

PAMPLIN

Fall
2008

COLLEGE OF BUSINESS

Building
a mortgage industry
— from scratch
IN RUSSIA

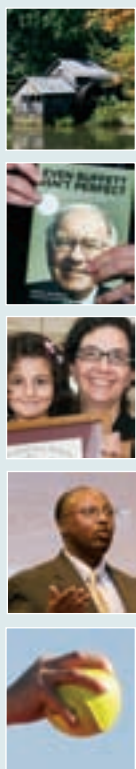
Pamplin alumnus
and director
of Aurora Russia
James Cook



Look Who's TALKING

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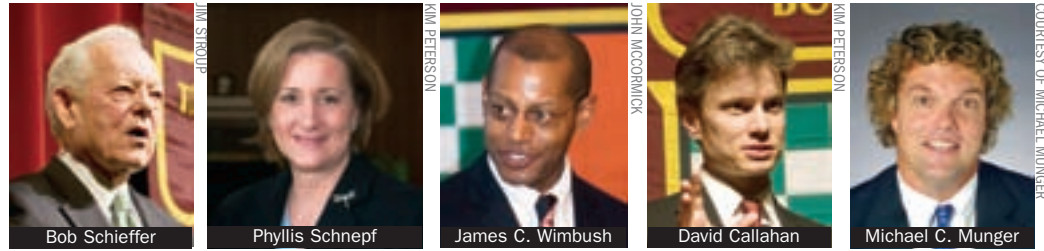
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Virginia Tech's nationally ranked Pamplin College of Business offers undergraduate and graduate programs in accounting and information systems, business information technology, economics, finance, hospitality and tourism management, management, and marketing. The college emphasizes the development of ethical values and leadership, technology, and international business skills. Its centers focus on business leadership, business diversity, e-commerce, forest industries, organizational performance, and services innovation. The college is committed to serving business and society through the expertise of its faculty, alumni, and students. It is named in honor of Robert B. Pamplin (BAD '33), the former CEO of Georgia-Pacific, and his son, businessman and philanthropist Robert B. Pamplin Jr. (BAD '64).

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Veteran CBS newsman and “Face the Nation” host Bob Schieffer gave the Cutchins Distinguished Lecture last spring. In his talk, “Washington and the World,” Schieffer discussed questions he is frequently asked — for example, which politician impressed him most and his biggest scoop — and entertained the audience with vignettes about the politicians and presidents he has covered, as well as his fellow journalists.

Politics has become a “professional sport,” run by consultants, Schieffer said. “The emphasis now is so much on fundraising.” Describing lessons he has learned, he said, “You can’t impose democracy from outside. America works best when it works with others; it has not been so easy when we go it alone.

“Our real strength lies not in our weapons, but in our American values. America can have most influence when it leads by example, and when we practice what we preach.”

The Cutchins Distinguished Lecture is sponsored by the Virginia Tech Corps of Cadets Rice Center for Leader Development and the Pamplin College of Business and is also held in celebration of

Founders Day.

The college also hosted other speakers last spring. Wachovia Distinguished Lecture: Phyllis Schnepf (M.S./HTM '82), associate dean at Mount Sinai School of Medicine, discussed healthcare as a career, while James C. Wimbush, dean of the graduate school and professor of business administration at Indiana University (M.S./MGT '88, Ph.D./MGT '91), discussed studies in workforce enhancement.

The lecture series is made possible by a grant from Wachovia Bank.

Conference on Business Ethics: Author David Callahan gave a lecture based on his book, *The Cheating Culture: Why More Americans Are Doing Wrong to Get Ahead*. The conference, in its 18th year, is organized annually by the Business Leadership Center in the Department of Management.

BB&T Distinguished Lecture Series on Capitalism: Duke University political science professor Michael C. Munger gave a talk, “The Justice of Exchange.” The series is part of a program exploring the foundations of capitalism and freedom that was established last year in the finance department with a \$1 million gift from BB&T Charitable Foundation.

WANTED: BIT MAJORS

Demand for business information technology (BIT) graduates is strong amid a shortage of graduates in the field, but enrollments in the major at Pamplin continue to be low.

BIT head Bernard Taylor said the persisting low enrollments, despite various publicity measures by his department, including local and national media stories, are “a real mystery.”

Taylor said BIT enrollments nationwide have dropped steadily since the dot-com crash in 2002 — at Pamplin, from more than 800 in 2001 at the height of the dot-com boom to fewer than 300 currently. Meanwhile, demand among employers for graduates with BIT skills has rebounded.

The major continues to be among the top 10 majors sought by companies recruiting at Virginia Tech. New graduates, he said, average more than \$52,000 in starting salary (the sixth highest average starting salary in the university and the highest non-

engineering starting salary).

“One reason for the anomaly may be a persisting false impression among students that the field offers limited prospects, given the trend towards overseas outsourcing,” Taylor said. “It’s true that programming jobs have moved offshore, but there are numerous other IT jobs that require a higher level of IT skills and business knowledge and a higher level of interaction with the customer.”



September's Business Horizons Career Fair, attracted 160 employers, 63 of whom were first-time participants.

GETTING READY FOR IFRS

Pamplin is one of two schools selected to partner with audit and consulting firm Deloitte to develop college accounting curricula on the International Financial Reporting Standards (IFRS).

IFRS is being used in more than 100 countries and about 40 percent of Fortune Global 500 companies, said Sam Hicks, an accounting and information systems associate professor who is coordinating the initiative in the college. "With the Securities and Exchange Commission's 'Roadmap' allowing some U.S. multinationals to start using IFRS in 2009, the speedy integration of IFRS into accounting curricula is an important challenge for business schools," he said.

With an \$81,000 grant from Deloitte, Hicks is working with a team of faculty members and graduate students to prepare teaching materials aimed at helping professors to incorporate in their courses the differences between IFRS and U.S. accounting rules for financial reporting, known as U.S. GAAP (Generally Accepted Accounting Principles).

The materials being developed include summaries of the major differences between IFRS and U.S. GAAP and the problems of transition, exam questions for faculty use, and cases and exercises for student use.

Ph.D. students Rebecca Fay and Jennifer Edmonds, who

are specializing in auditing, are writing most of the materials, he said. ACIS faculty members John Brozovsky and Patty Lobingier are reviewing and testing the materials. The finished product, Hicks said, were presented at the annual meeting of the American Accounting Association in August and made available to all accounting professors through the AAA's Web site.

D.J. Gannon, partner and leader of Deloitte's IFRS Center of Excellence in the U.S., said that existing curriculum materials have "scant amounts of IFRS content."

Textbooks, he said, "normally publish on a three- to four-year cycle. And faculty are pressed for time to create meaningful course materials that will help students understand IFRS and U.S. GAAP."

At Deloitte, Gannon said, "we recognize our responsibility to step forward and help academia educate and prepare tomorrow's accounting professionals to apply this new language of accounting and financial reporting." Deloitte will also contribute case studies for use in the classroom and the expertise of its professionals as guest lecturers on campus.

Ohio State University is also developing IFRS materials with assistance from Deloitte, which anticipates working with additional institutions through its newly formed International Financial Reporting Standards University Consortium.



BOONIE GILBERT

About 100 alumni attended the eighth annual "Hokies on Wall Street" reception the college hosted on April 1 at the Yale Club in Manhattan. It started out as an event for Hokies working on Wall Street but now includes other fields such as accounting, real estate, marketing, publishing, and fashion.

WALL ST. HOKIES

First VT undergrad courses in N. Virginia

Undergraduates took courses for the first time at Virginia Tech's Northern Virginia Center last summer. Management professor Michael Badawy taught the two courses that were offered: Management Theory and Leadership Practice, and Business Policy and Strategy.

Undergraduate courses, he said, were introduced there to accommodate students interested in going to school while spending the summer at home with their families in the Washington, D.C. area, as well as gauge and generate student interest in the new initiative. The center has previously offered only graduate programs.

Badawy had previously taught only MBA students and said he had felt "a bit anxious" about teaching undergraduates, but the classes were better than expected. "What surprised me most was the students' keen interest in learning. No one missed any classes, and assigned presentations were done very professionally. They even made it a point to take a class photo." His teaching experience, he said, "was exceptional."

Badawy was among 15 Tech faculty members, at the Blacksburg and Northern Virginia campuses, who received grants to support summer teaching.

NEW MBA STUDENTS

First-year MBA students tackled a series of outdoor problem-solving and team-building exercises during the traditional Quest orientation at the start of fall semester. The challenges included neutralizing a "radio-active isotope," moving through a "giant spider web" without touching it, and building a bridge to cross a "piranha-infested swamp."

The aim of the exercises is to enable students to "get to know one another in a fun and supportive atmosphere and to promote creative team-building and problem-solving skills," said Barry O'Donnell, MBA associate director.

Students learn about trusting their teammates and confronting others and accepting criticism in positive ways, he said. These issues are further explored in discussions following the exercises.

This year's incoming full-time class comprises 65 students, 29 percent of whom are female and 54 percent of whom are from other countries. The students' average age is about 26 years. About 80 percent of them have at least one year of work

experience.

Meanwhile, the professional MBA program drew 35 students, in spite of increased competition and the impact of a weaker economy, Skripak said. "Many prospects indicated that their companies had cut back on tuition benefits, and concern over job security caused some applicants to defer." The average work experience of the class is just under 8

years; 26 percent of the students are women.

The executive MBA program recruited 21 students for its ninth class, the Dominion Cohort. The students average more than 12 years of work experience; 23 percent are female.

The class meets in Tech's Northern Virginia Center, but

spent its orientation in Blacksburg.

Executive director Charles Jacobina gave a program overview, while management professor Steve Markham led a leadership session. In a team-building exercise given by management associate professor Wanda Smith, the student-teams were asked to design, construct, and program a robot made with LEGOs.



JIM STRIPE

SUSTAINABLE TOURISM

JOHN MCCORMICK



Above right: Nancy McGehee and John McGee review a survey of the Rocky Knob area of the Blue Ridge Parkway. Above left: A community workshop collected ideas and preferences for tourism promotion.

Strategizing how to boost tourism while sustaining what is unique

A Virginia Tech research team from the Pamplin College of Business and the College of Natural Resources has received a \$266,000 grant from the National Park Service and Blue Ridge Heritage Inc. to help develop a sustainable tourism strategy for the Rocky Knob area of the Blue Ridge Parkway.

The lead members of the team, which will collaborate with researchers from Clemson University, are Nancy McGehee, associate professor of hospitality and tourism management, and John McGee, assistant professor of forestry and geospatial extension specialist. McGehee's expertise is in rural tourism development, particularly entrepreneurship and community capacity building. McGee is an expert in the use of global positioning systems, geographic information systems, and other geospatial products and services for government and business planning.

The project's goal is to develop a strategy for the area that will attract new tourists and better engage the area's regular visitors "so that they more fully experience the area and make a greater economic impact, while still sustaining what is unique and special about the region," McGehee said.

"What tourism assets — facilities, attractions, and experiences — currently exist? How are they being used by visitors in a sustainable manner? What are visitors willing to travel for and spend money on? How can the assets be marketed, modified, or developed to attract new visitors, and who might these new visitors be? These are the key questions we seek to answer," McGehee said.

Located near the intersection of the parkway with Virginia

Route 8, the Rocky Knob area covers more than 4,000 acres. The area includes Mabry Mill and Rock Castle Gorge, a visitors' center, campground and cabins, and four hiking trails.

Work on the project, McGehee said, will be stakeholder-driven, particularly by Blue Ridge Heritage Inc., a recently formed nonprofit organization that seeks to boost economic development in Floyd and Patrick counties. The grant, obtained with the assistance of Congressman Rick Boucher, will provide support for the principal researchers' work, their undergraduate and graduate assistants, as well as equipment, transportation, and other needs of the field-based research.

The 18-month project will be conducted in three phases, with work in each successive phase building on the findings of the previous stage, McGehee said. The work will include an inventory of tourism assets; a variety of surveys, including one on-site survey that will involve the use of GPS dataloggers; regular consultations and workshops with local community members and key community tourism experts; and the production of several reports, maps, and data tables that will be presented to Blue Ridge Heritage Inc., the National Park Service, and other project stakeholders.

The researchers conducted two community workshops in Floyd and Stuart, Va., to collect local ideas and community preferences for tourism promotion in the area.

The project, McGehee said, will result in "specific recommendations and plans for tourism marketing with a sustainable economic development centerpiece that will enhance the quality of life in the region."



Top: Mabry Mill
Bottom: A community workshop

HASN'T XBRL CAUGHT ON?

Despite its many benefits, firms have not scrambled to adopt XBRL. Accounting and information systems associate professor Steve Sheetz is doing research to learn why.

XBRL, which stands for eXtensible Business Reporting Language, is part of a group of information systems languages used for communicating information between businesses and on the Internet. "It has been touted by the Securities and Exchange Commission and the Financial Accounting Standards Board as well as accounting and consulting firms as a means to significantly improve the process of financial reporting, auditing, and securities analysis, while reducing their costs," he says.

Improvements and cost reductions, Sheetz says, come as time savings from re-keying data, the ability to analyze data more efficiently and thoroughly, and greater accuracy of the downloaded data.

"Adopting standards for electronic communication of accounting information is a critical issue for accounting firms and the companies they service," he says, yet, "currently, only 74 companies have voluntarily filed XBRL-formatted reports with the SEC."

With a \$48,000 grant from PricewaterhouseCoopers, Sheetz and two colleagues from the College of Charleston, are investigating the factors behind a firm's decision to adopt XBRL. Identifying these factors will help explain the limited adoption and suggest possible actions for regulators, audit firms, and investors to encourage adoption of this technology.

The team will develop and test a research model including external pressure, organizational, and innovation related factors that explain an organization's decision to adopt XBRL. The model is based on two streams of prior research

on adoption of complex information systems innovations and information technology standards, Sheetz says. "There's a long tradition of research addressing use of innovations and standards ranging from spreadsheets to systems development methodologies."

The factors explaining XBRL adoption will fall into three categories, he says: environmental, organizational, and innovation. "Environmental factors — such as government, competitive, and trading partner influences — capture those aspects of the wider arena in which the organization

operates." Organizational factors refer to the managerial and personnel resources, the firm's existing technical infrastructure, and the financial resources it has available that may facilitate adoption. One expected factor of significance here is the presence of an XBRL champion within the organization, Sheetz says. Innovation factors, he says, would be the characteristics of the technology — such as its complexity

— that may affect adoption decisions.

The researchers will collect data for a one-year study via an online survey of potential XBRL adopters. "We expect that our research will benefit accounting and information systems practitioners and academics, including those who teach courses with XBRL assignments and activities."

Furthermore, Sheetz notes that theoretical insights from the project — about the characteristics of the innovation, the dimensions of the environment, and the capabilities of the organization — may apply well beyond the context of XBRL. "For example, the adoption of comprehensive standards for electronic health records remains elusive despite more than a decade of work," he says. "We expect that what we learn about using XBRL for accounting transactions may be relevant for the adoption of standards in other domains."



JOHN MCCORMICK

Steve Sheetz

Only 74 companies have chosen to file XBRL-formatted reports with the SEC. Pamplin's Steve Sheetz wants to identify the factors behind this lack of acceptance.

FROM SCRATCH BUILDING MORTGAGE

Pamplin alumnus James Cook has been in on the ground floor of Russian finance.

Moscow's media have hailed him as the Father of Mortgage Lending in Russia. James Cook (FIN '87) helped start the country's first mortgage bank, led an initiative at another bank to offer the first instant credit cards in Russia, and launched his own company after wooing potential investors in London with a 12-page PowerPoint presentation.

The mortgage bank, DeltaCredit, became the top mortgage bank in Russia; in 2005, French bank Société Générale acquired it for \$100 million. The second bank, Cook says, became the biggest issuer of VISA credit cards in Russia in its first six months. A year later, GE Consumer Finance bought it, also for \$100 million. As for Cook's own company, Aurora Russia, it began after an initial public offering on the London Stock Exchange in March 2006 raised 75 million pounds (about \$150 million).

Cook is now in his 15th year of living and working in Moscow, eight time zones away from Richmond, Va., where he grew up. As he tells it, his success has been hard won, and while entrepreneurial talent and an adventurous spirit were instrumental, he also chalks it up to the experiences and lessons of the many jobs he held over the years. "In retrospect, those moments of feeling disappointed, bored, or frustrated that my career was moving a little too slow turned out to be the necessary steps I needed to take in order to be prepared for what was later to come. Now that I look back, I'm grateful for those struggles."

Long before he raised a ruble, Cook knew he wanted a career in banking. While studying finance at Pamplin, he began working at the Virginia Tech Credit Union — banking experience he desired so much that he volunteered to work for free. There, he developed and executed a marketing plan for a direct mail campaign that brought in 9,000 students, he recalls, as new customers.

After graduating, Cook worked briefly as a customer service representative and loan officer at Investors Savings Bank in Richmond — "it was a new bank and it taught me a lot about how to grow a business from scratch" — before joining the Virginia Housing Development Authority in 1988. His job as a compliance officer, auditing banks and mortgage companies working with the agency, taught him about the mortgage industry, he says, and, though he had no inkling then, prepared him for his move to Russia.

Taking a long shot

"By 1994, I was 30 years old and ready for the next challenge." Spying an ad for experts to help reform the housing industry in Russia, Cook sent in his vita, not expecting to hear back. Within weeks, he was interviewing at the Urban Institute, the public-policy think tank, and soon afterward on the plane to Moscow.

"The first week was a shock, because there was not much infrastructure — very few restaurants or cafés, grocery stores, or even anything to buy. You would go into a pharmacy and they would be selling car tires, or you would walk into a bank, and they would be selling frozen chicken parts. You had to be very careful crossing the road at night — drivers didn't always use their headlights, because they wanted to save on replacing them. Moscow was a very dark and gray city."

It was just after the coup against Yeltsin, he recalls. "All the expatriates at the time kept an open-ended airline ticket in case they needed to get (Continued on p. 8)

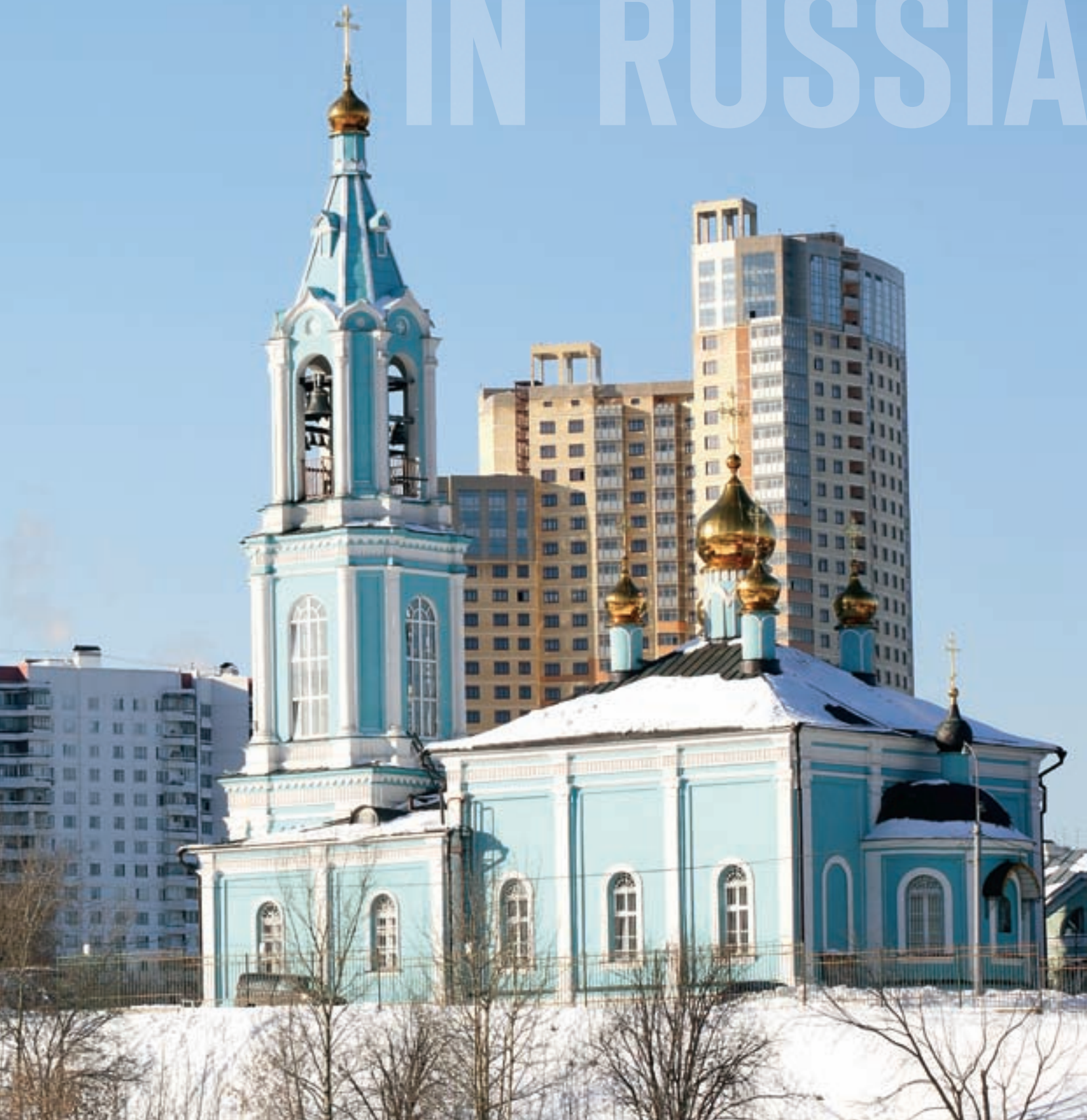


Pamplin alumnus James Cook

COURTESY OF AURORA RUSSIA

& CREDIT INDUSTRIES

IN RUSSIA



(Continued from p. 6) out. Russia was still struggling, and no one knew whether it would go forward or turn back to Communism.”

He counts his experiences that first year among his favorite memories. “While it was a struggle every day even to find your next meal, it was also a time of possibility. You knew that you were part of history in the making. It’s not too often in life that you can be part of something like that.”

At the Urban Institute, Cook got down to work to help establish Russia’s mortgage market. “It meant deciding on the best framework for the industry, setting up the laws, and then convincing both Russian bankers and policy makers.” It was clear early on, he says, that though the U.S. and European models could be borrowed from, they could not be transplanted wholesale. He traversed the country, educating bankers and government

officials about the novel concept of mortgage lending. “In the beginning, people were skeptical. The thought of paying back a loan over a number of years, even up to 30 years, was unbelievable. For Russians, long term was this year, because no one had any idea what was going to happen from one moment to the next.”

Opportunity in the financial crisis

By 1996, the first mortgages were beginning to be made, Cook says, but Russian banks still lacked the long-term funding needed for growth. That year, he was recruited by Delta Capital Management, which managed a private equity fund that had received a \$440-million grant from the U.S. government to promote private enterprise in Russia. He was promoted to

ИПОТЕКА = Mortgage

James Cook describes what it was like to establish a finance industry from scratch

Father of Mortgage Lending

Russian journalists nicknamed me this 10 years ago for pushing the mortgage market forward. In reality, it was a team effort, involving many dedicated people. Starting the first mortgage bank in Russia showed the concept could work, with a very attractive return on the investment.

Ex-KGB

Everyone used to ask me: how do you check creditworthiness when you don’t have a credit bureau? When the Soviet Union broke up, many of the former members of the KGB went into the banking sector and worked for the security departments of banks. So, we were able to get a lot of interesting information, not only about applicants’ credit history, but also their reputation, whether they borrowed money from friends and never paid back, and so forth. We had very few defaults!

The customer is always right, nyet?

Although we advertised in print media and on radio, we found that word of mouth was the most powerful tool. Our premise, “the customer is always right,” really caught on — the attitude in Russia was that the customer is wrong until you convince me otherwise, and even then, I won’t admit it!

Good customer service can give a company a significant advantage in Russia, because so many other firms here have such poor customer service.

More Russians have traveled abroad and are demanding better service because they have experienced it in other countries. Even my

Eager to lend

Banks are more comfortable with lending and are more eager to do so than even five years ago. Banks now realize that mortgage customers are good long-term clients. Defaults are fairly rare; Russians have waited so many years for a new place, the last thing they will do is not make a payment. Terms are up to 40 years with some banks; downpayments still average 20 percent. Interest rates run 10-18 percent.

In Russian, please

In the beginning, there was no word for mortgage other than “long-term credit.” The literal translation of mortgage came from German roots and meant “obligation until death.” We decided that the Greek word for mortgage — ipoteka — sounded better and less intimidating.

Funny sells

At the time, most banks were advertising that they were strong and serious. But I noticed that Russians have a great sense of humor. Since we were starting out small, we needed to do something to get noticed. So we launched a campaign with a cartoon character who was always getting into mishaps. It was a huge success. Through humor, we were able to break down some of the fear factor in taking a loan. We became a friendly place where people could come and get a loan.

U.K. colleagues often say how much they like going to the United States on vacation because the customer service is so amazing.

At KreditMart, we call customers after the sale and ask about their experience. We try to hire people who exude positive energy, who smile, who can relate to customers.

We greet customers when they come in and motivate our people to think of ways to make things happen rather than coming up with a dozen reasons not to do something. I even do my own “mystery shopping” to make sure that everything is going according to plan. It’s the details that matter.

State of the industry

By 2007, the mortgage industry was \$25 billion, which is still less than 2 percent of Russia’s GDP. But it’s more than doubling year upon year; there’s still explosive growth ahead. A recent survey stated that over 90 percent of Russians want to change their housing condition. More people will be able to do this with the help of a mortgage.



James Cook is a third-generation Virginia Tech graduate. “My father gave me three choices: VPI, Virginia Polytechnic Institute & State University, or Virginia Tech!”

COURTESY OF AURORA RUSSIA

head up the firm's financial services strategy in 1998 — just before Russia's financial crisis. Banks that had borrowed from Delta Capital were among the many bank failures, but the firm's own losses were relatively minor. Cook, seeing opportunity in the crisis, began work on establishing Delta-Credit, which would eventually become Russia's top mortgage bank.

His success with another of the firm's investments, DeltaBank, originated in a credit card embossing machine he discovered in its basement after being assigned to look into the struggling bank. Learning that the bank was issuing only three cards a week, Cook saw another untapped opportunity for consumer lending and assembled a comprehensive business plan to make credit cards more widely available.

"The consumer finance market in Russia had been slow to develop, because most banks had repayment periods of 30-60 days — they were afraid that customers would never pay them back the full balance. Revolving credit-card lines didn't exist because the Central Bank couldn't understand what the final term should be."

Convinced that credit cards were the next big thing in consumer finance in Russia, Cook searched for an appropriate distribution vehicle. "At the time, IKEA was the largest retailer in Russia. They had a client base with the demographics we were seeking: college educated, middle class, and about 60 percent women. We later found that women were better at repaying their debt than men in Russia and also would spend more money at IKEA."

In 2002, DeltaBank began offering instant credit cards through in-store kiosks at IKEA, a tactic that the bank later replicated in other retailers across the country. As with mortgages, the challenges of introducing credit cards to Russians were considerable, and skeptics were plentiful: One of Cook's Russian colleagues believed that "Russians would only buy vodka with them." Banks were worried about repayment, "so they kept the term of the loan as short as possible," he said.

Another challenge was getting new customers to use the card more than once. "What customers did at first, after receiving the card, was to go to the ATM machine and withdraw the limit. Then they would go to the cash register and pay cash and throw away the card! We realized that we needed to explain to customers that they could use the card more than once and that we wanted them to keep charging!"

The gamble paid off. When GE Consumer Finance bought DeltaBank in 2004 (for more than four times its book value), it inspired a wave of acquisitions of local companies by multinational firms seeking to enter the Russian financial services market. Cook became chairman and CEO of DeltaBank and spent the next two years expanding GE's presence in Russia.

"Father of Mortgage Lending" rejected for loan

Cook's decision to start his own investment company came about after his own mortgage application, for an apartment in Moscow, was rejected by the bank he had an account with. Its policy was to limit its customers to one loan at a time, and he already had an outstanding loan. Cook eventually received the mortgage loan, but the incident touched a business nerve. He and a business partner formed Aurora Russia to invest in small and mid-size companies in the financial and consumer services sectors. One of its first investments was in a mortgage distributor that Cook also started.

With barriers to foreign investment and nationalistic sentiments on the rise around the world, was he concerned about the possible impact on his business of Russia's recently created \$32-billion sovereign wealth fund? "I don't think any of the companies we invest in would be nationalized. Aurora invests only in private companies in new sectors of the economy — never in

natural resources," Cook says. "It's too political."

Russians, he notes, are indeed feeling a greater pride in their country. "They should. They have a long and rich history." The new generation has never experienced Communism; these young Russians are not unlike young people in any Western country: "they go to the mall, watch MTV, and have the same dreams and hopes."

Asked how he reassures investors about the political climate in Russia, Cook says that while political stability "is not perfect yet, it's well on its way. It takes time, but I have no doubt that Russia will become more and more open. Putin has done some great things for the country by introducing a flat income tax of 13 percent and reducing the barriers for small businesses to get started. He has also sought to cut down on corruption. Medvedev (the current president) is expected to carry on this agenda and has spoken about creating an independent judiciary and more freedom of the press."

Though Russia's less developed economic and financial infrastructure has presented challenges to doing business, it has also brought quick and

It was clear early on that though the U.S. and European models could be borrowed from, they could not be transplanted wholesale

considerable rewards. "In more developed markets, it can take years to see your results. But here, you can make extraordinary changes and see the impact right away," he says. "It's also a chance to create industries and to push the envelope on how people look at business." But, as he advises newcomers, "you have to be a bulldozer, because you will constantly find roadblocks to new ideas."

Starting from a position of mistrust

Relationships also seem more prevalent in business there. "Russians start from a position of not trusting you. Therefore, you have to build trust and build a reputation, which takes several years. But once a Russian trusts you, it's for life."

He learned Russian after he arrived, hiring a tutor to teach him the basics and then continuing to learn on his own. "It helped that I had a lot of friends who spoke only Russian and were patient enough with me while I learned the language."

Life in Russia today, he marvels, is completely different than what it was 15 years ago. "The country's newfound wealth from natural resources has resulted in luxury stores, some of the best restaurants in Europe, and an emerging middle class eager to purchase consumer goods."

While his primary residence is in Moscow, Cook also spends time in St. Petersburg and Paris, where he has apartments. He returns to the United States about once a year and still considers Richmond home. "I often miss the spring in Virginia. It's truly magical, but I don't miss the summer heat!"

Of his Pamplin education, he says: "More than anything, it taught me how to think and how to solve issues. I was never the smartest person in the class, but maybe I was clever and willing to think outside the box. I think this is what you need to succeed ultimately — that is, understand your limits and find the resources to help you accomplish the task before you."

He would certainly encourage Pamplin students or alumni to explore business or career opportunities abroad. "Any of the BRIC countries — Brazil, Russia, India, and China — offer great opportunities to anyone with an entrepreneurial spirit. The key is to have a sense of humor and to not let obstacles get in your way."



“While there is complexity in this business,” says Kimberly McGovern-Shanahan, “the executive search process is pretty straightforward: understand the business and need; develop a position specification and search ‘map,’ or strategy; identify and call target candidates and sources; assess interested candidates; negotiate compensation; and help ‘close’ the candidates.”

THE BEST CORPORATE STRATEGY WON'T MATTER WITHOUT STRONG LEADERSHIP

Executive search consultant Kimberly McGovern-Shanahan (FIN '93) knows well the intensity of the “war for talent” at the upper management ranks. A client company of hers thought one executive so desirable that it agreed to transport her Arabian horses from one state to another.

“It ended up costing an enormous amount of money — certainly well above the company’s typical relocation policy!” according to Shanahan, a senior client partner at Korn/Ferry International.

Executive recruitment is very different from recruiting at less senior levels, says Shanahan, who joined the executive search and talent management firm — the world’s largest — in 2006, after a career that included jobs in finance, marketing, human resources, and executive search. “I spend time educating executives about this industry, as it can be a mystery to many. There are differences among the firms — ‘Big Four’ versus boutique, or retainer versus contingency, for example.”

Her clients are often boards of directors, chief executive officers, or their direct reports. “Our job is to understand their business — including the industry and its trends, competitors, opportunities, and challenges — as well as the dynamics of the various senior management functions and their markets.”

Shanahan never imagined executive search as a career. She didn’t even know the business existed, she says, until she met a CEO turned executive search partner in one of the

major firms and learned that the career offered many of the aspects of management consulting that she enjoyed. In 1999, she joined executive search firm Heidrick & Struggles. She worked there for five years before moving to MCI to build and run the executive recruiting function.

Corporate strategy & business development

Transitioning into corporate strategy and business development, she directed MCI's next-generation wireless broadband business, a job she liked considerably. "I have always been interested in companies where technology is core to their businesses. I like the pace of the wireless and semiconductor industries; the impact that these two sectors have had on consumers and businesses has been incredible."

The technology industry is, aptly, one of Shanahan's focus areas at Korn/Ferry. When she undertakes a search, she first spends time with the executive team to understand the client's needs. Using her experience and knowledge, she helps the client company "crystallize" its thinking about the type of executive it needs, in terms of experience, style, competencies, and future potential. The result, she says, is sometimes different from what the client originally had in mind.

Responsibility to candidates

"While we represent companies, we also have a responsibility to the candidates. The people we recruit wouldn't consider responding to an advertisement, so it is our job to know who they are, when it makes sense to call, and why. Conversations at this level are not centered on compensation or title — they focus on the business, the need, and the reasons we believe it may make sense for the individuals to consider taking a look. We also have to be convincing, as these executives are typically at the top of their game and not looking to leave where they are. This is not selling but more like presenting various aspects of a multi-dimensional business case."

Once the executives indicate an interest, Shanahan devotes a significant amount of time interviewing the candidates in person to determine whether they are the right fit for the client. "We make our recommendations to our clients who then start their interview process. We conduct reference checks and help negotiate the final compensation package."

The skills she relies on most are her business acumen, analytical ability, relationship and negotiation skills, empathy, and perseverance, Shanahan

says. "My Pamplin education gave me a tremendous foundation in business. I still use many of the things I learned — from financial statements to case studies to financial modeling. My overall Virginia Tech experience and strong supporters along the way gave me the confidence to try new things. There is also a strong alumni network and passion for Virginia Tech that carries through in business."

The best part of her job, Shanahan says, is "watching how my placements impact the business. They can have a multiplier effect — on their staff, peers, shareholders, family, customers, and strategic partners." Her interviewees, who have included executives who "have spent years successfully turning around multi-billion-dollar businesses or inventing a technology that is 50 times smaller than anything like it in the market," are also a source of inspiration. "I thoroughly enjoy hearing how people have gotten to where they are in their careers. Much of the time, executives have overcome significant personal and professional obstacles."

To those aspiring to a career with a major executive search firm, Shanahan advises building a strong foundation in business, including gaining job experiences that would bolster one's credibility with boards and CEOs of multi-billion-dollar, publicly traded companies. "Many times, it takes several years of work experience before you can join one of these executive search companies in an entry-level position. Then, you will likely spend many years working your way up from research to candidate development to search execution to business development and client management."

For Shanahan, executive recruiting has proven to be an "intellectually stimulating, challenging, and rewarding" career that has also given her some "personal flexibility," an important consideration, given that she and husband Patrick, an attorney with the U.S. Patent and Trademark Office, are parents of two young daughters.

The search for the best and brightest will get more challenging over the next decade, she says, as baby-boomer executives retire and people with the requisite "critical thinking skills, global expertise, and strong management experience" become even more difficult to find.

People are a key source of competitive advantage, and companies cannot afford to make bad executive leadership hires, Shanahan says. "Without a strong management team in place, the best strategy in the world won't matter."

Expecting the unexpected

People keep the job interesting, says Kimberly Shanahan, who has seen executives do "some unexpected things."

"We ask executive candidates to be themselves in interviews," says Shanahan. "But even those who are solid performers in their companies can be insufficiently experienced at being interviewed." One VP-level candidate got too personal, she recalls, "sharing details about his colorful family history and current situation."

Another candidate assured Shanahan repeatedly that relocation was not an obstacle and that his family was excited about moving. The CEO candidate went through the entire search process, including meeting with the board, only to withdraw from consideration when an offer was about to be made — he and his family decided that they could not move after all.

"Although it doesn't happen often, we have had executives insist on being flown first class, a demand that can be imprudent when the company they are going to see is in cost-control mode."

Executive search consultants learn a lot about candidates through the search process, particularly when the candidates don't think anyone is paying attention, Shanahan says. "It is interesting to watch how executive candidates treat assistants, receptionists, and associates. Some executives treat everyone with respect, while others are quite selective and respond only to title or perceived importance. Since cultural fit with a company is critical, these behaviors can affect whether we move candidates forward in the process."

Even if they are not the least bit interested in an opportunity, savvy senior executives, she says, will return calls from executive search firms and help with suggestions. "It is a good network to build, as it may be helpful as you grow in your career."

"Our job is to understand their business — including the industry and its trends, competitors, opportunities, and challenges — as well as the dynamics of the various senior management functions and their markets."

EVEN BUFFET ISN'T PERFECT

Even Buffett Isn't Perfect: What You Can — and Can't — Learn from the World's Greatest Investor, a new book by Pamplin alumnus Vahan Janjigian (MBA '82, Ph.D./FIN '85), was published in May. Janjigian, of Rye Brook, N. Y., is vice president and executive director of the Forbes Investors Advisory Institute and Forbes chief investment strategist. He is editor of the Forbes Growth Investor and Forbes Special Situation Survey newsletters and a regular contributor to Forbes magazine and Forbes.com. He has made numerous presentations on economic and investment topics, appears frequently as a guest commentator on TV and radio programs, and blogs about the economy and stock markets. His newsletters have significantly outperformed the market indexes, according to the Hulbert Financial Digest, an independent publication that tracks the performance of investment newsletters.

Janjigian's book has received rave reviews from corporate investment strategists, portfolio managers, and financial journalists, as well as individual investors. Pamplin finance professor John Pinkerton, whose research interests are in issues of capital structure, market efficiency, and investment banking, reviews it below. (Full disclosure: Pinkerton taught Janjigian and served on his dissertation committee. His review, he says, is "neither blind nor unbiased.")

"Buffett's way is not the only way, and certainly it's not the way for everyone. It is a way, however, that needs substantially more scrutiny, and Janjigian provides it."

Not just another book extolling the Oracle of Omaha

Don't expect another book extolling the incredible record of the Sage of Omaha when you begin reading Vahan Janjigian's delightful book about Warren Buffett's investment record. Buffett's record as CEO of Berkshire Hathaway speaks for itself. But, as Janjigian points out, Buffett's way is not the only way, and certainly it's not the way for everyone. It is a way, however, that needs substantially more scrutiny, and Janjigian provides it with his thoughtful and provoking examination of the Buffett record.

It is an examination of the wisdom and philosophy of the world's greatest investor compared to the latest investment research. In the process, we enjoy a valuable educational journey through current investment strategies and issues: diversification and asset allocation, value versus growth stocks, DCF analysis, long term versus short term focus, corporate governance, stock options, and, of course, taxes.

In addition to the logical organizational structure of the book's 10 chapters, I found several features of the book especially appealing. Each chapter is self-contained. Chapters begin with a brief notation of Buffett's apparent position associated with the chapter title. Janjigian then analyzes Buf-

fett's position using actual contemporary data of individual Berkshire Hathaway stocks and comparable stocks and reviews critically important investing principles. Each chapter concludes with a clear summary titled "Key Takeaways."

For example, chapter 2, "The Undervalued Buffett," begins by acknowledging the general belief that Warren Buffett is a value investor. However, when Janjigian carefully examines the data and explains Buffett's valuation methodology, we discover that Buffett is simply buying stocks whose intrinsic values are greater than their market values.

Given the book's title, many readers will want to know about the stock-picking mistakes. Chapter 6, "When Good Investments Go Bad," begins with, "I was dead wrong — Warren Buffett, 2002, 2005." An often cited example of a mistake was Berkshire Hathaway's purchase of Salomon, Inc. In the mid-80s, Salomon was considered the preeminent fixed income house on Wall Street (think *The Bonfire of the Vanities* by Tom Wolfe).

Was the purchase a great investment? No. Janjigian recounts that during the 10 years that Berkshire Hathaway owned Salomon, the company went through one crisis after another. Buffett even stepped in as CEO for a time and is generally credited with saving the once tremendously successful company. While certainly not one of Buffett's home runs, the 10-year average return on the initial investment when purchased by Travelers Group in 1997 was about 9.6 percent per year, close to the average return in the market. Buffett's other problem investments provide valuable insight into Warren



John Pinkerton, SunTrust Professor of Finance



COURTESY OF FORBES INC.

Steve Forbes and Vahan Janjigian (right) at the book launch party Forbes hosted at the company's offices.

Buffett, the investment manager. Janjigian provides excellent and informative reviews of Berkshire Hathaway ownership of General Re, NetJets, and Pier 1 Imports.

Of course, investors want to know what stocks and companies Warren Buffett owns, and chapter 5, "What Buffett Buys," will not disappoint. As Janjigian points out, Buffett is extremely careful about what he buys. He likes big companies in simple businesses with consistent earnings, little debt, and good management. Janjigian discusses the outright acquisitions of Forest River, Business Wire, Iscar Metalworking Companies, PacificCorp, and Russell Corp. He provides insight into Buffett's long attraction to the insurance industry and concludes the chapter discussing recent stock purchases and sales.

Other chapters are equally compelling. One of the best is chapter 1, "The New Diversified Buffett." Janjigian traces the historical record of Berkshire Hathaway from its early days of concentrated holdings and ownership to today's more modern, more diversified Berkshire Hathaway. Another is chapter 8, "No Options for Buffett," in which Janjigian reviews the use and abuse of options.

In summary, Janjigian's book examines the myth and reality of investment management. I recommend it for anyone interested in managing money. Even with a substantial discounting of my fondness for Vahan, this is a wonderful book.

— John Pinkerton, *SunTrust Professor of Finance*

Working with the Forbes family

"Working with the Forbes family is a blast," says Vahan Janjigian.

"They have given me a tremendous amount of latitude to pursue my interests. They supported my idea to start another newsletter, *Forbes Growth Investor*, in 2000, and they were very supportive when I signed a contract with Penguin to write my book."

In fact, the freedom is what he enjoys most about his job. "No one has ever told me what I can or can't do, what stocks I should or should not recommend, what opinions I should or should not express in my writings. When it comes to managing its employees, the Forbes family is very hands off. They believe in hiring smart people and letting them do the job."

Seven members of the family work at the company, says Janjigian — who reports directly to Tim Forbes, president and chief operating officer and brother of CEO Steve — but works most closely with their uncle, Wallace, youngest son of founder B.C. Forbes. "Although Wally just turned 80 years old, he still comes to the office every day and is very involved in all aspects of marketing and promoting my newsletters."

Janjigian joined the company in 1997, after teaching finance for 12 years, at the University of Delaware, Northeastern University, and finally at Boston College, where he was a visiting professor. He had also taught, for five months in 1992, at American University of Armenia, which, Janjigian notes, is the first U.S. university in the former Soviet Union.

"I enjoyed teaching and research, but I had a growing itch to do something more applied. I had long been an active investor and wanted to pursue investing as a career, so I sat for the Chartered Financial Analyst exams to make myself more marketable outside of academia."

A subscriber to *Forbes Special Situation Survey* (started in 1954 by Malcolm Forbes, Steve's father), Janjigian learned that the newsletter was looking for a new editor and applied. At this time, he says, Boston College offered a permanent appointment, but the opportunity to join Forbes was too good to miss.

If his career seems a bit unusual — "I know more individuals who started off in industry and then switched to academia" — so does his job. "I am not a journalist, I do not work in the editorial department, and I do not work directly for the magazine. From time to time, I am asked to write a column there. I often write opinion pieces for Forbes.com and participate as a speaker in the company's investment cruises and conferences."

His primary job, however, is to be a stock picker. "I love investing. I love paying attention to the economy and the markets." His current work is somewhat similar to his former teaching job. "I still spend a lot of time reading about the markets and researching different investment strategies. I also serve as a mentor to the equity analysts who work in my department."

Janjigian grew up in suburban Philadelphia. A runner since junior high school, he ran for a time as an undergraduate at Villanova but did his best running, he says, as a graduate student in Blacksburg. Though he still runs, his long daily commute leaves little time for serious mileage. Married to Noone Janjigian, he spends most of his spare time, he says, cheering for their three daughters at their soccer games.

LIFE AS A STOCK PICKER



Poonam Kumar



Charles Sebuharara, Shabnam Mousavi, and Dharmendra Dhakal



Shabnam Mousavi and family at graduation



Joe Scarpaci

Transforming Ph.D.s into marketing, finance professors

Pamplin's students this past summer included a veteran geography professor, a philosopher who wrote his dissertation on the pre-critical origins of Kant's arguments in the Antinomies, an educational technology specialist directing a \$500,000 government-funded project on special-ed teacher training, and an economist and guest researcher at the Max Planck Institute who also speaks Farsi, French, and Arabic.

They were among nine students in the inaugural class of an innovative program that Pamplin had developed to help alleviate the critical national shortage of business-school faculty. The college was among four U.S. business schools that launched last summer the first post-doctoral "bridge-to-business" programs approved by AACSB International (Association to Advance Collegiate Schools of Business), the accrediting organization for business schools worldwide.

The programs are designed to prepare individuals with doctorates in non-business, but related, disciplines for new careers as business faculty.

Pamplin's eight-week, on-campus program offered two tracks: finance, which enrolled six of the nine students, and marketing. Ph.D.s all (indeed, one had two doctorates), the seven men and two women in the group included natives of the Congo, Nepal, China, India, and Iran, as well as the United States. Most were faculty members at other universities in their chosen disciplines of economics, philosophy, geography, and education.

At the graduation ceremony, the graduates were lauded as leaders and pioneers by AACSB President and CEO John Fernandes, who assured them that AACSB was committed to helping them in their job search, and Virginia Tech Provost Mark McNamee, who expressed pride that the college had been selected to participate in the program and had made it a success.

Certificates of completion were presented to Robert Beach (Ph.D./ECAS '89), of Blacksburg, Va., who currently works at a

software development firm; Dharmendra Dhakal, of Franklin, Tenn., an associate professor of economics at Tennessee State University; Mohamad Fadiga, of Lubbock, Texas, a post-doctoral research associate at the Cotton Economics Research Institute at Texas Tech University; Matt Hettche (M.A./PHIL '95), of Auburn, Ala., a former faculty member of the philosophy department at Auburn; Poonam Kumar, of Midland, Mich., a professor at Saginaw Valley State University; Zhen Liu, of Buffalo, N.Y., currently a visiting assistant professor of economics at the University of Buffalo; Shabnam Mousavi (Ph.D./ECAS '02, Ph.D./STAT '06) of Jonesboro, Ga., a former researcher at the Max Planck Institute in Berlin and assistant professor at Penn State; Joe Scarpaci, of Blacksburg, Va., a geography professor at Virginia Tech; and Charles Sebuharara, of Vestal, N.Y., formerly a visiting assistant professor of finance and economics at Binghamton University-SUNY.

Mousavi is a visiting assistant professor in Georgia State University's finance department, while Sebuharara and Hettche

"The shortage of academically qualified faculty is projected to increase to 2,400 openings by 2012."



have found similar positions in Pamplin's finance and marketing departments. In addition to AACSB, which offers an online career resource center for both job seekers and employers, the college has also pledged its assistance with placement. "We offer post-sales service!" said finance professor Dilip Shome. Shome and marketing associate professor Eloise Coupey, led the development of the finance and marketing tracks.

Graduates of the bridge program are "academically quali-



Matt Hettche



Charles Sebuharara



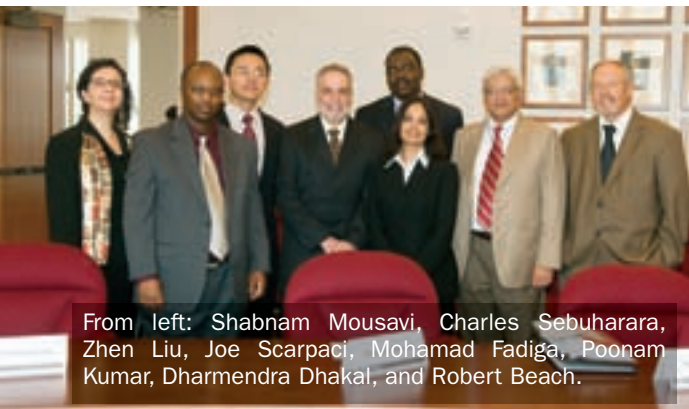
Eloise Coupey, associate professor of marketing



Dilip Shome, finance professor



AACSB President/CEO John Fernandes and Dean Sorensen



From left: Shabnam Mousavi, Charles Sebuharara, Zhen Liu, Joe Scarpaci, Mohamad Fadiga, Poonam Kumar, Dharmendra Dhakal, and Robert Beach.

fied” in their respective disciplines for a period of five years from the date of graduation, said Pamplin Dean Richard E. Sorensen. This means that they have gained sufficient additional knowledge and skills, through course work and research, to meet the initial qualifications for finance or marketing faculty, he said, but they will need to undertake appropriate scholarly activities to maintain their qualifications beyond the initial five-year period.

The inaugural program attracted 150 inquiries, said Frank M. Smith, Pamplin’s director of management and professional development, who has received more than 50 inquiries about next year.

Sorensen, who chaired AACSB’s working group on the doctoral faculty shortage, said there are currently about 1,000 job openings for Ph.D.-holding faculty at more than 400 AACSB-member schools in the United States. “The shortage of academically qualified faculty is projected to increase to 2,400 openings by 2012.”

The reasons for the faculty shortage, he said, include the 5 percent decrease in business doctorates earned worldwide. According to AACSB, 5,872 doctorates were earned in the 1995-99 period, compared with 5,611 in the 2000-05 period. Other supply-related reasons are competing employment offers from government agencies and industry; the fact that about half the doctoral graduates from U.S. institutions are foreign students, many of whom subsequently return home; and the retirements of existing faculty members. Meanwhile, on the demand side, demand for faculty has risen, driven by significant increases in business-student enrollments.

In September 2007, AACSB approved post-doctoral bridge programs at only five business schools — at Tulane University, the University of Florida, University of Toledo, Grenoble Ecole de Management in France, and Virginia Tech’s Pamplin College of Business.

To apply to Pamplin’s 2009 post-doctoral bridge program, e-mail Frank Smith (fmsmith@vt.edu), or call (540) 231-4972.

A NEW VOCABULARY

“It exceeded my expectations,” Charles Sebuharara and Robert Beach both said of Pamplin’s bridge program.

The program, said Dharmendra Dhakal, has prepared him to become a more effective finance faculty member. With his economics background, Dhakal found the program “a relatively easy transition, but it still required a lot of work.”

Shabnam Mousavi, who has two master’s degrees in addition to two doctorates, all from Virginia Tech, learned about the bridge program from the university’s home page. “I am a Hokie,” she said, “I check our Web site regularly!”

Interested in decision making and increasingly drawn to behavioral finance, Mousavi sought “a quick and intensive introduction” to finance. “I’m very, very comfortable with the finance vocabulary now,” she said. “I feel that I can comfortably and effectively interact with finance faculty members. The compact education I received has been and will continue to be a priceless resource.”

Asked whether her economics and statistics background made it easier for her to learn the finance material, Mousavi said, “There was a considerable amount of new material. I wouldn’t say it was easy, but neither was it hard. The program certainly satisfied my main goal of making finance literature accessible. But it did not stop there, I surely received more than I



expected. It was well designed — obviously, lots of work and thought went into the planning.”

Calling it “an exciting and rewarding experience,” Poonam Kumar was initially apprehensive about a career transition when she began the program’s marketing track. “I felt a sense of loss of professional identity, after 10 years of work in the educational technology field.” But Pamplin’s marketing faculty, she said, “really helped me see that I would be applying my education knowledge and skills in a different context, they helped me cross that bridge.” Now, Kumar plans to investigate research possibilities in Web technology, consumer behaviour, and marketing education.

“It was very exciting learning about marketing models, theory, and research. It transformed me on many levels.”

Said Mousavi: “It has been a great experience. We’re all confidently ready to go out and meet the challenge of finding the best placements for ourselves and transitioning efficiently and effectively.”



Center: Doug Curling (ACCT '76, MACCT '77), former president and chief operating officer of ChoicePoint, presented the check to Richard E. Sorensen (left), dean of the Pamplin College. Right: Wayne Hinman (MBA '75), vice president and general manager of worldwide merchant gases for Air Products International, was also visiting that day.

ChoicePoint gift to fund internships

ChoicePoint Inc., through its foundation, has made a \$60,000 gift to the college to support social entrepreneurship and technology education.

The gift will be used to create internships that focus on providing technology solutions for local and regional nonprofit organizations, said Pat McCarthy, Pamplin's associate director of corporate and foundation relations. "It will help leverage our students' technical knowledge and skills, while encouraging them to engage with social policy issues and allowing them to gain on-the-job training and experience."

Social entrepreneurs, McCarthy said, are individuals who use entrepreneurial principles to bring about social change. They focus on social improvements rather than financial profits as the measure of success. Projects may include building effective Web sites, creating or maintaining databases of organizational information, and establishing technology assessment and implementation plans.

McCarthy said the projects will typically be solicited through such initiatives and organizations as VT-ENGAGE (now part of the university's new Center for Student Engagement and Community Partnerships) and the YMCA at Virginia Tech. Associate professor of business information technology Chris Zobel will coordinate the match-ups between

students and organizations.

The projects will be evaluated for their feasibility and appropriateness by faculty members in business information technology," she said. "Because of the technological focus of the internships, interns will be selected primarily from within this major. However, other Pamplin students with the appropriate skills will be eligible for consideration."

The funds from the ChoicePoint foundation, she said, will provide support, over a two-year period, for two part-time interns in the fall and spring semesters, two full-time interns in the summer semester, and a summer faculty supervisor."

For more information about this internship scholarship program, please contact Pat McCarthy at pat.mccarthy@vt.edu.

ChoicePoint, headquartered in Alpharetta, Ga., provides businesses, government agencies and non-profit organizations with technology, software, information, and marketing services to help manage economic risks and identify business opportunities. Acquired in September 2008 by Reed Elsevier, ChoicePoint is now part of Reed Elsevier's LexisNexis Group. "ChoicePoint strongly promotes the responsible use of information as a fundamental plank to its business model and believes that a successful corporation must be a positive force in society," said Megan Mahoney, ChoicePoint vice president of corporate communications.

Accounting Ph.D. award established

The Virginia Society of Certified Public Accountants Educational Foundation has established the Austin M. Cloyd and Matthew G. Gwaltney Doctoral Scholarship Fund to support doctoral accounting students at Virginia Tech.

The \$2,500 annual scholarship is in memory of April 16 victims Austin Cloyd, daughter of Bryan Cloyd, the John E. Peterson Jr. Professor of Accounting at Pamplin, and his wife Renee; and Matthew Gwaltney, son of Gregory Gwaltney Jr. and Karen Gwaltney and stepson of Linda Gwaltney, a CPA

and accounting manager at Philip Morris in Richmond, Va. The first scholarship will be awarded next spring for the 2009-2010 academic year.

A release from the VSCPA Foundation noted that several CPA firms and companies contributed generously to establish the scholarship's \$50,000 fund. Founded in 1909, VSCPA membership consists of more than 8,300 individual CPAs who actively work in public accounting, private industry, government agencies, or educational institutions. To learn more or make a contribution, please visit www.vscpafoundation.com.

MAJOR GIFTS

Bagley gift

Richard M. “Rick” Bagley Jr. (BAD ’79), on behalf of the family of Richard M. Bagley Sr. (GBUS ’48), has presented the college with a gift of \$111,543 from the estate of Nancy Murray Bagley, to be used at the dean’s discretion. Richard Bagley Sr., a former Virginia secretary of commerce and economic development and former member of the House of Delegates from Hampton, Va., was president of the Virginia Tech Alumni Association. He also served on the Pamplin Advisory Council, the Virginia Tech alumni board of directors and the corporate and foundation major gift committee. Rick Bagley is senior vice president of Wachovia Securities in Hampton, Va.

Coleman scholarship

Mace T. Coleman (BAD ’52), of Charlotte, N.C., and his wife Mary have pledged \$50,000 to the college to endow the Mace T. & Mary W. Coleman Scholarship. Coleman is retired president, chairman, and CEO of MTC Investments in Charlotte.

Hogan ACIS gifts

Robert F. Hogan Jr. (ACIS ’78, MACCT ’80) and Alison W. Hogan, of Houston, Texas, have made an outright commitment of \$90,000 through AmerCable Inc. to establish the Robert F. Hogan Jr. and Alison W. Hogan Excellence Fund in Accounting and Information Systems and the Robert F. Hogan Jr. and Alison W. Hogan Fellowship in Accounting and Information Systems. Robert Hogan is president and CEO of AmerCable and a member of the department’s advisory board.

Jones finance fellowship

Stephen M. Jones (BAD ’83, MBA ’85) and Karen H. Jones (HTM ’84), of Huntersville, N.C., have pledged \$250,000 to create the Jones Junior Faculty Fellowship to support an assistant or associate professor in the Department of Finance.

Reynolds scholarship

Keith A. Reynolds (MGT ’73) and Jan Reynolds (HNFE ’73), of Richmond, Va.,

have made an outright commitment of \$50,000 to create the Keith A. Reynolds Family Scholarship to support MBA students.

Ryan scholarship

Bridget Ryan Berman (BAD ’82), of New Vernon, N.J., has donated \$100,000 to establish a scholarship in honor of her mother, Elaine Caravati Ryan. The recipient will be enrolled in the college and a graduate of St. Gertrude’s School in Richmond, Va. Berman, semi-retired after 27 years in the fashion industry, is a consultant for private equity firms with financial positions in retail companies.

Wade fellowship

Jimmie L. Wade (ACIS ’76) and Ellen E. Wade (HNFE ’76), of Roanoke, Va., have made an outright commitment of \$50,000 to create the Jimmie L. Wade Accounting Fellowship. Income distributions from the fellowship will be used to provide awards for students in the master of accounting and information systems program.

Say hello to the future.



Meet France Belanger, associate professor and Alumni Research Fellow in the Department of Accounting and Information Systems at Virginia Tech. As new communications technologies make the world ever smaller, Dr. Belanger’s research is helping us learn more about how that technology affects us—in both positive and negative ways. Her insights are helping governments and businesses evaluate their use of such technologies, and helping individuals understand the impact they may have on us, both now and in the future.

When you make a gift in support of the world-renowned faculty at Virginia Tech, you are inventing the future. You are supporting the next generation of scholars—scholars like France Belanger, who are helping us predict and prepare for how that future may change us.

Find out how you can invent the future. Contact us today.

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Invent the Future



HONORS & AWARDS



France Belanger

France Belanger, professor of accounting and information systems, and **Janine Hiller**, professor of business law, received the 2008 Hoerber Excellence in Research Award for their paper, "POCKET Protection," co-authored with other researchers and published in the *American Business Law Journal*. Belanger also received, along with management associate professor **Wanda J. Smith**, the 2007 Research Excellence Award from the IEEE Education Society for their article, "Are Computing Students Different? An Analysis of Coping Strategies and Emotional Intelligence," co-authored with other researchers and published in *IEEE Transactions on Education*.



Janine Hiller



Wanda J. Smith



Richard Perdue

Richard Perdue, professor and department head of hospitality and tourism management, was elected to serve on the board of directors of the Travel and Tourism Research Association, the primary scholarly group in the tourism area.

W. Eugene Seago, the R.B. Pamplin Professor of Accounting, received the 2008 Outstanding Tax Educator Award, co-sponsored by the American Taxation Association and Ernst & Young. Seago has taught at Virginia Tech since 1970 and teaches and does research in income tax accounting and taxation of corporations and partner-

ships. He has published more than 100 articles on income tax. The ATA is largely composed of professors who teach tax in U.S. business schools.



Mary L. Connerley

Mary L. Connerley, associate professor of management and director of the college's Business Diversity Center, received a \$10,000 grant from the General Motors/United Negro College Fund Sullivan Fellowship Program that seeks to promote principles of corporate social responsibility developed by the late Reverend Leon H. Sullivan. It is her fifth such award. The award will support a student scholarship and the development of course modules on the Global Sullivan Principles, offered within the college's new business diversity minor.



Julie L. Ozanne

Julie L. Ozanne has been appointed the Sonny Merryman Inc. Professor of Marketing. The professorship was established in 1998 by Sonny Merryman Inc. and Floyd W. Merryman III to attract and retain eminent scholars in the college. A member of the marketing faculty since 1985, Ozanne was promoted to full professor in 2005. Her research has focused on interpretive — particularly critical — approaches to the study of consumer behavior.

Three of her published articles are considered classics in the field. Her co-authored journal article, "The Low Literate Consumer," received the prestigious 2006 Robert Ferber Award. Ozanne has received 13 teaching awards, including the university's William E. Wine Award in 2000.

James A. Yardley, associate professor of accounting and information systems, received the 2008 Professional MBA Outstanding Faculty Award. Yardley taught the course, Accounting Information for Executive Decisions, and was also elected by student vote. The course is designed to give executives and professionals an insight into the design and use of accounting systems. Yardley's ability to convey information that the students could immediately apply to their jobs was a key factor in his selection.



Devi Gnyawali

Devi Gnyawali, associate professor of management, received the Virginia Tech 2008 Alumni Award for Excellence in International Education Award. Gnyawali has led five study-abroad programs to Japan, South Korea, and Hong Kong. He

played a major role in establishing a formal cooperative relationship between Virginia Tech and Konkuk University in South Korea, initiated contacts for collaborations with other universities in East Asia, and helped strengthen existing relationships with other institutions abroad. His research interests include international strategy and he serves on several campus committees on international programs.

The award is presented annually to a faculty or staff member who has had a significant impact on international education at the university. Selection is based upon contributions to the internationalization of Virginia Tech; the impact on students, the campus, and community; and the significance and sustainability of the initiative. Recipients are awarded a \$2,000 cash prize.



Kimble Reynolds Jr.

Kimble Reynolds Jr. (MKTG '88, M.S./EDPE '95) received a 2008 Alumni Distinguished Service Award for outstanding service to Virginia Tech. A former Alumni Association president, Reynolds currently serves on the Pamplin Advisory Council, the university's Multicultural Alumni Advisory Board, and the German Club Alumni Foundation Board. An attorney with a private practice in Martinsville, Va., he has served as mayor, vice mayor, and city council member of that city. He earned his law degree at Washington and Lee.

The following faculty members received college awards for teaching excellence: **J. Gregory Jenkins**, associate professor of accounting and information systems; **Roberta S. Russell**, professor of business information technology; **John M. Pinkerton**, SunTrust Professor of Finance; **James Sexton**, lecturer in hospitality and tourism management; **Stephen J. Skripak**, associate dean of graduate programs and instructor of management; and **M. Joseph Sirgy**, professor of marketing.

James R. Lang, professor of management and the Strickler Professor of Entrepreneurial Studies, received the 2008 MBA Outstanding Faculty Award. Lang, who teaches the popular MBA course, Entrepreneurial Leadership, was elected by student vote. His course provides the theoretical understanding of the entrepreneurial process in the economy and the practical leadership, marketing, financial, and production considerations for entrepreneurial initiatives. The class typically includes graduate students from other programs.

ON THE MOVE

Anju Seth has been appointed the R.B Pamplin Professor and department head of management. Seth earned an MBA at the Indian Institute of Management in Calcutta and a Ph.D. in corporate strategy at the University of Michigan. She was formerly a faculty member at the University of Illinois at Urbana-Champaign, where she directed graduate studies in the business administration department and was a member of the South Asian and Middle Eastern studies program. She has published extensively in leading management and business journals, received numerous research grants, and earned awards for excellence in research, teaching, and outreach.

Patricia McCarthy has been appointed Pamplin's associate director of corporate and foundation relations. McCarthy was formerly a learning partners manager at Booz Allen Hamilton. She also worked in corporate and foundation relations at the University of California, Merced, and as a university relations manager for more than 12 years at Hewlett Packard Laboratories. McCarthy earned an MBA and a master's degree in information systems at Northeastern University.

Tim Nelson has been appointed associate director of development. Nelson was formerly a

regional director of advancement at Regent University. He has 22 years of work experience in industries that include finance, information technology, and instrumentation and served in the United States Army for eight years. He has a bachelor's degree from Nyack College and an MBA from Regent University.

Mike Weaver (BIOL '88, ANSC '88) has been appointed associate director of development. Weaver has more than 15 years of experience in marketing, sales, and business development. He has held senior positions in various e-commerce and IT corporations.



Anju Seth



Patricia McCarthy



Tim Nelson



Mike Weaver

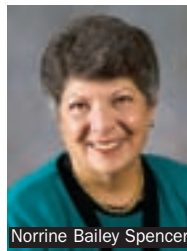
Number retired

Former Virginia Tech softball pitcher Angela Tincher (FIN '08) was honored with the retirement of her number in a ceremony at the Georgia Tech football game this fall. Tincher, who has signed a contract to play for a Japanese professional league team, was also presented with three of the major awards she received this year – USA National Softball Player of the Year, Honda Award for Softball, and ACC Female Athlete of the Year. Tincher graduated summa cum laude in May and received the department's 2008 service award. The Eagle Rock, Va., native went 123-35 over four years with a 0.78 earned run average and 2,149 strikeouts – the third most in NCAA softball history at any level. Tincher is one of only two players in NCAA history to record 600 or more strikeouts in two different seasons.



Angela Tincher

PHOTOS BY DAVE KNACHEL



Norrine Bailey Spencer



Edward R. Clayton



Philip Y. Huang



Michael D. Olsen

Norrine Bailey Spencer (Ph.D./EDRE '89), retired associate provost and director of undergraduate admissions at Virginia Tech, has been conferred the "associate provost and director emerita" title by the Virginia Tech Board of Visitors. Spencer worked at Tech for 25 years, more than 20 of which were in the Pamplin College as assistant dean and then associate dean for undergraduate programs. In Pamplin, she led the development of a freshman-sophomore advising center, a job development and career services program, and initiatives with the state community college system. She also taught hundreds of students in the Introduction to Business course.

Philip Y. Huang, the retired Suzanne Parker Thornhill Professor of Management Science and Information Technology, joined Virginia Tech in 1979. Huang made significant research contributions to production and operations management, authoring or co-authoring more than 30 peer-reviewed journal articles. In 1984, he received the Stanley T. Hardy Award from the Decision Sciences Institute for his article on just-in-time production. A recipient of two Fulbright awards, Huang taught as a visiting professor in China, Taiwan, Germany, and Portugal.

Michael D. Olsen is the founding head of the Department of Hospitality and Tourism Management, and served in that capacity in 1987-1992. He helped guide the department to its current status as one of the premier programs in the nation. He taught courses on the principles of strategic management and finance in the hospitality industry and made significant research contributions. As founding president of the International Academy of Hospitality Research, he fostered worldwide development of research and graduate education in strategic management of hospitality organizations.

In Memoriam — James E. Sullivan Jr., 57 (ECON '73), of Columbus, Ohio, died on Aug. 6. A native of Roanoke, Va., Sullivan had been a member of the Pamplin Advisory Council since 1993 and served on the council's student recruitment and placement committee. He was a labor relations manager at American Electric Power Company, where he had a 35-year career. He was bestowed the college's 2008 Distinguished Alumnus Award during commencement this spring. He is survived by his wife, J. Darlene Sullivan, and son, Bryce E. Sullivan.

The following have been conferred the "professor emeritus" title. **Edward R. Clayton**, the retired Ralph Lenz Professor of Business Information Technology, joined Virginia Tech in 1968. He made significant research contributions in management science and was recognized for his teaching with the college's Excellence in Teaching Award. He served on the editorial boards of several professional journals and as an officer of the Southeast Institute of Management Science.

EMERITI

SUMMER OLYMPICS BEIJING 2008



An unforgettable games for Pamplin's Olympians

Sorina Nwachukwu's most memorable moment at the Beijing Olympics was, "of course, the race," she says.

A Pamplin freshman this fall, Nwachukwu ran the second leg of the 400m relay final for the German team. "It was breathtaking when we were led into the stadium, and you could see the audience — 90,000 people — cheering, screaming, clapping, waving," she recalls. "I was choked up, and I couldn't wait to run. I was running on adrenaline. And the race was amazing."

Though her team did not medal in the event (won by the U.S. team), Nwachukwu says she was "so grateful for the chance to run again. Running in the qualifying round and making the finals was overwhelming."

For swimmer and business information technology senior Kaan Tayla, the most memorable moment was the opening ceremony. The spectacular show put on by the Chinese organizers was unforgettable, says Tayla, who represented Turkey in the 50m freestyle.

A competitive swimmer since he was 14, Tayla had competed at the Athens Olympics. "I was 18 years old in 2004, and I was not experienced enough to compete with the best in the world. Now I am 22 years old, and I realize I still need more experience, because the Olympics is such a tough arena to compete in!" says Tayla, who earned All-ACC honors as a member of Virginia Tech's 2006-07 ACC champion 200 and 400-yard freestyle relay squads and was, hokiesports.com notes, "a major contributor in the Hokies' success" that season.

Both students enjoyed socializing with the other athletes at the Olympic Village. Being around the best athletes in the world, was a great feeling, Tayla says, a confidence booster. "I knew many other swimmers from other countries and I was hanging out with them almost everyday." Nwachukwu had her photo taken with former British Prime Minister Tony Blair.

Tayla, whose hometown is Ankara, says he came to the United States "to get a better education and to improve his swimming." After graduating next spring, he hopes to work on an MBA.

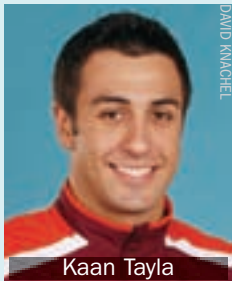
Nwachukwu, who has been busy catching up with classes since her Olympics-delayed arrival for fall semester, says she looks forward to training with the Virginia Tech track squad. Though the 400m is her specialty, she also runs the 100m and 200m.

From Eschweiler, "a small city near Cologne," Nwachukwu began her running career at 12. The Olympic Games were "an incredible experience," she says. "Now I'm very happy about being part of the Virginia Tech team."

GLADYS CHAI/VON DER LAAGE



Sorina Nwachukwu



Kaan Tayla



DAVID KRAIGHEL



COURTESY OF KAMINTEL



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