

# Illinois Business PERSPECTIVES

Business Education at the University of Illinois at Urbana-Champaign

Volume 1, Number 1



## FOCUS ON TECHNOLOGY

*Playing the Market – UISES Back, Better than Ever*

*The Correlation between Innovation and Commercialization*

*Illinois Students Compete for Entrepreneurial Gold*



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# dean's message



## Welcome to the first issue of *Illinois Business Perspectives*.

*Perspectives* is a window to the world of business education at the University of Illinois at Urbana-Champaign. It provides a glimpse of the innovative programs, path-breaking research, and curriculum initiatives at the College of Business. It introduces you to our faculty, our students, our alumni, and our corporate partners.

At Illinois, we believe that technology will continue to be a major driver of economic growth for this region, for the nation, and globally. In this technology-driven world, management education is faced with the challenge of preparing a new generation of business leaders who are not only well-versed in business analysis but also have a deep understanding of how changing technologies are affecting businesses. Today's business leaders must manage in an environment characterized by rapidly emerging technologies and dynamic new business models. Moreover, they must do so in a highly global marketplace. The University of Illinois is responding to this challenge.

This premiere issue of *Perspectives* offers you a glimpse of how the faculty, staff, and students at Illinois—working together—are creating a new genre of business education at the interface of business and technology. From quantifying the relationship between technology development and product innovation to Illinois MBA students creating business plans to commercialize technologies developed in laboratories across campus, we are redefining business education. Consider our minor in Technology & Management, which brings together engineering and business students in interdisciplinary teams to solve real-world problems. This innovative program received a grant from the MacArthur Foundation with a mandate to expand it. These are just some of our new initiatives.

Business education at the University of Illinois has a long and distinguished legacy. This strong foundation is a springboard for new programs, new initiatives, and new ideas to meet the needs of business education for today's complex world. *Perspectives* is your window to the vitality of this institution.

Sincerely,

A handwritten signature in black ink, which appears to read "A. Ghosh".

Avijit Ghosh  
Dean

## ILLINOIS BUSINESS PERSPECTIVES

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### EDITOR'S NOTE

*Illinois Business Perspectives* is a new project for the College, one that I hope you find useful and interesting. The first few issues are a chance for us to find out what resonates—and what doesn't.

I would appreciate hearing your comments and suggestions about *Perspectives*. You can contact me at [hudakdav@uiuc.edu](mailto:hudakdav@uiuc.edu).

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## University Of Illinois Securities Exchange Simulation

# UISES :

*Above: Kevin Waspi*

• UISES is back. This fall, most of Champaign-Urbana, from high school students through MBAs, will be trading stocks using UISES, the University of Illinois Securities Exchange Simulation. And they won't be scared about getting into the current market—because it's not real money. UISES is a web-based securities trading simulation package, designed by members of the University of Illinois Finance Department. It's a method of teaching the ins and outs of trading securities—and it's also a lot of fun.

These days, everybody watches the stock market—often with trepidation. Ordinary people read the Wall Street Journal and ask each other if the Dow is up or down this morning as though they were discussing the weather. Louis Rukeyser is as well-known as Oprah, and his latest employment contract is followed as though he were a rock star or a basketball player. Finance has hit the cultural mainstream.

And learning about investments is considered an important part of everyone's education. Nowadays, most people start learning about investing in a high school economics class. Even if you're not planning to follow a career in business, the basics of investing are as essential for the average consumer as balancing a checkbook. If you don't know what stocks and bonds and mutual funds are, you will have a hard time surviving in the modern world.

But how do you teach people about investments? How do you make people realize that stocks can be a good investment, but that sometimes stock prices go up and sometimes down? How do you both capture someone's imagination and at the same time make sure they can "do the math"?

# *The first web-based stock trading simulation makes a comeback...*

That was the problem facing Elisabeth Oltheten and her colleague Antoinette Tessmer when they started teaching a financial market class at the University of Illinois. "Most people learn best by trying something rather than just reading about it," said Oltheten. "When was the last time you actually read the manual for a new piece of software? So we decided to let our students learn investing by actually trying it."

The first version of the UISES software released in 1993 used 3x5 cards and the teaching assistant's PC. "Jay Leno moved from NBC to CBS, and CBS gained \$19 in one afternoon. The students loved it," Oltheten reminisced. It soon became a C program on a larger computer at the College's Office for Information Management, where it was accessible in the labs and over Telnet. In February 1995, UISES moved to the web. And the web changed everything.

## **UISES FEVER**

Once on the web, UISES was accessible anywhere. Students could trade from dorm rooms rather than coming in to the computer lab. "One unintended consequence of the web-based system," said Oltheten, "is that we suddenly had a rash of trading during spring break. We were surprised—but pleased! Most class projects don't get a lot of student attention during spring break."

And the website itself became a better educational tool. When students logged onto UISES, they could access a built-in reference library, a newsletter, and a set of live links to financial news and information sources. This made

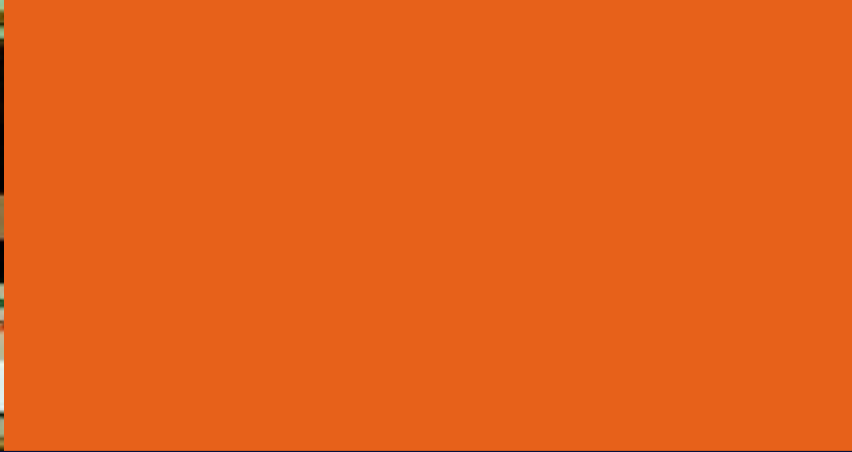
stock research easier as well as stimulating their interest. But what made it the most fun was the challenges.

It started as an in-class competition. All students begin with \$1,000,000. Who can make the most money? Soon the competitions were class against class. Will Professor Waspi's 8:30 section beat Professor Oltheten's 10:00? And then it spread literally across the world. In 1996 and 1997, UISES challenged classes as far away as China. And it spread from undergraduates to other participants.

The Illinois MBAs were one of the first groups using UISES. The MBA Finance Club had their own challenge, against other MBA programs around the country. In spring, 1997, the rankings were: Yale, UNC, Purdue, UT Austin, Illinois, Dartmouth, Chicago, MIT and Claremont. "No, we didn't always win," said Assistant Professor Virginia France. "One particularly sad loss was when my MBA Investments Class ran a head-to-head challenge against Professor Stutzer's Iowa MBAs. Any true-blooded Illini would have loved to beat Iowa."

Almost simultaneously, it spread to the local high schools. James Petersen, a proactive teacher at Urbana High School, asked to try the system on his students. What developed became known at the Market Mentor Program: sponsored by the University of Illinois Finance Club, it put University students into the local high schools to assist with the simulation. "The University students answered questions about how to enter trades into UISES, how to evaluate investment information, the details of university life and the importance





*An instructor can make the simulation simple enough for students in grade five or sophisticated enough for MBAs.*



of university choice, ... and a few things they won't tell us about," remembers Professor Oltheten. The University sponsored challenges among the local high schools, where rivalry is almost as high as between Illinois and Iowa.

From Champaign-Urbana high schools, UISES spread to high schools across the country. An influential article by Peterson and Dawn Novak, written while they were working with Oltheten in the Resource for Science Education program at the University of Illinois National Center for Supercomputing Applications, provided lesson plans and guidance on using the UISES simulation for middle school courses in math, English, and social studies classes. They created a special program known as the Good News Bears, where middle and high school classes across the country competed against each other.

#### **TECHNOLOGY HARNESSSED**

Stock market investment simulations are not in themselves either new or high tech. For instance, the Boy Scouts of America have long included a stock trading component as part of their American Business badge work. Scouts are told to track the market value of a two-stock portfolio on a weekly basis. The equipment needed, as with most scout work, is minimal: current newspapers, pencil, and paper.

UISES requires a lot more technology—but not from the users. The user, whether teacher or student, just needs a web connection anywhere in the world. Any student who can fill in the blanks on a web-based form can submit a stock order and monitor a portfolio. Once a class section has been established in UISES, teachers can sign their trading groups up using the web. UISES will email directly to the student confirming the login and password.

UISES is also very easy for instructors to use. Setting up a class account requires only a few minutes filling out another web-based form. Parameters are mostly under the control of the individual instructor, who can control maximum group size, start and end date, initial investment (either per group or per student), and a large number of more esoteric parameters such as the interest rate on cash balances, commission schedules, and the size of brokers' loans and short sales. Each simulation has its own set of parameters: an instructor can make the simulation simple enough for students in grade five or sophisticated enough for MBAs. The ability to customize makes UISES the ideal trading environment for the classroom.

The challenges are particularly easy on instructors. Once a challenge is set up, the results are automatically posted each day on the web. "When we were facing off against Iowa, I could download the current results before an early-morning class, slap it on a transparency, and show the students how we were doing. They could see how each group was ranked, and how Illinois was doing relative to those other guys. Now that we have web connectivity in the classrooms, I could just call up the web page," said France, another long-time user of the simulation package. "You lose interest if you can't see how you're doing on a day-to-day basis."

But underlying the system is a set of complex Java-based applications, running on a Sun Solaris server. When you log onto a UISES account, whether as a student or as an instructor, the system downloads Java applets to your local machine. In the case of a student, these show the composition of the portfolio, orders outstanding, trades made, and income (interest and dividends) received. For an administrator, it shows how each group in a section is doing and lets an instructor call up each student group's portfolio.

#### **EDUCATIONAL CHOICES AND REALISTIC OPTIONS**

Many free websites will allow you to automatically track the value of a group of stocks. On Yahoo, for instance, if you enter your holdings of a list of stocks, the website will check market prices and calculate what the portfolio is worth now. This is the high-tech equivalent of the Boy Scout badge work; it looks up



the prices of the individual stocks for you and does a little of the math. But there are certain educational problems with this simple approach.

Looking at price changes will give you a pretty good idea of the return on certain kinds of stocks: the ones that never pay dividends. But it gives you a rather biased view of the market. Certain sectors (e.g., small, high-tech stocks, which rarely pay dividends) will look like comparatively good investments. By contrast, stocks that return some of the firm's profits to stockholders in the form of dividends will look like they're performing less well. "This is not the message we want our students to take home," commented Oltheten wryly.

Unfortunately, almost all simulations ignore dividends. Except UISES. If you're holding a stock that pays a dividend, UISES will credit your account when the dividend is paid on the actual stock. But it will only do so if you were holding the stock before the "ex-dividend" date; if you bought after that date, you will not get the dividend, either in the real world or in the UISES simulation.

Several commercially available simulations will track the value of a portfolio whose composition shifts over time. This allows students to implicitly trade stocks, rather than following a buy-and-hold strategy. Educationally, these can be even worse than simply tracking the value of a fixed portfolio, because they ignore commissions. Students often change their stock mixes many times a day, buying and selling, rebalancing, trying to exploit tiny price differences. The simulations give the false impression that this sort of day trading strategy is easy and inexpensive.

Of course, day trading is neither easy nor inexpensive. The reason that day trading is encouraged on so many financial websites is as old as the hills. As the joke goes, day trading is extremely profitable: for the brokers. Once again, this short-term trading is not behavior that instructors want to encourage in their students. First, UISES restricts students to using closing prices, which automatically precludes day trading. UISES also allows instructors to discourage this sort of short-term speculative behavior by setting a commission rate. And the instructors get to choose what the rate is, and whether it varies for different sizes of trades.

One controversial practice that UISES does not preclude, however, is short selling. "Short selling can be an important part of many legitimate investment strategies," says France, who uses UISES in both advanced undergraduate and MBA-level investments classes. "Many studies of the behavior of stocks with certain characteristics show that some groups usually outperform—and that others usually under-perform. The implication is that you should buy the first group—and sell the latter group short. A nice feature of such a strategy is that it may leave you relatively market neutral."

The UISES program correctly accounts for short positions in individual stocks. It will even allow students to form overall portfolios that are short the market. But it will only do so if the instructor decides that students should be allowed to do so. For high school students, most teachers restrict their students to long or buying positions.

MBA's, however, prefer a simulation which is as realistic as possible. UISES will allow them to take a short position. It will correctly account for the interest on the cash generated from the short sale. It will even keep track of any dividends which they may owe if the shorted stock pays one while their position is open.

### UISES IN ABEYANCE

Unfortunately, in the summer of 1999, UISES was taken off-line.

"We had a horrible time without it. Since the simulation went into mothballs in 1999, we've tried competing simulations, and we've tried tracking student portfolios using huge spreadsheets. Nothing comes close," says Kevin Waspi. "When I taught the first non-UISES class in Financial Markets in the summer of 1999, I knew the students were missing a great experience." Says France, "If I'm going to assign a simulation in class, it has to have two characteristics. First, it has to give accurate financials. Second, it has to stay out of the way of the rest of the class. If it takes up so much student and faculty time that it interferes with the other knowledge I'm trying to get across, I won't use it."

Last year, the finance department bought a server and hired some programmers. UISES was on its way back.

### RESURGENCE

UISES was not only the first web-based stock trading simulation, it was one of the first programs of such complexity to use JavaScript. Resurrecting it required extensive work by two dedicated programmers, Ahmet Kocamaz and Wei Xiao. Kocamaz, currently completing his MBA at the University of Illinois, is starting his second year on the project. "The program was very outdated," he said. "A lot can happen in a very short time when you're dealing with a web-based application. Though the code was only a couple of years old, it was written to run with earlier versions of CORBA and Java. Some sections had to be rebuilt from scratch." It took almost a year. Programming was complicated by a shift in the data source.

Finally, in July 2002, UISES came back to life. After a summer in beta test, it is back in Illinois classrooms this fall. "This fall's test runs involve about 750 students enrolled in finance classes, plus one group of high schoolers. We're hoping to be able to offer it to a wider audience for spring," said Oltheten. "It's good to be back in production."

"I'm going to give Professor Stutzer at Iowa a call," said France. "We want a rematch." ■

—Virginia France

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## Q&A with Don Kleinmuntz: The Convergence of Technology, Academics, and Business

**1** You are a member of the BA faculty, where you teach courses and do research on decision and risk analysis. In addition, you are co-founder of Strata Decision Technology. How do academics and the real world of business converge for you in the classroom?

In thirteen years at Illinois, I have been lucky enough to teach students in almost every program that we offer (undergraduate, graduate, and executive courses). All of these students have very similar goals: They want to be able to use analytic tools to make informed decisions. My academic field, decision analysis, is concerned with using quantitative models to improve decision making processes, particularly when there are significant uncertainties and multiple conflicting objectives.

My approach to teaching these tools has evolved over the years, partly as a function of what I've learned from my research on decision making, and partly because of what I've learned from putting them to work in real organizations. Effective decision making in the real world requires an extraordinary combination of analytical skill and organizational awareness. Knowing the best way to make a decision from an analytical perspective is important, but it can come to naught unless you are sensitive to organizational realities. Often, considerable effort must be devoted to identifying and obtaining the relevant data or getting "buy-in" from stakeholders who must help you implement the decision. It is the combination of academic rigor and real-world experience that helps me get the students really excited about what they are learning.

The other thing that is common to both my academic and business pursuits is an eclectic approach that combines insights from many different academic disciplines. Students in my courses often comment that they come into the course expecting to get nothing but numbers, formulas, and spreadsheets. While they do get plenty of each of those, they also learn to apply insights from accounting, economics, finance, marketing, operations management, and organizational behavior. As anyone involved in business understands, you need to bring all of these things (and more) to the table when you solve real problems.

**2** Do you feel that you have enhanced credibility with your students because you are a co-owner of a successful business?

That is a tough question for me to answer—I am tempted to say that you should ask my students what they think. I do know that some of my most effective classroom material comes from the business—problems that we

helped our clients solve or problems that we have wrestled with ourselves. At the same time, we started the business only six years ago, and I have been teaching for twenty years. The cases and stories I use in class today are probably more compelling, but the basic message has not changed much.

The situation is different when I teach executives. These are accomplished professionals with extensive experience and expertise of their own. Sometimes they are also a little skeptical about what academic theory has to offer them in the real world. I think my business experience does provide a measure of credibility—they accept me not just as an expert in my academic field, but also as someone who has dealt with many of the same issues that they have. What I really enjoy about the executive classroom is that it is very much a meeting of equals: Not only do I get to teach, but I also get to learn. That is very rewarding.

**3** How has technology changed what you do in your academic career?

I have been involved with computers and software development in one way or another throughout my entire career. For instance, my doctoral dissertation contained thousands of lines of computer code and was printed from a word processing system rather than typewritten. This was only twenty years ago, but at the time word processing was still something of a novelty. It was also a source of consternation for my advisor—he would give me long lists of editorial comments and would be shocked when I returned with the revisions within hours rather than days! Today, this story seems almost quaint, but it illustrates how a fundamental aspect of the academic process, writing, has been transformed by information technology.

It took a little longer, but technology has had a huge impact on my teaching as well. I started using computers in the classroom less than ten years ago, but I now consider a computer and projector to be *essential* classroom equipment when teaching how to perform quantitative analysis. Where things got really interesting, though, was in the last four or five years, when I started to require that students bring their own computers into class with them. Now, the classroom becomes a hands-on laboratory, where students can see something first, then immediately try to do it themselves.

The Internet has also had a huge impact on communications with my students. Between web pages and message boards, I don't remember the last time I used paper to disseminate information to my students. Students can also reach me with questions anytime and anywhere, so our interaction does not have to be limited to a few designated class sessions or office hours each week.

*“The combination of academic rigor and real-world experience helps me get the students really excited about what they are learning.”*



**Strata**  
Decision Technology



There are many other ways in which technology is changing academic life. For the last several years, I have been working on the launch of a new journal, to be called *Decision Analysis*, which will be published by the Institute for Operations Research and the Management Sciences (INFORMS). The Internet has made academic publishing quite challenging from a business perspective. Most academic libraries now provide online access to students and faculty, and increasingly, publishers provide online access to individuals for very reasonable subscription rates (for instance, INFORMS members can get access to ten journals for less than \$100 per year). When planning the new journal, we had to consider whether it even made sense to bother publishing an ink-and-paper version. In the end, we decided to hedge our risks. When the first issue of the journal appears in 2004, it will be distributed simultaneously in both print and digital formats.

#### **4 What do you see as the impact of technology on the financial and strategic management of the healthcare industry?**

Most of my work in the healthcare industry has been with health care service providers, particularly hospitals. Technology is an enormous issue for them. Like many other industries, they have been making substantial information technology investments to improve their financial and operational systems and to do a better job responding to patient needs. At the same time, the practice of medicine has become a high-tech enterprise. Hospitals are constantly striving to put the right medical technology in place, and to make sure they do it at the right price.

The funds available for these capital purchases are often quite limited, because organizations are hard-pressed to control costs and maintain their operating margins. Most hospitals have many more good ideas for technology investments than they actually have funds available. What we have been able to do at Strata is develop a decision making system that helps these organizations allocate their limited funds to the projects that will have the most impact. In part, this means knowing how the project will affect the financial “bottom-line.” However, what is unique about our approach is that we also address a range of other considerations, like impact on the quality of patient care, or the ability of the organization to achieve its particular mission or strategic vision. Whether you are a community hospital or a major academic medical center, you can not afford to ignore financial realities, but you also have to remember that your fundamental objective is to deliver health care services. It is all about getting the right balance. ■

*“Now, the classroom becomes a hands-on laboratory, where students can see something first, then immediately try to do it themselves.”*

Professor of Business Administration Don Kleinmuntz conducts research and teaches courses on decision and risk analysis with applications to financial and strategic management ([www.uiuc.edu/~dnk](http://www.uiuc.edu/~dnk)). He is a cofounder of Strata Decision Technology, LLC, a software company with offices in Champaign and Chicago ([www.strata-decision.com](http://www.strata-decision.com)). Strata provides software tools and organizational processes for strategic financial decision making, including an integrated solution for financial forecasting, business plan development, capital budgeting, and strategic resource allocation for the health care industry. Their clients include nearly 600 hospitals, academic medical centers, and multi-hospital healthcare systems across the United States.

#### **EDITOR'S NOTE:**

*4 for 4* will be a regular feature of *Perspectives*, allowing us to catch up with College newsmakers. We'll pose four questions and share the answers here.



# TECHNOLOGY DEVELOPMENT DRIVES SALES TAKE-OFF IN PRODUCT INNOVATIONS

**NEW PRODUCTS ARE SIMPLY THE COMMERCIALIZATION OF TECHNOLOGICAL DEVELOPMENTS**, according to Rajshree Agarwal, an assistant professor of strategic management in the Department of Business Administration. In a recent study in *Management Science* (August 2002), Agarwal and her co-author Barry Bayus explored the relationship between take-off times, price decreases, and the entry of new firms into the market. For a sample of 30 consumer and industrial products commercialized in the US over the past 150 years they examined data for the length of time between innovation and commercialization, commercialization and the take-off in the number of firms, and the take-off of firms and the take-off of sales. The article, "The Market Evolution and Sales Take-Off of Product Innovations," produced a number of significant results.

## TELLING TIMELINES

Over the 150-year period, the average time from innovation to commercialization was 28.1 years. One of the products with the longest lag between invention and commercialization was the automobile. Although the innovation dates from 1771, the auto was first commercialized in 1890, and sales did not take off until 1909. Ten years before the sales take-off, there was a spurt in growth of the number of firms in 1899.



This pattern was one of the most general the two researchers noted in the development of product markets. The take-off in the number of firms systematically preceded the take-off of sales. The average time between commercialization and firm take-off was 6.2 years, and the delay between firm take-off and sales take-off was 8 years. The time from commercialization to the take-off in the number of firms narrowed significantly over the course of the period, decreasing from 9.29 years before World War II to 3.5 years after the war. However, the time between invention and commercialization, as well as the time between the take-off of firms and the take-off of sales, has not changed significantly over time. Based on their analysis, the researchers concluded that the entry of new firms into a developing industry dominates all other factors in explaining the take-off time for the sales of an innovative product.

Typically, a long incubation period follows the pioneering invention. Subsequently, one or more firms commercialize various specific products. Based on this early activity, other firms evaluate the potential of the innovation as a viable product for them to enter into the market. As the new market evolves, competing firms decide that the innovation is a worthwhile venture and enter the market. The number of firms in the market takes off as entrants rush in, anticipating large profits. Capacity increases, but more importantly, demand increases as well, due to strong, non-price competition—as firms engage in aggressive efforts to increase demand with R & D to develop product improvements. During this period, prices can either increase or decrease depending on factors specific to each product and its market. All of this activity stimulates the interest of consumers, and may cause them to accept the product as a useful innovation. Then, sales may take off. After the take-off, both sales and the number of firms continue to increase, but at a slower rate, and, eventually, the number of competitors drops and then stabilizes.

## EVALUATING THE DETERMINANTS OF SALES TAKE-OFF

Conventional wisdom holds that price is the key factor in determining the take-off of innovative product sales: Sales are initially low due to relatively high prices; then, as prices decline the new product crosses a threshold of affordability, and sales take off dramatically. Agarwal and Bayus, however, propose that sales are initially low due to the relative primitiveness of the first commercialized forms of an innovative product and that sales increase as new firms enter the market. This entry affects both supply and demand because product improvements, expanded distribution, and increased consumer awareness are key ways in which firms entering a market seek to differentiate themselves. Although the researchers found that both price reductions and the entry of new firms are significant in explaining the take-off of sales, price reductions account for less than 5 percent of the variance in the times of sales take-off. The entry of new firms explains almost 50 percent of the same variance. Price reductions do seem to matter more for products that can be improved with low R & D costs.

This finding is good news for managers of product innovations, since it suggests that sales growth does not necessarily have to come at the expense of profit margins. An important strategic implication of the Agarwal and

*“...the entry of new firms into a developing industry dominates all other factors in explaining the take-off time for the sales of an innovative product.”*

Bayus research is that competition is important to the market evolution and take-off of product innovations. In particular, a sharp increase in the number of competing firms in a new market precedes a sales take-off, and high rates of entry by firms are associated with quicker sales take-offs. Agarwal believes that their results imply that a strategy of erecting barriers to entry by other firms does not help the sales take-off of innovative products, and, in fact, monopolies dampen new markets. The research also suggests that influencing a product's sales take-off is no simple matter. It may be very difficult for a single firm to reduce significantly the time to take-off for a new product. The decisions individual firms make about advertising expenditures, distribution policies, and product development may influence the sales of their own brands, but the collective marketing efforts of all the competitors provide the driving force for market growth and take-off.

### **CONSUMER ELECTRONICS: TWO APPROACHES**

The contrasting cases of two forms of consumer electronics offer an illustration. The sales (and firm) take-off of the home VCR was delayed by the existence of competing product standards: Sony produced the Betamax; JVC and Mitsubishi pioneered VCRs; and Philips marketed the V-2000. On the other hand, the compact disc player achieved a very quick sales take-off since Philips and Sony agreed on a common product standard. To establish the standard, low licensing fees were charged, and, subsequently, over 50 equipment manufacturers and recording companies joined to form the Compact Disc Group to advertise and promote the product in collaboration. This suggests that firms can collectively influence the take-off of a product innovation and that, individually, they can increase sales of their brands with product improvements, the education of consumers, and efforts to develop a market infrastructure. ■

—Janet Fitch



### **AGARWAL FOCUS: IMPACT OF TECHNOLOGY ON FIRMS AND MARKETS**

Rajshree Agarwal's interest in how technological change affects firms that are involved in exploiting new technologies dates from before her 1994 dissertation at SUNY Buffalo on the "Evolution of New Product Markets." Her work since then has largely dealt with various aspects of the entry into and survival of firms in markets based on selling new products.

An active scholar, Agarwal continues to contribute research that offers insights to business scholars and practitioners alike about how technological innovation affects firms and markets. Recent research continues her interest in firm entry and survival in high-tech industries. One study deals with the when, where, and how of survival, suggesting that the innovative environment at the time of entry can explain variation in the survival of entrants. The research conceptualizes the environment in terms of the technological regime and intensity of the specific industry. It further proposes that start-up size affects the relationship between innovative environment and survival differently in differing industries.

In another recent study, "Inheritance by the Unintended Child: The Impact of Knowledge Transfer on Spinout Generation, Growth and Survival," Agarwal and three colleagues studied companies started by former employees of established high-tech firms. They examined the role of knowledge as a driver of an organization's formation and as a subsequent source of its competitive advantage. The authors coined the word "spin-out" to describe an entrepreneurial venture by an ex-employee. Using data from the disk drive industry, they showed that higher levels of technological and market pioneering knowledge in the parent firm help predict whether employees are likely to leave to create a spin-out firm. The knowledge, in the form of technological know-how and marketing, the new entrepreneur takes to the spin-out has a strong impact on the technological and marketing capabilities of the new firm and gives the spin-out a higher probability of success and survival than all other firms.

Another of Agarwal's projects investigates whether market pioneers in knowledge-intensive markets enjoy any advantages in survival over later entrants. The research indicates that sustainable competitive advantage is possible only when firms bolster the advantage of early entry by developing complementary technological know-how. Looking to the future, Agarwal plans to continue her studies of success and survival in technology-driven firms by looking at the roles that foreign direct investment and technological intensity have on firm survival. A future project, with Business Administration colleague Glenn Hoetker, aims to measure the social welfare created by innovative companies, even ones that have "died" or been deemed unsuccessful by usual market performance yardsticks.



Paul Magelli

*In FY02, adjusted gross  
license income exceeded  
\$1 billion for the first time.*

## THE BUSINESS OF INTELLECTUAL PROPERTY

Managing intellectual property, one of higher education's greatest but most recently "discovered" assets, is becoming big business. Surprisingly to some, fewer than 10 of America's highly regarded research universities had an office to manage intellectual property—its inventions, cutting-edge discoveries and innovations—25 years ago. Three Midwestern land-grant universities—Wisconsin, Iowa State, and Kansas State—were among the very first.

In the early 1980s, offices of Technology Management or Patent and Licensing (some of the early names) were established and during the 1990s the size and the know-how of the staff were increased. Now, on 143 college campuses, intellectual property management is a growing and sophisticated business with high and hopefully reasonable aspirations of creating a new revenue stream with which to support research activities as well as graduate students who represent the next generation of inventors and innovators.

In addition, institutions are creating offices of new business development. They are connecting their developmental strategies to centers for entrepreneurial studies and services, and they are building incubators and research parks. Institutions are raising external resources and creating institutionally-backed venture funds, and they are engaging external consultants to assist and accelerate the process. An increasing number of faculty and staff from a broad array of disciplines are becoming a part of the entrepreneurial "movement" that may become the hallmark of research universities in the first decade of the new century.

In FY 2000, the most recently released statistics from the Association of University Technology Managers (AUTM), the value of sponsored research expenditures in the 143 participating colleges and universities reached \$26 billion. There were 10,802 invention disclosures, 8,534 U.S. patent application filed, and over 3,600 licenses and options executed. The adjusted gross license income received from 7,562 licenses and options yielding income exceeded

\$1 billion for the first time. Estimates of the real total value of the intellectual property ranges from \$20 to 25 billion. (Institutions typically retain from four to five percent of the total value of a technology/invention.) The number of new start-up companies from these same institutions reached 368.

Two University of Illinois campuses—Chicago and Urbana-Champaign—reported \$568 million in sponsored research that, in turn, generated 191 invention disclosures, a 466 percent increase in disclosures since FY 1991. Ninety-five U.S. patent applications were filed and 78 licenses and options were executed. The University's adjusted gross license income received was slightly over \$5.3 million from 146 active licenses and options. The University reported five new start-ups. For FY2000, the University ranked fifth in sponsored research expenditures and 28th in adjusted gross license income received among the 143 institutions participating in the survey.

Links from the College of Business to a variety of campus programs and initiatives offer our students unique opportunities to participate in technology development and to experience the confluence of technology and business. Ties to the Office of Technology Management and the Research Park and Incubator and College programs such as the Office for Strategic Business Initiatives (OSBI) and the Center for Entrepreneurial Development (CED) are examples of the College's strength in business and technology. ■

Paul Magelli is founder and Director of the Office for Strategic Business Initiatives. This article is derived from a speech he made at the Bristol Enterprise Centre in the United Kingdom in June 2002.



*From left:  
Craig Bazzani,  
Jim Lynch, Paul Magelli*

## College Integral to Addressing Technology Assessment Challenge

When the University of Illinois' Office of Technology Management (OTM) took on the challenge of finding some needles in a haystack, the search team included students from the Illinois MBA Program. The object of the students' hunt was University-based technologies to license on behalf of the developers and the University.

The haystack: a multiyear backlog of over 700 technology assessment projects accumulated during a period when the University's Research Technology and Management Office (RTMO), established in 1995, was unable to actively pursue opportunities. An RFP (request for proposal) to address the backlog was issued in 2000 by OTM, one of two offices created when RTMO was split along functional lines.

Enter Jim Lynch *MBA '99* and Deloitte & Touche ([www.deloitte.com](http://www.deloitte.com)). Lynch, a practice leader in Deloitte's Management Solutions & Services division, was uniquely qualified to develop a strategy to start the haystack search through the OTM backlog. When Lynch was an MBA student, he worked as an associate for Nationvest Capital, the private investment banking division of Champaign-based Cozad Asset Management. While at Nationvest, Lynch was introduced to members of the Champaign-Urbana business community, including senior staff on the Urbana campus. Following a brief period assisting a struggling start-up company, Lynch joined Deloitte & Touche where he helped put together Deloitte's response to the RFP that drew on expertise in three of their business units: intellectual asset management, venture capital, and higher education. Deloitte was selected by the university to address the OTM backlog.

After winning the contract, Lynch and his Deloitte colleagues took up temporary residence in Champaign in the summer of 2001 and proceeded to gather a 16-person team of students—nine from the Illinois MBA Program—to begin screening the OTM backlog. That first summer the students reviewed hundreds of files and considered, for each, such questions as existing patents, marketing potential, and the current development cycle for the technology.

The result was a brief report that was passed to the resident staff from Deloitte, who read all the files and student-prepared reports and rated each project for further consideration. Those projects rated highly were passed to a Deloitte-assembled team of experts who conducted more detailed assessments about commercial potential.

The process of addressing the backlog is on-going and should be completed by the end of 2002. Since the review process started, 150 technologies have been determined to offer substantial potential for commercialization. Deloitte and OTM staff are working to develop marketing plans for those key technologies and to coordinate nondisclosure briefings with interested companies.

Of the nine MBA students who worked during the summer of 2001, six elected to continue as OTM associates during the academic year. Several alumni of the inaugural class of students are now employed in related capacities. In the summer of 2002 and during the 2002-03 academic year, seven new Illinois MBA Program students became OTM associates.

Lynch thinks the use of MBA students has been so successful because the evaluation of ideas or concepts is a key skill for MBAs. "Thinking through the entire process is a critical skill no matter what area of business you work in," he said. And, he noted, the diverse educational and prior work backgrounds that are found in MBA students also enhance their OTM contributions. Lynch predicts that the opportunity to work with OTM will become one of the most sought-after positions in the MBA Program. "The tangible and intangible benefits to the students are hard to calculate because of the range of experiences."

Craig Bazzani, at that time Illinois vice president for administration, commented that the University "was prudent in recognizing the talent base available in the Illinois MBA Program." Bazzani was also struck by the extraordinary teamwork exhibited by "some of the campus' brightest master's-level students."

OTM Director Michael Fritz is pleased with the relationship between the staff in his office and the students from the Illinois MBA Program. An agreement formalized in early 2002 calls for the college's Office for Strategic Business Initiatives (OSBI) to identify and help select MBA students for OTM summer internships and academic year associate positions. "Three elements account for our success in attacking the OTM backlog: our relationship with Deloitte, the Illinois MBA Program associates, and the outstanding staff in OTM," Fritz commented.

Paul Magelli, director of OSBI, believes that Lynch has been integral to making the consulting relationship between the campus and Deloitte a winning situation. "Jim got everyone on campus moving in the same direction," said Magelli who also noted that Lynch was committed to making the experience doubly valuable for the MBA students. For example, he coordinated weekly visits from campus dignitaries who talked with the students about their efforts and the technologies. Among the visitors were Gerald Shea, chairman of the University of Illinois Board of Trustees, and David Chicoine, University vice president for economic development and corporate relations. ■

—Ginny Hudak-David



## OSBI *Office for Strategic Business Initiatives*

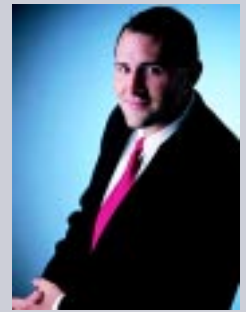
A business plan for a mission to outer space. A market analysis for an online consulting firm. A feasibility study for a biotech company with a breakthrough process. These are just three of the hundreds of consulting projects that have been carried out by the College's Office for Strategic Business Initiatives.

Established in 1995, OSBI has won recognition throughout Illinois and the U.S. for the excellence and value of its problem-solving and strategic services, leveraged to address specific concerns and challenges across the spectrum of American enterprise. Led by faculty members and supported by OSBI staff as well as students from the UI Graduate School of Library and Information Science, teams of Illinois MBA students transform classroom knowledge into real-world solutions, working under the rubric: "What is the true business problem to be solved and how can we help the client?" OSBI teams are prepared to address a wide range of areas and issues, including:

- Marketing/business development
- Merger and acquisition evaluations
- Financial planning and modeling
- Pricing studies and marketing surveys
- Technology commercialization
- Human resources programs
- Industry analysis and intelligence gathering
- Internet strategy
- Corporate entrepreneurship assessment



# CED Center for Entrepreneurial Development



*Matt Taylor*

High-flying techno-concepts and the storefront way of business hardly seem to belong in the same century, much less the same office complex. Yet for present and future tenants of the University's new South Research Park, the latter is exactly what the College of Business is offering. Opened in February 2002, the college's Center for Entrepreneurial Development (CED) provides on-demand short-term consulting services to companies ranging from start-ups to mature businesses. Led and staffed by students from the Illinois MBA Program, CED was conceived as a resource for high-tech companies attracted by the Research Park and the new Business Incubator, expected to open in November. Dinesh Ahluwalia, founder of Value Chain Networks, an advisory services firm, recently joined OSBI as associate director for CED.

CED also provides ad hoc consulting services to the business community at large, services that range from providing information on statistics for a particular industry to brainstorming concept feasibility to working up preliminary marketing analyses, financial models, and critiques of business plans. Should there be the need for more assistance—as there often is, particularly in the case of small start-ups run by technically skilled entrepreneurs who are new to the business world—the client is referred to OSBI, which provides extensive consulting services by faculty-led teams of Illinois MBA students.

Thus when alums Mike Shannon '96 and Aaron Massey '94 called CED last summer to discuss their new company Jackstats, an online subscription service providing detailed statistics on professional athletics, CED director Matt Taylor, a second-year MBA student, conducted a lengthy telephone interview with them about their needs. Taylor then fielded the matter to OSBI, which assigned a student team to do a marketing study.

Taylor said that CED has talked, both formally and informally, with a range of businesses, including tenants of the University's Technology Commercialization Lab. In addition to their ad hoc consulting, CED also develops and sponsors seminars, workshops, and other networking opportunities. In the spring of 2002, talks by such experts as Mike Muhney '74 of Vocada, Judith Cone of the Kauffman Foundation, and Dean Avijit Ghosh were featured. The center staff is creating an online resources library that will be available to members of the local entrepreneurial community free of charge.

The services of CED are among an array of resources the U of I offers to tenants of the Research Park. Companies such as Motorola have been drawn by the university's formidable information and computing resources, the high quality of life and relatively low cost of living in Champaign-Urbana, and the community's proximity to Chicago. A number of clients have been referred to CED through techCommUnity, an organization committed to attracting technology-related businesses to greater Champaign-Urbana. ■

—Mary Timmins

Projects, which last for a semester, are contracted with companies ranging from start-ups and local businesses to major not-for-profits and Fortune 500 companies.

## Past and present clients of OSBI include:

### MULTI-NATIONAL CORPORATIONS

|                    |                     |
|--------------------|---------------------|
| Deloitte Et Touche | KKR                 |
| Disney             | KPMG                |
| Dow AgroSciences   | Lockheed Martin     |
| Frito Lay          | Lucent Technologies |
| Ford Motor Company | Nortel              |
| GE Appliance       | Procter Et Gamble   |
| Honeywell          | Venturestar         |

### START-UPS

|                        |                        |
|------------------------|------------------------|
| AnalyzeDirect.com      | Projectwire.com        |
| Bank of Banks.com      | Resonance Technologies |
| One to One Service.com |                        |

### NOT-FOR-PROFITS

|                                |   |
|--------------------------------|---|
| Environmental Fund of Illinois | NASA - Mission to Mars                          |
| Habitat for Humanity           | National Center for Supercomputing Applications |
| Illinois Department of Tourism | UI Office of Technology Management              |
| Illinois Women's Basketball    |   |
| The Kauffman Foundation        |   |



*“The jury is still out on whether Efficient Consumer Response has truly delivered on the promised results.”*

URSULA Y. SULLIVAN

**EDUCATION**

BBA, International Business, University of Texas at Austin  
MS, Marketing, Kellogg Graduate School of Management, Northwestern University  
PhD, Marketing, Kellogg Graduate School of Management, Northwestern University

**AREAS OF EXPERTISE**

Multinational marketing management, international marketing channels, and marketing management and strategy. Target industries include airlines, pharmaceutical, manufacturing, and retail.

## *Q&A with Newest IDM Professor*

Ursula Y. Sullivan isn't lacking for subject matter given her curiosity about the airline, pharmaceutical, and manufacturing industries. All offer limitless research and teaching opportunities for someone interested in mining the marketing management practices of multinational corporations as well as learning more about a corporation's international marketing channels.

Sullivan joined the Department of Business Administration as an assistant professor in August 2002, moving here from her native Texas where she was on the faculty of the Department of Marketing at the Lowry Mays College and Graduate School of Business at Texas A&M University. She will be teaching three courses for the Industrial Distribution Management (IDM) Program, including the practicum in industrial distribution, purchasing and materials management, and business-to-business selling. She was a purchasing manager at Procter & Gamble, Co. (P&G) for four years where she developed and managed strategic supply relationships for products in the fabric care and beauty care categories.

Sullivan answered some questions for *Perspectives* about her research and teaching plans and about why she joined the CBA faculty.

**What are some of your goals and expectations in teaching IDM courses?**

I expect to capitalize on the interest demonstrated by IDM students in strongly embedding purchasing and sales management courses with a greater strategic focus. While there will always be more traditional approaches, my own experience as a purchasing manager taught me the importance of having a long-term outlook and knowing how to “give” in order to “gain.” For example, giving information about a company's operations can make a big difference to a company's suppliers. We did this when I worked for P&G—we gave information and the gain for the company was an improved ability of our suppliers to meet our needs. Some key information should stop being treated as sacred, because revealing it *helps* a company. In addition, conducting industry analyses and really understanding how supply decisions affect other areas of a company are important.

I also want to make sure that IDM students are aware of the latest technological advances with purchasing and sales management. Reverse auctions, online transactions, supplier-managed systems, and “pooled” volumes are just some of the ideas that have gained a foothold in the B2B realm. Our students should be familiar with these and other innovations that come along in the future.

**What topics in supply chain management interest you the most and why?**

There are so many! I've spent a few years looking into Efficient Consumer Response (ECR) systems in Europe as well as supplier-managed systems here in the US. Besides these topics, I find the global implications for supply chain management to be fascinating. Academics and practitioners have dealt with all these issues for many years, but I wonder if we really have things in check.

Take ECR, for example. Europe largely adopted US ECR practices in the 90s because it seemed like a good idea. In many respects, though, it was the globalization of big suppliers like Unilever and Coke along with retailers such as Wal-Mart and Carrefours that really pushed the adoption forward. But was it the right thing to do?

For the most part, adopting ECR practices has had a number of documented benefits, such as lower inventories and better supply relationships. However, the fragmented state of some of the European retail industry makes its implementation a real headache. The jury, for many researchers, is still out on whether it has truly delivered on the promised results.

**What made you choose to come to the University of Illinois to teach and, more specifically, why IDM?**

When I was finishing my degree at Northwestern, I was determined to be at an institution that would welcome my managerial focus and had resources to support my research in distribution channels. Illinois was one of a handful to meet these criteria. I interviewed with the marketing area in 1998, but, at the time, Business Administration had a need for faculty in other research areas. Thankfully, an opportunity arose this year and I am now where I wanted to be all along—at the University of Illinois. ■

—William Qualls



# T&M The Convergence of Technology and Business

## THE COLLEGE'S UNIQUE TECHNOLOGY & MANAGEMENT PROGRAM

Managing innovation and technology. Understanding new product development and business processes. Working on an interdisciplinary team. Developing leadership and communication skills.

These are elements of the pioneering Technology & Management Program, a joint initiative of the University of Illinois Colleges of Business and Engineering that leads to a university minor. Now in its eighth year, the T&M Program has a specialized curriculum that educates engineering and business undergraduates to function effectively in a technical, interdisciplinary, team-based industry environment. Engineering students take three courses in business; business students take three courses in engineering. Four courses are taken by all students in a single cohort. A capstone course, completed during the senior year, gives the students a chance to tackle a real problem posed by corporate supporters, members of the Corporate Affiliates program. This year's capstone projects are sponsored by Kimberly-Clark, State Farm, Caterpillar, Honeywell, and John Deere.

George Monahan, professor of business administration and co-director, calls the T&M students top-notch and among the best at the University of Illinois. Students apply to the program and go through a rigorous selection process. "The more than 140 graduates of the program are in highly successful careers. Many tell us that their T&M experiences were instrumental in not only securing exceptional first jobs but in preparing them to 'hit the ground running' as immediate and effective contributors to their organizations."

Business Dean Avijit Ghosh considers the T&M Program "ground-breaking" and among the strongest programs in the College. "The innovative curriculum challenges the students with demanding courses and then with applying what they have learned to complex, real-world problems."

It isn't all business (and technology) though. Students in the T&M Program participate in a number of activities outside of the classroom that are designed to sharpen team-building skills and enhance their ability to communicate. ■



For more information, consult the T&M website: [www.techmgmt.uiuc.edu](http://www.techmgmt.uiuc.edu).

## MarketThinker—Innovative Format Used for New Learning Tool

Students who learn by doing are benefiting from a new book in software form called *MarketThinker* developed by Devanathan Sudharshan, professor in the Department of Business Administration. Published by Prentice Hall as part of their business publishing division, the interactive "book" is installed from a CD on a PC or laptop running Windows OS. *MarketThinker* is currently being used (Fall 2002 semester) in the introductory Principles of Marketing course.

*MarketThinker* employs a simple to understand interface to access twelve mathematical models from the marketing literature (diffusion, experience curve, dynamic pricing, joint space, market share, new product sales forecast, ADBUDG, price bundling, impact on net income of a small change in price, cost of delay in launching a new product, and return on service quality improvement efforts). At the heart of each module is an analysis screen. Users can enter data and graph it, experiment with marketing variables, print or save the resulting image, and write the data to an Excel file.

Also available are screens with module descriptions and parameters, explanations of how the model is used in practice, and information about the typical sources of data. The mathematical relationships are spelled out in another section (a quarter of these relationships are explained symbolically because of their complexity).

"My goal was to keep it simple so that the students could focus on how the models are used," said Sudharshan. To that end, he incorporated a "Reflection" feature that poses a series of questions about each model. Some students experiment first and review the questions later. Others employ the questions as part of a guided discovery approach to learning.

*MarketThinker* is expected to be available commercially in 2003. ■

Mike Sandretto, Julie Markoski



## Inaugural Carrot Capital Competition Showcases Business Student Involvement

Most people know the University of Illinois at Urbana-Champaign as the birthplace of NCSA Mosaic®, the web browser software that fueled the Internet revolution. In the coming decade, the University might be known for protecting the nation's food supply with rapid salmonella testing, or for reducing pollution with efficient fuel cell technology, or for fighting cancer with fewer side effects thanks to a targeted drug-delivery system.

These technologies were at the heart of the three business plans that reached the finals of this year's inaugural Carrot Capital Business Plan Challenge, which awarded \$50,000 and an investment offer to the winning team. Only Georgia Tech, with four teams among the 24 finalists, edged past Illinois. Each of the three Illinois finalist teams included at least one student from the College of Business.

An entrepreneurial spirit cuts across the Urbana-Champaign campus. Business students, engineers, chemists, medical researchers, and computer experts have all caught the entrepreneurial bug and are working together to bring new technologies to market.

### TEAMING UP TO TACKLE THE CHALLENGE

Because of the quality and quantity of research done on campus, Illinois presents unique opportunities for business students to play a key role on collaborative teams working to commercialize technology. Just ask Aaron Goldstein *BS Finance '02*, a member of the Kim Laboratories team in the Carrot competition. He believes that students with an entrepreneurial bent just have to look around to find exciting, marketable research projects calling for their expertise. Goldstein, who teamed with Dr. Myung Kim after enrolling in a Business Plan Workshop offered through the Department of General Engineering, said business students have a lot to offer the University's researchers.

"The U of I has some brilliant minds north of Green Street," he said. "I don't think they're working enough with the business people south of Green Street."

*“When you do it for yourself,  
you see if the classroom theory  
is really true and really works.”*

“You put these two different ways of thinking together and the result can be very powerful,” agreed Mary Miller, associate dean of the Illinois MBA Program.

But it takes practice for business students and researchers to learn to speak each other’s language and work together. Anne Peterson *MBA ’02* led the Ultra-Imaging team. Even though Peterson selected MBA students with scientific backgrounds, she said they still struggled to understand the complex technology. Sometimes after meetings with Dr. Kenneth Watkin, the lead researcher on the Ultra-Imaging project, the business students needed to hold a second, impromptu meeting to try to figure out what they had just heard. Peterson cites how to bring people with different and varied strengths together to create a cross-functional team as one of the most important things she learned from her Carrot experience.

Dr. Mike Sandretto, a visiting assistant professor of accountancy who consulted with the three finalists teams, said he hopes the University’s strong showing at Carrot Capital will demonstrate the value of business-science collaboration and will spur more cooperation.

### **USING BUSINESS PLAN THEORY IN PRACTICE**

Business students are a great resource for scientists. The students speak the language, know the rules, and have the knowledge to make a business plan a solid document grounded in genuine financials rather than an exercise in guesswork. And for business students, writing a business plan is an opportunity to test themselves by putting classroom theory into practice.

“When you do it for yourself, you see if the classroom theory is really true and really works,” observed Dean Miller. Writing a real business plan and competing for funding raise the stakes because the lessons learned become more real for students.

The Illinois MBA Program curriculum includes several experiential learning modules. The innovative academic schedule includes an applied business perspectives seminar and a case analysis project in both semesters of the first year. In the fall, the student teams each tackle the same real business problem and compare possible solutions. The challenge in the spring is slightly different: the student teams represent different but intertwined organizations whose business decisions impact each other. The Illinois MBA curriculum also stresses communication skills, which all the students called a major asset in crafting and presenting their business plans.

According to Miller, other MBA Program opportunities are entrepreneurial in character—students identify the challenge and get involved according to their career goals and interests. For example, students can elect to participate in one of several case competitions held annually or they can optionally apply to participate in the Office for Strategic Business Initiatives (OSBI), a student-run consulting service that offers businesses solutions to real problems at an affordable price. A new venture for OSBI is the Center for Enterprise Development, which provides on-demand short-term consulting services to companies ranging from start-ups to mature businesses.

“Once you do a business plan, your entire education starts to fall into place,” says Sandretto. “You may have had many different classes, but once you have to write a business plan, you’re forced to see how it all fits together.”

Obviously, however, the first step is what’s taught in the classroom. Sean Reeder *MBA ’02*, a member of the Ultra-Imaging team, pointed out that the MBA program’s core curriculum “caters to writing a business plan.” There are classes that address all the major components: management, strategic planning, accounting and finance, marketing. He compared being on his Carrot team to writing a thesis, noting the application of coursework to a problem as well as the hours worked. Julie Markoski *MBA ’02* worked on the business plan for INI Power Systems in the business plan-writing course taught by noted entrepreneurship guru Courtney Price, a course that she called an excellent “capstone” for MBA students. “It covers everything you learn as an MBA,” she said. “It’s really great for seeing the whole, big picture.”

Goldstein said the college’s undergraduate curriculum also is excellent preparation because students take courses covering all of the major components of a business plan. Finance, marketing, business law, accounting, and entrepreneurship classes combined to give him excellent training for his work on the Kim Laboratories team.

Just as their courses prepared them for the business plan competition, the competition helped prepare students for the next step: the real world. For example, Reeder is now employed as a financial analyst at Champaign-based Fox Capital LLC. By showing his ability to analyze and present data, synthesize information, and apply what he had learned as an MBA student, he feels the competition “had a direct impact on my ability to get a job with Fox.”

*“Once you do a business plan, your entire education starts to fall into place.”*

## LEARNING FROM PEERS

Of course the competition was far more than a line on a resume. For the students, traveling to New York for the competition was also a chance to measure themselves against their peers.

The three Illinois teams were relative novices; all were based on cutting-edge technology in the early phases of development. INI Power Systems, based on technology that Larry Markoski first disclosed to the University a little more than a year before the competition, was the oldest. Goldstein said he had only three weeks to work with Kim before the deadline for Carrot Capital submissions. By contrast, many of the other competitors had been around for several years and had participated in numerous business plan competitions. Peterson likened the competition to the beauty pageant circuit. “All the teams seemed to know each other,” she said. “Some of these teams had been around for four years and had gone to 15 or 20 competitions. They almost make competing a full-time job.”

While the more extensive experience of the other teams might have given them an advantage in the competition, it also provided an opportunity for the UIUC teams to talk to and learn from the other team members. And Goldstein pointed out that simply meeting with other student entrepreneurs reinforced that student entrepreneurship is possible.

“Writing a business plan and being an entrepreneur can be a very isolating experience,” he said. “So going to New York and being around some of the best and brightest in the country who are interested in entrepreneurship made me feel a part of something bigger. The spirit of entrepreneurship is thriving in this country, and it was an affirmation that I can do this.”

But the competition also demonstrated that UIUC students are among the nation’s elite when it comes to technology commercialization. “The realization that they can compete with the best and that self-confidence are really important,” Dean Miller said.

Of course, the bottom line of the competition was money. While none of the UIUC teams was awarded major funding, walking away with \$1,000 apiece, they did gain credibility and make connections.

Sometimes you don’t need to come in first to win. ■

## Developing Technology on Campus

The three business plans that made the finals of the Carrot Capital competition were all based on cutting-edge technology being developed by researchers at the University of Illinois at Urbana-Champaign. In addition to the individuals listed below, several other MBA students worked on these projects in the early stages.

**INI POWER SYSTEMS:** Larry Markoski, a research specialist in chemistry at the Beckman Institute, is developing a membrane-free fuel cell technology. Fuel cells are a non-polluting source of energy. When fed fuel and supplied with oxygen, these electrochemical devices produce electricity and, as by-products, water and carbon dioxide. Markoski believes that his fuel cells would be more economical to manufacture than other versions and would be able to run at higher efficiencies and higher temperatures and pressures. In addition to Markoski, co-founders of the company include his wife, Julie Markoski *MBA ’02 and chemistry graduate student*, and Axel Hoffmans *MS Finance ’02*.

**KIM LABORATORIES:** Dr. Myung Kim is developing a rapid-detection test for deadly, food-tainting salmonella bacteria. Dr. Kim’s test will generate results in about five minutes, compared to current tests requiring up to one week. The quicker results could be a tremendous asset in the meat-processing and food-preparation industries; currently, products that have been tested for pathogens are usually packed, shipped, and eaten before the results are in. Aaron Goldstein *BS Finance ’02* worked on the Carrot Capital plan with Kim.

**ULTRA-IMAGING LLC:** Dr. Kenneth Watkin, a professor in the Speech and Hearing Department and an expert on medical imaging, is developing an improved, multi-modal imaging agent that can be used for ultrasound, CT, and MRI. Dr. Watkin believes that this imaging agent could also be used as a focused drug-delivery system, targeting tumors with cancer-killing drugs and dramatically reducing the side effects of current chemotherapy. Sean Reeder *MBA ’02* and Anne Peterson *MBA ’02* worked on the Ultra-Imaging business plan.

## Seeding Investments: Carrot Capital

**At a time when many investors are skittish, Carrot Capital embraces the idea of risk.**

The New York-based venture capital firm specializes in seed and early-stage investment, typically providing between \$50,000 and \$1 million. And Carrot Capital founder David Geliebter knows to look to universities for cutting-edge technology that needs an infusion of cash to get to market.

As Carrot Capital Associate Nicole del Gaudio pointed out, students often have particular difficulty persuading investors that they're a good bet. Students have fewer networking opportunities and shorter lists of contacts, so interest in their high-tech business ideas is usually geographically limited. Carrot Capital aims to change that by casting its net nationwide, looking for viable high-tech, student-launched businesses in which to invest.

But the Carrot Capital Business Plan Challenge isn't just a tool to funnel investment opportunities to Geliebter's VC firm (although the company is continuing talks with several finalists). Geliebter also saw the competition, co-sponsored by Forbes and TD Waterhouse, as a chance to support the entrepreneurial spirit on the country's college campuses.

Even in the current wobbly economy, those entrepreneurial dreams are alive. More than 450 teams consisting of over 1,500 people initially registered for the Carrot competition, with more than 225 teams submitting full business plans. Each team had to include at least one undergraduate or graduate student. According to del Gaudio, at least 40 business plans were solidly in contention for the finals, forcing the Carrot staffers to make some tough choices in cutting the mountain of submissions to 24 finalists.

The competition's \$50,000 grand prize-winner was NovOculi, which combined participants from Duke, MIT's Sloan, and the University of Maryland. Three second-place teams earned \$10,000, and the other 20 finalists (including the U of I) received \$1,000 apiece.

—Trish Barker

[www.carrotcapital.com/challenge.htm](http://www.carrotcapital.com/challenge.htm)





## *Alumnus Michael Krasny on Realizing Your Dreams*

He parlayed a *Chicago Tribune* three-lines-for-three-days ad that cost him \$3 into a hugely successful company that is in the FORTUNE 500 with over \$4 billion in sales in 2001.

CBA alumnus Michael Krasny *Finance '75* delivered the 2002 V. Dale Cozad Lecture on Entrepreneurship in September. To a standing-room only crowd, Krasny recounted his personal history and the history of his company, CDW Computers, which hit the big time on the day after Thanksgiving, 1985.

"Where we had been doing somewhere between \$75,000 and \$100,000 a month in total sales, in that one day after Thanksgiving, we did \$75,000. In one day we had grown the business by 1800 percent. That has to be some type of record."

Much of his personal success and the success of his company comes from a strong employee- and customer-oriented ethic. "[A] lot of it has to do with building a team, having a concept, worrying about the customer service, and worrying about profitability as the very last thing, because if you do everything else right and have a highly automated system, profitability will come in the end. And that would be my greatest advice in about a 30 second description."

A lively question and answer period followed Krasny's presentation, hosted by Dean Avijit Ghosh. Krasny's remarks are available online at [www.cba.uiuc.edu/publications/Features/2002.Cozad/Lecture.pdf](http://www.cba.uiuc.edu/publications/Features/2002.Cozad/Lecture.pdf)

The V. Dale Cozad Lecture Series in Entrepreneurship was established through the efforts of Peter and Kim Fox and endowed by gifts from the family and friends of Dale Cozad. The lecture series honors the memory of Dale Cozad and the dedication and entrepreneurial spirit that led to his success.

## *CIBER Funds IT for Teaching Business Foreign Language*

Vocabulary and grammar are crucial in learning a new language. The repetition and reinforcement needed to become fluent is particularly well-suited to learning online. French, Spanish, Arabic, Swahili, and German are a few of the languages now taught using online, web-based technology, thanks to support from the College's Center for International Business Education and Research (CIBER). Illinois CIBER has funded the development of web modules that supplement some traditional foreign language classes on the Urbana campus by providing a variety of language-learning experiences that students can use to learn and review information at their own pace. As a bonus for departments, the online modules also reduce the number of teaching assistants needed for each class section.

Fulfilling its mission to advance the study and teaching of international business and support research on global competitiveness, CIBER has funded faculty interested in developing online foreign language courses, especially those focusing on business communications. CIBER has a particular interest in supporting online classes for less commonly taught foreign languages such as Wolof, found in Senegal. CIBER funds pay for programming, website development, and faculty development.

Other recent CIBER-sponsored initiatives include a workshop on using instructional technology in the teaching of business foreign language and an online Chinese sequence for business professionals.

In May, the U.S. Department of Education announced continued funding for CIBER at an annual rate that is 61% greater than the current funding. The new agenda for the program includes promoting interdisciplinary research, expanding and enriching courses and curricula and study abroad opportunities, and expanding business outreach.



## Zimmerman Center Dedicated

The College opened the doors to the Vernon K. Zimmerman Center for International Education and Research in Accounting at a September ceremony. Originally established in 1962 as the Center for International Education and

Research in Accounting (CIERA), the Zimmerman Center serves the academic and professional communities through leadership in international accountancy, business research, and educational support. A new initiative is the establishment of the KPMG/UIUC Business Measurement Research Program, funded by a grant from KPMG and focusing on developing research methods for measuring business value drivers.

Vernon K. Zimmerman was dean of the College from 1971 to 1985. He earned three degrees in accountancy from Illinois and joined the faculty in 1956 after working for the U.S. Army Audit Agency and Price Waterhouse. Long before the phrase "global marketplace" was coined, CIERA, which Zimmerman founded, was at the forefront of international accountancy education. He served as CIERA director from 1964 to 1996, developing the center's programs and services and working as editor of the *International Journal of Accounting*. He died in 1996.

Colleagues, friends, and family of Vernon Zimmerman have provided substantial support to rename CIERA in his honor and to establish the Vernon K. Zimmerman Chair in International Accounting.

### KEEPING UP WITH COLLEGE NEWS

Alumni and friends who are interested in monthly updates from the college are urged to sign up to receive *CBA News*, the electronic newsletter distributed via email on the last Friday of each month. *CBA News* can also be read online.

The process to subscribe is easy and requires two emails—the first to request that your email address be added to the list and the second to confirm your interest. This latter email prevents someone from entering a subscription for you without your knowledge. Refer to [www.cba.uiuc.edu/publications/listserv.html](http://www.cba.uiuc.edu/publications/listserv.html) for more information and a link to the subscription instructions.

## Faculty Focus

The College Research Office regularly compiles information about scholarly publications, honors, and other accomplishments by faculty. For the most recent reporting period, 42 faculty published:

- 26 scholarly papers in 24 different journals
- 10 book chapters
- 2 academic articles in the published proceedings of conferences

### AMONG THE PUBLICATIONS:

**Rashad Abdel-kalik**, "Reforming Corporate Governance Post-Enron: Shareholders, Board of Trustees, and the Auditor," in *Journal of Accounting and Public Policy*, June 2002.

**Jeffrey Brown and A. Goolsbee**, "Does the Internet Make Markets More Competitive? Evidence from the Life Insurance Industry" in *Journal of Political Economy*, June 2002.

**Jan Brueckner**, "Internationalization of Airport Congestion," in *Journal of Air Transport Management*, May 2002.

**David Ikenberry**, "Underreaction to Self-Selected News Events: The Case of Stock Splits," in *Review of Financial Studies*, February 2002.

**Steven Michael**, "Undermarketed! Why the Hospitality Industry Shorts Itself on Advertising" in *Cornell Hotel and Restaurant Administration Quarterly*, April 2002.

### AMONG THE SCHOLARLY ACCOMPLISHMENTS:

**Joseph Mahoney** has been elected to the Executive Committee of Business Policy and Strategy Division of the Academy of Management, 2002-2003.

**Elizabeth Powers** was named a research affiliate of the Northwestern University/University of Chicago Joint Center for Poverty Research.

**Theodore Sougiannis** has been named to the editorial board of *Accounting Review*.

### GRANTS:

**J. Fred Giertz** received a grant from the Center for Tax and Budget Accountability in Chicago to research "Possible Structural Changes in the Illinois Tax System."

**Larry Neal** was awarded a grant from the National Science Foundation for a three-year study entitled "How the First Emerging Market Re-Emerged after Financial Collapse."

**Elizabeth Powers** was awarded a three-year grant from the University of Illinois Disability Research Institute to conduct research on "Facilitating the Transition to Employment of Childhood SSI Beneficiaries and Other Children with Disabilities."

**Madhu Viswanathan** was funded for a two-year study of "The Illiterate Consumer in the Global Market Place" by the National Science Foundation.

Consult [www.cba.uiuc.edu/research/researchnews.htm](http://www.cba.uiuc.edu/research/researchnews.htm) for the complete listing.

# classes NOTES

## 1930s

**Howard Stotler '37** received the 2002 Award for Excellence from Ars Viva, an Illinois arts organization based in Skokie. An accomplished bass-baritone, Stotler has sponsored and performed in many Ars Viva opera and concert productions.

**Roger Ashamy '38, MS '39** and his wife Eleanor celebrated their 60th wedding anniversary in June. A former CBA faculty member, he is retired from Lewis University, where an accounting scholarship has been established in his name.

## 1940s

**Grace Bair MA '41** was honored by the Eastern Illinois University School of Business, with a plaque acknowledging her as the school's first graduate in 1936.

## 1950s

**James L. Foreman '50, LLB '52**, a federal judge for the past 30 years, has been honored as an Illinois State Bar Association Senior Counselor.

The International Real Estate Federation selected **Sheldon Good '55** as American delegate to its 53<sup>rd</sup> World Congress, held last spring in Kuala Lumpur, Malaysia.

The latest CBA alumnus to be honored with the University of Illinois Distinguished Service Award is **Howard Humphrey '59**, the retired chairman of the Franklin Life Insurance Co. The award was presented by the UI Alumni Association at Commencement on May 12.

## 1960s

**Richard Cusac '63** has been elected to the Drake University board of trustees.

**Steve Foerster '64** has become vice president—steel procurement for Tempel Steel in Chicago.

The U.S. Senate has confirmed the nomination of **Richard Dorr '65** to the Western U.S. District Court in Missouri.

F.N.B. Corporation announced the appointment of **Tom Fahey '65, MAS '66** as executive vice president and CFO.

**Jim Elsesser '66, MS '67** has been named CEO of Interstate Bakeries Corporation. He retired from his long-time post as vice president and CFO for Ralston Purina last spring.

**Kelly Long '66** was appointed by the Illinois Supreme Court to be resident circuit judge in Montgomery County, IL.

**George Gau '69, MS '71, PhD '75** has been named dean of the McCombs School of Business at the University of Texas at Austin. He had served as chair of the Finance Department for ten years.

**Charles Jackson '69** has joined Farmers-Merchants National Bank in Champaign.

The May 27 issue of *Forbes* featured a profile of **John Zeglis '69**, head of AT&T Wireless.

## 1970s

Witness Systems named **Bill Evans '70, MAS '71** as executive vice president and CFO.

**John Kozyak '70**, president of Kozyak, Tropin & Throckmorton, P.A., was featured in a *Miami Herald* profile in January. His firm was highlighted because of a commitment to staff diversity.

**Leo Quick '70** is now a multi-line insurance executive in the Mendota branch of Union-Financial Services & Trust Co.

The Connecticut Society of Certified Public Accountants has announced that **Michael Redemske '70** will serve a one-year term on its board of governors.

BITMICRO Networks, Inc. announced the appointment of **Paul Romeo '72** to its board of directors.

**Stanley Shotliff '72** has joined Ricerca Biosciences as CFO.

## The Future of Networking:

### Laura Jennings

If timing is everything, then Laura Jennings '83 has it all. In 1988 she went to work for a Seattle company that was just a DOS-driven glimmer in the computing world's eye. A dozen years later she had risen to vice president of worldwide strategic planning at Microsoft, leading \$1.5 billion in investments. The challenges she faced along the way were considerable. In 1996 she was charged with revamping MSN from a network styled to compete with America Online to a World Wide Web service. Under her leadership the acquisition of Hotmail brought 10 million subscribers into the MSN network, and MSN.com went from inception to the third most trafficked site on the web.

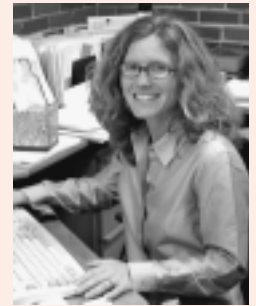
Her Microsoft departure was even more fortuitously timed than her arrival. In March 2000 at the height of the dot-com boom, she cashed out. "I had been with Microsoft twelve years and I was ready to try something new." She is now senior investment principal for the West Coast office of Atlas Venture, an international firm which makes seed and early-stage investments in communications, life sciences, and, her specialty, software. "We are on the verge of a the next revolution in computing architecture," Jennings predicted, describing a new "web services" model in which machines "talk" to one another across a widely distributed network, both within organizations (e.g., manufacturing and sales) and among them (e.g., supply-chain management). She observed: "This shift will pose opportunities for new players in such areas as services, centralized management control, and monitoring tools, to name just a few."

When she returned to campus for the first time this fall since graduation, timing once again proved to be everything—as Comeback Guest at Illinois Homecoming 2002 she was cheered by thousands of football fans. A marketing major at CBA, she credits her business study with helping her "to learn to think analytically and conceptually." "Who you are as a person," she said, "is highly influenced by your undergraduate years."

## Branding on the Web:

### *Diane Penny*

It was a "crazy, fast, competitive, and nonstop" decade for television producer Diane Penny *MBA 2000*, culminating in a dream job with ABC's Good Morning America. Glamorous? Sure. A grind? Definitely. "I was at the mercy of whatever breaking news happened in the world," she recalled. "I had to be ready to go when the calls came—some literally in the middle of the night." Penny graduated from Illinois in 1989 with a BS in broadcast journalism and went on to television production positions in Atlanta and then New York. But by 1998 she was ready to shift from an increasingly frantic track onto one that was simply fast—the Illinois MBA Program.



By heading back to her alma mater, she said, "I was able to learn business skills, particularly marketing techniques, that I could incorporate into my production experience, adding greater business savvy to my expertise." She got involved in work for OSBI, the UI Women's Basketball Team, and the Food and Brands Lab. She created a multimedia project for the UI chapter of the American Marketing Association in which "we brought in marketing directors from *Outside* magazine, a snowboard company, and Ford Motor Company to discuss how they put 'soul'—personality—into their brands." Representing Ford was IMBA alumna Jan Klug Valentic '85.

Penny has spent the past two years at OregonLive.com, the number one local website in Oregon and the affiliate for *The Oregonian*, the Pacific Northwest's most widely circulated newspaper. Lauded in the national press, the award-winning site "has harnessed the power of the internet to unite a community of Oregon high school sports fans that literally stretch around the world," said Penny. "We unite them by creating a gathering spot on Friday nights that integrates streaming audio and video with a chat room, live scoreboards, and game updates." She joined the organization as senior producer and is now marketing director. She concludes: "My Illinois MBA degree has allowed me to think in analytical and strategic ways that have contributed immeasurably to my own success and that of OregonLive.com."

A profile of **Marc Footlik '73** appeared in the April 2002 issue of *avidgolfer* magazine. He is managing partner for Bridlewood Golf Club in Flower Mound, TX.

Underwriters Laboratories announced the appointment of **Michael Saltzman '73, MAS '75** as senior vice president and CFO.

**Gary Wackerlin MS '73**, former vice president of development at the Carle Foundation and chairman of the Champaign County Chamber of Commerce, has been helping his son Kristopher open a Jimmy John's gourmet sandwich shop in Alabama, according to an article in the *News-Gazette*.

**Gary Hannig '74**, who is a representative to the Illinois state legislature, gave an address at the Memorial Day celebration in Ohlman, IL.

**Bobby Wright MBA '74** has been hired as an instructor of mathematics at Monroe Community College, Penfield, NY.

**George D. Buzard '75, JD '78** has joined the Cincinnati-based law firm of Peck, Shaffer and Williams as resident partner in Chicago.

Tyco International announced that **Dave FitzPatrick '76** has been appointed executive vice president and CFO.

**Rick Jett '75, MBA '76** has been named financial director for Edwardsville, MO.

**Patrick Lenihan '75** became president of the National Association of County and City Health Officials (NACCHO) during its annual conference in New Orleans in July.

**Gerry Anderson '76** has been promoted to executive vice president of national route sales at Sara Lee Coffee and Tea Foodservice.

**Jim Burton PhD '76** has been named 2002 Accounting Educator of the Year by the Tennessee Society of Certified Public Accountants. He serves as dean of the Jennings A. Jones College of Business, Middle Tennessee State University.

**Dan Corbin '76, MAS '76** has merged his law office, located in Killeen, TX, with that of Brett Pritchard.

**Scott Gibson MBA '76** was named to the board of directors of Flatrock, a provider of instant extranet products, in March. Gibson is CEO of Gibson Enterprises, a seed capital company in Oregon.

**Mark Hogan '76** was the subject of a feature story that ran in May in *The Detroit News*. A longtime executive for General Motors, he has served as group vice president of advanced vehicle development since February 1.

**Mark McDaniel '76** has been elected to the board of directors of First National Bank in Pinckneyville, Illinois.

**Ivy Millman '76** recently developed and taught a new business strategy course for Stanford University Continuing Studies, titled "Continuous Innovation: The Strategic Ingredient for Corporate Success."

The board of The ServiceMaster Company announced the election of **Ernest J. Mrozek '76** as president and COO of the firm.

**Randy Torbeck '76**, was named by General Motors as one of the top 100 fleet sales professionals for 2001 and received the company's Mark of Excellence Platinum Award. He works at Worden Martin Inc. in Champaign.

**David Parrin '77** has been named CFO of Travelers Express/MoneyGram.

**Craig Brown '78** wrote that he has been promoted to senior vice president and COO of Lockton Companies, an insurance brokerage in Northbrook, IL.

A profile of **Bill Coyne '78**, president and COO of the Raley's supermarket chain, appeared in the *Sacramento Business Journal*.

**Patrick Driscoll '78**, now a captain in the Navy, recently took part in several community relations projects in Hong Kong and Singapore during a Western Pacific deployment on the aircraft carrier USS Kitty Hawk.

**Steven Gilbertz '78, MBA '80** has been hired as a business instructor by Richland Community College.

A profile of **Todd Lillibridge '78** appeared in *Kiplinger's Personal Finance*. He is CEO of Lillibridge Health Trust, which owns and manages medical real estate and last year had revenues of \$30 million.

Federal Signal Corporation announced that **Joan E. Ryan '78** has been elected to the company's board of directors. Executive vice president and CFO of Tellabs, Ryan recently served as a panelist for a College's Chicago Round Table discussion on women in business.

*The Deerfield Review* reported that **Larry Stein '78** has published a children's book titled *Josh Discovers Passover*. His second book, it follows *The Really Fun Family Haggadah*.

**Chuck Carlson '79** now lives and works in San Diego, where he is manager of purchasing for Hamilton Sunstrand Power Systems.

**Peter Cella '79** recently moved from Atlanta to assume the post of business unit leader for BP in Naperville, IL. He, his wife Karolyn ('80), and their three children are "happy to be back in Lake Forest."

Skokie-based Remred Business Class Promotional Products, headed by **Ken Dermer '79**, was named one of the ten fastest-growing distributors in its sector by the Advertising Specialty Institute.

SanDisk Corp. has announced the appointment of **Michael Gray '79** as CFO.

**1 9 8 0 s**

InfoNow Corporation has appointed **Jeff Peotter '80** to its board of directors.

Hub Group, Inc. has named **Terri Pizzuto '80** as vice president—finance.

**Sheldon Siegel '80** has published his third novel—*Criminal Intent*, described as “a simmering stew of murder, movies, graft, sex and high-stakes financial manipulation.” At press time it was on the *San Francisco Chronicle's* bestseller list.

LANAC Technology named **Alan Amati '81** vice president of implementation services.

**Mark Bullock '81** recently spoke at a meeting of the Society of Former Agents of the FBI. An agent since 1982, he served on the task force for the Oklahoma City bombing.

**Neal Davis '81** has been named general manager of WLFL-TV and WRDC-TV in Raleigh, NC.

**Charles Vivian '81** was named executive vice president for sales for the Americas at Computer Motion, Inc, a leading developer of surgical robotic systems based in Santa Barbara, CA.

**Curtis Stoelting '82** has been named to the board of Racing Champions Ertl Corporation. He joined the company in 1998 and has been CEO since October 2000.

*Latina* magazine named **David Kahn '83** as its publisher.

Cerner Corporation announced that **Stan Sword '83** was promoted to senior vice president.

**Kevin Costello '84** has been named executive vice president, solutions delivery, at Ariba.

**Andy Marek '84** joined Cerberus Capital Management L.P. as a managing director.

**Gary Tauss '75 LAS, MBA '84**, who is president and CEO of TollBridge Technologies, has been named to the board of QuickLogic Corporation.

**Philip Chang '85** wrote that he has been appointed associate dean (international) at the newly named Haskayne School of Business at the University of Calgary, Canada.

**Tom Ryan '85** got a write-up in *Oak Brook Doings*. President of the Evans Scholar Alumni Association, he has volunteered at the Western Open for the past 23 years.

**Bryan Malis '87** was named a managing director at Altair Advisers, LLC, an SEC-registered investment adviser, that recently launched operations in Chicago.

**Fred Mittelstaedt PhD '87**, a professor at Notre Dame, testified before Congress about retiree health benefits.

A feature story in *The Boston Globe* discussed how **Jerry Monkman '87** and wife Marcy '87 LAS have produced their third Appalachian Mountain Club guide. They live in Portsmouth, NH, with Acadia, their baby daughter.

**Liz Felt Wakeman '87** wrote that she is now a partner in O'Hagan, Smith & Amundsen, LLC. The firm is located in Wheaton, IL, and she lives in Lake in the Hills.

The board of Liberte Investors Inc. announced the election of **Don Edwards '88** as president and CEO.



**Teamwork and Technology:**

*Suresh Sharma*

A native of India, chartered accountant Suresh Sharma '01 was well established in a career as a partner of an accounting and financial management firm and as a consultant for commercial and mid-size banks in the Kashmir region when he decided to come to Illinois and earn a Master of Science in Finance. “I wanted to learn new technologies for online banking and update my knowledge of international finance,” explained Sharma, now financial operations manager for Millikin University in Decatur, Illinois.

“My MSF degree has helped me bring a fresh approach and dynamism to my new position,” he said. “It has also enabled me to optimally leverage my own skills with those of my colleagues.” Sharma observed that his courses in financial management, project finance, and investments have proved to be especially helpful in assisting Millikin’s controller and vice president of business and finance with investment committee meetings of the Board of Trustees. The committee oversees investments in different sectors such as real estate, stocks, bonds, and emerging markets. “I’ve had the chance to utilize academic knowledge in the practical world,” said Sharma, who is responsible for the day-to-day financial/accounting operations of the institution, including management of accounts payable, accounts receivable, and payroll.

“Team spirit is one attribute which I greatly value and the MSF program does a wonderful job in imbuing students with a sense of this,” he said. “It was a pleasure and a privilege to work with others in a spirit of true enterprise. That was absolutely the best thing I learned—how to work as part of a team.” He concluded: “I am proud to say that the MSF program at Illinois was the right choice for me because of the resources and the reputation of the faculty.” ■

A recent note from **Robert J. Terry '88** indicated that he is now general counsel for Day Software, in Newport Beach, CA.

Ernst & Young LLP promoted **Brian Nauman '89** to partner.

**Keith Ross '89** has been named a partner in the Chicago law firm of Levenfeld Pearlstein.

### 1 9 9 0 s

**Dustin Dumas '90** was selected to participate in "No Boundaries," a reality show that aired briefly on the WB Network. He owns an investor relations consulting business in California.

**Kira Rilington Reed '91** has been named assistant professor of strategy and human resources at Syracuse University.

**Richard J. Bergman '93** has joined the Chicago office of Mesiraw Financial as an investment executive.

VIA NET.WORKS, Inc. has announced the appointment of **Mike Magluilo '93** as vice president—corporate development.

**Andre Parker EMBA '93** has been selected as police chief of Richmond, VA.

Among those who carried the Olympic torch as it crisscrossed the country en route to Utah last winter was **Ann DeSollar '94**. She is chief strategy officer for Vote for America.

**Janet Davis '95** was promoted to senior manager of the Tucson, AZ, office of Clifton Gunderson LLP.

**Shawn David MBA/MAS '97**, who graduated from Washington University with a PhD in accountancy, has joined the faculty at Georgia State.

**Jonathan Goldsmith '97** created [www.andersenalumni.net](http://www.andersenalumni.net), a website that allows Arthur Andersen alumni to locate former colleagues, search for jobs, and post opinions and comments. Membership is free and more than 1,300 members have joined.

**Rick Malir MBA '97**, president and co-founder of City Barbeque Co. in Columbus, OH, has been honored by the city's *Business First* publication as leading community entrepreneur.



**Brady Miller '97** is now a member of Chillicothe, OH, city council, according to an article in the *Chillicothe Times*.

**Cori Newhausen '97** has been named a loan officer at Yorkville National Bank.

**Adam Forman '99** sent an email to say that he has left Gibson & Associates to pursue an MBA degree at the University of Chicago.

**Lee Spaniol MBA '99** joined Lake Land College as director of information systems and services.

### 2 0 0 0 s

**John Drake '01** has joined the Decatur office of BKD, LLP as a staff accountant.

**Michael Giacomazzi '02** has been commissioned as a second lieutenant in the U.S. Air Force and is serving at Wright-Patterson Air Force Base, OH.

## marriages

### 1990s

**Karen Meiko Watanabe '91** to Steven David Perritt, September 22, 2001, in Evanston, IL

**Brent A. Forden '93** to Lori B. Shields, August 18, 2001, in Burnips, MI

**Jason R. Gandy '94** to Jennifer Lynn Graham, September 1, 2001, in St. Charles, IL

**James Michael Grady '95** to Renee Jean Berns, September 1, 2001, in Egg Harbor, WI

**Darren M. Mungerson '95** to Michelle A. Swanson, September 1, 2001, in LaGrange, IL

**Jayson James Serrault '95** to Erin Nicholle Bruggemann, May 4, 2002, in Negril, Jamaica

**Andrew Moskowitz '96** to Amy Lynn Jeffries, June 30, 2001, in Moline, IL

**Jennifer Louise Humphrey '97** to John Edward Miller, January 5, 2002, in Quincy, IL

**Allison Marni Sloat '97** to James Patrick Nelson, May 19, 2001, in Arlington Heights, IL

### 2000s

**David Glenn Farmer '00** to Angela Marie Oriti, June 22, 2002, in Cleveland Heights, OH

**Jodi Jean Park '01** to Jonathan David Wright, December 23, 2001, in Peoria, IL

**Amy Christine Radosevich MBA/JD '01** to Jonathan Wayne Pressler, August 11, 2001, in Bartonville, IL

## in memoriam

The College of Business notes with regret the deaths of the following alumni.

### 1930s

**R. Taylor Drake '31**, December 15, 2001, Tempe, AZ

**Elbert Raymer Hollingsworth '32**, July 2, 2002, Rockford, IL

**Albert Marien '33, MS '53**, June 3, 2002, Boca Raton, FL

**Robert L. Baker '34**, January 11, 2002, Sun City, AZ

**Gardner W. Heidrick '35**, July 6, 2002, Hinsdale, IL

**Myra Elitia Bennett '36**, March 24, 2002, Quincy, IL

**Arthur L. Rice, Jr. '36**, August 22, 2002, Barrington, IL

**Kenneth Lewis Trefftz '36, MS '37, PhD '39**, April 10, 2001, San Diego, CA

**Marvin E. Monk Jr. '37**, May 19, 2002, Bemidji, MN

**Virginia V. Morton '37**, April 24, 2002, St. Charles, IL

**Woodrow Mann '38**, August 6, 2002, Houston, TX

**J. C. Sindelar '38**, March 7, 2001, Wheaton, IL

**Stuart G. Morrison '39**, June 24, 2002, Urbana, IL

**John L. Palka '39**, May 24, 2001, Janesville, WI

### 1940s

**Walter Arthur Barz '40**, June 2, 2002, Wooster, MI

**Arthur F. Kroner '40**, August 18, 2002, McLean, VA

**William Robert Parks '40**, June 11, 2002, Sebring, FL

**Harvey L. Schmidt '40**, June 19, 2002, Camp Point, IL

**Edwin M. Schroeder '40**, June 11, 2002, Waukegan, IL

**Marvin M. Knoblich '43, LLB '47**, June 2, 2002, Powder Springs, GA

**Bill Albright '46**, October 7, 2001, Waukegan, IL

**Herman T. Landon '47, LLB '47**, Longboat Key, FL

**Walter W. Stumpe '48**, July 15, 2002, Port Charlotte, FL

**Leo Akin Whitlow '48**, April 26, 2002, Escanaba, MI

**Campbell King Evans '49, MS '61, PhD '66**, April 30, 2002, Sarasota, FL

**Donald E. Lindroth '49**, May 27, 2002, Rockford, IL

**Bill Matter MS '49**, July 14, 2002, Western Springs, IL

**Kenneth C. McElroy '49**, September 3, 2001, Tecumseh, MI

### 1950s

**Lewis E. Burritt, Jr. '50**, March 16, 2002, Gretna, LA

**Jerry Thomas Rudman '51**, June 4, 2002, Brookhaven, MS

**Robert R. DuPree, attendee '52**, Decatur, IL

**Donald G. Brady '53**, November 11, 2001, Lincolnshire, IL

**Richard D. Fogler '53**, May 7, 2002, Peoria, IL

**Joseph Kettlestrings '54**, August 7, 2002, St. Petersburg, FL

**Eugene Richard Monahan '58**, December 25, 2001, Monument, CO

**Oscar Kriegman '51, MS '52, PhD '58**, February 17, 2002, Wayne, NJ

### 1960s

**Janet Montgomery Hooks Bassie PhD '60**, April 4, 2002, Urbana, IL

**Carol Enrico De Lucca '61**, August 1, 2002, Santa Fe, NM

**Emanuele Martino MS '61**, April 2002, Palermo, Italy

**Julia Gregg Finley '62**, April 11, 2002, Yorkville, IL

**Janet K. (Williams) Wilson '62**, April 11, 2002, Gerald, MO

**Jerry Klainer MBA '67**, April 17, 2002, Rochester, NY

**George (Buchik) Buick '68**, October 11, 2001, Jacksonville, FL

**James Arthur Rennick '69**, May 2, 2002, Peoria, IL

### 1970s

**Kenneth F. Kennedy '71, MS '73, PhD '76**, July 21, 2001, Kalamazoo, MI

**Stephen A. Buss MCOM '72, '72 ENG, '69 LAS**, February 9, 2002, St. Louis, MO

**Bruce L. Friedlein '74**, June 2, 2002, Mendota, IL

**Edward F. Stancik '76**, March 12, 2002, New York, NY

**Albert V. Tharp '74, MBA '76**, July 28, 2002, Arlington Heights, IL

**Jeffrey Lee Dehn '71, MBA '78**, June 18, 2002, Chicago Heights, IL

### 1980s

**Thomas A. Posey MBA '82**, March 1, 2002, Anchorage, AK

**Joe Warner EMBA '85**, July 21, 2002, Bloomington, IL

**Stephen V. Becker EMBA '87**, February 14, 2002, Decatur, IL ■



The Commerce Alumni Association is pleased to sponsor opportunities throughout the year that give you a chance to renew friendships, network, and learn about activities at the College. Consider becoming a member and taking part in such events as the Homecoming Tent Party and the Annual Spring Luncheon.

Other events are promoted on the alumni and external affairs website at [www.cba.uiuc.edu/alumni](http://www.cba.uiuc.edu/alumni).

CAA also touches the lives of current students by sponsoring finals-week snacks, providing the diploma covers, encouraging classroom guest speakers, and other activities. New graduates are invited to become involved through the activities of the Young Alumni Committee.

The College's alumni website gives details about upcoming events, networking opportunities, and chances for you to become involved. By joining the University of Illinois Alumni Association (use the form at the bottom of this page), you automatically become a member of CAA. Membership offers you a lifelong connection to the University and College. The cost is small but the payback is enormous!

Bruce Boruszak  
President, Commerce Alumni Association

You'll find the online application at the University of Illinois Alumni web site at [www.uiaaa.org](http://www.uiaaa.org). Click on Become a Member at the top of the page.

**Welcome to the University of Illinois Alumni Association.**

Your membership is helping build an even greater University alumni network. We hope you will become involved in the Association's many activities and take advantage of the growing number of exclusive member benefits.

*Loren R. Taylor*  
**Loren R. Taylor**  
President and CEO

Please clip and mail this application with your check or credit card authorization to:  
University of Illinois Alumni Association  
1401 W. Green St., Suite 227  
Urbana, Illinois 61801

**UNIVERSITY OF ILLINOIS ALUMNI ASSOCIATION**

**MEMBERSHIP APPLICATION**

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**PERSONAL INFORMATION**

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 Degree/Year \_\_\_\_\_ Social Security Number \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, Zip \_\_\_\_\_  
 Home Phone \_\_\_\_\_ Fax Number \_\_\_\_\_

**SELECT YOUR MEMBERSHIP OPTION AND PAYMENT METHOD**

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| <p><b>Annual Membership</b></p> <p><input type="checkbox"/> Single \$45                      <input type="checkbox"/> Joint* \$60</p> <p><input type="checkbox"/> Single, Recent Grad** \$30      <input type="checkbox"/> Joint, Recent Grad** \$40</p> <p><input type="checkbox"/> Single, Senior Alumni*** \$30    <input type="checkbox"/> Joint, Senior Alumni*** \$40</p> <p><b>Life Membership</b></p> <p><input type="checkbox"/> Single \$750                      <input type="checkbox"/> Joint* \$1,000</p> <p><input type="checkbox"/> Single, Senior Alumni*** \$375    <input type="checkbox"/> Joint, Senior Alumni*** \$500</p> <p><input type="checkbox"/> Check here if you would like information on other payment plans.</p> | <p><b>Method of Payment</b></p> <p><input type="checkbox"/> Check: Please make your check payable to the University of Illinois Alumni Association.</p> <p><input type="checkbox"/> Credit Card: Please charge my:<br/> <input type="checkbox"/> MasterCard   <input type="checkbox"/> VISA   <input type="checkbox"/> American Express   <input type="checkbox"/> Discover</p> <p>Card Number _____<br/>             Expiration Date _____<br/>             Signature _____</p> <p><small>Membership dues include \$12 per year for a subscription to <i>Illinois Alumni</i> magazine.</small></p> |
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**JOINT MEMBER INFORMATION**

If you have selected a joint membership, please provide the following for the joint member:  
 Joint Member Name \_\_\_\_\_  
 Social Security Number \_\_\_\_\_ University of Illinois graduate?    No    Yes  
 Relationship to Member (optional) \_\_\_\_\_  
 Name on Diploma (if different from above) \_\_\_\_\_

\* Joint members are two persons living at the same address who receive one copy of each issue of the alumni magazine and Alumni Association, college and department mailings.  
 \*\* Currently enrolled as a University of Illinois student or earned a University of Illinois degree within the past three years.  
 \*\*\* Must be age 65 or older or have graduated from the University of Illinois 40 or more years ago. In the case of joint memberships, one of the joint members must meet this criteria.

UD10



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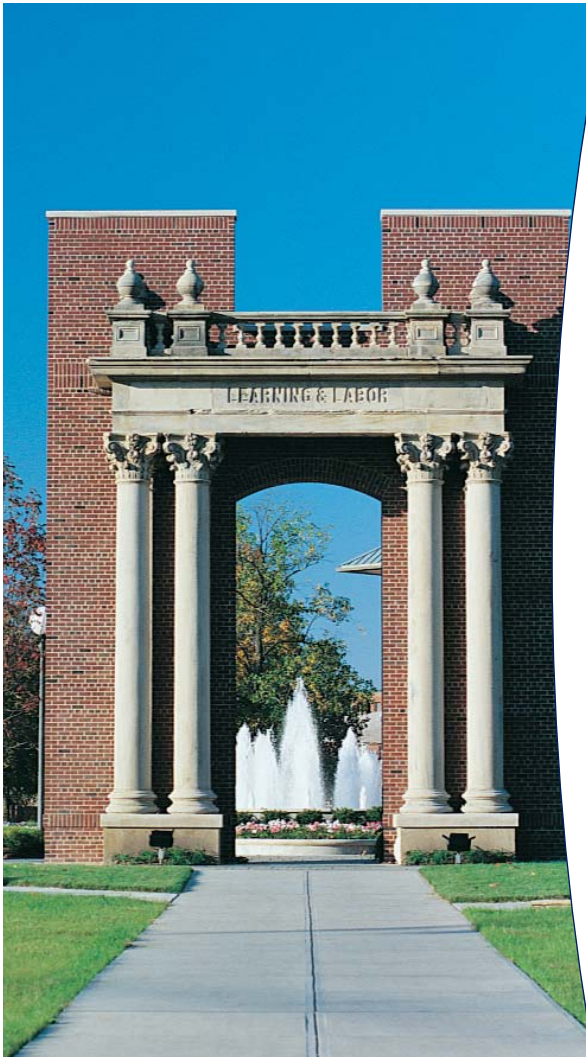
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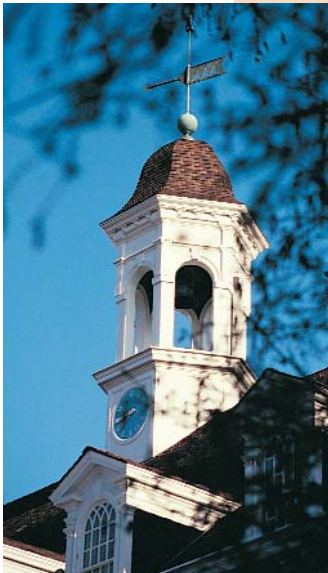
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**Finance**  
[www.cba.uiuc.edu/finance/phd.htm](http://www.cba.uiuc.edu/finance/phd.htm)

# coming events



## 2003

### January

21 Spring semester begins

### February

4-5 Winter Career Fair, *Business Career Services*, (217) 333-2840

25 Round Table in Chicago: Terrorism Insurance,  
*Development and Alumni Affairs*, (217) 333-6446

### March

13 David Kinley Lecture, Edward Prescott, University of Minnesota,  
*Economics*, (217) 333-0120

22 Spring break begins

31 Classes resume

### April

4 Spring Luncheon in Chicago, *Alumni and External Affairs*, (217) 244-6669

10 David Kinley Lecture, Elhana Helpman, Harvard University, *Economics*, (217) 333-0120

27 Awards Banquet *Alumni and External Affairs*, (217) 244-6669

### May

17 College Convocation, *Undergraduate Affairs*, (217) 333-2740

18 Campus Commencement

20 Round Table in Chicago: Dean's Update,  
*Development and Alumni Affairs*, (217) 333-6446

All events subject to change. Please call the contact number for time and any registration requirements.

## Perspectives

University of Illinois  
College of Commerce and Business Administration  
260 Wohlers Hall  
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