

HUNTSMAN

ALUMNI MAGAZINE

A Renewed Focus on

Analytical Rigor

- An innovative website
- A new master's degree
- A restructured MBA

ALSO:

ALUM JOHN MILLER
DESCRIBES REINVENTION OF
MEATPACKING INDUSTRY

PROFESSOR DAVID STOWELL EXAMINES
ECONOMIC CRASH FACTORS

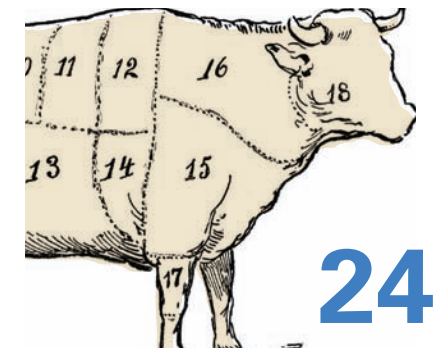
STUDENT JOINS JAPAN RELIEF

10 NEW FACULTY MEMBERS HIRED

Spring 2012

CONTENTS

18 ON THE COVER: A RENEWED FOCUS ON ANALYTICAL RIGOR. THE HUNTSMAN SCHOOL CONTINUES TO STRENGTHEN AND REFINE ITS ANALYTICAL OFFERINGS.
ARTWORK BY HILARY FRISBY



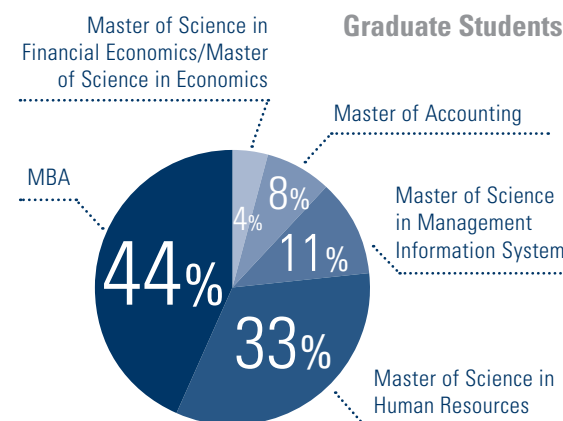
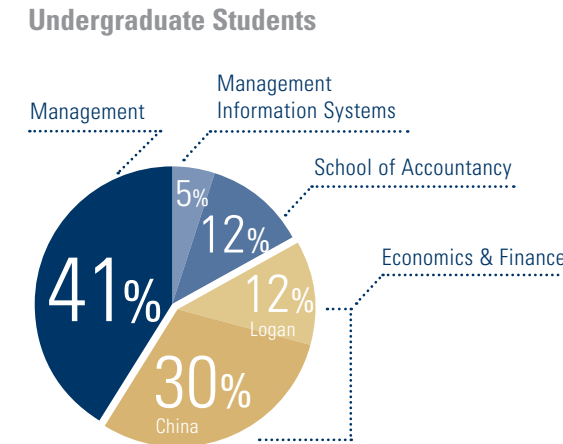
featured in this issue

- 14** STUDENT JOINS JAPAN RELIEF EFFORTS
Brett Stevenson Helps Bring Hope to Post-Tsunami Japan
- 18** A RENEWED FOCUS ON ANALYTICAL RIGOR
The Huntsman School Continues to Strengthen and Refine its Analytical Offerings
- 20** IN THE EYE OF THE STORM
Professor David Stowell Examines Factors in the Economic Downturn
- 24** THE ALL-AMERICAN MAVERICK
How Analytical Rigor Helped John R. Miller Reinvent the Meatpacking Industry

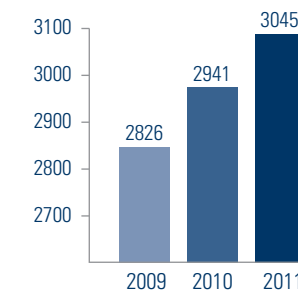
plus

4	DEAN'S MESSAGE	10	RESEARCH HIGHLIGHTS	26	KEEP IN TOUCH
5	MY FAVORITE PROFESSOR	11	ACADEMIC NEWS	33	VISION
6	STUDENT NEWS	16	LEGACY	35	VOICE
8	NEW FACES	17	FUTURE		

how we slice the pie



enrollment



stay connected with us

- Be one of our 5,000+ fans on Facebook
- Join our professional group on LinkedIn
- Watch our latest videos at youtube.com/huntsmanschool
- Follow us along with 9,000 others on Twitter @huntsman_school

ON THE WEB

Find these stories online at huntsman.usu.edu/alumnispring2012

CONTRIBUTORS

- DEAN**
Douglas D. Anderson
- EDITORIAL BOARD**
Christine Arrington, *Co-Director of Marketing and Branding*
Steve Eaton, *Director of Communications*
- DESIGN & ILLUSTRATION**
Hilary Frisby
- COPY EDITORS**
Maren Cartwright
Connor Child
Steve Eaton
Rob Goates
Allie Jeppson
Sterling Morris
Natali Naegle
Jonathan Shipley
Paul Lewis Siddoway
- CONTRIBUTING WRITERS**
Christine Arrington
Connor Child
Steve Eaton
Rob Goates
Allie Jeppson
Natali Naegle
Eric Schulz
Paul Lewis Siddoway

- PHOTOGRAPHY**
Ron Adair
Donna Barry
Russ Dixon
Steve Eaton
Sterling Morris
USU Merrill-Cazier Library
UofU J. Willard Marriott Library

- SOCIAL MEDIA**
Sterling Morris

- WEBSITE**
Shara Gibbons

Send comments to the editor
huntsman.editor@usu.edu.

Huntsman Alumni Magazine is published two times a year by the Jon M. Huntsman School of Business at Utah State University, Logan, Utah.

Copyright 2012 by Utah State University. All rights reserved.

Printed by Hudson Printing Company, Salt Lake City, Utah.

dean's message

a message from Dean Douglas D. Anderson



Albert Szent-Györgyi, a Hungarian physiologist who won the Nobel Prize in 1937, once said, "Research is to see what everybody else has seen, and to think what nobody else has thought."

Analytical rigor is one of the four strategic pillars at the Huntsman School of Business. Our goal is to enable our students to come up with new, valuable insights by developing the skills to delve below the obvious and discover the key data that decision makers need if they are to gain a competitive edge.

This edition of the *Huntsman Alumni Magazine* is packed with examples of applied analytical rigor. In it you can read about the new faculty members who will be joining us soon, increasing our momentum on our journey to be top-tier, especially when

“Research is to see what everybody else has seen, and to think what nobody else has thought.”

— *Albert Szent-Györgyi*

it comes to analytical rigor. We will be adding three faculty members to the Finance and Economics Department, two to the School of Accountancy, four to the Department of Management, and one to the Management Information Systems department.

Our school's quantitative offerings have been strengthened with the launch of a new Master of Science degree in Financial Economics and a refocused macroeconomics course. Several of our Information Technology courses focus on the rapidly evolving tools for analyzing "big data" to strengthen decision making and forecasting. You can read about the latest in big data analytics and about how students and alumni, with a professor as advisor, have launched a new website that processes and analyzes social media traffic to measure the public's changing opinion on political candidates even before poll numbers come out.

You will read about two USU alumni who rose to the top of their fields, in no small measure due to analytical skills. John R. Miller, former CEO of National Beef, led a kind of "reinvention" of the meatpacking industry, in part by identifying metrics to drive and reshape the business. John, who will be our commencement speaker this year, is now the National Finance Co-chair for the Mitt Romney presidential campaign. David Stowell, who teaches Huntsman courses on hedge funds, private equity, and investment banking and who serves on our National Advisory Board, was, in a sense, present at the creation of Wall Street's most recent era of financial innovation. He offers an insightful perspective on financial tools that are well constructed and those that are not. We also feature Brett Stevenson, a Huntsman student who put his leadership and analytical skills to the test when he set up an internship that put him in the middle of rebuilding efforts in Japan after the March 11, 2011, earthquake.

All three saw beyond obstacles to identify the key steps they could take to succeed. Our students come with strong ethical, entrepreneurial instincts, and when we arm them with the right analytical skills, remarkable things happen. In fact, that's when the real innovation begins.

And that's what analytical rigor is all about.

PHOTO BY RON ADAIR

myfavoriteprofessor



Natali Naegle studied marketing and accounting while a student at the Huntsman School and graduated in May 2010 as its valedictorian. A native of Bountiful, Utah, she leaves for Manhattan this fall as she starts the Columbia Business School MBA program.

Accounting 3120: Debits, Credits, and Ethics

BY NATALI NAEGLE

When I took my first and second accounting classes, I satisfied the academic requirement. When I took my third and fourth accounting classes, I placated my dad, an engineer and small-business

owner who recognized the value of understanding accounting (and who was helping to foot my education bill, so I did whatever he asked). When I took Professor Chris Skousen's accounting class, I finally appreciated accounting for shaping me into a better future business leader.

As my favorite professor, Dr. Skousen connected academic principles to real life work examples. In his intermediate accounting class, he pushed us to analytically solve complex problems that we might face as business managers, and he showed us how an understanding of accounting could help us make better decisions as leaders. He cared about his students and spent significant time outside of the classroom if we needed help understanding the material. What I'll never forget, though, is how he taught us not to go to prison. It may sound silly, but he reminded us that the greatest cases

of fraud, like Enron and WorldCom, usually start and end with accounting. Any accounting class can teach debits and credits, but he emphasized the ethical and analytical practice of accounting, and the importance of standing up for our values.

Even though I appreciated Dr. Skousen's accounting class, I still assumed I wouldn't use accounting after I graduated, because I didn't plan to follow the traditional accounting path to a Big Four firm. How wrong I was! I ended up in Los Angeles, Calif., working in forensic accounting for a bankruptcy trustee. As I worked on those high profile litigation cases where billions of dollars disappeared, I saw first-hand the effects of the fraudulent accounting practices Dr. Skousen warned me about. Finally those dots between education and practice connected, and I owe much of that to his teaching. I'm grateful that he taught me how to use analytical and ethical accounting to make better decisions, and the Huntsman School is lucky to have him shaping the next generation of leaders. ■

Natali Naegle credits Chris Skousen with connecting education and practice for her.



► Read about Chris Skousen's research on page 10 of this issue.

PHOTOS BY STERLING MORRIS

📶 Accounting is a “great fit” for women or men needing job flexibility

Accounting majors at the Jon M. Huntsman School of Business become fluent in the “language of business.” They also gain access to a wide variety of career opportunities, including some of the most flexible jobs in the market.

Andrea Winkler, a mother of three, will begin the Huntsman School’s Master of Accounting program in the summer. She said while she expects to work full-time as a CPA, she is also attracted to the flexibility such a career can offer a mother.

“Once I got to the Huntsman School, I was able to talk to a lot of professors about future job opportunities,” Andrea said. “I found out that it’s a great fit for a mom. It can be very flexible.”

Rosemary Fullerton, associate professor of accounting at the Huntsman School of Business, echoed Winkler’s sentiment. She said the accounting profession recognizes women as a valuable part of their workforce and is responding accordingly to their needs. She said accountants can work as full-time or part-time employees, or they can run their own business from home. She also noted tax season is relatively short, so while tax accountants can be very busy for four months of the year, the rest of the

year their work schedules can be more flexible.

Despite these benefits, Dr. Fullerton said, the Huntsman School has few women in the graduate accounting program. Females represent a much lower percentage of accounting graduate students at USU than the national norm.

“We’d like to find out why that is, and we want to encourage them to enroll into the graduate accounting program because of the many career opportunities it provides,” Dr. Fullerton said. “We would like to increase the motivation for both women and men to stay and earn their MAcc degree. It’s only three semesters, and it’s a natural thing to follow from the undergraduate program. It opens so many more professional doors if you complete that master’s program.”



Dr. Rosemary Fullerton said an accounting career can be particularly flexible.

PHOTO BY RUSS DIXON

📶 Huntsman Grads Impacting Utah’s Economy



After graduation, Lance Larsen landed a job as analyst at Goldman Sachs in the Salt Lake City office.

Two of the respondents took their careers international; one is working in Santo Domingo, Dominican Republic, and another in Canberra, Australia, Eric said.

Kjersten Adams was one of 25 finalists from more than 400 applicants.

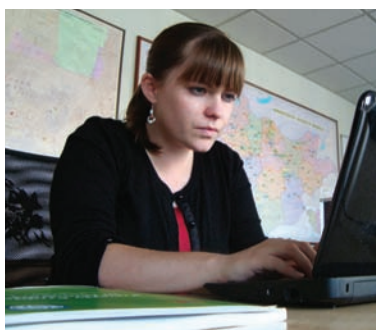


PHOTO COURTESY KJERSTEN ADAMS

📶 Economics Student a Finalist for Carnegie Fellowship

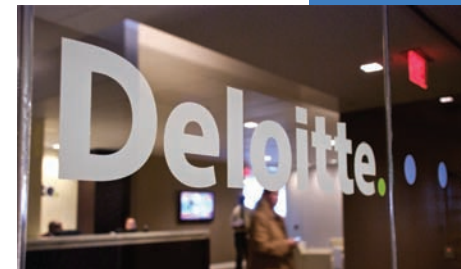
A student in the Jon M. Huntsman School of Business was recently named a finalist for the prestigious Carnegie Endowment for International Peace Junior Fellows Program.

Kjersten Adams, a Huntsman scholar and senior honors student in economics, traveled to Washington, D.C., to interview for a one-year position in the think tank. Even though she was not selected for the position, more than 400 students applied for it, and she was one of just 25 students who were named as finalists.

“We are so very proud of Kjersten’s achievement,” said Honors Program Director Christie Fox. “Her accomplishment demonstrates the kind of education and experience that Utah State University and the Honors Program provide to our students.”

The program offers up to ten one-year fellowships, and students who are accepted have the opportunity to conduct research, participate in meetings with high-level officials, contribute to congressional testimony, and co-author journal articles and policy papers, according to the organization’s website.

📶 Deloitte Finds Value in Huntsman Graduates



In the United States, Deloitte, LLP, and its subsidiaries employ tens of thousands of professionals. The firm has discovered that Huntsman graduates prove a good investment with more than 15 now employed in the company’s Salt Lake City office alone.

One of those students, Mike Mansfield, graduated with a master of accountancy from Utah State University in 2010 and joined Deloitte as an auditing associate.

“Deloitte recognizes that students from USU are not afraid to dive in and get to work,” Mike said. “They are also aware that the Huntsman School of Business prepares its students well and structures the accounting program to facilitate the success of its students.”

Chris Bradley, audit manager in the Salt Lake City office, compiled a list of reasons Huntsman students are often hired:

PHOTO COURTESY OF DELOITTE.COM

1. Utah State University students know how to work. Utah State students have worked in real world situations and know how to apply the abstract concepts learned in their classes to actual transactions when they start at Deloitte.
2. Utah State students are finishers – they know projects must be completed in a timely fashion, and they can be creative in determining how to close the loop on open issues.
3. Utah State students know how to research issues and are willing to stand behind their conclusions.

Wes Yeomans, a senior audit manager with the firm, also had positive things to say about Huntsman graduates.

“I have worked with sharp people from several different Deloitte offices, and the USU grads we have hired stack up with anybody from the more widely known programs,” said Wes. “They are hardworking, dependable, and have a good attitude. We have always been impressed with the students at Utah State.”

That is all good news for Huntsman students, who seem to like working at Deloitte. They are not the only ones who like it there; *Fortune* and *Bloomberg BusinessWeek* consistently rank the firm among the best places to work.

PHOTOS BY STERLING MORRIS, STEVE EATON, AND CONNOR CHILD

📶 Thousands of Dollars Awarded to Student-Run Businesses

A political website, a financial factoring company, and a relay race series took home top honors at a recent business contest that highlights the efforts of student entrepreneurs. Opportunity Quest, the name of the competition, brought out dozens of students and groups vying for the first-place \$5,000 prize. The Entrepreneurship Club hosted the event, which was sponsored by Zion’s Bank.

POLITIC First Place, \$5,000 to Politic.com

Politic.com is a political website that analyzes online activity, traditional polls, and other breaking news to provide users with a snapshot of current public opinion and buzz about specific political candidates. It was launched on Election Day 2011 to coincide with the events leading to the Republican presidential nomination. In the future it will provide similar services for local elections.

The company was founded by Huntsman students Sterling Morris, a graduate management information systems (MIS) student; Lauren Johnson, an MIS major; and Shai McDonald, an MIS major, along with Josh Light and Britney Johnson. Josh graduated in 2010 with a degree in economics, finance, and entrepreneurship. Britney graduated in 2010 with a degree in MIS. John Johnson, head of the MIS Department, is an investor and key supporter of the new company.



Left to right: Britney Johnson, Josh Light, Lauren Johnson, Shai McDonald, John Johnson, and Sterling Morris, developers of Politic.com.



Second Place, \$2,000 to Page Stroud Finance

Page Stroud Finance is a financial factoring company started by Reed Page, a finance and economics major, and Jason Stroud. The central idea of the venture is to purchase the accounts receivable balances at a discount from energy service companies to expedite cash flows. Page Stroud Finance will subsequently collect on the full amount owed to the company.

Third Place, \$1,000 to Kilo Relay Series

The Kilo Relay Series is a unique racing experience that combines long distance running and competitive road cycling in a team relay format. The race is a combination of a full marathon (26.2 miles) and a century bike ride (100 miles). Relay team sizes will be flexible to allow teams from 1-8 people. The race includes eight different segments starting with a 10-kilometer run and then transitioning to a 25-mile bike ride. This pattern is continued for four rounds until each team has completed the full 126.2 miles. Huntsman students Milo Williams and Kyle Ivins started the venture.



Left to right: Milo Williams, Kyle Ivins, and Mike Glauser.

new faces

Ten faculty members to join the Huntsman School in the fall of 2012.

Four new faculty members will be joining the Department of Management; three will become part of the Department of Finance and Economics; two will be faculty in the School of Accountancy; and one will join the Management Information Systems Department.



Devon Gorry

A researcher from one of the top economics education programs in the country has joined the Jon M. Huntsman School of Business in the Economics and Finance Department.

Devon Gorry has been a teaching assistant and lecturer in the Economics Department at the University of Chicago.

Frank Caliendo, an associate professor in the Economics and Finance Department, said Dr. Gorry will bring valuable experience and add to the Huntsman School's reputation.

"Chicago has one of the best economics departments in the world," Dr. Caliendo said. "We are excited to have her join the team."



Jason Smith

A researcher who co-authored a paper accepted into one of the nation's top finance journals has been hired by the Jon M. Huntsman School of Business.

Jason Smith, who earned his doctorate in finance from Washington University in St. Louis in 2006, will join the Economics and Finance Department. He has been an assistant professor of finance at the University of Kentucky since 2006.

Dr. Smith collaborated with three other researchers on a paper that looks at specific effects of cash flows for corporations and how they are adjusting leveraging ratios. The paper has been accepted into the *Journal of Financial Economics*, one of the most selective finance journals in the country. The *Journal of Financial Economics* rejected nearly 90 percent of all submissions from Feb. 2011 to Jan. 2012, according to its website.



Ryan Whitby

A professor whose research on executive pay has been published in one of the top finance journals in the world will begin teaching in the Economics and Finance Department.

Ryan Whitby has published in the *Review of Financial Studies*, one of the top three finance journals in the world, said Ben Blau, an assistant professor in the Economics and Finance Department. "Ryan wrote an article exploring the practice of adjusting the terms of the options after companies pay their executives," Dr. Blau said. "Having that article published in the *Review of Financial Studies* is very impressive."

Dr. Whitby now teaches at Texas Tech University. He received his doctorate and master's degrees from the University of Utah, and a bachelor's in business administration from Weber State University in 1998.



John Ferguson

A Vanderbilt University law school graduate, who earned a Juris doctorate degree in constitutional law and international human rights, has agreed to join the Jon M. Huntsman School of Business faculty as a law, ethics, and international management lecturer.

John Ferguson, whose employment begins fall 2012, now works as a lecturer at Baylor University and has a considerable amount of professional experience. First amendment consultant, attorney, and editor of *The Texas Journal of Free Enterprise and Public Policy* are three of many professional titles Dr. Ferguson has held.



Chad Simon

A professor who won the 2011 "Best Paper Award" at a top auditing research symposium in Europe has agreed to join the Jon M. Huntsman School of Business faculty as an assistant professor. He will teach accounting with an audit emphasis.

Chad Simon has worked as an assistant professor at University of Nevada – Las Vegas since 2008 and has garnered a considerable amount of professional experience in a short amount of time.

With a doctorate from the University of Georgia and a master's of accountancy from Brigham Young University, Dr. Simon specializes in audits and has been published in *Accounting Review* and *Accounting Academic*. The "Best Paper Award" recognition came at the 6th European Auditing Research Network (EARNet) Symposium in 2011.



Merideth Ferguson

Merideth Ferguson, author and co-author of more than 26 publications, conference papers, and presentations, will be joining the Jon M. Huntsman School of Business as an assistant professor teaching human resources classes.

Dr. Ferguson received two "Best Paper" honors from the Academy of Management, in 2008 and 2010. Her research has been featured in major media outlets such as *ABC News*, *Business Week*, *Wall Street Journal Radio*, and *USA Today*.

Dr. Ferguson earned her doctorate and master's degrees from Vanderbilt University. She now works as an assistant professor at Baylor University.



Sterling Bone

The developer of the strategic sales management course materials used by the Jon M. Huntsman School of Business has agreed to become a new faculty member at the school.

With a doctorate from Oklahoma State University and an MBA in Entrepreneurship from Utah State University, Sterling Bone will join the Huntsman School of Business as an assistant professor of marketing.

Dr. Bone has extensive experience teaching courses such as marketing management, services marketing, promotional strategy, and principles of marketing. He has earned high student ratings from these courses.

In the past year alone, Dr. Bone has been recognized as an AMA Sheth Foundation Consortium Faculty Fellow and honored for the Best Practitioner Presentation at the Frontiers in Service Conference.



Timothy Gardner

A researcher known for his work in strategic human resource management has agreed to join the Jon M. Huntsman School of Business in the Management Department.

Timothy Gardner is now a professor of management at Vanderbilt University. Dr. Gardner received his doctorate in 2002 from Cornell University and his master's degree from The Ohio State University in 1996.

Dr. Gardner conducts research to find out if firms can gain a competitive edge in the marketplace by taking better care of their employees and business partners, according to Alan Warnick, associate department head for the management department.

"He comes with a great research record, along with a long list of journal articles and book chapters to his name," Professor Warnick said.



Nicole Forsgren Velasquez

A former Huntsman valedictorian, who is now teaching at Pepperdine University, has agreed to join the Huntsman School of Business in its Management Information Systems Department.

Nicole Forsgren Velasquez was Huntsman's valedictorian in 2001, and she was also named the Robins Award Scholar of the Year, a Utah State University award given to one outstanding student each year.

Dr. Velasquez has since gone on to earn a master of accounting and a doctorate in management information systems from the University of Arizona, a university that has a top-five rated MIS program. She is now an assistant professor in the Business Division at Pepperdine University where she conducts research dealing with cost allocations, knowledge management, and IT impacts. She said she likes to collaborate with undergraduate students on research, something she intends to continue at USU.

She has been a featured speaker at industry and academic events. Dr. Velasquez has also drafted technical white papers, a patent, newsletter articles, and academic research papers.



Richard Price

The winner of Rice University's 2011 MBA for Professionals Award for Teaching Excellence has been hired as an assistant professor at the Jon M. Huntsman School of Business.

Richard Price, an assistant professor at Rice University, will teach a number of financial accounting and MBA courses.

With a doctorate in business administration and a master's degree in statistics from Stanford University, Dr. Price is well known for his research on financial accounting in areas of accounting conservatism, earnings quality, fraud prediction, and investor behavior. Larry Walther, the head of the School of Accountancy, said that he is pleased that Dr. Price has agreed to come to the Huntsman School of Business.

"He is extremely well-known around the country for his research," Dr. Walther said, "and he has proven an outstanding teacher, who will greatly benefit our students."



Research Highlights

{ SCHOOL OF ACCOUNTANCY }

“Haphazard Sampling” Not as Random as it Might Appear

BY CONNOR CHILD

An auditor may choose from several methodologies for determining what to look at when auditing a company. One of the frequently employed techniques is called “haphazard sampling.”

Haphazard sampling is a non-statistical technique used by auditors to simulate a variety of random sampling techniques when testing for potential errors in various accounting populations such as inventory and accounts receivable.

Chris Skousen, an associate professor of accounting at the Jon M. Huntsman School of Business, believes haphazard sampling is misleading for a simple reason — humans are inherently

biased and are therefore unable to perform truly haphazard sampling.

He recently completed a paper that looked at the potential biases in haphazard sampling. It will be published in an

upcoming issue of the academic journal *Behavioral Research in Accounting*.

For the paper, Dr. Skousen and his co-authors created a study where students and professional auditors had to haphazardly select samples from a given set of accounting data.

“Even with training and an explanation of

haphazard sampling, we discovered that they didn’t do it haphazardly,” Dr. Skousen said. “And we discovered their samples were biased toward the easiest items to find. If you had a listing, it was biased to what was listed at the very top or very bottom of a page. They missed what was in the middle.”

“With the risk of financial fraud in today’s world, we need to be fully aware of our financial statements and how they’re being audited,” Dr. Skousen said.

Larry Walther, School of Accountancy department head, has high hopes for the findings in the paper.

“This article has the potential to be impactful to the accounting profession,” Dr. Walther said. “The findings could be highly significant in that the current audit standards do not require use of a valid sampling plan.”

Dr. Skousen said it is not the primary responsibility of auditors to find fraud. Still, he said he wanted accounting professionals to be aware of the dangers of “coming to conclusions based on a faulty methodology.”

Dr. Skousen worked on the paper with Kenneth Hall, Tom Hall, and Bethane Pierce from The University of Texas at Arlington, and Andrew Higson from Loughborough University. ■

“With the risk of financial fraud in today’s world, we need to be fully aware of our financial statements and how they’re being audited.”

— Chris Skousen

academic news

New Center for Entrepreneurial Excellence Begins to Draw in Innovative Thinkers

Students across campus are gravitating toward the Jon M. Huntsman School of Business in search of the answers they will need to turn their entrepreneurial dreams into reality.

The Huntsman School of Business is ready to help. The school officially launched its Center for Entrepreneurial Excellence in January with an event that celebrated the kind of innovative, visionary thinking that led to the creation of the center in the first place.

The center launch included visiting VIPs, speeches, a ribbon cutting, and predictions that this will prove a milestone in the progress of the Huntsman School of Business. Mike Glauser, a successful entrepreneur and author, is the director of the center. The center will offer assistance with business plan development, branding, website design, securing start-up capital, and more, he said. The center will not just focus on technology startups but also on new businesses in the broad range of industries that make up 80 percent of the U.S. economy.

“We are very serious about bringing people together. We are serious about launching new companies, creating jobs, and growing our economy.”

— Mike Glauser

PHOTOS BY STEVE EATON

The launch event featured remarks from USU President Stan Albrecht, Dean Douglas D. Anderson, and Dr. Glauser. Jim Davis, head of the Management Department, and David Bradford, representing the Utah Governor’s office, also spoke.

Dr. Glauser reports the launch has already attracted students from across campus and sparked the interest of some friends and alumni who want to see the center get off to a good start.

“This center is available for all students, in all colleges, in all departments across all of our campuses across the state of Utah,” Dr. Glauser said at the opening.

“This center will go on and become very significant, not only in the lives of our students, but also of the citizens of this great state,” Dean Anderson said. “It is just a joy to see how this is coming together.” President Albrecht called the creation of the center a “significant step forward.”

“If you look at the trajectory that this institution is on, I hope you all feel the sense of excitement that we feel,” he said.

President Stan Albrecht, left, and Dean Douglas D. Anderson cut the ribbon for the Center for Entrepreneurial Excellence.



Call Family Foundation to Invest \$3.5 Million to Help Utah Students

The Call Family Foundation plans to donate \$3.5 million to the Jon M. Huntsman School of Business at Utah State University and the David Eccles School of Business at the University of Utah.

Crystal Maggelet, the CEO of FJ Management, announced in February the foundation’s plan to donate \$1 million to fund one fully-staffed career services center that will bear the Flying J name at each school. Flying J is the name of a company that her father, Jay Call, founded; the company is now called FJ Management. Each university also will receive an additional \$750,000 to be allocated over a 15-year period for scholarships for FJ Management employees and students at the two universities.

Each year, up to 10 scholarships will be awarded to USU students who are current or former employees of Flying J or FJ Management, or the spouses or

children of current or former employees of Flying J or FJ Management.

Ms. Maggelet said the donations were a fulfillment of her late father’s vision to help young people. Jay Call founded Flying J Fuel Co. in 1968.

“My father died suddenly at a young age,” she said. “He was generous every day in small ways but never had much of an opportunity to give back in ways that could help hundreds of students for years to come. He started with nothing, but through hard work and determination he built Flying J to become one of North America’s largest diesel fuel retailers. This gift will help hundreds of students accomplish their educational dreams. It is my hope that those who receive this scholarship will apply the same spirit of entrepreneurship and independence in their lives that my father demonstrated.”



Crystal Maggelet announced the donation from her family’s foundation.

PHOTO BY RUSS DIXON

The Shingo Prize Develops Powerful New Business Tool Called SCOPE

Assessing the culture of an organization can be a tricky proposition.

The Shingo Prize for Operational Excellence, which has been part of the Jon M. Huntsman School of Business for 25 years, has developed an online cultural assessment tool designed to measure how well a firm is implementing The Shingo Prize standards.

The tool will allow the Shingo Prize for Operational Excellence to demonstrate how an improved culture will result in better business results, according to Robert Miller, executive director of The Shingo Prize for Operational Excellence.

“The Shingo Prize for Operational Excellence has drawn from years of experience and is now developing a powerful database that, for the first time, that will correlate organizational culture with business results,” Mr. Miller said.

The Shingo Cultural Online Performance Evaluation (SCOPE) tracks how principles are being applied by executives, managers, and associations – in short, at all levels of the organization. The survey helps managers improve the consistency of their execution and performance by measuring and

addressing specific factors surrounding ten guiding principles found in the Shingo model, Mr. Miller said. The Shingo model is a framework the organization uses to show how key operational excellence principles are interrelated.

The Shingo Prize for Operational Excellence developed this methodology to help organizations pursue operational excellence, Mr. Miller said. Annual SCOPE assessments will provide organizations with a more factual, behavior-based report card that will take the place of subjective company attitude surveys.

“Behaviors are the manifestation of culture and can be measured, analyzed, and changed,” Mr. Miller said. “The goal of the assessment is to identify actual behaviors versus ideal behaviors so it can become the basis for continuous improvement.”

In recent years, The Shingo Prize for Operational Excellence has dramatically extended its global reach and is now often described as the “world standard” in the execution of business strategy, Mr. Miller said.



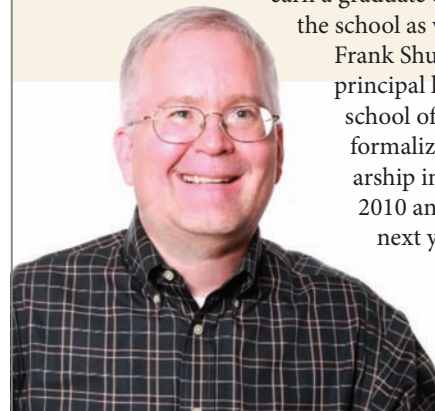
Shingo Cultural Online Performance Evaluation

ON THE WEB www.shingoprize.org

Scholarship Supports Students Who Stay for a Graduate Degree

Some teachers get so attached to their students that they hate to see them leave. Frank Shuman is apparently one of those teachers.

He has helped set up the Frank and Anita Shuman Scholarship, an endowment aimed at helping those who earned an undergraduate degree at the Huntsman School of Business earn a graduate degree from the school as well.



Frank Shuman has established an endowed scholarship.

Frank Shuman, a principal lecturer in the school of accountancy, formalized the scholarship in January 2010 and over the next year and a half

raised more than \$25,000. He said alumni he taught over his 20 years at the Huntsman School donated \$10,000, and he matched that amount. He said connecting with those who donated was very rewarding.

“I remembered something about every student who donated to the fund,” Frank said. “It brought back a lot of memories.”

He said he wanted to establish the endowment because he received his bachelor’s and master’s degrees in accounting from the Huntsman School and wanted to help other students who desired to do the same.

Frank said he will continue to add to the fund and said anyone else interested may donate to the scholarship online.

ON THE WEB huntsman.usu.edu/give

Huntsman School to Become Home for Business Education Journal

An education innovation and research journal is coming to the Jon M. Huntsman School of Business.

Vijay Kannan, professor of operations management and director of international programs, was selected in January as the editor of the *Decision Sciences Journal of Innovative Education*.

The Decision Sciences Institute (DSI) is a global professional organization for academics in a variety of business disciplines. The journal is published quarterly and features articles with quantitative and qualitative research on contemporary problems in teaching business, as well as current trends and issues in business education.

Professor Kannan said he was selected based on his prior involvement in DSI, as well as his experience as an associate editor for business theory articles in DSI’s other journal, *Decision Sciences*, and in the Institute for Supply Management’s *Journal of Supply Chain Management*.

Vijay Kannan was named editor of a DSI journal.



PHOTO BY RUSS DIXON

Huntsman Students Score in 92nd Percentile on National Exam

On a test administered to students at institutions around the nation, MBA students at the Jon M.

Huntsman School of Business scored in the 92nd percentile overall.

All MBA students at the Huntsman School participate in the MBA version of the Educational Testing Services’ (ETS) Major Field Test in business. The scores for the on-campus, full-time cohort were recently released, and Huntsman MBA students scored higher than 91 percent of students who took the test. The test was given at 225 institutions, and 14,406 students participated.

“The Huntsman School MBA program’s recent excellent ranking on the Major Field Test is testament to the quality of our students, faculty, and curriculum,” said Konrad Lee, director of the MBA program.

The Huntsman School also made notable improvements in several categories of the test, which is broken up into marketing, management, finance, managerial accounting, and strategic integration.



Left to Right: Marielle Sanchez, Adam Kirschman, Jim Roberts, Kyle Griffin, Will Heath, and Chelsea Kasen, some members of the MBA cohort.

MBA students scored higher than

91%

of students at other institutions.

ON THE WEB huntsmanmba.com

PHOTO BY STERLING MORRIS

Selected Faculty Publications

ACCOUNTING

Chris Skousen, “Characterizing Accounting Research,” *Accounting Horizons*, 24.4 (2010): 635-670.

Chris Skousen (in press), “Haphazard Sampling: Selection Biases Induced by Control Listing Properties and the Estimation Consequences of these Biases,” to appear in *Behavioral Research in Accounting*.

Nate Stephens, “Accounting Doctoral Program Rankings Based on Research Productivity of Program Graduates,” *Accounting Horizons*, 25.1 (2011): 149-181.

Nate Stephens, “Individual Accounting Faculty Research Rankings by Topical Area and Methodology,” *Issues in Accounting Education*, 26.3 (2011): 471-505.

ECONOMICS AND FINANCE

Ben Blau, Tyler Brough, “Is the Trading of ETFs a Bearish Signal,” *Journal of Trading*, 6 (2011): 32-40.

Ben Blau, M. Hill, H. Wang, “Short Sales and Return Predictability: A Comparison of REITs and Common,” *Journal of Real Estate Finance and Economics*, 42 (2011): 481-503.

Tyler Brough (in press), “Concentrated Short-Selling Activity: Bear Raids or Contrarian Trading,” to appear in *International Journal of Managerial Finance*.

Tyler Brough (in press), “Short Sales, Stealth Trading, and the Suspension of the Uptick Rule,” to appear in *Quarterly Review of Economics and Finance*.

James Feigenbaum, Frank Caliendo, Emin Gahramanov, “Optimal Irrational Behavior,” *Journal of Economic Behavior and Organization* (2011).

MANAGEMENT

Chester F. Brough, *Business Law and Ethics* (Des Moines, Iowa: Kendall Hunt Publishing, 2011). 1st Edition.

P.F. Buller and Glenn M. McEvoy, “Strategy, Human Resource Management, and Performance: Sharpening Line of Sight,” *Human Resource Management Review*.

Alison Cook, “Cultural Differences in Work-Family Policies and Perceptions of Organizational Support,” *Employee Responsibilities and Rights Journal*.

Alison Cook, “Does Diversity Damage Corporate Value?”

Measuring Stock Price Reactions to a Diversity Award,” *Ethnic and Racial Studies* (2011).

Alison Cook, “Leadership Change and Shareholder Value: How Markets React to the Appointments of Women,” *Human Resource Management* (2011).

Cathy L. Hartman, Sandra Reategui, and Edwin R. Stafford, “Harvesting Utah’s Urban Winds,” *Solutions Journal* 2 (2011): 42-50.

V.R. Kannan and B.D. Keillor, editors, *International Business in the 21st Century, Volume 2 - Going Global: Implementing International Business Operations* (Praeger Publishing, 2011).

Glenn McEvoy, “Increasing Intrinsic Motivation to Learn in Organizational Behavior Classes,” *Journal of Management Education* 35.4 (2011): 468-503.

Bradley A. Winn, *Oxford Handbook of Positive Organizational Scholarship* (2011).

MANAGEMENT INFORMATION SYSTEMS

Kathy Chudoba, M. B. Watson-Manheim, K. Crowston, C. S. Lee, “Participation in ICT-Enabled Meetings,” *Journal of Organization and End User Computing*, 23(2) (2011), 15-36.

A. Durcikova, Kelly Fadel, B. Butler, D. Galletta, “Knowledge Exploration and Exploitation: The Impacts of Psychological Climate and Knowledge Management System Access,” *Information Systems Research*, 22(4) (2011), 855-866.

Z. Ji, Yong Seog Kim, A. Chen, “Multi-objective a-reliable path finding in stochastic networks with correlated link costs: A simulation-based multi-objective genetic algorithm approach (SMOGA),” *Expert Systems with Application*, 38(3) (2011), 1515-1528.

Robert Mills, Kelly Fadel, “Integrating E-Learning as a Career Path in MIS Curricula: A Blue Ocean Opportunity,” *American Journal of Business Education*, 5(2) (2012), 103-113.

David H. Olsen, Pamela A. Dupin-Bryant, “Business intelligence and information systems: Enhancing student knowledge in database courses,” *Review of Business Information Systems*, 16(1) (2012), 1-14.

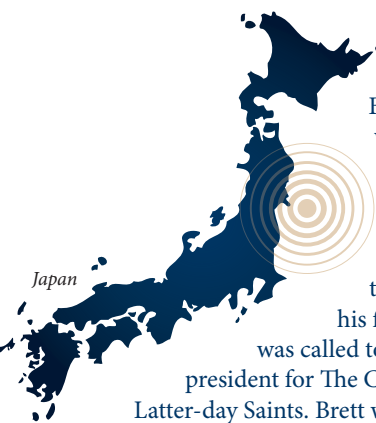
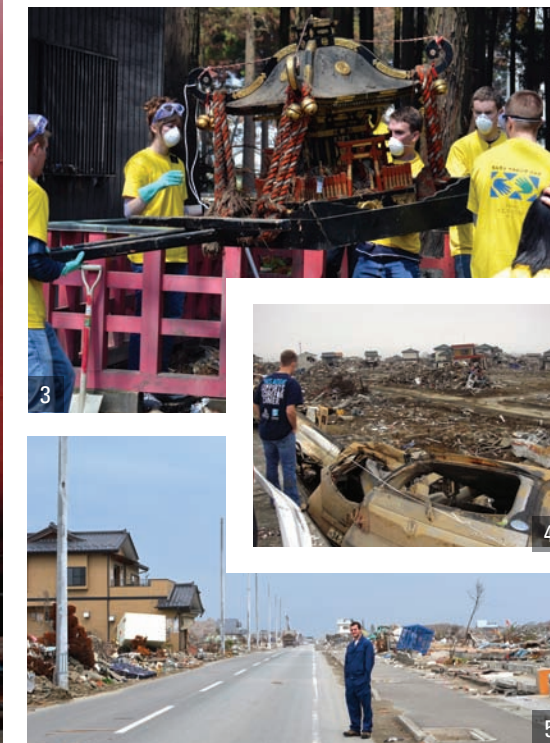
David Paper, E. Pedersen, R. Change, “A Phenomenological Study of the EC Process from the Perspective of EC Entrepreneurs,” *International Journal of E-Business Development*, 2(1) (2012), 1-12.

Huntsman Student Joins Japan Relief Effort

Brett Stevenson Helps Bring Hope to Post-Tsunami Japan

BY STEVE EATON

USU student Brett Stevenson was in Japan on March 11, 2011, when the catastrophic earthquakes and tsunami hit. It was three unstable days before he could leave and come back to Utah State University. And yet, it was not long after he arrived in Utah that he decided he needed to return.



The devastation in Japan was not an abstract calamity for Brett. Even though he was watching from thousands of miles away, he said the suffering he saw was very close to his heart.

Brett had first gone to Japan in 2004 when his father, Gary E. Stevenson, was called to serve there as a mission president for The Church of Jesus Christ of Latter-day Saints. Brett was then called to serve a mission in Southern Japan in 2008, and while he was in the Missionary Training Center in Provo, where LDS missionaries are prepped for their service, his father was called to move back to Tokyo to serve as a full-time leader, or “general authority,” for the LDS Church in the Asia North Area.

Brett had been visiting his parents for spring break and was on a boat near Tokyo taking a tour when the earthquake hit near the east coast of Honshu, Japan. He said he did not feel the initial 9.0 quake, but there were more than 200 earthquakes over 5.0 which he felt over the course of the next few days. The United States Geological Survey’s (USGS) Earthquake Hazards Program ranked the 9.0 quake the fourth worst earthquake since 1900, but that was just one of more than 1,000 earthquakes that hit Japan in March of 2012.

“For the next three days it was non-stop shaking,” Brett said. “We never stopped moving.”

Despite that experience, Brett, a Huntsman student majoring in economics, soon set up a six-week internship so he could go back and volunteer on the front lines of the relief efforts. He would also work with a key group of LDS Church and business leaders who organized relief efforts. He returned with roommate Ryan Neeley, a USU student majoring in public relations.

The fact that Brett could speak fluent Japanese made his contributions valuable, according to Yayoi Tonami, a Helping Hands volunteer coordinator who worked with Brett. Brett said he and Ryan became guides for church volunteer groups who came to help in Sendai, one of the hardest hit areas. She said his upbeat attitude lifted her spirits as she too dealt with the impact of the quakes.

“He was very, very helpful,” she said. “He was so willing to help us out.”

Elder Gary Stevenson said when there is a disaster and the LDS Church sends assistance, it sometimes works in tandem with other non-profits or under the umbrella of other organizations which have an established presence in the area.

“Really, the objective is to find a way to help the people in need in the fastest and most efficient way possible,” he said.

In this case, LDS Church members and missionaries offered more than 25,000 volunteer days of service, he said. The LDS Church also helped by doing things such as purchasing large ice machines to help the fishermen get back on their feet. A report put out by the Civil Society Monitor said “Latter-day Saint Charities” are credited with donating \$13 million to the relief efforts, ranking the Utah-based church number five on the list of contributing organizations.

Brett said in one area he worked with a local church leader who made arrangements to bring in a truck load of food to people in need. He said he would help people carry food from the distribution point back to their cars and their homes. In almost every case, the people he helped had lost either their homes or family members or both.

“There was no fighting, no rioting,” Brett said. “People were getting food for their neighbors. They were taking less than they needed so other people could have food. It was all a combined effort. There wasn’t the pandemonium or the craziness that you would imagine.”

Brett said it was an experience that changed his life and brought it into perspective.

“It just made it really emotional,” he said. “There were multiple times when I was walking back from their car to where we were passing out the food and I was just crying. I was walking back in tears.”

Takashi Wada, the director of temporal affairs for the Asia North Area, held a similar position for the LDS Church that had him coordinating relief efforts when wildfires impacted southern California. He said nothing could have prepared him for what happened in Japan. He said more than 16,000 people died, and 1.1 million homes and 4,000 roads were damaged or destroyed.

Mr. Wada recruited key church and business leaders from Japan to serve on a “humanitarian advisory committee” to determine the best way to help people. Brett was asked to be on that committee and was able to witness first-hand the creation of an organization that had to coordinate with multiple governmental and non-profit organizations to help people in a crisis situation.

“He’s got the right attitude,” Mr. Wada said of Brett. “He really thinks broadly, as well as locally. He makes things happen.”

- 1 Brett Stevenson in a devastated neighborhood in Higashi Matsushima, Japan.
- 2 Brett Stevenson looks at two ships that were washed ashore in Higashi Matsushima.
- 3 LDS missionaries from the Japan Tokyo Mission help clean a 1,500 year old Yahata Shrine in Tagajo, Japan.
- 4 USU student Ryan Neeley looks over a devastated neighborhood in Higashi Matsushima, Japan.
- 5 Brett Stevenson in the devastated fishing town of Watari, Japan.

“For the next three days it was non-stop shaking. We never stopped moving.”
— Brett Stevenson

PHOTOS 1, 3, 5 BY RYAN NEELEY, 2 BY LESA STEVENSON, 4 BY BRETT STEVENSON

Legacy Three Cache Valley Friends

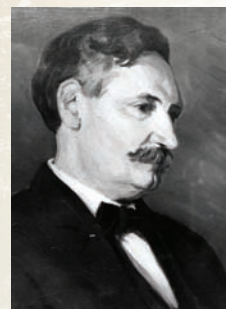
BY CHRISTINE ARRINGTON



John A. Widtsoe



George Thomas, Jr.



Joseph M. Tanner

They met in Logan at the Brigham Young College (BYC), the small “high school and college” Brigham Young founded in 1877, 23 days before he died. John A. Widtsoe and George Thomas, Jr., were students at the BYC, where Logan High stands now, and Joseph M. Tanner was the school’s principal. The BYC was a kind of combination high school and community college, in contrast to USU (called the Agricultural College of Utah until 1929), which opened 11 years later in 1888 up on the hill in Logan.

After these three friends met, they would find their lives intertwined, and would go on to become giants of learning and leadership. They brought the world’s best economics and law training back home to Utah, from Harvard University starting in 1891 and later from universities at Gottingen, Berlin, and Halle in Germany. From 1894 to 1917 the three of them held key early positions at USU in agricultural economics, general economics, and political economics.

John A. Widtsoe headed the USU agricultural economics experiment station from 1894 (six years after the university’s founding) until 1907, except for two years during which time he sought further education at Harvard. He was then president of USU from 1907 to 1916, and president of the University of Utah from 1916 to 1921.

George Thomas, Jr., was USU’s first professor of economics and head of the Department of Economics and Sociology, which grew from 17 students to more than 500 in about ten years from 1908 to 1917. He then served at the University of Utah as Dean of the School of Commerce and then as president from 1922 until 1944.

Joseph M. Tanner taught political economics at USU from 1896 to 1900, while serving as president of the university.



Old Main, Experiment Station, President’s Residence, Director’s Residence, Horse Barn, part of Mechanic Arts Building and Boiler House behind Old Main, 1900-1909.



These “three musketeers” left Cache Valley together in 1891 to study at Harvard University. Widtsoe and Thomas then separately studied economics in Germany, during a time when the “Historical School” of economics in Germany was very influential. The school of “Classical Economics” shaped by Adam Smith’s 1776 “Wealth of Nations” focused on individual self-interest, while the German school held that Smith’s approach “neglected the role of government and the ethical considerations of those leading the nation.”¹ This German school had a “predisposition toward an activist government” and may have held more interest for young men living in Cache Valley, where the United Order communitarian economic system of owning some goods in common and creating cooperative enterprises was practiced, especially during the 1880s.²

From the Corners of the Earth

John A. Widtsoe was born in Norway in 1872 to John and Anna Widtsoe. His father died when he was six, and his widowed mother immigrated to Utah with her two young sons in 1883, when John was 11.

The Thomas family of Welsh immigrants had arrived in Hyde Park not long before 1866 when their son George Thomas was born. After George’s birth, his family moved to settle Benson in western Cache Valley. George did not start school until age 11, when he rode his pony back and forth to Hyde Park each day, four miles away.

When George was 12, his father was disabled in an accident, and George wrote, “In addition to school work, my daily task was in the morning feeding of thirty-five head of cattle, seven head of horses, milking five cows, saddling my pony, eating my breakfast, and getting to school at 9 a.m. Upon returning home, in the evenings, the chores, the same as in the morning, had to be done and lessons prepared for the next day.”

Joseph M. Tanner was born in 1859 in Payson and served as principal of the BYC in Logan from 1887 to 1891.

Students in a School of Commerce study hall located on the third floor of Old Main, 1909.

Going to Harvard

In 1890, when George Thomas was 24 years old, his father died. Joseph Tanner then proposed that he, Thomas, Widtsoe, and several other smart young men in Cache Valley go together to study at Harvard University. They were the first group from Utah to enroll at Harvard. So in 1891, George Thomas sold the family farm, borrowed money from friends, and went off to Harvard with the small group. Widtsoe was 19 years old, Thomas 25, and Tanner 32.

Three years later, in 1894, Widtsoe graduated from Harvard *summa cum laude* and Tanner earned a law degree. In 1896 Thomas graduated *magna cum laude* with an A.B. degree.

Onward to Germany

After Widtsoe served as head of the agricultural economics experiment station at USU, he was sent to Europe to do missionary work and to study at the University of Gottingen, Germany, earning an A.M. Ph.D. in 1899. He returned to USU in 1900, again as director of the agricultural station.

In 1898, Thomas began teaching economics, history, and chemistry at USU. In 1900, he went back to Harvard for further economics studies, and after receiving an A.M. degree in 1901, he went to Europe where he studied at the University of Paris and the universities of Berlin and Halle in Germany, receiving the Ph.D. with highest ranking from Halle in 1903. His dissertation was on the history of customs tariffs and foreign trade transactions of the United States after 1875.

In the ensuing years, Joseph Tanner was president of Utah State for four years and Widtsoe for nine years. Then Widtsoe was president of the University of Utah for six years and Thomas for 21 years. All three beacons of educational excellence remembered fondly their early friendships with each other in Cache Valley, their common aspirations in the 1890s, and their foundation-laying work together in economics at USU. ■

Sources:

¹ “The History of the Utah State University Economics Department, 1888-2008” by Gary B. Hansen and Leonard J. Arrington, June 2011.

² Arrington, Leonard J.; Fox, Feramorz Y; May, Dean; “Building the City of God,” Deseret Book Company, Salt Lake City, Utah, 1976

Ascendant Scholar future

Associate Professor Alison Cook Brings Finance Background to Organizational Behavior Studies of Diversity and the Stock Market

BY CHRISTINE ARRINGTON

Associate Professor Alison Cook received the prestigious award “Ascendant Scholar of 2011” from the Western Academy of Management (WAM), along with three other honorees, from Stanford, University of Southern California, and San Francisco State. This is WAM’s top honor for identifying bright young scholars who it wants to foster, recognize, and support. Then Professor Cook was invited to present a paper at the 2012 annual WAM conference, in March, in La Jolla, California.

Professor Cook’s research focuses on aspects of gender and diversity within the organizational behavior field. Her frequent co-author is Professor Christy Glass from USU’s sociology department, who has a doctorate from Yale. Professors Cook and Glass most recently examined whether a company’s winning a diversity award had an effect on its stock price, and thus its corporate value. For example, when a company was named by “Working Mother Magazine” to the list of best companies for working mothers, did its stock price go up, down, or nowhere?

Accurately answering that question required having data from at least 255 stock trading days in a year, in order to be able to control for shocks in the market or other forces that might affect stock prices.

“This approach to analyzing stock price response had been used in the finance and accounting fields, but only a handful of scholars had used it in organizational behavior,” Professor Cook said.

Her undergraduate degree in finance and work as a stockbroker for Fidelity Investments undoubtedly helped to prepare her for this research. She earned a bachelor of science degree in finance in 1992, worked for Fidelity in California, and then taught high school business for four years.

When she decided to get a doctoral degree she first thought it would be in finance.

“One university sent me its organizational behavior packet by mistake,” she said. “I suddenly realized that was what I wanted to study, so I’ve kind of merged the two fields, doing organizational behavior research using financial measures to answer difficult questions.”

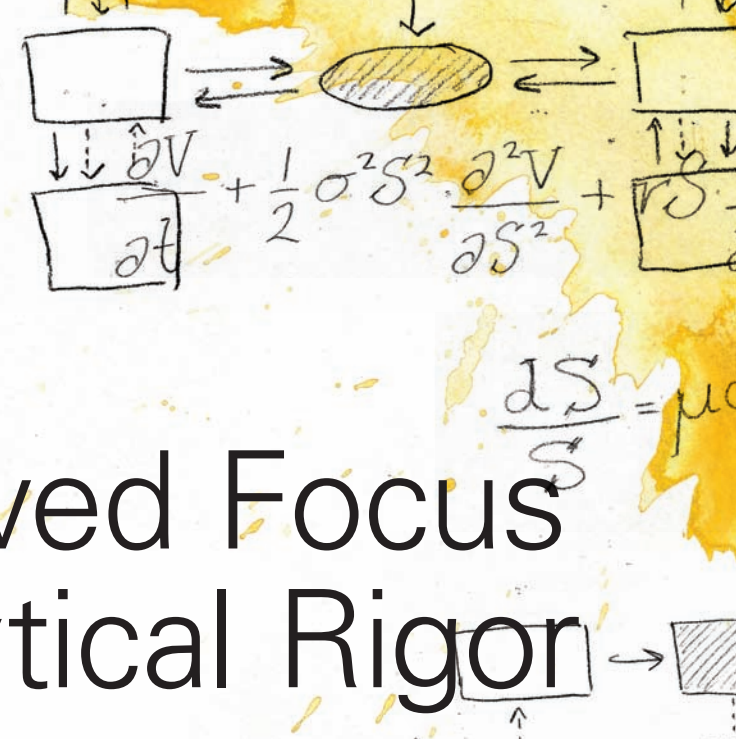
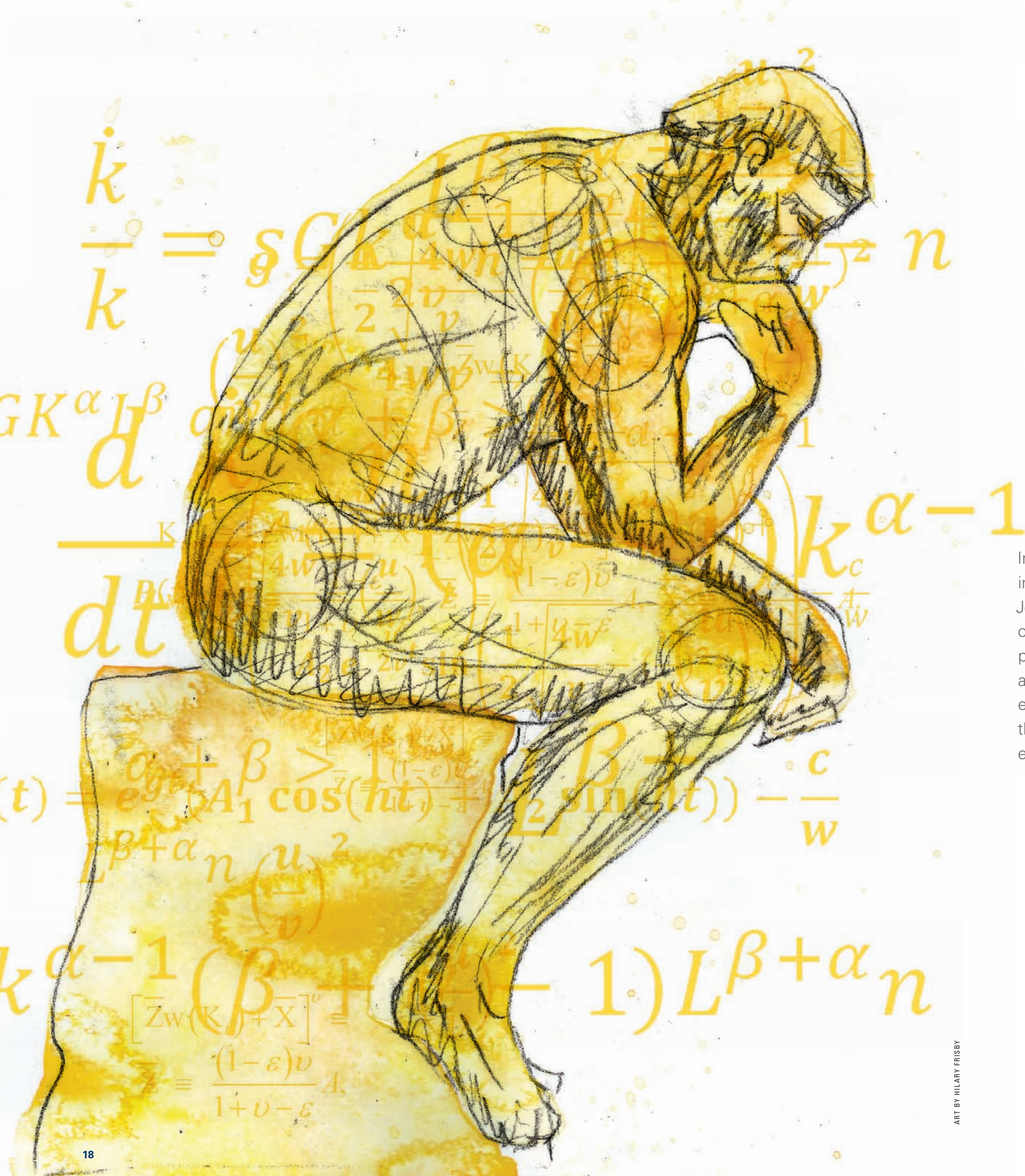
She earned a doctorate in organizational behavior at Purdue in 2004, and has taught at Utah State since then. She said she feels lucky to be a part of the excellent Management Department at USU, and she has particularly enjoyed leading groups of students in the International Study Abroad Program in Asia.

As for the answers to those thorny questions, Professor Cook and Professor Glass found a positive stock price response for diversity awards related to women and Asians, but a mixed response to diversity awards for other minority groups, including blacks and Hispanics. ■



GEORGE THOMAS PHOTO COURTESY OF SPECIAL COLLECTIONS, J. WILLARD MARRIOTT LIBRARY, UNIVERSITY OF UTAH, OTHER PHOTOS COURTESY OF USU MERRILL-CAZIER LIBRARY SPECIAL COLLECTIONS & ARCHIVES

ALISON COOK PHOTO BY STERLING MORRIS



A Renewed Focus on Analytical Rigor

The Huntsman School Continues to Strengthen its Offerings in a Variety of Analytical Disciplines

BY CHRISTINE ARRINGTON

In this burgeoning new age of “big data” and business intelligence driven by internet-enabled information, the Jon M. Huntsman School of Business is adding a number of programs and offerings that will strengthen its students preparation for the rapidly changing work world. These additions include a new master’s degree in financial economics, a restructured 10-month MBA program, and the hiring of 10 new faculty members with significant expertise in the more analytical disciplines.

These changes and improvements will further leverage the programs and courses already in place at the school in service of students’ increased need for analytical expertise.

Business Analytics within Management Information Systems

A good example of cutting-edge analytics at the Huntsman School comes from the MIS department, where students Sterling Morris and Josh Light worked together with a team to create the entrepreneurial prizewinning Politic.com website mentioned on page 7 in this magazine; it tracks keywords about politicians across the web through social media and key “influencers” to predict how public opinion is trending, even before polls have detected a change. Each candidate’s “IT” score is based on a neural network model that measures the buzz around that candidate.

The professor and student discussed the kinds of new skills and techniques needed to take full advantage of the information now available online. “Barack Obama has 25 million Facebook friends, each of whom has, on average, 390 friends,” Professor John D. Johnson, team advisor, offered. “If he reaches out to his Facebook friends and they contact their friends, minus any duplication, he can get his message out to a vast number of people.”

“Currently we’re utilizing what we term ‘stat 2.0,’ or second generation statistics,” Josh said. “Traditional statistics was conceived in an era with limited data and computational power. That is no longer the problem. At Politic.com, we download up to 20 megabytes of data every day from the internet, traditional media, and social media, including every Twitter hash-tag having to do with a presidential candidate. Then we mine the data, analyzing which tweets go viral, figuring out who the most important ‘influencers’ are and what they’re saying.”

The next stage is using tools smartly to get messages to “go viral” — be repeated and forwarded by huge numbers of people.

“We can identify, say, five key words that have been influential,” Josh said. “Then we can calculate how many times a message will be retweeted. Eventually it will be like a genetic algorithm that can be programmed to repair itself.”

One project the team is developing is an “advocate network” through which voter lists can be “socialized” in order to get messages to have a viral effect; the network could include giving members

points for retweeting, for example, and could allow them to earn prizes over time.

“The question is, can I use data mining to understand the interactions of individuals and how they influence others well enough to construct influence networks?” Josh said. He’s working on that now.

A New Master’s Degree in Financial Economics

A new master of science degree in financial economics will be launched in the fall of 2012. Tyler Bowles, head of the Economics and Finance Department, said this degree will prepare students for demanding careers in the financial services industry with the requisite quantitative analytical

expertise to succeed in that challenging and challenged industry.

The degree includes a macroeconomics course that has been significantly redesigned under the direction of Tyler Brough and Ben Blau. This course now includes more rigorous quantitative and econometric components.

A Restructured One-Year MBA Program

Influenced, in part, by the book “Rethinking the MBA” by Datar, Garvin, and Cullen, the Huntsman School’s MBA program has been restructured to meet the needs of today’s work force. The program is directed by Professor Konrad Lee and is adding skills focused on “knowing, doing, being.” It is a

10-month MBA that is ideal for students who have already taken some undergraduate business courses. Students also can take preparatory courses over the summer, if needed, before starting the program.

This follows the emergence of some other one-year MBA programs at schools such as Notre Dame and INSEAD. Between saving the cost of an additional year of school and earning money during that year, the one-year MBA can be seen as offering a \$100,000 difference, versus a traditional two-year MBA.

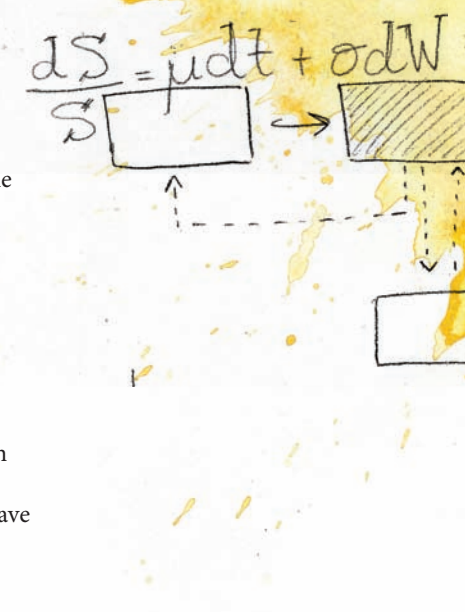
Professor Lee said the program was restructured to offer more flexibility, turning some three-credit courses into two-credit courses, and including some one-week programs on topics such as “negotiating

for executives.” The analytical components of the program were strengthened, as well, including the addition of a new business intelligence class.

New Faculty Members

As detailed in the “New Faces” section of the magazine on pages 8-9, ten new professors have been hired, including several specifically in quantitative and analytics-focused disciplines, such as microeconomics and finance. These will add considerably to the preparation of Huntsman students.

Following are several profiles of alumni who have utilized analytical skills extensively in achieving their career successes. ■



In the Eye of the Storm

Professor David Stowell Examines His Experience on Wall Street and Key Factors in the Economic Downturn

BY CHRISTINE ARRINGTON

Logan native and Utah State University graduate David Stowell ('76, economics) has a ready point of view on the main factors that caused the 2008 financial meltdown. A member of the Huntsman School's National Advisory Board, he gives lectures at USU that touch on these “crash” factors in two online courses with three in-person lectures each—hedge funds and private equity in the fall, and investment banking in the spring. The factors he cites are:

1. Interest rates being kept too low for too long
2. Programs encouraging people who really could not afford to buy houses to do so
3. Failure of the rating institutions such as Moody's and Standard & Poor's
4. The creation of collateralized debt obligations — CDOs

Professor Stowell thinks that CDOs should have been far more carefully constructed based on accurate data and should have included much more transparent risk disclosure. He makes a well-informed argument for distinguishing between financial tools that are constructive, that make the capital markets more efficient and effective, and financial tools that are destructive and should be changed or eliminated.

Coming from someone who was on Wall Street during the era when so many financial innovations were created — in the eye of the proverbial gathering storm — his perspective arguably carries a lot of weight. David Stowell was named Co-head of the

Equity Derivatives Group at Goldman Sachs in 1989, one of the first such financial innovation teams on Wall Street, heralded on the front page of the *Wall Street Journal* at the time. He had just returned from four years in Japan working for Goldman, where he had helped invent some innovative financial tools called “Nikkei Put Warrants.”

The Path to Wall Street

After serving an LDS mission in Japan and then graduating from Utah State, David earned an MBA at Columbia Business School in 1978. When he was hired by Goldman Sachs to work in Hong Kong and then Tokyo, he was able to use his Japanese language skills. He still laughs about his memory from Tokyo of having to argue on the phone in Japanese that he had “an invasion of frogs” that needed to be stemmed in the yard of his rental home. Ostensibly, pretty good Japanese language skills would be required to convey that demand.

Beyond his yard problems, “Mergers and acquisitions just weren't commonly done at that time in Japan,” Professor Stowell said. “They were really frowned upon.” And yet, half of his income was supposed to come from mergers and acquisitions. So instead he and his colleagues invented “Nikkei Put Warrants,” and created a good business with them.

Taking Finance 101 would expose one to “puts and calls” — options based on a contract between two parties allowing them to exchange an asset (usually a stock, in the past) at a specific price by a predetermined date. For the put option, the investor “borrows” the stock, wagering that it will decline in price, and then sells it to the other party on the expiration date. For the call option, the investor wagers that the stock will increase in price, and buys it from the other party on the expiration date.

Professor Stowell describes the “Nikkei Put

Warrants” on page 163 in his textbook, “An Introduction to Investment Banks, Hedge Funds, and Private Equity: The New Paradigm,” written after he became a finance professor at Northwestern's Kellogg School of Management, where he still teaches. Essentially an investor creates an investment position that pays off if the Japanese stock market drops below a certain strike price. If the market drops, the investor collects the difference between that strike price and the subsequent lower stock market index price. If it does not drop, the investor loses the amount invested in the position.

The investor's analysis, then, depends on whether, why, and when that investor expects the Japanese stock market to drop.

From 1986 to 1990, the Nikkei 225 stock market index increased in value dramatically, reaching a historical high of 38,916 points at the end of 1989, Professor Stowell wrote in his book. Then two weeks later, on Jan. 12, 1990, Goldman Sachs launched its put offering in the United States. He records how the timing played out: “By June of that year, the Japanese stock market had crashed, dropping by more than 50 percent.” (p. 163)

This was one of the earliest equity derivatives.

Professor Stowell recalled that he and the CEO of Goldman Sachs later were called to Washington, D.C., to meet with the Minister of Finance of Japan. “We had

David Stowell talks with a Huntsman student.



$$\frac{1}{2} \sigma^2 S^2 \frac{\partial^2 V}{\partial S^2} + rS \frac{\partial V}{\partial S} - rV = 0$$

$$+ \frac{1}{2} \sigma^2 S^2 \frac{\partial^2 V}{\partial S^2} + rS \frac{\partial V}{\partial S} - rV = 0$$

$$\frac{1}{2} \sigma^2 S^2 \frac{\partial^2 V}{\partial S^2} + rS \frac{\partial V}{\partial S} - rV = 0$$

PHOTO BY STEVE EATON

to explain to him that we didn't cause the market to fall," Professor Stowell said. "That would have been the tail wagging the dog." Nonetheless, since Goldman's license to operate in Japan was up for renewal that summer, Goldman was pressured to close down its very profitable "Nikkei Puts" business, and it did.

The Equation that Caused the Banks to Crash?

Another widely discussed view of the financial meltdown is that a large factor was the use of a mathematical equation called the Black-Scholes option pricing model, created by Myron Scholes and Fischer Black in 1973. The Nobel Prize was awarded for the model in 1997 to Scholes and Robert Merton who had worked on later stages of the model; Fischer Black had died by 1997, and the Nobel committee does not award the prize posthumously.

head, and ruminate, not saying anything at all, for 15 seconds or sometimes longer. You could almost hear the wheels turning in his head. It could be an uncomfortably long pause. Then he would offer an answer that was almost impossible to understand, just very complex and arcane, leaving the clients totally confused."

Eventually Mr. Black moved into a new research function focusing on risk. "He was genuinely nice, although not easily communicative," Professor Stowell said. Mr. Black died a few years after he left Goldman Sachs.

The Guardian's Argument

The Black-Scholes option pricing model describes "the rate of change of the price in terms of the rates at which various other quantities are changing," writes Ian Stewart, emeritus professor of math at the University of Warwick, in *The Guardian*. It provides a specific formula for assigning a value to a put option or call option when the financial contract "still had time to run," somewhat like "buying or selling a bet on a horse, halfway through the race," Mr. Stewart wrote.

This allows one to pin an expected final price on a moving target, with one giant caveat—it works only under the appropriate market conditions. All bets were off when "market conditions weren't appropriate," for example when large stock fluctuations were occurring. Ian Stewart concluded, "The equation itself wasn't the real problem. It was useful, it was precise, and its limitations were clearly stated." The problem was that it shouldn't have been used when market conditions weren't appropriate for it.

"The early success of Black-Scholes encouraged the financial sector to develop a host of related equations aimed at different financial instruments," Mr. Stewart wrote.

Studying the Black-Scholes option pricing model in a hedge fund class at USU is undoubtedly more interesting with Professor Stowell, who can personally recall the unusual genius who was one of its creators. This and other tales from the eye of the storm come easily from Professor Stowell, bringing to life what otherwise could be difficult-to-grasp concepts.

■

$$\frac{1}{2} \sigma^2 S^2 \frac{\partial^2 V}{\partial S^2} + rS \frac{\partial V}{\partial S} + \frac{\partial V}{\partial t} - rV = 0$$

Labels in the diagram:
 - σ^2 : volatility
 - S^2 : price of commodity
 - $\frac{\partial^2 V}{\partial S^2}$: rate of change of rate of change
 - r : risk-free interest rate
 - S : price of financial derivative
 - $\frac{\partial V}{\partial S}$: rate of change
 - $\frac{\partial V}{\partial t}$: with respect to
 - t : time
 - rV : price of commodity

The Black-Scholes equation labeled

The Guardian, a well-regarded U.K. newspaper, published an article in February, 2012, arguing that this equation "was the mathematical justification for the trading that plunged the world's banks into catastrophe." Authors Michael Lewis in his book "The Big Short" and Nassim Taleb in "The Black Swan," among others, acknowledge and discuss that viewpoint.

Reference to the Black-Scholes model stimulated recollections from Professor Stowell on the brilliant Fischer Black, who he knew and worked with at Goldman-Sachs. Professor Stowell said Goldman Sachs hired Mr. Black around 1989, a number of years after he had helped develop the famous equation, to do research and to meet with some of Goldman's largest institutional clients. During those years Professor Stowell met Mr. Black and talked with him frequently.

"In meetings with these big institutional clients, Fischer Black would be asked a financial question by one of the clients," Professor Stowell recalled. "Then he would slowly lean back, put his hands behind his

"We had to explain to him that we didn't cause the market to fall. That would have been the tail wagging the dog."

— David Stowell

12 Life Currencies: A New Approach to Analyzing Product Value

BY ERIC SCHULZ, Senior Lecturer and Co-Director of Strategic Marketing and Brand Management at the Huntsman School



Using Life Currencies

Suppose you're at the store considering buying a new pair of running shoes. The display describes many new features in the shoes – spring-loaded heels, gel-cushioned insoles, sweat removing dri-fit casing. It all looks great, but you really want to talk to a salesperson to get more information. You look around, but there's no one in sight. You try on the shoes but still want to ask some questions and get more insight. Finally you put the shoes down and walk away in frustration.

You just used life currencies.

The currency we always talk about is money, but the reality is that every individual has a combination of currencies, or value metrics, continually being analyzed in his or her subconscious when contemplating a purchase. I propose to call these subconscious currencies "life currencies," and I suggest that they are often more important to the purchase decision than the currency in your pocket. What are life currencies? They are the factors besides money that affect purchase decisions. In almost every transaction, there is a combination of life currencies in play that affects the decision of whether or not to buy something.

The twelve life currencies we as marketers can address in purchase decisions are: Information, Time, Space, Human Energy, Expertise, Fun, Fear, Frustration, Convenience, Love, Quality, and Money.

Using Life Currencies

Have you ever bought a product or service because having it would save you a lot of time? Time therefore is one currency that you value and use as a consideration when making the purchase decision, along with **money**.

Have you ever wanted a giant LCD HDTV, but haven't bought it because you don't have a place in your home to put it? **Space** (or lack of space) is the primary currency that sways that (non)purchase decision.

Step back for a moment and think about the purchases (and non-purchases) you've made in the past several days. I'll bet that one of the life currencies was the determining factor in many of your decisions, even though you were likely unaware of its influence.

When business schools teach marketing, they usually focus first on the 4-P's: Product, Place, Promotion, and Price. When discussing price, they often only refer to money. That's only part of the story. Smart marketers know that for most products, money is only one factor in the purchase decision, often a minor one at that. Even "customer benefits" or "value" are too general when with life currencies you can understand purchase decisions on a more specific, granular level.

Marketing Truth

The monetary cost of items is often not a factor in the purchase decision. More often than not, one or more life currencies drives the purchase (or non-purchase) decision. Think about the decision of whether or not to buy the services of a professional tax preparer. You may think it is wise to pay for the service because you lack information on the minutia of the tax code. You don't have the **expertise** of a tax preparer. You **fear** and have angst that if you do your own tax return, you'll mess it up and get audited by the IRS. You hate having to take the **time** and expend the **mental energy** to do the return yourself. It's more **convenient** to have someone else do it. The professional tax preparer will likely do a higher **quality** job.

All of these currencies are likely more important in the overall decision than the price of the tax preparer. So if you are a marketer for a tax preparer, wouldn't it be smarter to focus on the benefits of these life currencies in your marketing efforts, rather than dancing around out on the street corner dressed as the Statue of Liberty and holding a sign?

Virtually any purchase decision can be linked back to life currencies. The key to smart marketing is to peel back the layers of the onion, recognize the existence of life currencies, use them to gain customer and marketplace understanding, and figure out how to maximize their value in your consumer marketing. ■

THE 12 LIFE CURRENCIES

1. Information
2. Time
3. Space
4. Human Energy
5. Expertise
6. Fun
7. Fear
8. Frustration
9. Convenience
10. Love
11. Quality
12. Money

EQUATION DIAGRAM FROM: IAN STEWART, "IN PURSUIT OF THE UNKNOWN: 17 EQUATIONS THAT CHANGED THE WORLD"

THE ALL-AMERICAN *Maverick*

John R. Miller Recalls His Stepping Stones of Analytical Rigor and His Mentoring by Stephen R. Covey.

BY CHRISTINE ARRINGTON



He was about nine years old when he started working at the E.A. Miller meatpacking plant in Hyrum, Utah. John R. Miller essentially grew up on the slaughterhouse floor of this relatively small, regional meatpacking company that was started in 1936 by his grandfather, E.A. Miller. One of John's earliest memories is of sweeping sawdust off the floors of the refrigerated coolers.

Some 17 years later in 1977, when John was 26 years old, a small plane crashed taking the lives of seven E.A. Miller employees, including John's eldest cousin, Ernest, whose father, E.A. Miller, Jr., (known just as "Junior") ran the company. Having recognized the rare steel in John's character, Junior began to prepare John to manage the family business.

It was not long before John realized the business was in dire straits. It had little cash, and its customer base was shrinking. The giant multinational companies from the Midwest — Cargill, ConAgra, Swift, and IBP (Iowa Beef Processors) — were on the rise. Long gone were the hundreds of smaller slaughterhouses that sent beef carcasses directly to stores

where butchers cut up the meat for customers. And gone was the memory that Henry Ford had based his assembly line innovation on the meatpacking processing line.

As the "David" facing several looming "Goliaths," the E.A. Miller business had no choice, John decided, but to inaugurate a "battle royale" for its survival. Annual revenue was about \$90 million in 1977 when John began his search for the strongest analytical stepping stones that could drive the company's growth.

John had just graduated from Utah State and had continued to work in the family business, so when he was promoted, he already knew that Iowa Beef Processors was the most efficient, effective operator in the business. He began to study its operation very closely. He even strolled into one of its open plants in Iowa in the middle of the night to see how the plant was laid out. Having grown up in the business, he knew exactly what he was looking at — a superior operation.

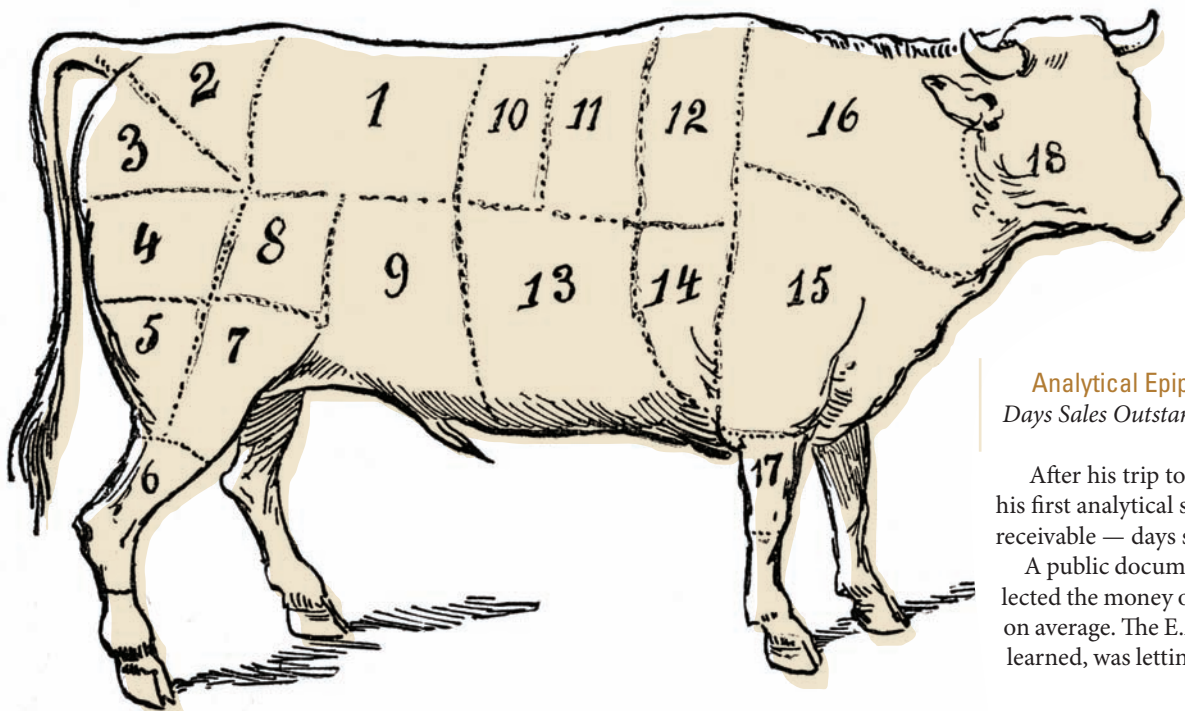
It was not long before he approached Stephen R. Covey, now the Jon M. Huntsman Presidential Professor of Leadership, to help him shape a leadership team, a cohesive business culture, and an incentive system for motivating and retaining management employees.

He engaged Dr. Covey regularly over the years that followed and considers him one of the most important mentors in his life. He expresses tremendous admiration for Dr. Covey and his powerful, ethical approach to business.

Analytical Epiphany #1 Days Sales Outstanding

After his trip to IBP in Iowa, John lit upon his first analytical stepping stone, in accounts receivable — days sales outstanding.

A public document showed that IBP collected the money owed to it within 13 days, on average. The E.A. Miller business, John learned, was letting accounts receivable go



uncollected for more than 26 days on average. John turned his attention to speeding up that process, simply making it more efficient and chasing down the amounts

owed through a well-defined multistep process. This helped secure the additional working capital needed for upgrading the plant to match the efficiency of IBP.

Relying on this and a number of other measures, the business grew from \$90 million in revenue to \$1.2 billion in less than a decade. Cargill and ConAgra got into a bidding war to buy the E.A. Miller business, for which ConAgra ultimately paid \$33 million in 1987.

John then headed up ConAgra's Armour Foods, a billion dollar consumer-branded food company with a \$50 million annual marketing budget, until 1991 when he left to start National Beef.

Analytical Epiphany #2 \$50 More Per Head for Genetically Superior Animals

John knew that the traditional entrenched system of rancher-to-feedlot-to-meatpacker had effectively and inexplicably blocked the ranchers from receiving a higher price for superior animals. Rather, the feedlots had enough power to slam the prices down to a very narrow range, leaving the ranchers little incentive to raise superior animals.

John broke down that roadblock, first by partnering "back down the line" with the U.S. Premium Beef Co-op of 600 ranchers in 26 states. He contracted with these ranchers to pay them more for genetically superior animals. The USDA has only four main grades of beef, for example, measuring only marbling (intramuscular fat), not tenderness — which depends on genetics, weaning weight, and feed. Eventually John was able to pay producers an average of \$50 more per head for raising the more valuable genetic strains of cattle.

Analytical Epiphany #3 20% More Profit for Branded Beef

Perhaps John's most important analytical epiphany was that "branded," differentiated, genetically higher-quality beef could bring a premium price in the marketplace. Other producers had tried to achieve that, but none had succeeded on any sizeable scale — not Cargill, not ConAgra, and not IBP.

He recognized that the "Certified Black Angus" beef of the Angus Cattleman's Association was the only widely recognized beef brand in the United

States. Building on that knowledge, he registered the "Certified Black Angus" brand and created 12 different value-added brands of his own, from "Black Canyon Select Angus" to "Naturewell Natural Beef." His "Farmland Black Angus" branded beef sells for 6 or 7 cents more per pound than generic beef, and produces a profit 20 percent higher than non-branded beef. That 20 percent higher margin made a huge difference in what had been a purely commodity business.

Analytical Epiphany #4 Profit Per Animal Processed

Finally, John pushed for a very high percentage of "plant capacity utilization," and he lowered the business's operating costs in an effort to match its much larger competitors. These steps resulted in National Beef's achieving the most important metric of all — a higher profit-per-animal-processed than any other beef processor.

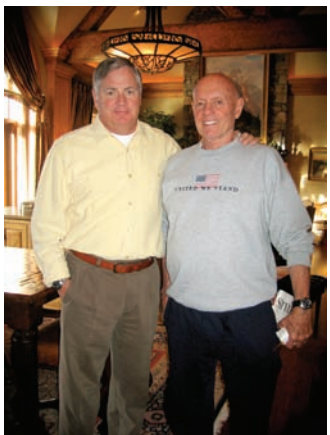
From 1997 on, National Beef has not been matched on a profit-per-animal basis, and every quarter thereafter it took market share away from its giant competitors — Cargill, Tyson (including Iowa Beef Processors), and JBS (the Brazilian-owned behemoth that bought Swift in 2007). The company now ships within the United States and to 60 countries around the world, six days a week. It is a top supplier to Wal-Mart and the number one supplier in Japan.

John stepped down from running National Beef in 2009, moving on to its board of directors until Lucadia bought the company in December 2011. The company's 2011 revenue was \$6 billion, with net income of \$250 million. In his lifetime John went from overseeing the processing of some 50,000 cattle per year to nearly 4 million, and during those years he and his partners essentially reinvented the industry.

Recently John has been devoting much of his energy to the Mitt Romney Presidential Campaign, acting as National Finance Co-Chair. He also continues to direct his large real estate holdings. ■



Bill Bond (President) and John Miller (General Manager) – American Commodities Corp., 1977



John Miller and Stephen Covey, Park City, UT, 2007



John Miller, CEO of E.A. Miller & Sons, Hyrum, UT, stands in front of a conveyor that carries boxed beef from a 1,600 head a day fabricating room to the box cooler, 1985

We've Reinvented The MBA

In Fall, 2012, the Huntsman School of Business is unveiling an all-new, **ONE-YEAR MBA.**

Created in collaboration with Harvard Business School professors, business leaders, employers and former students, this new MBA curriculum has been streamlined to provide the knowledge and tools necessary to compete in today's global business environment in an innovative and cost-effective one-year program.

The \$100,000 Difference

With a one-year MBA, you not only spend less on tuition, but you get out into the workforce faster. For many Huntsman students, that's a \$100,000 advantage versus a traditional two-year MBA program.

Contact us for more information:
mba.huntsman@usu.edu
435.797.2360

huntsmanmba.com

PHOTO COURTESY OF THE UTAH STATESMAN, PHOTO BY MIKE JOHNSON

Ron Dunford is President and COO of Operations at Schreiber Foods, Board of Directors at Schreiber Foods, also on Board of Directors at the International Dairy Foods Association and the National Cheese Institute. He is a 1986 graduate of Utah State in Geology and Dairy Science.



VISION

Ron Dunford President & COO of Operations, Schreiber Foods, Inc.

Five Principles For Success

During my 30-year career in the dairy industry I have had a variety of assignments, including several leadership roles in operations, sales and marketing, and general management. Currently I am responsible for Schreiber Foods' global operations, which include 27 facilities in the United States, Germany, Austria, India, Brazil, Mexico, and Uruguay. And as you may know, that also includes facilities in Logan and Smithfield. Schreiber is a \$5 billion privately-held company that supplies process cheese, natural cheese, cream cheese, and yogurt to some of the largest customer brands in the world.

Throughout my career I have studied the topics of success and leadership extensively. I'm very interested in why some individuals and companies achieve greatness while others remain average. I've narrowed the list of "success principles" down to five principles that have worked well for me throughout my career. I have found them to be the keys to success, both in and out of business.

1. Dream big

You need to have the ability to dream big if you want to achieve great things. Figuring out your personal "Mt. Everest" will provide the roadmap for your future. Don't let the future just happen ... create the future you want.

2. Expect success

Expect to succeed in everything you do. You

won't win every time, but with an attitude of winning you'll be prepared for the obstacles and barriers that you will face. Expecting success is an attitude of "I will and I can"!

3. Work smart

Working smart is more about being effective than being efficient. It's about understanding the value of time and prioritizing those

things that matter most, then taking action.

4. Play fair

Winning is important but not winning at all costs. You don't need to bend the rules in order to succeed, and don't set yourself up for failure by doing things that can derail you if they are discovered. Integrity matters!


5. Have fun

Love what you do, and have balance in your life. It's dangerous to not do what you love. The harsh truth is that if you don't love what you're doing, you'll lose to someone who does. In my case, I'm passionate about work, success, leadership, family, skiing, and outdoor activities.

And Advice from "The Leadership Challenge"

I am also an enthusiastic member of The Leadership Challenge networking group of people who have read and embraced the excellent book of that same name by Jim Kouzes and Barry Posner. I recommend their book highly; it has sold more than one million copies in its 20-year history and has been translated into 12 languages. I have taken to heart their "Five Practices of Exemplary Leadership."

1. Model the way
2. Inspire a shared vision
3. Challenge the process
4. Enable others to act
5. Encourage the heart

Both the "Five Practices of Exemplary Leadership" and my own five principles are simple but powerful. Success is nothing more than a few simple disciplines practiced every day, while failure is simply a few errors in judgment repeated every day. It is the cumulative weight of our disciplines and our judgments that leads us to success or mediocrity. 

IN-STATE TUITION for OUT-OF-STATE parents.

Live outside of Utah? No problem. You can send your children to Utah State and their out-of-state tuition will be waived through the Alumni Legacy Nonresident Scholarship.

Old Main, the Quad, balmy winters, Utah State, "Hey, Aggies All the Way" - can all become your children's traditions. So consider the outstanding programs at the Huntsman School and across USU in a new light.

For more information, please email Tad Sorenson at tad.sorenson@usu.edu or call the USU Admissions Office at 800-488-8108.

UtahStateUniversity

usu.edu/admissions/legacy

Dell Loy Hansen ('82) and his wife, Lynnette ('74), who serves on the Jon M. Huntsman School of Business National Advisory Board



PHOTO BY DONNA BARRY; OLD MAIN PHOTO BY RUSS DIXON

Dell Loy Hansen is the owner of Wasatch Property Management, a company with more than 600 employees, 15,000 apartment units, and 32 commercial buildings. Wasatch and its affiliated investor-owned entities maintain a real estate portfolio valued at more than \$1.5 billion.

VOICE

Dell Loy Hansen Owner, Wasatch Property Management

The Rules I Live By

What principles have guided your business leadership philosophy?

Early on I set out three foundational rules to help me become an "owner," rather than purely an "employee" working for someone else. I learned them from my great grandfather, James Hansen, who began these practices as a child, growing up in a dugout basement home in Redmond, Utah.

First, save or invest more than you consume.

Even as a child, my great grandfather would put 50 cents of every dollar he earned into a jar and save it. He didn't ever want to PAY interest to others but rather to BE PAID interest by them, and that guided all of his decisions.

I group all assets into these three classes:

- **Monetary assets.** I think everyone should have at least six months of liquid assets in the bank, so if you lose your job, you will have enough money saved to live for six months.
- **Tangible assets.** A home, a car, and other personal belongings. I consider these "consuming assets" - over time they essentially get used up or require a lot of money for upkeep and repair.
- **Investments.** If you are spending all of your income and do not have any to save for investments, then you absolutely need to make a change - cut down on your expenses somehow so you can save money for investment purposes.

It is critically important to separate your investments from your personal checking and saving accounts. Do not just bundle them together. Also, start investing early in life; develop the discipline to be putting a little bit of money aside for investment purposes from the very start of your work life.

Second, never borrow to pay for a "consuming asset," like a car or house.

I know it sounds difficult or even extreme, but I think one of the keys to becoming an "owner" - to

having equity in an investment or a business - is to save money upfront for quite a while so you can buy a house or car for cash.

While it may sound counterintuitive, in my opinion, your home is not really a regular investment. Do you know that if you look back at the 100-year annual increase in home values, they have gone up by 1% per year on average? In addition, homes are more expensive to maintain than people allow for.

Also, if you sell a house for a lot of money, then you immediately need to buy another house - and the new house is likely to have risen in value as much as the home you just sold. So if you keep stepping up in that way, eventually you hit a market downturn, and then you're stuck with having paid more for a house just before the downturn than it is worth after the downturn.

It is important to be aware of the economic cycle. I buy only at the very bottom of the economic cycle, every seven to ten years, when the housing prices are rock bottom, as they are right now - that's the only time you should even think about buying a house purely for investment purposes.

Third, be true to your personal values system.

In my business Wasatch Property Management, for example, we always think of our partners first, making sure those who have invested with us get the return we promised.

I think people need to be very conscious of their own internal values and not just let them remain unconscious and unspecified.

Part of that, in my view, is to trust your own instincts and analysis on financial decisions - the world is full of consultants and investment advisors who are ready to charge you for their advice. My approach is to say trust yourself and make your own decisions. ■

"Far better it is to dare mighty things, to win glorious triumphs even though checkered by failure, than to rank with those poor spirits who neither enjoy nor suffer much because they live in the gray twilight that knows neither victory nor defeat."

— Theodore Roosevelt

**DARE
MIGHTY
THINGS**

JON M.
HUNTSMAN
SCHOOL OF BUSINESS
UtahStateUniversity

Office of the Dean
 3500 Old Main Hill
 Logan, UT 84322-3500



Right: Josh Hanks in Uganda

Below: Clayton Fielding in Armenia

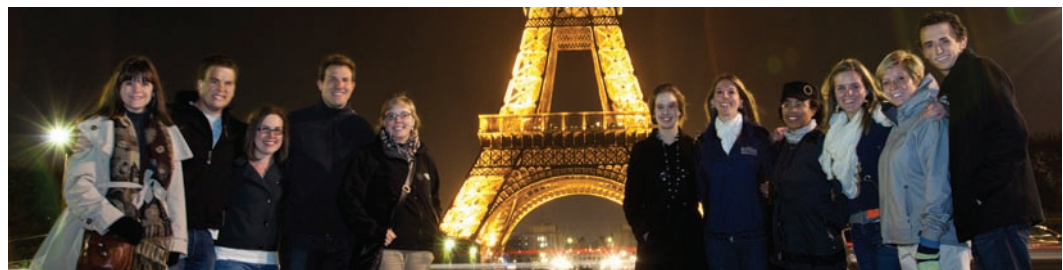


Huntsman Students Travel the World



Ruizhi Zang, Emily Anderson, and Erin Kelley in Cuzco, Peru

Left to Right: Sadie Lott, Logan Smith, Chelsey Funk, Dan Groberg, Kelsey White, Carlie Morrison, Amber Shaffer, Valerie Joseph, Kathryn Grover, Erin Kelley, and Caleb Gorringer in Paris, France.



worth a thousand words

In 2011, Huntsman students traveled the world for SEED, for summer trips, and for Huntsman Scholar trips.



Above: Chelsey Funk and Melody Jensen in Ghana

Left: Ryan Archibald, Steven Atkinson, and Annaleise Atkinson in Armenia