

### FACULTY

## International Conference Honors Professor Emeritus Zarnowitz



Zarnowitz

A conference in honor of professor emeritus **Victor Zarnowitz**, a leading scholar on business cycles, indicators, and forecast evaluation, drew scholars from around the world last summer to Germany. Zarnowitz taught economics and finance at the GSB from 1959 to 1989.

Presentations focused on the topics of Zarnowitz's book *Business Cycles: Theory, History, Indicators and Forecasting*. Although it was published in 1992, researchers continue to embrace the work, said **Arnold Zellner**, H. G. B. Alexander Distinguished Service Professor of Economics and Statistics. "At the conference, people referred to this book as though it were the Bible," he said.

Executives at the Bank for International Settlements in Basel, Switzerland, were influenced by Zarnowitz's ideas, according to Andrew Filardo, A.B. '84, A.M. '86, Ph.D. '93 (economics). "His research is reflected in the core ideas that we consider critical for understanding the nexus among international business cycles, global financial markets, and financial stability," said Filardo, who presented a paper at the conference.

*Business Cycles* represents a summary of Zarnowitz's research over several years, Zellner said. "He's been respected as a very thorough researcher in the difficult area of business cycles, macroeconomics, and forecasting. He's the authority when it comes to asking, Are the forecasters doing a better job now than they did 20 years ago?"

Zellner's presentation at the meeting was titled "The Marshallian Macroeconomic Model: Implications for Business Cycle Analysis and Forecasting."

Zarnowitz is a research associate and member of the Business Cycle Dating Committee at the National Bureau of Economic Research and senior fellow and economic counselor at the Conference Board in New York.—P.H.



For information on Zarnowitz's book or Zellner's paper, see [gsbwww.uchicago.edu/news/gsbchicago/facultylinks.html](http://gsbwww.uchicago.edu/news/gsbchicago/facultylinks.html).

### RANKINGS

## Financial Times Ranks GSB among World's Best B-Schools

The GSB moved up one spot from last year to rank fourth in the sixth annual *Financial Times* ranking of the world's top full-time M.B.A. programs, published January 26. Sharing the position with the London Business School and INSEAD, the GSB followed Wharton, Harvard, and Columbia.

Also last winter, the Executive M.B.A. Program Asia topped the *Times's* first ranking of executive M.B.A. programs in Asia.

Both rankings are based on a survey of recent alumni and on data provided by the schools. The ranking of full-time M.B.A. programs also considers faculty publications.—A.R.

### EXECUTIVE EDUCATION



Diane J. Schmidt

## Barcelona Campus Offers Program for Senior Managers

To accommodate executives who have limited time to spend out of the office on education, Chicago GSB began offering a global senior management program at the Barcelona campus in May. The GSB developed the nondegree continuing education program with Instituto de Empresa, of Madrid, Spain. Faculty from the two schools lead the classes, which cover strategic vision in a global market, leadership skills, and organizational efficiency. The program, which is geared toward executives with at least 10 years of senior management experience, will convene in three sessions of no more than seven days each to accommodate their schedules.—A.R.



To learn more, visit [www.globalsmp.com](http://www.globalsmp.com).

ENTREPRENEURSHIP

## Student Business Plans Secure More than \$7 Million in Funding

Three teams who took top spots in the Edward L. Kaplan 2003 New Venture Challenge (NVC) business plan competition received enough funding to launch their businesses within the year.

StrongMail Systems, which placed fourth, secured a \$6 million venture capital financing led by Sequoia Capital, the prominent venture capital firm that funded such start-ups as Apple Computer, Google, Yahoo!, and Cisco. Evercore Ventures, which is headed by **Roger C. Altman, '69**, also participated in the financing. StrongMail produces software that enables businesses to build their own enterprise-grade e-mail applications.

CEO Frank Addante, who cofounded the company with Tim McQuillen, credited NVC team members **Rita Ravindra**, **Renuka Babu**, **Craig Moye**, and **Edward Pyne**—all first-year students when they competed—with helping to write the business plan and financial model that secured funding. “I’ve started four other companies, and VCs always poke holes in the financial model. But with the plan developed by the GSB students, everything went smoothly,” he said.

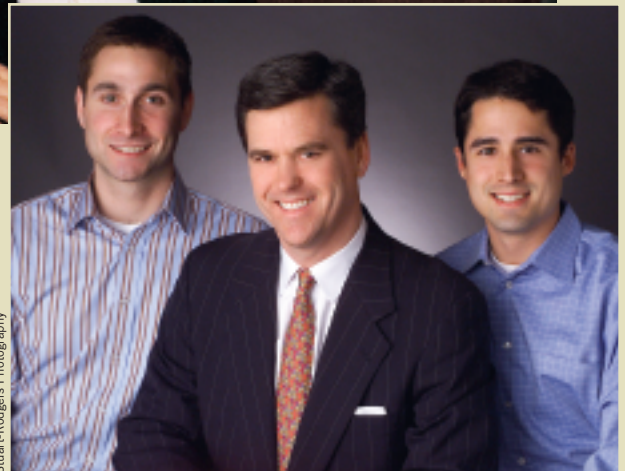
NVC first-place winner Vicarious Communications received seed-stage funding from three individuals, which enabled them to launch the project. The company produces software that helps manufacturers and suppliers of veterinary products and services (such as dental treatment) market them effectively through veterinarians. Team members included **Alyson Tesler**, a first-year student during the compe-



Nathan Mandell

**Picking a Winner:** Professor **Steven Kaplan** (above, top) joined a panel of industry experts, including **John Van Dyke Jr., '69** (above), to select the best presentations at a recent New Venture Challenge. Among the teams who secured funding after the 2003 competition were M.B.A. '04 students **Christopher Hill** (left) and **Jeff Wilcoxon** (right), with **John Rutledge, '94 (XP-63)**, who plan to open Bobtail Soda Fountain in Chicago this year.

Stuart-Rodgers Photography



tion; **Michael Moyer**, a current evening student; and **Becki Lindley, '97 (XP-66)**, a lecturer in the GSB's Management Lab.

The NVC team Soda Jerk's received \$1.5 million to create Bobtail Soda Fountain, upscale ice cream parlors where customers can watch ice cream being made. **Jeff Wilcoxon** and **Christopher Hill** developed the concept as first-year students based on Wilcoxon's family

business in Ohio. **John Rutledge, '94 (XP-63)**, president and cofounder of the Oxford Capital Group, acted as strategic advisor to the team, then became lead investor and ultimately CEO of Bobtail. The team was among the finalists in the competition. —P.H.

**ON THE WEB** To learn more about the NVC and the winning teams, visit [www.chicago.nvc.com](http://www.chicago.nvc.com) and [www.strongmailsystems.com](http://www.strongmailsystems.com).

### FACULTY

## Kole, Leftwich Named Deputy Deans

Chicago GSB has named two new deputy deans whose appointments begin July 1, dean **Edward A. Snyder** announced early this year.

**Stacey Kole**, A.M. '86 (economics), Ph.D. '92 (economics), was named deputy dean of the Full-Time M.B.A. Program, while **Richard Leftwich**, Fuji Bank and Heller Professor of Accounting and Finance, was named deputy dean of faculty.

Kole previously was associate dean for M.B.A. programs and associate professor of economics and management at the Simon Graduate School of Business at the University of Rochester. Her research and teaching have focused on human resource management, theory of the firm, and corporate finance. Previously, she worked at the U.S. Securities and Exchange Commission and at First Chicago and was a consultant for the Federal Reserve Bank of New York.

Leftwich has been a member of the GSB faculty for 25 years. His research has focused on audit qualifications, bond ratings, corporate charter changes, and block trades.

Kole replaces **Ann McGill**, M.B.A. '85, Ph.D. '86, Sears Roebuck Professor of General Management, Marketing, and Behavioral Science, who returned to the classroom after serving in the position for two years.

Leftwich replaces **John Huizinga**, Walter David "Bud" Fackler Professor of Economics, who will return to teaching after 11 years as deputy dean.—P.H.

### FACULTY

## ECGI Elects Kaplan, Rajan

The European Corporate Governance Institute (ECGI) elected **Steven N. Kaplan**, Neubauer Family Professor of Entrepreneurship and Finance, and **Raghuram Rajan**, Joseph L. Gidwitz Professor of Finance, to its 27-member committee of fellows last fall. They join **Luigi Zingales**, Robert C. McCormack Professor of Entrepreneurship and Finance, who has been a fellow with the nonprofit institute since it was founded in 2002. ECGI provides a forum for debate among academics, legislators, and practitioners on corporate governance issues.—A.R.

### FUNDRAISING

GSB CAMPAIGN

## Omnicare Funds Professorship to Honor Alumnus Gemunder



Gemunder

Omnicare, the largest provider of pharmaceutical services to nursing homes and assisted-living communities in the United States, donated \$2 million to the GSB last fall to create a professorship named in honor of its president and CEO, **Joel F. Gemunder**, '62.

The firm, which Gemunder helped launch in 1981, has several GSB alumni among its top staff. The Board of Directors at Omnicare funded the Joel F. Gemunder Professorship of Finance and Strategy because "what defines the success we've had in our company is the ability to think strategically and understand markets," Gemunder explained.

He was a newly married graduate of the City College of New York when he enrolled at Chicago GSB and was awarded a full scholarship. "We were counting our pennies, both of us trying to go to school and live on our own at the same time," Gemunder said.

His award not only covered the full cost of tuition, but it also provided an apartment at low cost and a job for Gemunder helping faculty with their research. "I came out of school without a huge debt load, and I was grateful," he said.

He is glad to have the opportunity to reciprocate. "It's very pleasing to be able to repay that trust by funding a professorship," Gemunder said. "Supporting the school that has given us some excellent graduates is a very good way to cement a relationship with the university."—P.H.



“What’s so important is not just focusing on what you have the right to do, it is doing what is the right thing to do.”



Anthony W. Smith

**Wesley Clark**, president and chief operating officer of Grainger, discussing business ethics at the Corporate Vision conference in Hyde Park. The event was cohosted by the Corporate Management and Strategy Group and the Marketing Group.

“It’s a tough environment now. Clients often are in the situation where they feel that if they lower the price, they can keep business. But that’s a no-win situation. You wind up taking the level of competition down with you.”

**Peter Lawyer**, vice president and head of the Chicago health care practice of the Boston Consulting Group, speaking to students in Hyde Park as part of the Distinguished Speaker Series.

“I always tell students, ‘If you’re interested in the airline business, read a book, but don’t go to work there, and don’t invest any money there. It’s a terrible industry and it’s not going to get any better.’”



Anthony W. Smith

**Jeffrey Katz**, Orbitz chairman, president, and CEO, speaking to students in Hyde Park at the Corporate Vision conference.

“There are only two economies that don’t have anything to do with the IMF, and they didn’t have any crises. Those two economies are China and India.”

**Juan A. del Azar**, global head of the emerging markets division at Merrill Lynch and co-chair of the Trade Association for Emerging Markets, at the Emerging Markets Speaker Series on the Hyde Park campus. His talk was sponsored by the Emerging Markets Group.

“There is a real connection between global aging and your economic future. There are now about \$70 trillion of unfunded liabilities worldwide, \$25 trillion in the United States. Unless these senior benefit programs are reformed, you’ll be forced to pay the equivalent of a staggering payroll tax of 25 to 35 percent....There also are significant macro effects on the economy as a whole and micro effects on particular kinds of businesses. A few of the questions you might ask yourselves: How is

your business affected by stagnant or declining GNPs? By the rapidly decreasing number of young and rapidly increasing number of old? By the fact that developed-country populations will be decreasing and developing-country populations will still be increasing rapidly?”



Matthew Gilson

**Peter G. Peterson**, ’51, chairman and cofounder of the Blackstone Group and chairman of the Federal Reserve Bank of New York, addressing students in Hyde Park as part of the Distinguished Speaker Series.

“What economic growth is, primarily, is the replacement of processes with one technology to processes with a more efficient technology. Short term, that means that those people in jobs and companies that were linked to the old technology suffer, but very rapidly, those jobs and industries are replaced by newer ones that are more efficient.”



Dan Dry

**Philippe Legrain**, a chief economist of Britain in Europe and former special advisor to then–director general of the World Trade Organization, Mike Moore, speaking to students in Hyde Park. Legrain was invited by the Emerging Markets Group and the European Business Group.