

Former Firefighter Wins \$25,000 Award For Fire Protection Business Plan



A MESSAGE FROM DEAN YASH GUPTA

Taking the measure of a business school is like trying to paint the sunrise. It changes minute by minute. The artist must settle for capturing a moment.

So much has happened this year at USC Marshall School of Business, with the efforts of many people filling a vast canvas, that I know I can capture only a small part. But let me try.

First, there were the community builders, the people who helped strengthen our ties to each other. Someone asked me recently why I think community matters. "What's the big deal?" I was asked. My answer was simple. Without a community, you can't have learning. Learning is

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Irene Rhodes Combines Book Smarts with Street Smarts

While Southern Californians watched helplessly as forest fires consumed 3,640 homes in October 2003, Irene Rhodes grew fiercely determined to develop a product she had been thinking about for 20 years.

This year, Ms. Rhodes won the First Annual USC University-wide Business Plan Competition. Her winning entry is FOAMSAFE system, a patent-pending exterior fire protection system that automatically dispenses environmentally safe foam when a property is threatened by fire. Consumer Fire Products, the company that she and her husband, Ralph, founded, received a \$25,000 cash prize and six months of free rent in the Business Technology Center in Altadena, a Los Angeles County-sponsored high-tech incubation center located north of Pasadena.

Ms. Rhodes was fighting fires in rural Oregon in the 1980's when she became intrigued by the business possibilities of the fire-retarding foam that she sprayed from her fire truck. The years passed. She married, had two daughters, founded a successful commercial landscaping and irrigation company and graduated with highest honors from a community college in Eugene. She and her husband, Ralph, also a fire fighter, continued to debate the idea of business tied to fire-retardant foam.

"Finally, I said if we were serious, I needed some book smarts. I already had

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2005 USC MARSHALL COMMENCEMENT

Beneath cloudless blue skies, students from the USC Marshall School of Business joined a processional march to Alumni Memorial Park on Friday, May 13, 2005 as part of the University of Southern California's 122nd annual commencement ceremonies.

After the all-university graduation ended, separate graduation ceremonies were held for 801 undergraduates who majored in business, for 329 students from the Leventhal School of Accounting — 104 graduate students and 225 undergraduates — and for 800 MBAs.

Thomas Hicks, chairman and CEO of the venture capital firm Hicks, Muse, Tate and Furst addressed undergraduates at their ceremony in the Shrine Auditorium in downtown Los Angeles, telling them that globalization, technology and the growth of capitalism around the world had created one of the most exciting times in history to be embarking on business careers.

Mr. Hicks, who earned an MBA from USC Marshall in 1970, also warned



Thomas Hicks, MBA '70, Chairman and CEO, Hicks, Muse, Tate and Furst



Dan Bane, BS '69, Chairman and CEO, Trader Joe's



Jim Rogers, LLM '63, Chairman and CEO, Sunbelt Communications

the future business executives about the need for integrity. "Listen to your corporate counsel to know what's legal. Listen to your conscience to know what's right,"

Hicks advised.

Dan Bane, chairman and CEO of Trader Joe's, addressed 329 students who received undergraduate and graduate degrees from the Leventhal School of Accounting. Mr. Bane, who received his undergraduate degree from USC Marshall and assumed responsibility for the Monrovia, Calif.-based chain in July 2001, recalled an incident earlier in his career when he was fired for refusing a supervisor's request to approve payment of a questionable bill.

"I was told I had just failed the loyalty test and I would not be staying with the company," Mr. Bane recounted, adding, "That was a loyalty test I was happy to fail."

Mr. Bane recounted the story, he said, because one day, "no matter what company you decide to work for, you will be confronted with a major test of your integrity. Brace for it, plan for it, get ready for it...It will test your mettle and personal resolve like nothing you've ever faced in your lifetime."

Jim Rogers, chairman and CEO of Sunbelt Communications and Chancellor of the University and Community College System of Nevada, delivered the commencement address to USC Marshall MBAs at the Shrine Auditorium on Friday evening.

Mr. Rogers, an alumnus of USC and a generous benefactor to law schools and other institutions of higher learning, discussed the importance of investing in academic programs. Graduates should do this sooner, rather than later, in their careers, he said, adding that they were the key to the future excellence of their alma mater. ■

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RENAISSANCE SCHOLAR



Ryan Oishi

Ryan Oishi, who entered USC Marshall as a business major but earned degrees in English and philosophy as well, was one of 261 undergraduates selected this year as a USC Renaissance Scholar. The honor is given to students who major in widely disparate fields of study while maintaining a 3.5 grade point average. Mr. Oishi is one of only ten Renaissance Scholars chosen to receive a \$10,000 prize at commencement, based on the essay and faculty recommendations he submitted in his senior year. He will study creative writing at the University of Hawaii in the fall. ■

RACE CAR DRIVER PARLAYS HIS PASSION INTO DREAM CAR BUSINESS

USC business school graduate Steve Saleen is that rare entrepreneur who turned a passion for racing cars into a wildly successful business venture. Mr. Saleen is the founder and president of Saleen, Inc., one of the world's most successful manufacturers of high-performance, niche cars.

Saleen manufactures limited-edition, high-performance specialty vehicles that outperform their rivals – the Porsche Boxster, Corvette hardtop, and SVT Mustang Cobra R – in terms of speed, lateral acceleration and braking. High-performance Saleens for street and track include the S7 supercar, the S281 Mustang lineup (includes the 3-Valve, Supercharged and Extreme models), and the youth-oriented N20 Focus. The company also produces and markets a broad line of performance parts and accessories and offers design, engineering and certification services.

Headquartered in Irvine, California, Saleen operates manufacturing plants in Irvine, Detroit and Montreal. Dealers span North America, Mexico, Europe and Saudi Arabia.

Road & Track magazine rated the Saleen S7, at 750 HP, the fastest production car in the world when it was launched. And even at \$555,000 a vehicle, Mr. Saleen says purchasers get more performance value compared with its rivals.

Makings of a Winner: The Early Days

Mr. Saleen's interest in auto racing developed while he was at USC. After college, he raced professionally, ultimately setting 13 Sports Car Club of America records. In 1983, Saleen bought a Ford Mustang and gave it a performance-oriented makeover. This car was the genesis of Saleen, Inc., which he founded that same year. By 1984, the first Saleen street car was ready for sale. It boasted special aerodynamics, an attractive and highly functional cockpit and a precise handling



Steve Saleen with his Beryllium S281 Supercharged Mustang – a car with aggressive styling “designed by the wind.”

suspension package.

Overcoming Setbacks Along The Way

The Saleen Mustang won its first race in 1986. An unparalleled string of professional sports car manufacturers' championships followed over the next 18 years. But his success as a manufacturer and driver came to a standstill with the 1989 economic recession. Mr. Saleen credits his never-say-die tenacity for surviving the downturn.

“Failure is not an option, even if you're down to yourself. You can always rebuild,” says Mr. Saleen, who was the guest speaker at a recent USC Marshall Alumni Associates Orange County Chapter Breakfast event.

In 1994, Tony Johnson, president and CEO of then-Hidden Creek Industries, a Minneapolis-based private industrial management firm for car and truck suppliers, spotted the potential in the Saleen brand. He became a business partner and gave the initial financial backing; in 2003, Saleen re-capitalized through Hancock Park Associates, a Los Angeles-based investment firm.

The auto industry recovered with the end of the recession. Armed with

high-caliber talent and equipment, Saleen Inc.'s first S7 vehicles rolled off the assembly line in 2002. Racing teams snapped up the first seven S7s, and later that year, the cars won 17 out of 25 GT championship races. A street-ready Saleen S7 passed government tests while auto magazines praised the car's virtues. As a result, Ford Co. contracted with Saleen in 2003 to build Ford's new GT 40 and the cars went into production this year.

“I am most proud of the fact that Saleen, Inc., manufactures the two fastest production cars in the world – the Ford GT 40 and the S7,” comments Mr. Saleen, referring to the fact that the cars are mass-produced rather than custom built.

Saleen's Inspiration: Fight On

Mr. Saleen offers the following words of wisdom to USC Marshall students: “Get a broad business education, but make sure you pay attention to the fine points because you'll need them at some point down the road.” As for staying power, Mr. Saleen quips, “The education I received at USC and the passion I developed there – when I wasn't reading the Daily Trojan – inspired me to ‘fight on.’” 🏆

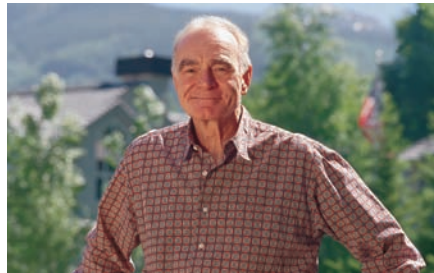
FORMER MARINE LEND A HAND TO SOLDIERS

James Murphy and William J. Schoen had no connection in 1986 when Mr. Schoen established a scholarship fund for honorably discharged veterans of the Armed Forces attending his alma mater, USC Marshall School of Business.

At the time, Mr. Murphy was just a teenager, living in Providence, Rhode Island. He went to college, earned a commission as a Second Lieutenant in the Marine Corps after attending Officer Candidate School and then served in the Marine Corps again after the September 11, 2001 terrorist attacks.

He was sent to Kuwait in January 2003, where he was put in charge of security procedures as he and his unit of 1,500 Marines moved north into Iraq. He came home safely, and got out of active duty in July 2003.

That was when Mr. Murphy con-



William Schoen, BS '60, MBA '63 and James Murphy, MBA '05



nected with Mr. Schoen through the Schoen Family Scholarship Fund Program for Veterans when he enrolled in USC Marshall's full-time MBA program and received a scholarship, equal to half of his tuition, from the program.

"It made my education possible, which is why I am running a program in LA for the Marine Corps to make the transition back the civilian world. I will be pointing Marines toward the Marshall School and the Schoen Scholarship," commented Mr. Murphy a few days following his graduation from the MBA program in May 2005.

This spring, Mr. Schoen augmented the scholarship fund with a gift of approximately \$1 million. Since its founding, more than 60 veterans have received aid from the Schoen Family Scholarship Fund.

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ALUMNUS SEEDS STUDENT-MANAGED BOND FUND

For nearly 20 years, students earning their MBAs from USC Marshall School of Business have put their investment skill to the test by managing a portion of the USC's endowment under the aegis of the Center for Investment Studies, or CIS. The Student Investment Fund, a family of three stock funds, averaged a commendable 7.7% annual rate of return from 1986 through March 31, 2004. But it had an inherent limitation. With no exposure to bonds, its performance was tied to the ups and downs of the stock market.

Now, thanks to \$200,000 in initial funding from Robert L. Rodriguez (BS '71, MBA '75), principal and chief executive officer of First Pacific Advisors, Inc., the portfolio has some balance. Using Mr. Rodriguez's contribution as seed money, \$400,000 from additional donors and \$400,000 redirected from the other portfolios, the Student Investment Fund was able to establish the USC Marshall Fixed-Income Fund with an initial \$1 million in assets.

Stephen B. Sample, President of the University of Southern California, commented to Mr. Rodriguez, that "You are well aware of the importance of experiential learning in helping students develop hands-on skills," and he named the First Pacific Advisors, Inc. Student Investment Fund Scholarship in recognition of Mr. Rodriguez's contribution.

Under the direction of Center for Investment Studies' Professor Suh-Pyng Ku and Ayse Imrohorglu, Chair of the Finance & Business Economics Department, the Student Investment Fund participants manage real assets, develop investment strategies and conduct real-time trading and security analysis. Investment management professionals contribute expertise.



Bond fund portfolio managers Matt O'Mara, Leslie Chang and David McLean-Armour with Robert Rodriguez of First Pacific Advisors, Inc.

Between the complications of starting a new fund and a turbulent fixed-income environment, the USC Marshall Fixed-Income Fund was down a modest 0.4% for its performance year, which ran from April 1, 2004 through March 31, 2005, versus a 4.1% gain in the Lehman Brothers Aggregate Bond Index over the same period. The combined Student Investment Fund portfolios, with slightly more than \$2.5 million in assets, ended the period up 2%.

The CIS is supported by alumni and friends, including the CIS Board's Chairman Larry Tashjian, executive managing director of Provident Investment Counsel, Inc. of Pasadena, Calif., who helped to establish the Center with his founding gift.

"Of all my classes, the SIF portfolio management class has been the most challenging, rewarding and fun," said Leslie Chang, one of the three inaugural SIF managers of the Marshall Fixed-Income Fund. ■

FACULTY NOTES

Mark DeFond, the Joseph A. Bell Professor of Business Administration and Professor of Accounting, received the prestigious USC Mellon Mentoring Award for Faculty Mentoring Faculty in April. The award was established by a grant given by the Andrew W. Mellon Foundation to promote mentors in academics. Five other USC faculty received the award. Professor DeFond was nominated by junior faculty members Mingyi Yvonne Hung, Rebecca Hann and K. R. Subramanyam of the Leventhal School of Accounting and Shuping Chen, a former doctoral student, now at the University of Washington. "It was an unexpected surprise," commented Professor DeFond, adding, "Working with them was a pleasure."

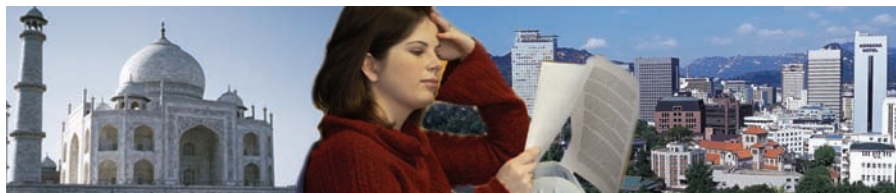
By Brian Hong. Mr. Hong is a USC undergraduate majoring in communications.

Professor Deborah MacInnis has been appointed Chairperson of the USC Marshall Department of Marketing. A well-respected scholar in consumer behavior, she received her Ph.D. from the University of Pittsburgh. After five years at the University of Arizona, Ms. MacInnis joined the USC Marshall School of Business faculty in 1991. She was promoted to full professor in 2001, and in the past two years, she has had 10 papers published or accepted in top-tier journals. Professor MacInnis has served as doctoral coordinator and has been named a faculty fellow in the Center for Excellence in Teaching.

Two faculty members in the Leventhal School of Accounting have been cited for outstanding academic research. **Tatiana Sandino** won the 2005 Management Accounting Section Best Dissertation Award and **Yvonne Lu** was named winner of the 2005 Financial Accounting and Reporting Section Best Dissertation Award. The awards will be presented at the American Accounting Association annual luncheon in San Francisco on August 8.

The Ph.D. dissertation of **Dr. Paul Pavlou**, a 2004 Ph.D. graduate of the Marshall School, has won First Place in the prestigious ICIS Ph.D. Dissertation Competition. Entitled "IT Dynamic Capabilities in New Product Development: Building a Competitive Advantage in Turbulent Environments," the dissertation concerns information systems strategy. Dr. Pavlou is currently an assistant professor of information systems at the University of California, Riverside.

LESSONS ABROAD USC STUDENTS STUDY THE FUTURE



New York Times columnist Thomas Friedman recently lamented that no U.S. president or vice president has ever visited Bangalore, India to witness the phenomenal growth of the region's high tech sector. USC Marshall students, by contrast, journeyed there in March to observe the business operations of Wipro Spectramind, the giant business process outsourcing company, Infosys and Tata Consultancy Services, the top-ranking software service providers, and Biocan, India Ltd., India's largest biotechnology venture.

All USC Marshall graduate students are required to spend time in a foreign country, interacting with executives and observing business operations, but this was the first time that India was on the itinerary.

"The goal of the India trip is to give our students firsthand experience with leading technology service companies there that are offering their services to top US companies. This visit enhances the ability of our students as future business leaders to take advantage of the global value chain," comments Dr. Shantanu Dutta, USC Marshall Professor of Marketing. Global value chain refers to the best worldwide source of goods and services.

At the same time, 32 undergraduates from the USC Marshall School and Viterbi School of Engineering traveled to Korea through USC Marshall's innovative International Experiential Corporate Environment Learning Program (ExCEL). The ExCEL program introduces undergraduates to a country using a comparative and introductory approach, focusing on overlapping boundaries of knowledge. Sean O'Connell, USC Marshall Director of International Programs, led the Korea trip.

"The ExCEL program is a great opportunity for students interested in international business to gain exposure to political and business leaders. Its unique approach prepares them more effectively than any other undergraduate program I know of to integrate a global perspective into their course of study," Mr. O'Connell commented.

ExCEL team members stayed at the Sang Nam Institute of Management at Yonsei University in Seoul. They met Korean political and executive leaders and visited major international companies headquartered in Korea, including Hyundai Motors, Samsung Electronics, LG Electronics Samil Accounting (Pricewaterhouse Coopers) and KT Corporation. In addition, the group met with Seoul Vice Mayor Jae Yang, National Assembly member Jong Kul Lee, former President of Korea and Nobel Peace Prize Winner Kim Dae-Jung and First Lady Kim, and American Chamber of Commerce in Korea Executive Vice President Tami Overby.

Students who traveled to India were enrolled in USC Marshall's part-time MBA program for professionals and managers, called the MBA.PM program. Their travel requirement, called the PM.GLOBE program, is part of both the business school and the university's goal to educate students in the importance of a global perspective.

India has become one of the world's major economic forces, with an impact on technology and other economic sectors in the USA, Canada and Europe. India's contribution to the global value chain is most dramatic in the business process outsourcing, or BPO, segment of the Information Technology Enabled Services, a \$3.6 billion industry in 2004 that is expected to more than double by 2008.

In addition to Bangalore, USC Marshall graduate students visited New Delhi where they participated in panel discussions with members of the Confederation of Indian industries and the American Chamber of Commerce. India now ranks as the most competitive and, in some cases, the fastest growing supplier of these in-demand services.

"The whole vibe in Bangalore was absolutely as electric and optimistic as Silicon Valley was during the dot-com boom," comments Adam Sinclair, an MBA.PM student at USC Marshall. 📍

USC MARSHALL WINS PRESIDENT'S VOLUNTEER SERVICE AWARD



Amanda Thompson and Jeff Williams

USC Marshall School of Business received the President's Volunteer Service Gold Award, in recognition of the more than 500 hours MBA students spent teaching elementary school children in the Los Angeles Unified School District about business, economics and the free market.

Jeff Williams, a 2004 graduate of the USC Marshall's MBA for Professionals and Managers Program, and Amanda Thompson, a current student in the program, accepted the award on behalf of the business school. LAUSD's Beyond the Bell, a volunteer organization, and the Points of Light Foundation sponsored the award.

Students in the USC Marshall MBA.PM program—adults who work full-time and study for an MBA in the evening—taught elementary school children business fundamentals using a curriculum supplied by Junior Achievement of Southern California. USC Marshall first became involved with Junior Achievement and its work in the LAUSD through Mr. Williams' efforts in 2003. In two years, the number of MBA.PM student volunteers for the program has grown from 57 to more than 100 today. ■

LOOKING FOR A FEW (1,000) GOOD ACCOUNTANTS

For accountants, it is the best of times, it is the busiest of times. That was the theme of the 24th Annual SEC and Financial Reporting Institute Conference, hosted by the Leventhal School of Accounting at the University of Southern California's Marshall School of Business. Demand for accounting services has soared since the passage in July 2002 of the Sarbanes-Oxley Act, but members of the accounting profession are putting in grueling hours to file new, more complicated financial reports in less time.

It was standing-room only for the oversubscribed conference—800 accounting professionals attended. An additional 300 had RSVP'd to the Ritz-Carlton Huntington Hotel in Pasadena, Calif. for the June 2nd conference.

Robert Herz, chairman of the Financial Accounting Standards Board, opened the conference vowing that accounting simplification topped his priority list and related the results of a recent survey showing that only 40 percent of surveyed accountants felt they understood accounting standards.

Donald Nicolaisen, chief accountant of the U.S. Securities and Exchange Commission, lamented that closing the books on 2004 had been particularly arduous as auditors struggled to comply with Sarbanes-Oxley's Section 404 that deals with establishing internal controls.

"But much progress has been made," he commented. "Sarbanes-Oxley is a first

step to good controls, and now we're making significant improvements to create better focus and cost efficiencies."

Some things haven't changed. Carol Stacey, SEC chief accountant in the division of corporation finance, told the audience that the way companies recognize revenues is still the number one problem, accounting for 96% of the problem filings.

Although accountants, auditors and inspectors are reeling from Sarbanes-Oxley's demands, their profession has never been in higher demand. William McDonough, chairman and CEO of the Public Company Accounting Oversight Board (PCAOB), said his agency needed accountants in Denver, Los Angeles, Orange County, Boston and Washington, just to name a few.

"Sarbanes-Oxley is the most important securities legislation since 1934," he commented. "The American people rose up and politicians paid attention. Ultimately, the new law should increase investor confidence and reduce the cost of capital." But it's going to take a lot more accountants to make that happen.

The SEC and Financial Reporting Institute is a center in the Leventhal School of Accounting at USC's Marshall School of Business. In addition to this annual conference, the SEC and Financial Reporting Institute provide support for student scholarships, academic research, and roundtable events on current issues in financial reporting. ■

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FORMER MARINE LENDS A HAND TO SOLDIERS

Mr. Schoen established the scholarship in response to his own experience. A native of Arcadia, Calif., where his father sold produce, Mr. Schoen sold flower seeds from a wagon when he was eight years old and newspapers at the local race track at 13. He dropped out of high school and started a scrap metal business.

"My background was basically work," Mr. Schoen said in a 1997 magazine interview.

From 1953 to 1956, he served in the U.S. Marines in Korea. Boot camp spurred him to finish his education. Mr. Schoen graduated from USC Marshall in 1960, with a B.S. in business administration, magna cum laude, and then went on to get his MBA in finance in 1963. The degrees were springboards to his highly successful business career—he is currently Chairman of the Board of Health Management Associates, a Florida-based hospital corporation that owns and operates hospitals primarily in the southeastern and southwestern United States. Prior jobs included CEO of the F&M Schaefer Corp, President of the Pierce Glass subsidiary of Indian Head, Inc., Vice President, sales and marketing, for Obeur-Nester Glass Co., and Marketing Manager for Anchor Hocking Glass Company.

Mr. Murphy is joining Mattel, Inc., the El Segundo, Calif.-based toy company in product development in July. ■

From Page 1

A MESSAGE FROM DEAN YASH GUPTA



Dean Yash Gupta

interactive—I must know you and you must know me. People learn better in an atmosphere of trust, cooperation and friendship.

But how do you develop that atmosphere?

Marilyn Johnson, an administrative assistant in the Department of Finance and Business Economics, has been organizing potluck Thanksgiving Day lunches for the staff and faculty members of the business school for years. A community builder? You bet. As Associate Dean in charge of finance and administration, Gregg Goldman has perfected countless ways of politely telling us, “Not today,” when we ask for money. But it was Gregg who saw the community-building potential of a holiday get-together and opened the purse strings. He is also organizing the first picnic for faculty and staff and their families this summer and there’s a rumor that he’s bringing a cappuccino cart to the patio between Bridge and Hoffman Halls. Informal gatherings that bring academics together act like nitrogen in the soil—beautiful ideas bloom.

This was also a year of innovative research by our faculty members. Christine Porath, an Assistant Professor in the Department of Management and Organization, tapped into the national consciousness with her ground-breaking studies about the cost of rudeness in the workplace. Finance and Business Economics Professor John Matsusaka, who probably knows more than anyone about the role of voter initiatives, has also led the national discussion about election reform this year. Professors Warren Bennis and Edward Lawler wrote two of the best books on management this year.

An article by Omar El Sawy, Professor of Information Systems, was selected as one of the top 10 articles ever published in *MIS Quarterly Executive*, the flagship publication of the Society of Information Management. In addition to their prodigious output in books and

journals, our faculty members distinguished themselves this year with their imaginative approaches that made their work both intellectually rigorous and interesting to the general public.

Our students found time to volunteer in the Los Angeles Unified School District with Junior Achievement and to organize a day of sporting events for Special Olympics athletes. Many of our top undergraduates participated in the Global Leadership Program, a once-in-a-lifetime education opportunity that allowed them to meet with international business leaders, hone their leadership skills, participate in field projects in Asia and enroll in some of the most coveted joint programs in the university. And through dogged persistence, 84-year old Robert Shotwell finally received his undergraduate—yes, undergraduate—degree at this year’s commencement ceremonies.

Lively discussions took place with the campus visits of Edward Prescott, winner of the 2004 Nobel Prize in Economics, and Jack Welch, former chairman and CEO of General Electric.

Serving on committees is a given in academia. But this year was particularly time-consuming for professors and staff members. We are extremely grateful to the participants of the Curriculum Innovation Committee, the Strategic Planning Committee and the Annual Performance Review Redesign Committee, the last of which, led by Kevin Murphy, worked to make the review process fairer and more equitable.

Another six staff and 13 faculty members who made significant contributions to the business school this year were recognized at a school-wide reception in May.

The first class of MBAs at USC Marshall’s overseas campus at Jiao Tong University in Shanghai, China passed its half-way point and the school just admitted 56 new students, up from 46 a year earlier. USC Marshall School of Business has become a presence in China.

We mourned the passing of four members of the USC Marshall community; our esteemed colleagues, Michael Driver, a Professor in Department of Management and Organization, and Jeffrey Abbott, an Assistant Professor in the Center for Management Communication, Gustavo De Mello, a doctoral student, and Siddhartha Basu, an undergraduate student.

We bid farewell to 19 faculty members with our very best wishes, and we look forward to welcoming 17 new colleagues.

As of July 1, 2005, a new strategic plan will guide USC Marshall School of Business. I’m looking forward to reporting to you about this important next step as we implement its key features under the direction of a newly appointed Director of Strategy and New Ventures.

As USC Marshall evolves, its core values remain the same and its mission to educate tomorrow’s business leaders is stronger than ever. ■



USC Marshall Professor Warren Bennis (left), an expert on leadership who has advised four U.S. Presidents, moderates a lively discussion with Jack Welch, (center) former chairman and CEO of GE Corp, and Russell Stanton, business editor of the *Los Angeles Times*. Mr. Welch, who wrote the best-seller book, “*Winning*,” with his wife, Suzy Welch, said if he could ask a job candidate just one question, it would be, “Why did you leave your last job?” More than 150 USC Marshall Alumni attended the event.



class notes

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Send photos, too, for possible
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1964

Dr. James Dudley Pewitt, MBA, '64, MS, Doctor of Business, has been inducted into the Alabama Aviation Hall of Fame. In 21 years with the United States Air Force, he won some 26 medals and decorations, and rose to the rank of Colonel. He was the director of operations/vice commander of the 366th Tactical Fighter Wing and flew 113 F-4 combat missions in Vietnam. After retiring from the Air Force, Dr. Pewitt joined the University of Alabama at Birmingham as director of its graduate school of business and later served as senior vice president and chair of the Faculty Athletic Committee. He retired from the university in 1994 as Distinguished Service Professor. He is the former chairman of the Birmingham Area Chamber of Commerce and now serves as the chairman of the board and executive director of the Southern Museum of Flight in Birmingham, Ala.

1970

Sadrollah Alborzi, BS, completed 30 years of service as an advisor to the planning and development director of Iranian Petroleum Ministry and will retire May 31, 2006, at the age of 60.

1974

Rick Mayes, MBA, after a 29 year career in high-technology marketing and management, has started his own financial planning practice in Carlsbad, Ca.

1984

Alfredo Paredes, BS, was named president of Ader Enterprise, Inc., an ophthalmic products company which specializes in eradicating cataracts. He and his wife, Celine, have a new baby girl, Maya.

1985

Steve McElhiney, MBA, is president of EWI Risk Services in Dallas, Tx. Before joining EWIRE, he was with Argonaut Group as a corporate vice president of finance and treasury. He was also an executive with Overseas Partners US Reinsurance Company. Formerly, Mr. McElhiney was vice president and director of Reinsurance at TIG Specialty Insurance. Additionally, he worked with Fireman's Fund in various financial and reinsurance management positions.

1988

Tom Coyner, MBA, started his own business, Soft Landing Korea Ltd., in December 2004 to provide sales and marketing services for foreign firms working with Korean distributors and for Korean firms searching for foreign distributors. Currently, his company is helping an Australian firm in Korea and a Korean firm in Ireland. His website is www.softlandingkorea.com.

1989

Christine (Marshall) Covella, BS, and her husband, Rocco, announce the arrival of their twins, Giovanna and Luciano, born on January 11, 2005.

John F. King, MBA, was appointed clinical product manager at Avega Health Systems, a leading provider of clinical and financial decision support for the healthcare industry. He also serves as the director of strategic development, and is responsible for new consulting service development. Avega is based in El Segundo, CA and serves more than 600 clients nationwide.

1991

Edward "Ted" Behrens, MBA, joined Synaptic Decisions as a partner of the firm. Founded in 2004, Synaptic Decisions based in Houston, TX provides cutting-edge commercial contract, asset and investment optimization services to clients in the process industries. Before joining Synaptic Decisions, he was head of R. W. Beck's Commodity Risk Management practice in Houston where he provided services to power, oil, gas, petrochemical and industrial clients in the area of commodity risk management. He was also president and co-founder of Houston's Energy Risk Management consulting firm, Mobius Risk Group, LLC. Formerly, Mr. Behrens was director of origination and marketing at Enron. Additionally, he has conducted numerous risk management seminars.

Sharon Doh, MBA '02, discovered firsthand the meaning of the phrase, "Necessity is the mother of invention." Frustrated over the relatively small selection of clothes for infant boys, Ms. Doh and Szewan Lam, her business partner, founded an online boutique at www.littleboy.chic.com. "I found my career opportunity nine months ago when I had my son, Ivan," comments Ms. Doh, who lives in Aliso Viejo, Ca. "Nearly all designers, manufacturers and retailers focus most of their attention on girls," she says. Stores that sell clothes for both girls and boys allocate less than 40% of their retail space to boys' apparel, according to her findings. "We wanted to create a store where shopping for unique and stylish boys' clothes is fun and easy," Ms. Doh says.

1992

Todd A. Hood, MBA, was appointed the Director of Regional Privacy, Americas for Pitney Bowes, Inc. He is responsible for enterprise-wide establishment of and compliance with data privacy policies for the company's operations in North, Central, and South America.

1993

Clifton D. Blevins II, BS, was selected as one of six AIG SunAmerica Retirement Services employees nationwide to receive the company's first annual community spirit award for his involvement as a board member of the Charles Dolo Coker Jazz Scholarship Foundation, a non-profit organization that has awarded more than \$250,000 to assist youth in their music training.

Janice J. Lambert, BS, '91,

has been appointed chief financial officer of the U.S. Internal Revenue Service. As CFO, she serves as the principal advisor to the I.R.S. commissioner and deputy commissioners on financial and performance management, financial systems, strategic planning, and internal controls.

Before joining the I.R.S., Ms. Lambert served as Director of Budget in the U.S. Department of Treasury. In that role, she oversaw the formulation and execution of Treasury's \$13 billion budget, while providing leadership and guidance to Treasury's 13 bureaus and organizations. Importantly, Ms. Lambert also led the implementation of Treasury's first-ever integrated budget that consolidated the bureaus' budget and annual performance plans.

"When I made my decision to pursue a business degree at USC, I never thought it would lead to a rewarding career in the Federal Government. As CFO of the Internal Revenue Service, my job is not about maximizing profits. It's about ensuring the Service's resources are optimized toward achieving its goals and that our nation's tax dollars are managed and reported accurately," she says.

PERSISTENCE PAYS OFF FOR USC MARSHALL SCHOOL OCTOGENARIAN STUDENT

In 1943, Robert Shotwell was set to complete his senior year in business school at the University of Southern California. Only a few credits shy of receiving his undergraduate degree, he had no hint that the path to graduation would stretch more than 60 years.

It was the middle of World War II. Mr. Shotwell, though expecting to serve his country, was completely unprepared when a campus bus of U.S. Army induction officers rounded up him and his fellow students for transport to the induction office in San Pedro, Ca.

Mr. Shotwell and his wife, Barbara, who also attended USC, both served at March Air Force Base in Riverside, California — Mr. Shotwell in the U.S. Army Corps of Engineers and Mrs. Shotwell as an air traffic controller. Those were the days when a young couple could buy a house with their combined \$18-a-month salary and a military housing loan.

After serving four years in the Army, Mr. Shotwell and his wife settled in La Canada, Calif. After success in a variety of marketing posts, he formed Robert Shotwell and Associates, an independent consulting and marketing firm that advised entrepreneurs.

Now age 84 and still dabbling in business, Mr. Shotwell pursued the diploma he started a generation ago. His motivation to graduate? Both he and his wife felt that completing his degree would serve as inspiration to others to finish what they start in life. Mr. Shotwell, and his family flew from his home in Camden, Maine to participate in the USC Marshall School of Business commencement ceremonies on May 13, 2005.

Mr. Shotwell offers the words of wisdom to current and future graduates: "Persistence is absolutely essential. Stay the course through the ups and downs—if you're stuck, no one's going to hand it to you on a silver platter." He adds, "Love what you do and you'll be good at it." ■



Robert Shotwell, Class of 2005!



Governor Arnold Schwarzenegger speaks to a group of local citizens in the home of Kathleen Thurmond, MBA '03, in Long Beach, during the first of a series of his "Citizens Kitchen Cabinet" meetings held throughout California. Ms. Thurmond is a member of the Long Beach Chamber Board of Directors and the owner of Best Washington Uniform Supply, an industrial uniform rental laundry, which has been in business for 56 years and has 47 employees. From left, Minnie Douglas, Cheri Kinley and Kathleen Thurmond.

ALL EYES ON CHINA AT PACIFIC RIM CONFERENCE

By Robert Barnett

China's booming economy exerts such a strong gravitational force that the rest of world cannot resist its orbit, says Il Young Maing, president of United Technologies' International Operations in Korea.

Richard L. Drobnick, vice provost for International Affairs at USC Marshall says that China's economic engine has the power to pull the entire region along at growth rates forecast by the Asia Development Bank of 6.5 percent to 7 percent in both 2005 and 2006.

Both Maing and Drobnick spoke at the 18th Annual Asia/Pacific Business Outlook Conference, jointly sponsored by the Center for International Business Education and Research (CIBEAR) at the USC Marshall School of Business and the Commercial Service of the U.S. Department of Commerce.

China and its rapid entry into the world economy dominated the two-day conference in April, which was led by a panel of business executives, leading academics and experts from both sides of the Pacific as well as America's senior commercial service officers from China, Korea, Japan, India and Mexico. Representatives from the World Bank, the U.S. Trade and



Donald Tang, chairman of Bear Stearns Asia addresses the conference.

Development Agency and the Export-Import Bank also participated.

Quantifying China's business potential, John Frisbie, president of the US-China Business Council, stated in his keynote address that, "Asia-Pacific needs \$1 trillion in infrastructure investment." He added, "Eighty percent of that is in China."

Discordant notes could be heard amid the chorus, with some participants citing doubts that China could sustain its growth rate and expressing concern over China's lack of transparency in its bank-

ing system and business accounting.

Panelists argued that India already offers real and present returns on investment, but some attendees appeared less enamored of the subcontinent's opportunities in the face of China's seemingly vast potential. Panelists also observed that:

- Korea is repositioning itself to attract foreign capital,
- Japan is lifting itself from its decade-long economic doldrums,
- Mexico is moving up the "food chain," as evidenced by manufacturing growth in Tijuana,
- Southeast Asia must be viewed with guarded optimism due to corruption, poverty, and illiteracy,
- Singapore continues to outpace the region, with its dynamic, entrepreneurial-driven economy,
- Indonesia is eager for foreign investment in the wake of its December 2004 tsunami,
- The Philippines and Thailand are weighted down by Islamic insurgencies,
- Vietnam is following China's model as it opens up its economy. ■

Robert Barnett is a freelance writer in Los Angeles.

AROUND THE RIM

By John Juricek

Gaining access to quality information can be difficult for USC Marshall alumni who no longer have access to the extensive (and expensive) databases available through the USC library systems. Sure, there is a lot of information on the Web, but wading through hundreds of sites in search of reliable information can be tedious and time-consuming. What are the best free public sites for doing business in the Pacific Rim? This new column will provide some expert guidance. But remember, the Web is a moving target and content changes quickly.

APEC Business Resources (http://www.apec.org/apec/business_resources.html)

Asia-Pacific Economic Cooperation or APEC is an international organization of 21 nations that advocates economic growth, cooperation, trade and investment in the Asia-Pacific region. The Business Resources page on this website contains links to a wide range of topics including industry information, tariffs, intellectual property and labor markets. There is even information on a Business Travel Card that can help speed you through visa checkpoints when you travel to the region. Links are provided to additional business websites and

tools. We should note that the USC Marshall School lends a scholarly hand to this group through the APEC Business Advisory Council Research Project.

BizAPEC (<http://www.bizapec.com>)

If the APEC home site provides macro-level business information, BizAPEC is where the APEC folks roll up their sleeves and get to work on a micro-level, providing "information, advice and tools to assist your business in identifying opportunities and uncovering the rules, regulations and requirements needed to get your goods to market." Special sections cover such topics as Business Opportunities, Industry Information by Sector, Getting Your Goods to Market, Regional Export Markets and Small and Medium Enterprises. The site is well designed and easy to use; there's even a "Business Advice" page for entrepreneurs. ■

John Juricek is a librarian in the USC Marshall School of Business and can be contacted at juricek@marshall.usc.edu. Please contact him or any member of the Crocker Library Staff if you have any questions or need any additional information.



DOING BUSINESS IN LONDON?

Marshall, Inc. asked Russell Bjorkman, BS '97, the USC Marshall Alumni Regional Representative in London, for his recommendations. Mr. Bjorkman, an international corporate attorney with the firm Freshfields Bruckhaus Deringer, also invites fellow USC alums to meet him for a cup of tea. He can be reached at 011 44 7976 357 293 (07976 357 293 in the UK) and at russell-bjorkman97@marshall.usc.edu. He also recommends www.usclondonalumni.org to find out about events in London with the USC Alumni Club.

more money, E&O or The Electric in Notting Hill have great buzz.

Favorite People-Watching Café:

Oriel's on Sloane Square is a favorite in good weather.

Best Shopping District in the City:

Sloane Street or Bond Street.

Favorite Park in the City:

Hyde Park in summer; Holland Park as well.

Best Walking Tour/Hike in the City:

Jack the Ripper tour by London Walks - a tourist classic—and their other great tours.

Architectural Marvel:

The miracle that the Tube still runs. Also Trafalgar Square and the Houses of Parliament.

Be Sure to Take the Children/Teenagers to:

The London Eye, where they can get a bird's eye view of the capital of Europe.

Survival Tips:

London is a fantastic mix of old and new world, things that frustrate and things that captivate. As the most international city in the world, if you spend time here you will understand why Samuel Johnson, diarist, said: "He who tires of London, tires of life." 🇬🇧

Favorite Restaurant for Two for Under \$100, not including wine:

It's difficult to get anything in London for that price unfortunately, but I'd recommend picking a restaurant on Brick Lane for a curry (Indian food) or possibly a nice "gastro pub"—a pub with good food—such as Admiral Codrington's in South Kensington. For just a bit

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FORMER FIREFIGHTER WINS \$25,000

streets smarts," comments Ms. Rhodes.

Leaving her husband in charge of their landscaping company, she and her two young daughters moved to Los Angeles, where she enrolled as a junior in USC Marshall School of Business in the fall of 2004.

Ms. Rhodes says her company's product is a realistic solution to a shortage of trained firefighters.

"The problem is that people are moving to rural areas and businesses have followed. But putting out fires in homes and commercial buildings is much more complex than fighting a wild fire, and the reality is, firefighters won't be there," Ms. Rhodes comments.

Some 39 teams submitted plans to preliminary reviewers including Bill Zimmerman, Andy Thornburg and Steve Reich, members of the Pasadena Angels, a group of more than 80 entrepreneurial investors., Richard Koffler, president of Los Angeles Venture Associates (LAVA) and a member of Tech Coast Angels, the largest angel investors network in the U.S., and Jim Sowers, an entrepreneur

and a member of the Greif Center Advisory Council.

The runner-up was a team of four USC Marshall graduate students including, Ryan Armstrong, James Frinier, Fernando Rivas and Along Schwartz. They joined with USC Marshall alumnus Tim Mournian, whose company, EnviroMill, uses a patented extrusion technology to reduce tires to a valuable product, called ultra-fine crumb, at a third of the cost of virgin rubber.

The Greif Center has sponsored business plan competitions for years, but this was the first contest with a large cash prize.

"We decided to put our money where our mouth was," said Kathleen Allen, a professor at the Lloyd Greif Center for Entrepreneurial Studies and director of the Center for Technology Commercialization, both of which sponsored the competition. Additional funds were contributed by six graduates of the entrepreneurship program: Torin Pavia, Joe Kaplan, Steve Robbins, Scott Adelson, Marshall Lerner and Blair Salisbury.

Judges eliminated teams over the

next four months until only five remained. These finalists were judged by Lloyd Greif, a boutique investment banker, John Dilts, president of Kieretsu Forum, Richard Morganstern, a member of Tech Coast Angels, Jonathan Goody of Bay Equity Real Estate Acquisitions and Andrea Belz, Dr. Kevin Scanlon and Davis Thompson, three members of the Pasadena Angels.

Other business schools sponsor competitions, but USC Marshall's is the only one that requires the winner to begin operations within six months of winning, which is why Ms. Rhodes has already started marketing FOAMSAFE. She's talking to fire prevention officials from the Los Padres National Forest who have expressed interest and a fire safety organization may highlight news of FOAMSAFE in its 55,000-circulation newsletter. Ms. Rhodes had planned to meet with a chief of the Forest Service in the Trinity National Forest.

"She wants one of our units for her new log home. It might be my first sale," says Ms. Rhodes. 🇬🇧

WEB INSIDER BABELFISH

By Sonny Koh

There's a new internet site created every eight seconds. "Web Insider" surfs the 'Net, looking for undiscovered gems for USC Marshall alums. This column features Babelfish, a language translation site.



WWW stands for the World-Wide-Web. In theory, the web allows the sharing of information or ideas with anyone, anywhere, around the world who happens to have access to the Internet. But the one major obstacle of sharing information with a global audience is that the web "speaks" in the native tongue of its author. Fortunately, there's Babelfish.altavista.com, a web site that is owned by software giant, AltaVista. The site <http://www.babelfish.altavista.com> uses translation software to convert your text content into another language. It's not perfect. When it translates, it does not correct grammar. It cannot convert graphic images that have text/words embedded into the image. And in order to convert text from Western script to Non-western script (i.e. Chinese, Korean, Japanese, Russian), you will need to download the necessary fonts.

So far, the site currently supports only 10 languages; English, French, Spanish, Portuguese, Italian, Chinese, Korean, Japanese, Russian and Greek.

To demonstrate Babelfish's powerful free service, I typed in www.usc.edu into the "Translate a Web Page" text field and selected a translation of "English to French".

Within seconds, the USC web page was translated into French. Zut Alors!

Sonny Koh is the web development specialist at USC Marshall School of Business.

He can be reached at skoh@marshall.usc.edu.

SAVE THE DATE!



Join us at USC Marshall School of Business to help celebrate the 125th Anniversary of the University of Southern California! The premiere public event of USC's 125th year will be a four-day, university-wide gala,

from October 6-9, 2005. The celebration coincides with USC Founder's Day, Half-Century Trojans' Weekend, and Trojan Parents' Weekend. There will be an all-university open house, and USC Marshall will host events for its alumni and families as well.

To commemorate this important milestone, USC will host an academic celebration in Bovard Hall, a birthday picnic lunch in Alumni Park and a special 125th Anniversary Concert in Bovard Auditorium on Thursday, October 6, 2005. We cordially invite all students, faculty, staff, alumni and friends. Visit the USC Festival 125 website at www.usc.edu/125 for a complete schedule of events, or contact Michael Kloss by e-mail at USC125@usc.edu, or by telephone at (213) 740-6786.

IN THE NEXT ISSUE Doing Business in LA? | B-School Road Map

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