $3.6 million in its first major round of financing. The funds will be used to deploy their technology at the pilot scale.

Bowley Joo Energized for Green Tech Career

MBA student Bowley Joo took a week off from her summer internship at Mirion Technologies in San Ramon, Calif., to attend the Green Technology Entrepreneurship Academy. A former order analyst with ExxonMobil Limited in Bangkok, Thailand, Joo came to UC Davis to expand her international business experience and leadership skills. “The academy’s participants were amazing—smart, professional and collaborative; they brought perspectives and expertise from diverse fields of specialization.”

Joo’s GTEA team project involved using organic waste to generate electricity and fertilizers. The experience—from crafting an elevator pitch to mentor sessions with venture capitalists to the final presentation before a panel of potential investors—proved life changing.

Spurred by her experience at GTEA, Joo has found a new career path. “Being in Northern California, a hub for the global green-tech economy, I’ve come to realize how critical renewable energy is.” The most important lesson learned at GTEA? “The network is everything.”

Fueling the Entrepreneurial Fire

Zeke Markshausen was hooked on the academy from its opening workshop. “I’ve heard many explanations of innovation,” he said. “Defining it as the connection of multiple ideas to create one truly valuable idea was both easy to understand and very encouraging. GTEA has already added fuel to my entrepreneurial fire—I can’t wait to get started.”

A football star and recent graduate of Northwestern University, Markshausen has a bachelor’s degree in mechanical engineering and master’s in design and innovation. He brought that background to his project, a rechargeable consumer electronics battery wrapped in a thin-film solar panel that makes the surface of the battery the recharging surface.

“I will be taking the feedback and the framework that I was given this last week to set out a roadmap for the next stage of my project,” said Markshausen. “I’ve learned to continually be on the look-out for opportunities, to have the confidence to strategically act on them to take my dreams from concept to reality. Most people just talk about getting work done; entrepreneurs actually get the work done.”

A guest speaker at this year’s Green Technology Entrepreneurship Academy, Bissell shared Micromidas’ experience growing a green-tech venture.

“The network that we began to grow at the academy has been instrumental in developing our company,” he said. “Two years down the road, I still keep in touch with our academy mentor on a weekly basis. He has been key in helping us secure partnerships and scale our business.”
Professor Biggart Named Chevron Chair

Following a nationwide search, Graduate School of Management Professor Nicole Woolsey Biggart was selected in June to serve as the Chevron Chair in Energy Efficiency. The Chevron Chair directs the UC Davis Energy Efficiency Center (EEC), the world’s first university center of excellence in the field.

With its partners, the EEC accelerates the development and commercialization of energy-efficiency technologies, trains future leaders in energy efficiency and conducts critical policy-supporting research.

“Energy is the life source for our economy and diverse sources of it are critical to our future,” Biggart said. “Reliance on cheap energy is no longer possible; we need to use our ingenuity and thoughtful use of energy resources. Energy efficiency is by far the most effective and least expensive ‘new fuel.’ The UC Davis Energy Efficiency Center is playing a lead role in its advancement on a global scale.”

A founding faculty member of the Graduate School of Management in 1981, Biggart was awarded the Jerome J. and Elsie Suran Chair in Technology Management in 2002, and she served as dean of the management school from July 1, 2003, to June 30, 2009. As an internationally recognized expert in organizational theory and management of innovation, her research covers economic and organizational sociology, firm networks, industrial change and social bases of technology adoption. She has studied and published on the barriers to implementation of energy-efficient technologies in the commercial building industry.

“California is a world leader both in entrepreneurship and energy efficiency and the UC Davis Energy Efficiency Center is at the vanguard. With her extensive academic and administrative leadership experience, Professor Biggart is perfect for this key leadership role,” said Steven C. Currall, dean of the Graduate School of Management.

Chevron Corp. last year gave UC Davis $2 million to create the endowed chair, along with an additional $500,000 in funding to be used at the director’s discretion for the Energy Efficiency Center. That endowment complements Chevron’s ongoing support for UC Davis, which includes a $500,000 gift in 2008 to be a lead sponsor of the Energy Efficiency Center and a $25 million biofuels research collaboration begun in 2006 to develop technology to convert nonfood agricultural waste into next-generation transportation fuels.

Chevron has also helped shape the energy strategy and leads the energy team for UC Davis West Village, a new, 220-acre housing and commercial development that will become one of the nation’s first “net-zero energy” communities.

“Advancing energy efficiency, which is the cleanest and cheapest form of alternative energy, is a commitment that Chevron and UC Davis share,” said Jim Davis, president, Chevron Energy Solutions. “Nicole has a deep understanding of technology adoption, and her proven ability to develop innovative business clusters will play a critical role in the success of the UC Davis Energy Efficiency Center.”

Biggart is working to expand the impact of the center’s research programs through interdisciplinary collaboration, education, outreach and commercialization of technologies. She continues to develop UC Davis’ strong links to utility, regulatory, policy and commercial interests, working together to improve energy efficiency at the state, national and international levels.

“The UC Davis Energy Efficiency Center is uniquely positioned,” Biggart said. “We have deep researcher connections worldwide and venture links with entrepreneurial hubs like Silicon Valley and Sacramento’s clean-tech sector.”

Just before her appointment as chair, Biggart presented at the third Energy Efficiency Global Forum & Exposition in May, joining more than 800 energy-efficiency leaders, exhibitors and media...
from 36 countries, including members of Congress, CEOs of leading energy companies and high-level international government officials in Washington D.C., the epicenter for energy and climate policy.

The EEC was established in 2006 with a challenge grant from the California Clean Energy Fund to focus on the transfer of technology into the marketplace. GSM Professor Andrew Hargadon, now associate director of commercialization at the center, was the EEC’s founding director, and GSM alumnus Ben Finkelor ’04 serves as the EEC staff executive director.

In its first four years, the center has achieved several milestones and major accomplishments to speed the adoption of energy-saving products and services, including:

- Pioneering a focus on collaboration with the private and public sectors in the development of promising energy-efficiency technologies.
- Launching the Western Cooling Efficiency Center, which joins the existing UC Davis California Lighting Technology Center.
- Developing an energy-efficiency curriculum tailored to teach future thought leaders and managers.
- Establishing an Emerging Venture Analyst program that gives UC Davis MBA students the opportunity to work directly with industry to commercialize cutting-edge, energy-efficient technologies.
- Presenting “The Roots of Energy Efficiency,” a series of forums exploring California’s rich past—and promising future—as a global innovator of energy-efficient technologies and policies.
- Designing the efficiency components for UC Davis’ West Village, scheduled to open next year.

http://eec.ucdavis.edu
How would the allocation of carbon credits affect the value of publicly traded companies?

Does the amount of greenhouse gases a firm produces affect how much the firm is worth?

How much do investors want or need to know about a company’s environmental balance sheet?

Professor Paul A. Griffin has been investigating these and other questions that arise at the intersection of business and the environment. In his research, Griffin uses mathematical models and extensive firm-specific data to gain an understanding of how proposed climate change legislation and greenhouse gas emissions affect both companies and investors.

**Among Griffin’s findings:**

The United States does not have an established way of calculating the value of carbon credits, which companies would be issued if cap and trade becomes law. In the absence of formal rules, companies would be free to adopt different methods, which could yield dramatically different results and leave investors in the dark about true company values.

Under the terms of climate change legislation passed by the House of Representatives last year, U.S. companies would receive $34 billion in climate change allowances. But using the U.S. Federal Energy Regulatory Commission’s accounting procedure, the balance sheets would show only the benefits purchased, which would be substantially less.

Companies that have low greenhouse gas emissions tend to have higher valuations, all else being equal. Doing good by the environment, it turns out, means doing well financially—at least as far as greenhouse gases are concerned.

“If a large company invests in technology and reduces its greenhouse gas emissions, then there should be a beneficial effect on the value of the company,” Griffin says.

This research into greenhouse gas emissions and firm values is still a work in progress, according to Griffin. He is collaborating on the project with researchers from the University of California, Berkeley, and the University of Otago in New Zealand, and he expects the findings to be published in early 2011.

If a connection can be demonstrated between stock values and greenhouse gas emissions, then publicly traded firms may have to disclose their emission levels. The Securities and Exchange Commission requires firms to disclose all information material to stock values. Some firms do report carbon emissions voluntarily now, but many do not.

Griffin also has looked closely at the issue of how greenhouse gas allowances or carbon credits might be accounted for on company balance sheets.

Under the cap-and-trade bill passed by the House but defeated in the Senate this summer, total greenhouse emissions would be capped, and companies would receive government allowances to emit specified amounts annually. Firms with emissions under set amounts could sell their allowances to firms over the limit. The bill thus would create incentives for buyers and sellers of credits to cut emissions.

President Obama and congressional Democrats have vowed to press again for climate change legislation in 2011 when a new session of Congress begins.

Federal accounting regulators have not adopted a uniform method of accounting for carbon credits, and without set standards, companies would choose from a number of possible methods, according to Griffin.

“There will be confusion,” he says. “The average public investor will be at a disadvantage relative to a professional investor like Goldman Sachs.”
Griffin says that companies may try to downplay the value of carbon credits and instead stress the difficulty in complying with the climate change bill. Climate change credits will be very important to firms, according to Griffin. “They are going to get these allowances for up to 20 years. It would be a very substantial investment by the government in trying to make cap and trade work,” he says.

In his research into climate change allowances and greenhouse gas emissions, Griffin used emissions data for all firms listed on the S&P 500. For companies that do not disclose this information, Griffin developed estimates based on emissions data from similar firms that do disclose the information.

In the study of greenhouse gas emissions and stock values, Griffin and researchers David Lont of the University of Otago and Yuan Sun of UC Berkeley also compiled data on the largest 200 Canadian firms. The research team found that when other variables are controlled for, there is a strong inverse relationship between greenhouse gas emissions and stock values. “We find that if greenhouse gas emissions go up suddenly, then stock prices will likely go down,” Griffin says.

Griffin says that investors today care about a firm’s environmental record. “If a cost is being imposed on the environment, the social values of today’s investors regard that as a negative attribute of a company,” he says.

Investors also tend to think more highly of a firm that is being managed in an environmentally responsible way, according to Griffin. Investors want to know a firm’s environmental record, he says. “They want to see more of this information now,” Griffin says. “They’re concerned about it.”
Hot Topic: California’s Landmark Global Warming Solutions Act

Global climate change.

It’s complex, sometimes controversial and—for businesses—full of opportunity.

To dig deeper, the student Net Impact chapter at UC Davis in April brought together a leading regulator, a businessman and an economist to explore the economic and regulatory realities of greenhouse gas reduction.

Moderated by Professor Brad Barber, director of the Center for Investor Welfare and Corporate Responsibility, the event drew a capacity crowd at Gallagher Hall to hear the panel discuss the impact of California’s Global Warming Solutions Act of 2006 (Assembly Bill 32), and national and global climate change issues.

AB 32 caps California greenhouse gas emissions at 1990 levels by no later than 2020—an 11 percent reduction from current levels and a nearly 30 percent reduction from projected business-as-usual levels.

The Regulator

Anthony Eggert, who holds the “environmentalist” chair on the California Energy Commission, opened the conversation. “Energy and climate policy will be big business in the 21st century—in California, the nation and the world,” he said. “Those organizations that can figure out how to give people what they need and want with the least effect on the climate will be the most successful.”

Eggert, who started his career at Ford Motor Company and later served at the UC Davis Institute of Transportation Studies, noted that 38 percent of California’s greenhouse gas emissions are attributable to the transportation sector.

“Without AB 32, the economy will grow 30 percent. With AB 32, the economy will grow 30 percent,” he said. “The question is: Where do we want to see the future trajectory of our energy economy?”

The Businessman

As general manager and CEO of the Sacramento Municipal Utility District (SMUD), John DiStasio directs the sixth-largest public utility in the U.S., serving about 1.1 million people.

SMUD has long supported energy efficiency and alternatives to fossil-fuel sources. The utility had already begun installing 600,000 “smart meters” when last fall it and three partners received $127 million in federal stimulus funds to build a smart grid throughout its entire service territory.

“There is a huge educational component to convincing consumers to reduce their energy use,” DiStasio said. “Energy efficiency doesn’t need to only work economically. It also needs to work with people’s cultural beliefs.”

The Academic

Summing up the individual and international costs of reducing greenhouse gas emissions, Christopher Knittel, an associate professor of economics at UC Davis, said, “If we truly believe that climate change is occurring—or at least that the risk is there—the question is not, ‘What will it cost the economy?’

“While there are certainly winners and losers, ultimately there is a benefit that outweighs the costs. The real question is: How much do we want to reduce greenhouse gas emissions now to benefit future generations?”

Any economist worth their salt will tell you that if you want to get something done, put a price on it. My hope is that we can at least start with a small carbon tax or cap-and-trade program, for example, $1 per gallon of gas. In the U.K. gas costs twice what we pay in the U.S.—and their economy has not tanked.

—ASSOCIATE PROFESSOR CHRISTOPHER KNITTEL
Department of Economics, UC Davis

Learn more about Net Impact at UC Davis @
>> http://ni.gsm.ucdavis.edu
Dean Currall Leads Greenwise Sacramento Clean Tech Team

Mayor Kevin Johnson’s Vision to Turn Capital Region into “Emerald Valley”

Dean Steven Currall and Sacramento Mayor Kevin Johnson have united to turn the capital region into a global leader in the green economy. Currall joined Johnson’s Greenwise initiative leadership team this spring with a bold goal to make the capital region synonymous with the green and clean tech industry, just as Silicon Valley is considered the Mecca for high tech.

“Let’s transform Sacramento into an Emerald Valley,” Johnson said at the launch of Greenwise in May. “Let’s be a hub for green and clean technology. We already have the greenest state. Why not have the greenest capital in the greenest state?”

Johnson’s eight-month initiative is led by a task force divided into five policy areas: energy, waste and recycling, water and nature, urban design and green building, and green and clean technology, which Currall heads. Johnson’s goal is to coordinate and energize public and private commitments to an action plan for the region, which he’ll outline in his state of the city address in January.

Currall has set the bar high. “Our mission is nothing short of revolutionary: transforming the regional economy around green and clean technology,” he told a task force meeting in July.

To that end, Currall has divided the 70-member green and clean tech group of business, government, education and community leaders into subcommittees focused on six areas: market creation and demand; regional business opportunities; raising corporate intelligence quotient; innovation financing; workforce training and education; and innovation-based entrepreneurship. GSM Professor Andrew Hargadon, director of the UC Davis Center for Entrepreneurship, also serves on the mayor’s leadership team.

Currall said UC Davis’ internationally renowned research and the Graduate School of Management’s role training top management talent and accelerating tech transfer are key to the transformation.

Kevin Surace Gets Serious about Energy Efficiency

Serious Materials CEO Kevin Surace is on a mission to increase energy efficiency in buildings while growing green jobs and manufacturing in the U.S. “Construction and operation of our residences and commercial buildings accounts for 52 percent of global greenhouse gas emissions,” Surace said during a visit to the UC Davis Center for Entrepreneurship in May. “We can slash that number by re-engineering common products that use or lose the most energy.”

Sunnyvale, Calif.-based Serious Materials’ energy-efficient solutions generated nearly $50 million in revenue in 2009, up 50 percent from 2008. Its products include EcoRock, a recycled alternative to traditional gypsum drywall that The Wall Street Journal named the most innovative environmental product of 2009. Last year Inc. Magazine recognized Surace as its Entrepreneur of the Year.

Among Serious Materials’ high-profile projects: replacing all 6,514 windows in the Empire State Building—26,000 panes of glass. Serious is reusing the existing glass and creating super-insulating glass units in a mini-factory on the iconic building’s fifth floor. This and other green upgrades will save the building $4.4 million annually on utility bills.

Surace urged students to become change agents. “Please be disruptive,” he said. “Think so far out of the box that you’re willing to be laughed at and even risk your job. It’s the only way real change takes place.”
As a young Foreign Service officer in Beirut in the 1960s, Edward Djerejian was the first American diplomat to meet with the Imam Musa al-Sadr, a charismatic and moderate Shi'ite leader who was an advocate of interfaith dialogue between Muslims, Christians and Jews, and became the voice of the oppressed Shi'ite people living in poverty in southern Lebanon.

“That movement he started in Lebanon morphed in 1982 when the Israelis invaded southern Lebanon and radicalized the Shi'ites—and Hezbollah was born,” Djerejian explained to a capacity audience in June as a Dean’s Distinguished Speaker at the Graduate School of Management.

That early experience shaped Djerejian’s perspective on the volatile Middle East. He went on to become the only American to serve as U.S. ambassador to both Israel and Syria and one of the nation’s most distinguished statesmen. Serving eight U.S. presidents, he played key roles in the Arab-Israeli peace process; the U.S.-led coalition against Saddam Hussein’s invasion of Kuwait; successful efforts to end the civil war in Lebanon; the release of U.S. hostages in Lebanon; and the establishment of collective and bilateral security arrangements in the Persian Gulf.

“U.S. policy should be to direct everything we do to enhance the moderates in the Muslim world and marginalize the extremists,” he advised.

Djerejian shared his research on solving the Israeli-Palestinian territorial conflict, and praised President Obama’s outreach and the work of his Middle East envoy, former Senator George Mitchell. “The whole task of diplomacy is engaging your adversaries,” Djerejian said.

On the war fronts, he said diverting attention and resources from Afghanistan to Iraq has left the U.S. military to fight the Taliban and Al-Qaeda without the expertise or capacity to do serious nation building. “Now we have a policy in Afghanistan that is being debated and it’s unclear that we will be able to extricate ourselves with any real positive results.”

Meanwhile, Djerejian said, the U.S. and its allies must pursue a policy of nuclear containment against Iran. “You are not dealing with a group of madmen in Teheran. They are as smart as and as calculating as foxes,” he said. “They are not suicidal. Their interests are to stay in power and consolidate their power.”

And with no end in sight to global hydrocarbon demand, Djerejian said stability in the oil-rich region is crucial: “The stakes are truly high.” Citing a study by two fellows at the James A. Baker III Institute, he explained that today’s Middle East oil curse is spilling into the international financial system. “Unanticipated petro-dollar flows are fueling financial bubbles, financing a Middle East arms race and damaging the global economy through speculative oil price feedback loops.”

Education and economic diversification have suffered as regimes have spent some $3 trillion—much of it oil profits—on armed conflicts over the past six decades. Djerejian said more than half of the 350 million people in the 22-member Arab League are younger than 25 years, making it the world’s fastest-growing labor market. Yet unemployment is at 15 percent and half of the jobless are under 25 years old, while 65 million are illiterate—two thirds of them women. “With the young demographic,” he said, “education is the catalyst for growth of these economies in a sustainable manner.”
Surgeons will be able to rapidly identify diseased tissue right in the operating room rather than wait for results from a pathology lab if a diagnostics technique being developed at UC Davis can be effectively commercialized.

To make that a reality, GSM alumnus Steve Barnett ’10 leads Advanced Tissue Diagnostics, a multidisciplinary team that includes a pathologist, a resident from the veterinary program, a law school student and two Sacramento Working Professional MBA students, Prasanna Padihari and Katie Stein.

For Barnett, it will be the third start-up he’s entered in the annual UC Davis MBA student-organized Big Bang! Business Plan Competition, now in its 11th year. “Big Bang! is a great opportunity to take a technology, form the business case around it and have it reviewed by experienced professionals, who critique and fine tune the business model,” he said.

In October Big Bang! kicked off a seven-month series of workshops, networking mixers and mentorship opportunities to help form teams, build knowledge and skills, and inspire entrepreneurship. The contest culminates at a final awards ceremony in May. Some of Northern California’s largest employers, venture capitalists and law firms provide the prize money, coaching and volunteer judges. Big Bang! has awarded more than $190,000 to 30 promising ventures and become one of the best known business-plan competitions on the West Coast.

Barnett’s team represents an encouraging new pipeline of Big Bang! entries from the Medical Technology Commercialization Clinic, a National Science Foundation–funded Partnerships for Innovation Program (PIP) at UC Davis designed to accelerate innovations at the intersection of engineering, life sciences and medicine. GSM alumnus Gabriela Lee ’04 is the PIP program manager. She brought in Barnett, who has a Ph.D. in chemistry and expertise in optical sensor technologies, to serve as the Entrepreneur-in-Readiness to advise Advanced Tissue Diagnostics.

For the second consecutive year, Big Bang! organizers will also welcome participants from the Sacramento State College of Business Administration and the Sacramento Entrepreneurship Academy.

Sacramento venture capitalist Roger Akers, who supported the launch of Big Bang! in 2000, said the competition has evolved dramatically over the past decade, and sparked more initiatives to bring cutting-edge UC Davis research from the lab to the market. “Every year we’ve seen an incremental growth in the quality of the plans and the quality of the teams that come together,” said Akers. “Now the organization has its own brand and its own identity. The prize money has quadrupled. The quality of the business plans from all the interdisciplinary areas now are fundable.”

As Advanced Tissue Diagnostics develops a commercialization strategy and business plan, Barnett hopes investors will realize the value in giving doctors a new tool to speed surgeries and help save lives.

**BIG BANG! Business Plan Competition Fuels Innovation**

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**Nanotech Innovators:** Four Bay Area Working Professional MBA students (from left) Rafael Oey, Lory Tan, Suneeet Sandhu and Todd Armstrong formed Nomad Technologies and took second place in the 2010 Big Bang! with a UC Davis–patented nanotechnology-based design that could increase computer hard drive capacity by more than 800 percent. That success led to being selected as one of 16 finalists—out of several thousand eligible business plans from 17 countries, and the only from a UC campus—in Draper Fisher Jurvetson and Cisco System’s Global Business Plan Competition. They’ve since incorporated as Nanodyne Inc., and have an exclusive licensing agreement with UC Davis.

**Vaccines from Tobacco:** The 2010 Big Bang! grand prize-winning Inserogen team, (from left) Ying Ng, Gabriel Paulino and MBA student Bob Kays, inspect tobacco plants at UC Davis with adviser Professor Karen McDonald and team leader Lucas Arzola, a doctoral candidate in chemical engineering. Their SwiftVax process injects genes into tobacco plants as “biofactories” to cut new vaccine development from six months to six weeks. Arzola said Big Bang! helped build a network and business plan around a nascent idea: “UC Davis is a great place to start our company because of the great expertise available in agriculture, business, engineering, veterinary health and medicine.”
Many students enter the UC Davis MBA program already knowledgeable about the global economy. The International Study Trip course helps them connect the dots in new ways, providing an intensive immersion in the world of international business.

Following 10 weeks of preparation in the spring, 11 MBA students traveled to Turkey with Wil Agatstein, executive director of the UC Davis Center for Entrepreneurship. During the two-week trip, they met with community and political leaders, both Turkish and U.S. government agencies, executives at Fortune 500 multinationals and U.S. expatriates, who offered first-hand accounts about living and doing business in a foreign country.

As the GSM team made their way from the capital city of Ankara to Turkey’s commerce capital, Istanbul, the trip tore down stereotypes and preconceptions, replacing them with real insight into Turkey’s people, culture, economics and political issues.

Bulls and Bears
We pulled into a heavily guarded compound, complete with barbed wire and a sea of surveillance cameras. We had arrived at the Istanbul Stock Exchange, founded in 1985 to create an independent, modern trading floor. The original stock board has been replaced by computers, and in recent years there has been a push to modernize further. However, there have been murmurs of backlash by traders who prefer to interact directly with financial intermediaries (and each other). With security markets still being developed, relationships remain key.
—Yaseen Nazir

Tea and Business
Tea and coffee are integral to all aspects of Turkish culture. The tea is especially strong and often served with a cube of sugar, in a clear tulip-shaped glass. Tea is drunk at breakfast, lunch, dinner, snack time and even throughout the night. Businesses almost always served us this tea; restaurants offered it right away and tea vendors were everywhere.
—Jackie Jaszka

Superior Hospitality
Meetings start with small talk. It’s common to be asked about your opinions of Turkey, favorite sights and thoughts on Turkish cuisine. Rushing through this would be perceived as rude and could sour business relations. Later, the closing remarks are often the most important part of the meeting: this is when additional contacts or opportunities may be shared. Business in Turkey is very network oriented, and cultivating these relationships is crucial.
—Scilla Outcault (on camel in photo above)

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Why study and visit Turkey—and why now? Our course and trip focus on countries that are economically important to their region and in their relationship to the U.S., and that are in a particularly critical time in their history. Turkey is an incredible economic powerhouse in Eurasia and the world, and the country is now making the transition into the European Union.

What is the trip’s greatest lesson? That knowing a country’s history, culture, society and relationship to the world and to the U.S. is critical for doing business. Understanding and working with Turkey requires insight into a broad set of issues—from the Armenian, Kurdish, Cypriot and Greek “problems,” to the rights of children, to secular vs. fundamental Islam. And then there is the history of the hegemony of the military and the neoliberal hegemony.

You visit a range of organizations, businesses and sites to get to know each country. To be successful in the global market, you must know both our and the other country’s government, multinational and national corporations, international and national NGOs and—most importantly—the people. Only through this 360-degree view can you understand how business is done.

One highlight of the trip was your meeting with the U.S. ambassador and Turkish entrepreneurs. Tell us about that experience.

Wil Agatstein is executive director of the UC Davis Center for Entrepreneurship and a lecturer at the Graduate School of Management. He has been the faculty leader of International Study Trips to Panama and Ecuador, Vietnam, the Czech Republic and Hungary, and Turkey. Next, he’ll lead the course and trip to South America.

On the Road with Wil Agatstein

Why study and visit Turkey—and why now? Our course and trip focus on countries that are economically important to their region and in their relationship to the U.S., and that are in a particularly critical time in their history. Turkey is an incredible economic powerhouse in Eurasia and the world, and the country is now making the transition into the European Union.

What is the trip’s greatest lesson? That knowing a country’s history, culture, society and relationship to the world and to the U.S. is critical for doing business. Understanding and working with Turkey requires insight into a broad set of issues—from the Armenian, Kurdish, Cypriot and Greek “problems,” to the rights of children, to secular vs. fundamental Islam. And then there is the history of the hegemony of the military and the neoliberal hegemony.

You visit a range of organizations, businesses and sites to get to know each country. To be successful in the global market, you must know both our and the other country’s government, multinational and national corporations, international and national NGOs and—most importantly—the people. Only through this 360-degree view can you understand how business is done.

One highlight of the trip was your meeting with the U.S. ambassador and Turkish entrepreneurs. Tell us about that experience.

We were invited by the U.S. Consul General’s office in Istanbul to join the consul general, the ambassador, five Turkish entrepreneurs and select journalists for a roundtable discussion. The meeting was a part of President Obama’s outreach to Islamic countries via entrepreneurship, and was the first time that this group had come together to talk about bilateral trade and the issues and opportunities for entrepreneurs. The following week, these entrepreneurs traveled to Washington, D.C., for a White House-sponsored summit attended by more than 250 participants from 60 countries, and keynoted by Nobel Prize winner Mohammad Yunus. It was an amazing opportunity for our students to see diplomacy, politics and business in action—and to play a key role in an important government initiative.

On the Air from Ankara

The Ministry of Industry and Trade sponsored the group’s visit to an industrial park in Ankara. While touring Electromed, an international manufacturer of water, gas and electric meters, the students (pictured right, Becca Fong) were interviewed by Turkish TV station Kanal A. The program aired throughout Turkey and, via satellite, to select European cities.

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Gutsy risk taking, bold moves and visionary leadership have shaped the business success of Art Ciocca, who followed his dream to California, saw an opportunity to revolutionize the wine industry and built The Wine Group, Inc. into the world’s third-largest wine company.

In 2000, Ciocca was recognized with the Horatio Alger Award, an honor that connected him with Jack Gill—who received the award the year before—sparking a close friendship. Gill, a trailblazing Silicon Valley venture capitalist, founded Vanguard Ventures in Palo Alto, Calif. He now lives in Houston, Tex. Gill introduced Ciocca to the entrepreneurial community around Rice University, including then-Professor Steven Currall, now dean of the UC Davis Graduate School of Management.

When Currall asked Gill to teach as the Robert A. Fox Executive-in-Residence at the GSM this past spring, Gill promptly invited Ciocca and his friend and former investment banker Robert Smelick to be guest speakers in his course. Ciocca and Smelick shared how The Wine Group grew into a global producer that today trails only Constellation Brands and E. & J. Gallo Winery in volume.

Ciocca’s path to wine pioneer took him from the College at Holy Cross, to the Navy, to earning his MBA at night. He then hitchhiked 15,000 miles through the Middle East, Europe and Africa, an enlightening trek that he said “patterned my thinking in many ways.”

After a stint in marketing at General Foods in the late 1960s, Ciocca moved West and got his start as a brand manager for Gallo. He worked closely with Ernest Gallo, a role model and mentor who he called the “most inspirational person I’ve met.”

In Gill’s class in May, Ciocca and Smelick picked up the story in 1974, the year Ciocca left Gallo to take the reins of the ailing Franzia wine division of Coca-Cola Bottling Co. of New York. Despite Ciocca’s heroic turn-around efforts, by 1980 the bottler soured on its subsidiary and put it up for sale. Invited to the company’s board meeting, Ciocca figured he had nothing to lose and shocked the directors: “I basically said, ‘This is darn good company. If you don’t want it, I’ll buy it.’”

Back in San Francisco, Ciocca knocked on Smelick’s door early the next morning. Smelick, then at First Boston, put in motion what he called “one of the most successful enterprise value deals ever.” Within nine months, they completed a historic leveraged buyout of The Wine Group. Ciocca and his management team drained their savings and mortgaged their houses to scrape together $800,000 to secure a 50.1 percent majority ownership, with First Boston contributing $200,000 and Metropolitan Life Corp. investing more than $12.5 million to make it happen.

“I leveraged everything I had to do the deal,” Ciocca said. “It was a calculated risk.” It paid off big.

As CEO of The Wine Group, Ciocca sent the wine business sideways by literally thinking “inside the box.” The Franzia “wine in a box” packaging innovation soon became the world’s most popular wine. Within three years, the management team bought out the remaining half of the company.

Since then, The Wine Group has amassed a stable of brands that includes Concannon, Almaden, Corbett Canyon, Inglenook, Foxhorn and Cupcake. Ciocca is now chairman and no longer involved in daily operations.

“My wife and I are focused on the two Es—education and entrepreneurship,” he said. “The best hope to revive this struggling economy is to support entrepreneurs and innovators who add value to our society.”

With that in mind, Ciocca has joined Gill and Stockton agribusinessman Dino Cortopassi on Dean Currall’s Advisory Cabinet, to offer his guidance and expertise. “Steve is an extraordinarily talented leader,” Ciocca said, “and the UC Davis MBA students I’ve met are bright young people acutely aware of global issues and passionate about changing the world for the better.”
Focus on Business Leadership

Robert Smelick to Serve as Robert A. Fox Executive-in-Residence

Robert Smelick was getting used to retirement after more than three decades in finance when damaging news about business leadership dimmed public perceptions. It was the early 2000s, and the picture being drawn in academia and the media was colored by the scandals at WorldCom, Tyco and Enron.

“The message was that business leaders were not a very admirable group,” said Smelick, who started his career at Kidder Peabody, then formed First Boston’s West Coast investment banking group, and later founded Sterling Payot Co. “That was totally inconsistent with my experience in 35 years of associations in the investment banking business, sitting on boards and investing in companies.” He decided that those associations and his interest in film and interviewing might make for a compelling project and began assembling profiles of some of the businesses and executives he’d met along the way.

Now Smelick—who since 2001 has been general partner of an early-stage venture investor, Headland Ventures LP in Sausalito, Calif.—will bring the results of his project to the Graduate School of Management in spring 2011. He’ll serve as the Robert A. Fox Executive-in-Residence and present his multimedia case studies as part of a course he calls Leadership, Innovation and Enterprise Culture.

The classroom has been in his plans for years as a venue for the case studies, “where you’re in a business school environment and trying to give students role models and show them how it’s really done.” A friend encouraged him to try it out at University of Virginia and he’s taught it there for five years, as well as lecturing at Harvard (where he earned his MBA), Georgetown, University of Washington and UC Berkeley.

Smelick is no stranger to the GSM. Earlier this year he was a guest speaker alongside Art Ciocca in the classroom of Jack Gill, this spring’s Fox Executive-in-Residence. Smelick and Ciocca have been friends “since our bachelor days in San Francisco in the 1970s.” When Ciocca and associates were working to buy the wine assets of the Coca-Cola Bottling Co. of New York, Smelick helped assemble the financing. The pair talked with UC Davis MBA students about The Wine Group, producer of Francis and other brands, and among the largest in the world.

Ciocca and The Wine Group are among the subjects of Smelick’s profiles and case studies. Others include Robert Swanson and Genentech, Don Guinn and Pacific Telesis, and Bruce Nordstrom at the eponymous Seattle-based department store chain. As the cases build, themes emerge about the leaders and leadership, Smelick said, including their strong sense of ethics, listening skills and ability to communicate from a basis of trust.

As an example, he cites a story about Ciocca, who in the early days of The Wine Group learned that there was a quality problem with some recently bottled vermouth. The company was highly leveraged in those days and shipping the inferior product would have added $300,000 to the balance sheet, but Ciocca wouldn’t do it, Smelick said. “He made the decision that they were going to do it the right way and had the bottles crushed—in full view of the employees.”

The case studies, Smelick said, “get students thinking about what kind of leaders they might want to work for and with.”
Samantha English never changed companies voluntarily. But in the volatile finance world, much has changed around her. English started her finance career at Barclays Global Investors in 1999 after graduating from the University of Delaware with a B.S. in business administration.

Since then, she has worked at Investors Bank and Trust Co., which bought Barclays’ operations division, and State Street Corp., which bought Investors Bank three years ago. Today, she is assistant vice president in shareholder services for State Street Bank and Trust Co. of California in Sacramento.

Through the series of buyouts, she’s been a rising star. English has been promoted five times in 11 years, and she wants to continue up the management ranks at State Street. To prepare herself with advanced management training, she joined the Sacramento Working Professional MBA program, and she’s on track to graduate in December.

At State Street, English’s group tracks money flows in and out of various funds—mostly pension funds—for a single client. The group makes sure the money is received and issues its client the amount of shares that matches the contribution. It also oversees wire transfers in both U.S. dollars and foreign currency. The world’s leading provider of financial services to institutional investors, the 218-year-old Boston-based State Street Corp. has $19 trillion in assets under custody and administration, and $1.8 trillion under management with more than 27,300 employees in 25 countries.

The global financial crisis had a substantial impact on State Street and English’s role. Her group manages its clients’ cash. Excess cash at the end of the trading day typically had been invested in a money market fund. But the liquidity crisis and resulting credit crunch meant less money to invest and more analysis into what financial products her group would offer the client.

The financial crisis “changed our company as a whole,” English said. “We were one of the original nine TARP participants. It’s changed a lot of the philosophy about how our company runs and tightened things up and made everybody much more aware of the money that’s being spent in our company.”

While the market crash and credit crunch triggered major changes to her job, English doesn’t expect the Dodd-Frank Wall Street Reform and Consumer Protection Act signed into law in July to affect her much. She is cautious about it. “I don’t necessarily know how adding the extra bureaucracy is going to help the system,” she said. “The idea is in the right place, but I don’t know logistically if it’s going to make it better or worse by adding additional layers.”

English says her UC Davis coursework has been invaluable. In her Teams and Technology class, she learned every meeting, no matter how short, should have a clearly defined agenda. Before the class, meetings that she ran or attended lacked agendas or had too many topics. After the lesson, she began running her meetings more efficiently and suggested to her managers how they could improve theirs.

While English is pursuing a UC Davis MBA to advance her career, she launched her own entrepreneurial educational initiative to benefit her State Street colleagues. Other divisions at the company enjoy formalized training programs, but English’s group does not. So about five years ago, she started one. Managers in her group research a topic and teach it to the other employees. A recent lesson covered the differences between accounting systems (what’s on the books) and custody systems (what’s actually happening), and how to research discrepancies when numbers don’t match.

“People appreciate the training, and it’s gotten to the point where they send out e-mails with suggestions of topics they want to hear about or learn more about.”
James Chen Pushes Pedal to the Metal at Tesla Motors

When James Chen told his bosses at Ford Motor Co. that he was leaving, they weren’t too surprised. Not many people who move from California to Michigan stick around once they’ve experienced the joys of winter.

“Oh, I’m not going back to California,” Chen told them. “I’m going to Japan.” As a UC Davis undergraduate, he paved the way by majoring in mechanical engineering with a minor in Japanese. He studied hybrid and alternative fuel vehicles, worked in the automotive industry and founded his own business promoting motor sports in Japan before returning to UC Davis for his MBA. “My whole career has been about taking the road less traveled,” seeking out challenges and ways to innovate, Chen said.

That may have made Tesla Motors Inc. the perfect place for him to serve his internship. The newly public start-up based in Palo Alto, Calif., is building electric cars that have captured the imagination of enthusiasts and investors alike. The Tesla Roadster, priced at more than $100,000, bolts from zero-to-60 mph in less than four seconds and more than 1,000 have been sold. (When Chen interviewed, he said, he thought to himself “If they’re having doubts, I’ll just tell them I’ll work for free as long as I can drive the car.”)

Now Tesla is taking over the former NUMMI auto plant in Fremont to produce its next model and is working with Toyota Motor Corp. on an electric version of the RAV4 sport utility vehicle. The goal is to create a next-generation car-maker that isn’t held back by its legacy investments in outdated internal-combustion technology.

When Chen started his internship, he was assigned a project: Help create an inventory and warehouse management system that can be scaled up as Tesla grows. “Because it’s a start-up, I had the ability to really make an impact,” he said. “Even though I was an intern, I was responsible for critical projects.”

He also got some guidance in the company culture before they set him to work. “You want to push for innovation, for doing things because they make sense, not because GM or Toyota has done it that way.”

That came up in discussion over the best way to track inventory, a crucial element of supply chain management that provides parts as needed without tying up a lot of cash in inventory. Chen pushed for a bar code system that pulled elements from several other systems, including automakers and Amazon.com, while a competing proposal advocated using a well-established system that has been in place at General Motors for 20 years. “That’s fantastic, but we’re not GM,” said Chen, whose proposal carried the day. “You don’t just try to solve the problem in front of you; you try to create a system that solves the current problem and gives you a good solid platform for growth.”

Chen also embraced Tesla’s all-hands-on-deck approach. He speaks three languages—Japanese, Chinese and English—and his years in Japan taught him something about that country’s regulatory system. When a colleague at Tesla ran into a hitch that could have blocked sales in Japan, Chen volunteered to translate. He even got the Japanese official to send out forms Tesla had to complete to win sales approval.

“Tesla was a great internship for me,” and he’d enjoy working for the company after he earns his UC Davis MBA. “They’re not just looking for engineers, they’re looking for people who have passion… enthusiasts who are willing to put in the long hours because it’s fun,” he said. “Ideally, if I go back to Tesla I’d like to do something in business development that would allow me to use all three languages.”

“Interning at Tesla Motors was just fantastic. They’re not just looking for engineers, they’re looking for people who have passion… enthusiasts who are willing to put in the long hours because it’s fun.”
It’s been a long journey for Andriy Mysyk, and the second-year Bay Area Working Professional MBA student keeps setting his sights on new destinations. That vision led him to leave the town of Nikolaev in what was then Soviet Ukraine to study finance at the University of Alabama, where he juggled classes, improving his English and learning skills such as grocery shopping without a car.

He eventually shifted gears in his career as a financial analyst with a software technology background to concentrate on supply chains and logistics. “About six years ago I came to the realization that to be successful in IT management, I needed deep knowledge of a particular field,” Mysyk said.

When he saw a “fascinating” story in The Wall Street Journal about United Parcel Service and its global operations, he was hooked. He headed off to a conference held by a trade group in the field, and leveraged the contacts he made there into a new position with Menlo Worldwide and a new career path.

Now he’s a logistics system specialist with Apple Inc. in Cupertino, Calif., optimizing shipments of iPads, iPhones, MacBooks and other products around the world. “As most logisticians, I think in units, orders, packs, pallets, trucks and containers. The contents of the brown boxes that traverse Apple’s distribution network are not as important to what I do.”

While at Apple, Mysyk’s far-sightedness eventually led him to the UC Davis MBA program to expand his skills and his network of talented Bay Area professionals to build a foundation in management science.

Mysyk said his formative years in Ukraine, where cooperation was needed to overcome hardships, helped him develop a knack for networking. “My wife says I’m sort of a natural born connector.” Mysyk is married to Paula Solanes, also a Bay Area MBA student.

His people skills helped him build a team around a plan for a Redbox-like package delivery kiosk business that wowed judges at the 2010 UC Davis Big Bang! Business Plan Competition.

“I moved to San Francisco from Houston in 2005, and the first time I placed an online order, UPS tried three times to deliver it, then shipped it back,” Mysyk said. “As a supply chain professional I was surprised, and as a customer I was frustrated.” A little research revealed that as many as one in four delivery attempts in some major cities fail on the first try, driving up costs and irritating customers.

With this in mind, Mysyk attended a Big Bang! mixer where he noodled the idea with physics student Evan Friis. They teamed with MBA classmates Chris Schwass and Edmund Choi to pitch Last Mile Designs, which would operate a network of self-service kiosks in big cities under the brand name “Zing.” The kiosks would allow shippers to leave packages on the first try and customers to pick them up anytime at convenient neighborhood locations.

The Big Bang! judges got it. “We were one of five finalists, and the only one that was not based on UC Davis research,” Mysyk said.

The concept at the heart of Last Mile Designs is identical to the one Mysyk applies in his work at Apple: finding the best way to move goods efficiently, whether the answer ensures that a single package is delivered or that shipping containers full of Apple products reach their destination.
It’s a wise executive who knows what he does not know. It’s a wiser one who seeks answers based on solid data. That’s what brought the chief executive of Saverglass Inc. to the UC Davis MBA Consulting Center.

Last October, Jean-Pierre Giovanni was named president and CEO of the North America arm of Saverglass SAS, a French manufacturer with more than $200 million in sales last year of premium glass bottles for the wine, spirits and perfume industries. Also new to Saverglass Inc. was GSM alumnus Kevin Goulding ’84, who joined the Napa-based subsidiary as chief financial officer and vice president of operations.

“My mission was to take this company to the next level in growth, and to do that we needed to quickly assess our positioning in the market,” Giovanni said. The recession was changing the wine market, with spending on wine up, but on less expensive product. Saverglass needed an independent view of the competitive landscape and factors driving decisions by North American customers.

Giovanni had notions, but “if I ask the question people will probably answer differently than if a UC Davis student asks.” Both Giovanni and Goulding were familiar with the university and GSM Professor Emeritus Robert Smiley’s work as director of wine industry programs, Goulding said. “Obviously the university has a great viticulture program, and many of our customers have come through UC Davis,” so they approached Professor Emeritus Richard Dorf, director of the MBA Consulting Center.

Dorf suggested starting with an intern to compile a database of the bottle industry. Isaac Riffelmacher, now a second-year MBA student, started work in January to build “family trees” of wine and identify which wineries used which bottles.

By the spring, Riffelmacher was joined by team leader Gabriel Froymovich, Monica Giovannetti, Bryant Mangless, Danny Hartsough and Gerald Richard to tackle the larger project. Froymovich and Riffelmacher have wine industry experience, and Froymovich and a partner recently released the first wine under their Hooper 206 Vintners brand. Smiley served as the team’s field advisor.

The team surveyed 3,500 companies in the wine and bottling industry, with an 8 percent response rate and about 200 who answered every question, Riffelmacher said. Interviews fleshed out the survey data and statistical analysis.

The result was a mix of substantiation and surprises, Giovanni said. For example, the report confirmed that Saverglass was seen as a top-quality provider with strong customer service. But it also revealed that customers viewed another bottle maker as a competitor in the same league as Saverglass. “It was kind of an eye-opener to us that they were perceived that way,” he said.

The project also highlighted how important bottle quality is to wine-makers during the stressful bottling phase, when a delay from broken glass can drive up costs and even diminish wine quality. “When you’re talking about a difference in price of five cents a bottle versus a $10,000 increase in bottling cost, that’s a trade-off you don’t want to make,” Giovanni explained.

While there is growing interest in ecofriendly bottles, quality was the most important factor for customers, and word of mouth—not fancy ads—was the most significant source of information, the team found.

Giovanni said the findings will help as Saverglass looks at better tailoring its marketing to U.S. customers’ needs, promoting its energy-efficient production and environmental stewardship, and leveraging word-of-mouth buzz.

Future MBA projects, Giovanni said, could dig deeper by developing a detailed marketing plan, or analyzing the spirits bottle market. As a result of the project, Saverglass joined the School’s Business Partnership Program.

“Our goal is to establish a long-term relationship with the GSM,” said Goulding. “UC Davis could become a great source pool for us.”
Stephen G. Newberry Keynotes 2010 Commencement
Lam Research CEO Urges New MBAs to Practice Values-based Leadership
by Marianne Skoczek

With the familiar, formal notes of Elgar’s “Pomp and Circumstances” echoing through the Mondavi Center’s Jackson Hall, 166 UC Davis MBAs took their well-earned places on stage for the Graduate School of Management’s 28th commencement in June.

“This is one of the most exciting and challenging times in recent history to take your new skills and knowledge into the business world,” Dean Currall told the graduates. “And there are many opportunities to make positive change and make a difference.”

Stephen G. Newberry, president and CEO of Lam Research Corp. and a member of the Dean’s Advisory Council, gave the keynote address. A graduate of the U.S. Naval Academy, Newberry told the graduates,

“Go out and be passionate with a need to achieve; go out and be a values-based leader; go out and embrace change and the opportunity it represents. If you do, you will have an exciting and rewarding career.”

— STEPHEN G. NEWBERRY
President and CEO, Lam Research Corp.

“You never know where your education will lead you.”

He urged them to “choose something you have a genuine passion for” and to realize that “when in pursuit of high achievement, the likelihood of failure comes with the territory. Learn from failure and move on.”

Strong supporters of the Graduate School of Management, Newberry and his wife, Shelley, have endowed the Stephen G. Newberry Chair in Leadership and created the Stephen G. and Shelley A. Newberry Distinguished Student Fellowship fund, which supports students with stand-out potential as business leaders.

“Honesty and integrity are at the heart of who you are as a person and a leader,” Newberry told the Class of 2010, encouraging them to use their values-based leadership skills. “With them you can build trust, with trust you can build relationships, and with relationships you can build a successful career and life.”

MBA Challenge for Charity Raises $15,000, Volunteers 300+ Hours
by Elin Kjølseth ’11

MBA Challenge for Charity (C4C) at UC Davis revved up students’ collective philanthropic energy this past year to raise more than $14,800 and volunteer more than 300 hours in support of the Special Olympics of Northern California and the Boys & Girls Club of Greater Sacramento.

C4C draws on the talents of MBA students from nine West Coast business schools to support Special Olympics, Boys & Girls Clubs and other local charities. Since 1996, C4C chapters collectively have contributed more than $4.6 million and donated tens of thousands of hours of community service, making it the world’s largest MBA non-profit organization.

C4C at UC Davis hosts several fundraising events, including the sixth annual C4C Wine Tasting Benefit, an overwhelming success that brought in more than $10,000 from silent and live auctions.

UC Davis MBA students have become regulars at the Boys & Girls Club of Greater Sacramento, helping youth with homework, playing sports and sharing in cultural celebrations, including a Piñata party during Cinco de Mayo and Halloween arts and crafts activities.

This is a great partnership,” said Janna Tessman Azim, program manager for the Boys & Girls Club of Greater Sacramento. “Our members get excited when they hear that UC Davis is coming because the MBAs have such passion and they build relationships and continuity. It also gets our kids thinking about college.”

MBA students also worked with Special Olympics athletes at the Regional Special Olympics Basketball Tournament and at social events, including a field trip to go bowling.

C4C has added a third community partner, Team Davis, a local nonprofit established to enrich the lives of children and adults with developmental, cognitive and/or physical disabilities. The partnership includes a Board Fellows program for students to serve on Team Davis’ board, teaching business plan and financial literacy workshops to Team Davis’ members and participating at their sport practices.

Building on this momentum, C4C has set ambitious fundraising, outreach and volunteerism goals. Assistant Dean of Student Affairs James Stevens has partnered with C4C to launch a “Dean’s Challenge” to all students to do at least eight hours of volunteer community service during the 2010-2011 academic year.

Every April, the C4C schools go head to head at the annual Sports Weekend at Stanford University, where the future business leaders celebrate their collective efforts and network with like-minded MBA students committed to community involvement and social responsibility.

>> www.c4c-ucdavis.org

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Giving back: MBA student Cammi Cardon helps third-grader Arturo Hernandez make a “mummy cup” for his candy at a Halloween party at the Boys Club of Greater Sacramento.
California winemakers are once again bullish on the future of their industry, predicting that business will revive within three years from a slump that began in 2007, says former dean and Professor Emeritus Robert Smiley, director of wine industry programs at the Graduate School of Management.

“There never was a better time to be a consumer of high-quality wines,” Smiley said, noting that during the past two years the prices of higher-end California wines have fallen on average by 15–25 percent.

Smiley’s survey of wine professionals released in September, the largest of its kind in the wine industry and now in its 19th year, included responses from more than 100 wine producers, as well as wine grape growers, distributors, retailers and lenders from throughout California.

To help industry professionals drive results as the market rebounds, Smiley will lead fellow faculty from the Graduate School of Management and the Department of Viticulture & Enology to host the 11th annual UC Davis Wine Executive Program from March 21–24, 2011. No other research institution boasts the rare combination of premier wine and business schools partnering to offer this type of professional development course.

By blending the business and science of winemaking, the program focuses on the knowledge and best practices that are critical to success in the art of making and selling wine. In-depth sessions include financial management, the latest grape-growing and wine research, marketing and branding, cost analysis and control, legal issues, and managing modern winery and vineyard operations. A half-day boot camp for industry newcomers—and those looking for a refresher—offers primers on the fundamentals of accounting and finance, or grape-growing and winemaking.

Over the past 10 years, more than 520 professionals involved in all facets of the wine business have benefited from the program. With a broad national and international mix of attendees, the course offers an interactive forum for knowledge sharing as well as making valuable connections.

March 2010 attendee Allan Carter, vice president of sales and marketing at Domaine Serene in Oregon, called the curriculum and professors “exceptional,” giving the program a strong endorsement:

“By seamlessly bridging the gap between sales, marketing, finance and winemaking, the program has given me a much better understanding of how every facet of our business works—and we’ve already seen amazing results. I absolutely recommend it to my colleagues and peers.”


**The Economist Ranks UC Davis MBA among the World’s Best**

Faculty Quality No. 3 in the World • Diversity of Company Recruiters No. 5 in the World

The Economist’s 2010 “Which MBA?” survey ranked the UC Davis full-time MBA program among the top five in the world in two critical areas: faculty quality and the diversity of company recruiters hiring UC Davis MBA students.

The Graduate School of Management’s faculty quality was ranked No. 3 in the world. This is based on the ratio of faculty members to students, the percentage of full-time faculty members with Ph.D. degrees, and faculty rating by our students. “This ranking is testament to the internationally renowned scholars and outstanding teachers who are attracted to the Graduate School of Management,” said Dean Steven C. Currall.

The School was also ranked No. 5 in the world for the diversity of recruiters. Based on the range of industry sectors that have provided career opportunities for our graduates, this shows the breadth of interests of UC Davis MBA students and their ability to compete successfully in today’s global economy.

Overall, The Economist ranked the UC Davis full-time MBA program among the top 35 in North America and among the top 60 in the world. The Economist solicits input from more than 100 business schools and students/alumni, and then measures and weights the data to calculate the overall rankings. The rankings are based on various components’ importance among business students surveyed during a five-year period. Components figuring highly included career opportunities, personal development and educational experience (including faculty quality), as well as earning and networking potential.

In addition to the School’s consistent rank among the elite MBA programs in the U.S., the global reach of The Economist’s results helps raise the visibility of UC Davis among the world’s top business schools, especially in Europe and Asia.

>> www.gsm.ucdavis.edu/MBAnrankings
**Commitment to a Higher Standard**

All New UC Davis MBA Students Sign Ethics Pledge

by Marianne Skoczek

For UC Davis MBA students, ethics is more than an abstract ideal. It defines a code of personal and professional conduct for both b-school and the business world.

Last fall, the School’s Daytime MBA students initiated and signed a pledge committing to “complete my degree with honesty and integrity” and to “hold myself and my classmates to the highest standards of honor from this day forward.”

This September, their peers in the Working Professional MBA programs in Sacramento and the Bay Area joined them. All 175 of the incoming UC Davis MBA student this fall have made this important promise to themselves, each other and the global business community.

“To make a real difference, the pledge can’t exist in school alone,” said Sacramento Working Professional MBA student Chandara Phanachone. “From rethinking the way we conduct business and how it impacts people and our environment, to holding ourselves accountable to the same high level of integrity that we expect from others, it’s the small steps that we take and the everyday decisions we make that enable us to embody ethics in our own lives. Ethics and business should not be mutually exclusive.”

Bay Area Working Professional MBA student Randy Bodiford, a manager for OSI Pharmaceuticals, spearheaded the effort to have his fellow students sign. “Committing to an ethics code is important given recent events in the business world—and also because we now operate in a truly global environment. Our business decisions have farther-reaching consequences and longer-lasting implications than ever before.

“In and of itself, the pledge won’t make one more ethical,” he added. “But it can serve as a catalyst for a broader discussion about what we want our degree to represent and our responsibility to positive leadership and a higher professional standard.”

And that is precisely the point.

“The UC Davis MBA ethics pledge demonstrates what makes the GSM such a unique community,” said Assistant Dean of Student Affairs James Stevens. “It reflects the values and principles that have guided the School since our first students enrolled.”

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**Bay Area Working Professional MBA Home Expands**

Larger Bishop Ranch Suite Opens New Doors

by Tim Akin

The Graduate School of Management has expanded the home of its San Francisco Bay Area Working Professional MBA program at the Bishop Ranch Business Park in San Ramon, adding an upstairs commons area that offers new opportunities for students and outreach to the region’s business community.

The second floor addition brings the Bishop Ranch facility to nearly 11,500 square feet of classrooms, meeting rooms, commons areas and administrative offices. The new space is equipped with video projection technology and high-speed wireless and offers a scenic view.

“The Bishop Ranch expansion strengthens the amazing community experience for our students, which is a hallmark of the Bay Area MBA program,” said Assistant Dean of Student Affairs James Stevens. “It opens a new venue for student teamwork, study sessions and club gatherings, as well as leadership workshops, networking and professional events for the business community, and future executive education.”

The School’s Business Partners can also reserve the new area for meetings, events or trainings.

>> [www.gsm.ucdavis.edu/bamba](http://www.gsm.ucdavis.edu/bamba)
On October 22, Chancellor Linda PB. Katehi issued a call to action to the entire UC Davis community with the launch of the public phase of an ambitious comprehensive fundraising campaign to raise $1 billion by the end of 2014. The Campaign for UC Davis builds upon an initiative that has already brought more than $600 million to the university since 2006, and marks the campus’ first comprehensive fundraising effort in its more than 100-year history.

Last year, UC Davis raised more than $112 million, the fourth consecutive year that philanthropic gifts, grants and pledges topped $100 million. The campaign supports key priorities across the university and will help move the campus towards achieving the vision of excellence outlined by Katehi last spring (to read “A Vision of Excellence,” visit vision.ucdavis.edu).

The campus kicked off a weekend-long celebration in late October with the endorsement of the campaign’s honorary co-chairs, Margrit Mondavi, and Maury Gallagher ’71, who, with his wife, Marcia, gave a historic $10 million gift to name the Graduate School of Management’s new campus home, Gallagher Hall. Activities included meetings of volunteer leadership boards; inspirational talks by UC Davis faculty, including GSM Professor Andrew Hargadon; Vintage Aggie wine-tasting; pre-game festivities and football; arboretum tours; and a performance at the Mondavi Center. In the coming months, future campaign celebrations are being planned throughout California and the United States.

All colleges and units across the campus are participating in The Campaign for UC Davis. The quiet, leadership phase of the campaign began in July 2006, with the approval of the UC Office of the President and the endorsement of the UC Davis Foundation Board of Trustees. During the leadership phase, the Graduate School of Management has been building its base of volunteer leaders, setting campaign goals and raising inspirational gifts from dedicated community members.

The Campaign for UC Davis gives the Graduate School of Management an unprecedented opportunity to build upon its solid foundation of excellence in scholarship, research and service, and further its role as a catalyst to spur economic development and prosperity for California and beyond. Dean Steven Currall’s ambitious vision for the School sets a campaign goal of $25 million. Considerable progress already has been made towards that goal. Since the start of the campaign in 2006, the Graduate School of Management has raised nearly $17 million thanks to the commitment and dedicated investment of alumni, business partners, faculty, staff and friends. Amid diminishing state support, The Campaign for UC Davis is an important opportunity to shape the future of the Graduate School of Management.

UC Davis continues to receive critical core funding from the state of California, but to advance among the nation’s top research universities we must attract additional revenues, including private philanthropic support.

— LINDA P. B. KATEHI, Chancellor, UC Davis

For more information on how to participate in The Campaign for UC Davis, please contact Anya Reid, Assistant Dean, External Relations and Development, areid@ucdavis.edu, (530) 754-6939. Or visit: >> www.gsm.ucdavis.edu/campaign
IN APPRECIATION

$1,000+
Samuel C. Adams ‘96
Pete Anderson ‘02
Raymond Austin ‘00
Andy Barkett ‘09
Leonard Bryan ‘03
Aaron Chin ‘00
Tara Colambani Perkins ‘00
Randall Fairchild ‘98
Dan Faletti ‘89
Joy Faletti ‘89
Paul Fletcher ‘97
Marlee Griswold ‘85
Bryan Halter ‘95
David Halton ‘06
Yvette Halton ‘06
Gordon Hunt, Jr. ‘97
Yong Juang ‘90
Joe Kazmierczak ‘03
Jim Kroger ‘89
Timothy Landolt ‘10
Gabriela Lee ‘04
Gary Lew ‘98
Lin Lindert ‘85
Rose McGovern ‘10
Alex Morris ‘07

$500–$999
Yunuen Zimmerer ‘01
Kitty Yeung ‘08
Adam Waters ‘04
Mitch Taylor ‘01
Dan Waters ‘04
Kitty Yeung ‘08
Yunuen Zimmerer ‘01

$250–$499
Anonymous
Stella Abad ‘10
Chuck Absher ‘92
Betsy Archer ‘83
John Argo ‘04
Archana Arunkumar
Bett Ashkin ‘98
Corey Battaglia ‘10
Gretchen Bernheim ‘09
Matthew Berfier ‘02
Shobana Biederman ‘10
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Rich Bolliini ‘94
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Todd Brockman ‘93
Peter Buggy ‘99
Mananya Chansanchai ‘09
Raghu Chavali ‘09
Elena Chavez Carey ‘10
Ruby Chen ‘09
Wei-Ling Cheng ‘10
Ken Chew
Rena Chhit
Kevin Cordes ‘09
Mark Dahlstrom ‘01
Noemi Danao Schroeder ‘04
Chris Davis ‘03
Kristin deAnda
Kristy Donohoue ‘08
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Michael Hurstson ‘90
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Katherine Johnston ‘09
Sridhar Kashyap ‘10
Warren Kenzie ‘94
Dave Kiehle ‘94
Gregory King ‘02
Fritz Kleinbach
Jennifer Knicke ‘89
Tom Korkle
Alli Lathrope ‘09
Josh Leachman ‘05
Jennie Liu
Dawn Long ‘97
Mary Lu ‘00
Sean Lu
Vasanth Madhure ‘10
Vishu Mandalika ‘10
Kazuma Miyamoto ‘09
Joe Monteleone ‘90
Srinivas Muppudi ‘10
Benjamin Ng ‘10
Stephen Patterson ‘01
Vi Pham
Lori Pierrou Windsor ‘00
Stefan Pongratz ‘10
Curt Powell ‘86
Aditi Raipet ‘09
Raj Randheran
Satish Ramachandran ‘09
Sriani Ramani ‘10
Anya E. Reid ‘04
Philip Rigney ‘04
Jeff Rosenlund ‘08
Mike Rossi ‘87
Andrea Schafer ‘07
Marcus Seiden ‘10
Ashok Shivarudraiah
Eugene Spevakov ‘06
Cathy Stute ‘09
Thomas Szymonick ‘93
Lory Tan
Owen Thunes
Sekhar Varanasi ‘09
Annie Verghese
Cathinka Wahlstrom ‘91
Jason Whitney ‘10
Shyan Wignarajah ‘10
Karim Winters ‘02
Zack Wolf ‘09
Cristina Wong
Justin Wong
Mark Yahiros
Mikhail Zhukov ‘01

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Vinny Catalano ‘97
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Owen Thunes
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Annie Verghese
Cathinka Wahlstrom ‘91
Jason Whitney ‘10
Shyan Wignarajah ‘10
Karim Winters ‘02
Zack Wolf ‘09
Cristina Wong
Justin Wong
Mark Yahiros
Mikhail Zhukov ‘01

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Rich Armstrong ‘02
Todd Armstrong
Pej Azarm ‘05
Ann Barsefield ‘01
Julia Bang ‘10
Jason Bell ‘00
Brian Berry ‘98
Robert Berry ‘99
Seann Bertain ‘07
Ameet Bijlani
Amy Black ‘10
Ed Bondoc ‘03
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Randy Bowersox ‘02
Melanie Burchard ‘95
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Megan Conway Bley ‘08
Nathan Crum ‘02
Kuntal Das ‘08
Gina DeMartini
Kevin Depold ‘10
Kristen DeWitt ‘10
Chris Dod ‘03
Michele Downes ‘86
Monica dua ‘89
Anne Dubinsky Altman ‘01
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Donna Dusablon ‘00
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Andy Ekstrom ‘05
Jennifer Elias Wolosin ‘03
Rose J. Elliot ‘01
Jennifer Elias Wolosin ‘03
Jill Abrams ‘03
Anonymous (4)

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The UC Davis Graduate School of Management extends a special thank you to our alumni and students who donated to a variety of initiatives this past year.* Special recognition to the Daytime Classes of 1987, 1996 and 2004, and the Bay Area Working Professional Class of 2008 for the highest participation rate in the GSM Annual Fund. Because of their generous contributions, the Graduate School of Management is able to enhance its services for students and alumni and continues to be recognized among the top 10 percent of MBA programs in the U.S. Because of their generous contributions, the Graduate School of Management is able to enhance its services for students and alumni and continues to be recognized among the top 10 percent of MBA programs in the U.S.

* Gifts received between July 1, 2009, and June 30, 2010.
THANK YOU TO OUR INDIVIDUAL SUPPORTERS

The UC Davis Graduate School of Management acknowledges and appreciates the many special individuals who have given their support in the past year.

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Gabriel Wolosin
David Woodruff
Catherine Yang
Ayako Yasuda
Bob & Chelle Yetman
Albert Zobrist
CORPORATE SUPPORTERS

The UC Davis Graduate School of Management has developed 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 the more than 70 companies that have given their support in the past year. *

* Gifts received between July 1, 2009, and June 30, 2010.

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IN APPRECIATION

by JoAnn Cormack

College is a big transition for most teenagers and for Abbaszadeh, the cultural differences made it even more complicated. He was struck then by the generosity of the professors and staff who helped ease the stress of exams and of adjusting to a new home.

Americans, Abbaszadeh said, are some of the most generous people he knows, giving their money and time in a way he hasn’t seen elsewhere. So four years ago, Abbaszadeh, a dentist and self-made businessman, rekindled his relationship with his alma mater, choosing to support the Graduate School of Management.

Generosity is “something I appreciate and I think it’s a terrific thing in this country that has influenced me,” Abbaszadeh said. “I hope I can do more of it as time goes by.”

In 2006, Abbaszadeh gave more than $113,000 to the Graduate School of Management in the name of one of his companies, Premier Access Insurance Company, to sponsor students from Sharif University of Technology or the University of Tehran to study in the UC Davis MBA program for a quarter. Five students from Sharif University, the “Harvard of Iran,” studied at the School in fall 2007.

“Because of the political isolation of the government and the country, there are not that many opportunities for these students to get exposed to different styles of teaching or information,” said Abbaszadeh.

In 2007, Abbaszadeh gave $250,000 to the GSM to name the largest classroom in Gallagher Hall—the School’s new campus building—after his late father. Ali Abbaszadeh imported tea, packaged it into tea bags or boxes of loose leaves and distributed it nationally. While Abbaszadeh’s father never earned a college degree, he encouraged his six children to get good grades and pursue higher education.

“He was to a large degree consumed with running his business so we didn’t have a lot of time with him when I was growing up, but what I saw from him was that hard work is the only way to get anywhere,” Abbaszadeh said.

Abbaszadeh has taken his father’s example to heart. After graduating from UC Davis with a bachelor’s degree in biology in 1986, he attended dentistry school at the University of the Pacific in San Francisco. He left clinical work after a few months to focus on the insurance side. In 1993, he formed Access Dental Plan, a dental managed care plan that now serves about 350,000 members in California. Four years later, he launched Premier, which sells companies group dental insurance, and also has grown to 350,000 members, most in California. Abbaszadeh is CEO and president of both companies, which are based in Sacramento.

He also has founded three more businesses to serve his two dental benefits companies. Together, his companies have about 330 employees in the U.S. and 300 in India. He expects them to generate about $180 million in revenue this year.

Abbaszadeh generously shares his time and business expertise with UC Davis. He joined the Graduate School of Management’s Dean’s Advisory Council in 2006, and this fall he began serving a three-year term on the UC Davis Foundation board, which raises private funds in support of the University.

More recently, Abbaszadeh contributed $5,000 toward a group gift naming Gallagher Hall’s third floor elevator lobby in honor of Professor Nicole Woolsey Biggart, the School’s immediate past dean. “One of my objectives is to learn more about (the University) and to understand how I and others can help the campus more,” he said.

Reza Abbaszadeh Returns the Opportunities Opened by UC Davis

At age 17, Reza Abbaszadeh arrived at UC Davis in the early 1980s with an international student visa in hand, having left his native Tehran to pursue a bachelor’s degree in the U.S.
With the launch of The Campaign for UC Davis—the university’s first comprehensive fundraising campaign—and the Graduate School of Management’s ambitious goals, the GSM Alumni Association board has set several objectives.

Our objectives dovetail with Dean Currall’s strategic vision and the School’s priorities: strengthen the School’s connections to the business community, heighten its visibility with firms that employ our alumni, and increase financial support from alumni.

During The Campaign for UC Davis, the Graduate School of Management has a historic opportunity to build on its solid foundation of excellence in scholarship, research and academics. As alumni, we can make a significant impact on the School’s mission.

You, more than anyone, can advance the School’s growth, and continue to raise the value of your degree. Every top business school relies heavily on alumni for support, and the GSM is no different.

The GSMAA board is committed to improving the number of alumni who support the School financially, and engaging more alumni to volunteer their time, energy and expertise as a way to give back. Both are critical to our future.

Here’s how you can participate:

• **Be bold as you think about your personal support and how you can make an impact.** About 11 percent of GSM alumni contributed financially to the School last year. **We can do better!** Please consider giving to the GSM’s Annual Fund, taking a seat in Gallagher Hall or making a larger gift tailored to your philanthropic vision. But please, give back to the School each year—at any level.

• **Introduce your employer or your company to the School.** Can your employer open career positions to new graduates and alumni or establish internships for students? Can you assist in training the next generation of business leaders by developing students’ interviewing skills or offering tips for successful job hunting?

• **Keep your contact and employment updated in the Online Alumni Directory at www.gsm.ucdavis.edu/Alumni/Directory.** This helps us stay connected with you and helps students reach out to you during their career search.

• **Get involved.** Help us select alumni award winners, host alumni networking events and rally the support of your former classmates—all are instrumental to our goals.

Your creative ideas are welcome and will strengthen our network. We would love to hear from you—and look forward to seeing you at GSM events. We hope you will join us in advancing UC Davis’ mission and the GSM’s vision as the campus embarks on an historic initiative to better meet the world’s challenges and educate future leaders.

Best regards,

John Argo ’04
President, UC Davis Graduate School of Management Alumni Association
john.argo@gmail.com
Gratitude Fuels Jules Hodder’s Passion for Giving Back

Just days after earning her UC Davis MBA in 2008, Jules Hodder joined AT&T’s leadership program, a two-and-a-half year rotation in three different, challenging positions. Hodder likened the baptism to getting a Ph.D. in management.

Before joining the Bay Area Working Professional MBA program’s inaugural class, Hodder worked at Charles Schwab. But it felt like a job, and she wanted greater career opportunities.

After just over a year at Schwab, Hodder left to raise her infant son. During her four-year break from the corporate world, she realized she needed an MBA to build a stronger foundation in business fundamentals and develop an expertise in one area. But she was juggling two children now, a husband with a demanding career, and a recruiting firm she co-founded. Adding business school seemed like a long shot. The Bay Area Working Professional MBA program’s convenient, every-other-weekend schedule made it possible. “Clouds just parted,” said Hodder, who has a bachelor’s degree from the University of Arizona in political science.

Hodder recently completed the leadership program at AT&T, and the training paid off. She was promoted to area retail sales manager in Pleasanton, Calif., managing a team of 120 employees and overseeing seven of AT&T’s largest company-owned retail stores. She’s now responsible for $80–$100 million in annual revenue.

At UC Davis, Hodder developed her leadership, management and teamwork skills by working cooperatively in small groups. At UC Davis, Hodder developed her leadership, management and teamwork skills by working cooperatively in small groups.

Hodder’s gratitude fuels her passion for giving back to the School. Roberta Kuhlman, the School’s director of development and alumni relations, said Hodder’s post-graduation service is “off-the-charts.” The Graduate School of Management Alumni Association Board of Directors recently appointed Hodder to serve as its first representative from the Bay Area MBA program, and she started her three-year term this fiscal year. “From Jules, it’s never ‘what’s in it for me.’ It’s always, ‘what can I give back,’” said Kuhlman.

As an alumna, Hodder has coached newly admitted MBA students on how to network, told her story for a student recruitment video, hosted informational and mock interviews with students, and represented AT&T at the School’s annual MBA Career Fair. At the end of June, she urged her former classmates to donate to the School’s Annual Fund campaign. Twenty-six percent of her class contributed, the highest among the School’s classes, Kuhlman said.

“I could never put a price on what I got out of the program,” Hodder said. “It feels natural to keep that relationship going, to give back so that I can hopefully foster this dynamic, this personal experience that I had, in other people.”
1983
Thomas Sandman: I spent the last year as interim dean of the College of Business Administration at California State University, Stanislaus. It was a great experience, but I’m glad to be back living the autonomous life of a professor at Sac State!

1987
Brian Watnick: Building my workers’ compensation defense law practice. I now have a website—www.lawofficesbaw.com—and am looking to connect with people in HR or risk management who would like to work with a small, conscientious attorney firm. On a personal note, I am happily married and enjoy living in Southern California.

1988
Heidi Bruins Green: I am looking for work in the Bay Area as a learning and development professional. I am a member of the local Toastmasters club and the Golden Gate chapter of ASTD (the American Society for Training & Development). I recently collected data on the experience of bisexuals in the workplace, and am excited to be gathering information about this little-understood population.

Paul Reinhart: In August my wife and I completed our first year of Peace Corps service in Kazakhstan.

1989
David Vincent: Had lunch with our old classmate Skip Wise. Hadn’t seen each other since graduation, but we picked up right where we left off. Amazingly, neither one of us has aged a bit in 21 years! (Right, Skip?)

1991
Eric Miller: After 17 years on the National Park Service’s waiting list, I was issued a June 2011 launch date to run an 18-day raft trip down the Colorado River through the Grand Canyon. Tucker Read ’92 and I did this trip in 1993, and we aim to do it again next year! Hope to keep the boats oxygen-side up.

1992
Peg Dentlinger: I now live in Lincoln, Neb., and work as a marketing product manager for U-COR Biosciences. It is a small private company, and I love it here. Austin was way too hot for this Midwest girl. I am closer to family again, which my mom loves. I continue to try new recipes, travel when I can, garden and bike the great trails around Lincoln.

Kristine Enea: I ran for San Francisco County Supervisor in the November election, calling for safe neighborhoods, strong schools and smart development.

Wallace Gallaway: Working for Hewlett-Packard, managing a unified communications initiative with Microsoft across the Americas. Married with two boys (ages 7 and 9).

Greg Stanley: Despite massive changes and layoffs I am still at Hewlett-Packard after 18 years. It is an amazing testament to the GSM that I am still using knowledge from many of the courses I took while there. Over the last few years I have gotten into marketing mix and price elasticity modeling, which incorporates lessons learned from some of my favorite professors: Chih-Ling Tsai and David Woodruff in linear regression and time-series analysis; Michael Maher in cost accounting; Michael Haggerty in marketing; Dick Dorf in entrepreneurship (yes, even at HP); and, of course, Don Palmer on navigating the currents of organizational change. Thank you to all for preparing me so well for my career at HP.

1993
Lisa Lane Kasperzak: I recently joined The Beyond Nines Group as CEO. We are a 10-person professional services group that helps nonprofits leverage technology. We implement fundraising software, and provide hosting services and third-party integrations to clients like the Seattle Aquarium, Lewis University and the Exploratorium (San Francisco). Find out more at www.beyondnines.com.

1996
Yali Lincroft: For the past 15 years I have been a policy/program consultant; my current clients include the Annie E. Casey Foundation (AECF). I just finished a publication, “After the Earthquake: A Bulletin for Child Welfare Organizations. Assisting Haitian Families in the United States,” available on the AECF website. I’m also working with First Focus, a Washington, D.C., children’s advocacy organization, and recently wrote a series of policy briefs focused on the intersection of immigration and child welfare issues. P.S.: UC Davis has a great law school. I’ve been in conversations with Prof. Bill Hing and Prof. Raha Jorjani (who recently published important research on immigration detention). Go Aggies!

In Memory
Alumnus Andy Ekstrom ’05 passed away in early August in Sacramento, Calif. Known for his infectious smile, genuine interest in others and amiable manner, the popular 35-year-old project manager at developer Heller Pacific was a driving force in bringing new life to Sacramento’s midtown area.

A consummate athlete, Ekstrom was a star baseball and soccer player at Jesuit High School, and later ran five marathons. Always ready for adventure, he traveled extensively through Asia, Europe and South America, often with close friends. After graduating from UCLA in 1997, Andy displayed a knack for financial markets working for a local broker. After earning his UC Davis MBA, he turned his interests toward real estate. He was instrumental in developing Heller Pacific’s MARRS Building at J and 20th Streets in Sacramento. With a strong sense of civic duty, he served in leadership positions with Metro Edge, a young professionals group in Sacramento, and the Urban Land Institute.

On August 6, hundreds of family, friends and colleagues, including Mayor Kevin Johnson, gathered at a candlelight vigil outside the MARRS building to reminisce about Ekstrom, who had become known as “the unofficial mayor of midtown.”

“The amazing outpouring of love and sadness that has come out since Andy passed is a testament to the type of person he was, the impact he had on everyone he came across, and to how he lived his life,” said Pej Azarm ’05. “Certain words come to mind when I think of Andy—friendship, selfless, laughter, kindness, accepting and camaraderie.”

“Simply put, Andy was one of my favorite parts of my business school experience,” said Jen Frase ’05. “He was upbeat, witty, silly, caring, and so much fun to be around. Nobody could imagine doing anything without Andy there. He was an incredible, smart, amazing friend, and I truly loved him.”

To honor their classmate, the Class of 2005 will rename their conference room in Gallagher Hall to the Andrew C. Ekstrom Conference Room.
1999

George Condon: I’m working on the entitlements for two 50-acre, industrial properties in Fairfield and Richmond, Calif. I’m also working with Octus Energy to develop energy solutions for building owners.

Bert Wallace: My contract in West Africa has concluded and I am back in Northern California working on some waste-related projects. My son, Michael, graduated from San Francisco State University last December and will attend grad school in 2011. In the meantime, he is working for All Nippon Airways at San Francisco Airport. My daughter, Melissa, is starting her senior year at UC Santa Cruz, majoring in mathematics. She taught mathematics at a middle school and high school during the fall and spring quarters.

2000

Aaron Chin: Really enjoyed seeing so many of my classmates at the 10-year reunion! Hopefully it won’t be five more until I see everyone again.

Ryan Chin: With great support, I finished first in the primary for the Sacramento City Council District 7 race.

Jay Soles: Living in Bend, Ore., and enjoying the family life here. I am working as a partner alliance manager for Alchemy Solutions, the leader in .NET mainframe migration software.

2001

Robert Love: My wife, Michelle, and I recently welcomed a new baby boy to our family. His name is Bradley, and our daughter, Kendra, is thrilled.

Pete Anderson: I completed Ironman Arizona and promised myself I would never do that again. I’m now training for Ironman Wisconsin.

Judy Yeh Kuan: We have a three-year-old boy named Colin. Life is good in sunny San Diego, Calif. I am now the director of Lean Six Sigma at Genzyme and Roger is a patent attorney.

2002

Dan Weinreb: I have started a two-year program to get a degree in Jewish studies and a master’s in education to become a high school teacher in Judaica. For the next two years I will live in Jerusalem. If you happen to be traveling in the Middle East, I would enjoy seeing you.

Nicole Whiting: John and I welcomed our daughter, Emi Martin, into the world on June 29. We are sleep deprived but delightfully happy!

2004

Eric Hoeff: I’m a research scientist at Pioneer Hi-Bred Int. Inc. in Woodward, Calif. My role is to develop new oilseed sunflower hybrids for North America; I am also responsible for all trait integration efforts for our global sunflower business. I often travel to Hawaii, the Dakotas and Europe for my work and spend a great deal of time outside working with plants. I returned to UC Davis in 2009 to begin a Ph.D. program focused on molecular breeding. My wife, Marshla, will graduate from Sac State in December with a BSN and will be a registered nurse. I am a hobby wine maker and just planted a small vineyard on my parent’s property in Ashland, Ore. I look forward to harvesting the first grapes from that planting and starting a small boutique winery. My two daughters are now 6 and 9 years old. It’s remarkable to think that my youngest was born while I was enrolled at the GSM.

John Pickett: After graduating from the GSM, I went on to earn a JD from the University of Pacific’s McGeorge School of Law. I am now a regional director with Aetna, and am fortunate to remain based in Northern California.

Chris Rector: Moved back to the Bay Area—Walnut Creek—in 2009 to join Ernst & Young’s IT advisory practice; and I spend most of my time with Kaiser Permanente on a variety of IT projects. Sophie, age 4, and Amelia, age 6, loved this past summer and being on the swim team. Katie and I are happy to be close to family again.

Pachi Chen-Wong: Welcomes her first son, Tyler!

2005

Pachi Chen-Wong: Welcomes her first son, Tyler!

Ingrid Foster: My husband, Marc, and I welcomed our first child into the world this summer. Our daughter, Harlan Elizabeth Foster, was born on June 22. We are thrilled!

Oscar Garavito: 2010 is proving to be a wonderful year for my wife, Cindy, and me. We welcomed our first child, Isabella Sofia, on April 22. I also took a new position as strategic development manager in the Imaging and Printing Planning Team at Hewlett-Packard. Hope everyone is doing well.

2006

Eric Hoeff: I’m a research scientist at Pioneer Hi-Bred Int. Inc. in Woodward, Calif. My role is to develop new oilseed sunflower hybrids for North America; I am also responsible for all trait integration efforts for our global sunflower business. I often travel to Hawaii, the Dakotas and Europe for my work and spend a great deal of time outside working with plants. I returned to UC Davis in 2009 to begin a Ph.D. program focused on molecular breeding. My wife, Marshla, will graduate from Sac State in December with a BSN and will be a registered nurse. I am a hobby wine maker and just planted a small vineyard on my parent’s property in Ashland, Ore. I look forward to harvesting the first grapes from that planting and starting a small boutique winery. My two daughters are now 6 and 9 years old. It’s remarkable to think that my youngest was born while I was enrolled at the GSM.

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2007

Paige O’Connell: I recently became regional manager of the Private Banking Division of Mechanics Bank for the greater Bay Area. We continue to homeschool our four children and help lead in our local church’s family ministry, serving adults and children.

Ravinder Singh: I was a technical marketing engineer before my MBA, and since then have moved to a product marketing role. The skills and knowledge gained from the MBA allowed me to make this move in my career.

2008

Louis Biggers, Jr.: I launched an MBA consulting service at Intel to tap the expertise and professional work experience of Intel’s MBA employees to define and solve strategic problems, enhance the internal organization’s effectiveness and explore business opportunities; provide free consulting services to external organizations to improve our Intel communities; establish an incubator where employees can maintain their skillset, enhance their productivity and to assume different roles. We just completed a business plan for St. John’s Shelter’s social venture, Plates Cafe.

Srinivas Lingam: After 15 years in the U.S., I moved back to India to be close to family. I am still with Intel Corporation—in Bangalore. Life is good both professionally and personally, but I miss my friends/family stateside. I’m happy to offer GSM alumni any business or personal assistance. Feel free to contact me at srini.lingam@gmail.com. Let’s have a true global GSM presence. Side note: While I have found many GSM alumni in India, only a few have updated their Alumni Directory listing.
Ingrid Some: I left for Madagascar in August to work with Catholic Relief Services.

Matt Vogel: I accepted an offer to work for Abbott Diabetes Care in Melbourne, Australia. My fiancée, Stephanie Tsang, moved “Down Under” in September.

2009

Emmanuel Darzins: Since graduation I have been working at Johnson & Johnson as a national hospital account manager in both the pharmaceutical and medical device segments. I have visited family in Greece and Brazil with my new found free time. Besides that, I still enjoy living in San Francisco and all the fun things the city has to offer.

Terry Exner: Just completed a trip to Europe with Sutter Club, Sacramento in Greece and Brazil with my new found free time. Besides that, I still enjoy living in San Francisco and all the fun things the city has to offer.

2010

ALUMNI BUSINESS PROFESSIONALS NETWORKING LUNCH
January 20, 2011 - 11:30 AM-1:30 PM
Sutter Club, Sacramento

BIG BANG! BUSINESS PLAN COMPETITION
Mock Pitch Event
January 26, 2011 - 7:00-9:00 PM
Gallagher Hall, UC Davis

http://bigbang.gsm.ucdavis.edu/events.php

BIG BANG! BUSINESS PLAN COMPETITION
Mentorship Mixer
Wednesday, February 2, 2011 - 6:00-8:00 PM
Buehler Alumni and Visitors Center, UC Davis

http://bigbang.gsm.ucdavis.edu/events.php

GSM WINE ALUMNI LUNCH
February 11, 2011 - Noon-1:30 PM
Napa

Food + Health ENTREPRENEURSHIP ACADEMY
January 31-February 4, 2011
UC Davis

>> http://entrepreneurship.ucdavis.edu

2011

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January 20, 2011 - 11:30 AM-1:30 PM
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8TH ANNUAL PEER-TO-PIER NETWORKING EVENT
February 17, 2011 - 4:00-8:00 PM
Ferry Building, San Francisco

MBA CHALLENGE FOR CHARITY
Wine Benefit and Auction
March 5, 2011 - 6:00-10:00 PM
UC Davis

GSM ALUMNI ASSOCIATION
All-Alumni Meeting
March 5, 2011 - 10:00 AM-1:00 PM
Gallagher Hall, UC Davis

ALUMNI NETWORKING LUNCH
Wednesday, March 9, 2011 - Noon-1:30 PM
East Bay

UC DAVIS WINE EXECUTIVE PROGRAM
Monday-Thursday, March 21-24, 2011
Gallagher Hall, UC Davis

>> www.wineexecutiveprogram.com

DEAN’S DISTINGUISHED SPEAKER SERIES
Speaker: Mark Haplamazian
President and Chief Executive Officer
Hyatt Hotels Corporation
Friday, April 8, 2011 - Noon-2:00 PM
Gallagher Hall, UC Davis

UC DAVIS PICNIC DAY
GSM PANCAKE BREAKFAST
Saturday, April 16, 2011 - 8:30-10:30 AM
Gallagher Hall, UC Davis

ALUMNI BUSINESS PROFESSIONALS NETWORKING LUNCH
Thursday, April 21, 2011 - 11:30 AM-1:30 PM
Sutter Club, Sacramento

ALUMNI NETWORKING LUNCH
May 11, 2011 - Noon-1:30 PM
San Francisco

BIG BANG! BUSINESS PLAN COMPETITION
Awards Ceremony
Thursday, May 19, 2011 - 5:00-9:00 PM
Conference Center, UC Davis

>> http://bigbang.gsm.ucdavis.edu/events.php
When electric car maker Tesla Motors sped onto the public markets with worldwide attention, James Chen felt the exhilaration first hand at the firm’s Palo Alto, Calif., headquarters. As a summer intern in supply chain management, Chen helped create an inventory and warehouse management system that can be scaled up as Tesla grows. “Because it’s a start-up, I had the ability to really make an impact,” he said.

See story on page 37.

Read more about James in our Student Spotlight on page 33.