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**News from the Nance College of Business**

**OCTOBER 2007**

**Professors from Seven Universities Work Together to Host Entrepreneurship Immersion Week at CSU**

A unique organization brought Northeastern Ohio students together for an innovative approach to entrepreneurship education at CSU from August 12th to the 17th. Seven professors from the Entrepreneurship Centers of different universities, including Cleveland State University, University of Akron, Ashland University, Baldwin- Wallace College, Kent State University, Case Western Reserve University, and John Carroll University, wanted to develop an organization that would go beyond their individual institutions to help revitalize the regional economy. The result was the EEC, or Entrepreneurship Education Consortium, whose objective is to teach students how to become successful entrepreneurs.

Mr. Jack Reece from the MLR department is one of the members of the EEC. He explains that this is a groundbreaking program. “People who have been in education for 30 years have never seen anything like this regional cooperation before”. Members of the EEC put individual university involvement to the side when they meet, and examine the needs of the region as a whole.

The first event of the EEC was to bring students from each of their universities together for a program that would help to spread the idea of entrepreneurship within their respective cities. They wanted to be able to immerse students completely in the skills needed to make their business goals a reality. Five students were chosen from each consortium university. Mr. Reece said that “the best of the best” were selected cross campus from excellent applications which examined the student’s educational achievements, extracurricular involvement, employment, and answer to three essays questions. Applicants had to be entering either their junior or senior year in the fall 2007 semester. The ECC chose students that were not graduating immediately with the hope that they would go back to their individual universities and spread positive feedback about the program, getting their fellow students to start thinking about possible futures as entrepreneurs.

When the students first arrived they were told to think of an idea for a business plan. Working as seven groups, they were told to imagine every aspect of their business. The formulation of the business plan was the only activity in which the students worked with classmates from their own universities. At all other times they were separated to learn the value of networking. Each morning and afternoon they would attend in depth seminars, and then have some time to work on their business plans. In the evenings they would attend lectures from successful entrepreneurs in the area. A major component of the program was to get students to network with working entrepreneurs who could describe firsthand how to apply the skills which had they learned.
The hard work of the students and instructors visibly paid off at the “graduation” luncheon held on Friday August 17th in the College of Urban Affairs Atrium. Seven prominent business men where invited to judge at the event. One told the students “what you guys did in five days I usually see people work on for five months”. The students from Case Western Reserve University were the winners of the competition with their proposal for the Fresh Fork Market, which would match local restaurants with farmers so they could procure fresh locally-grown produce. Fresh Fork Market will be a web based service which will include managing orders and deliveries, and is set to actually open in the spring of 2008. A prize of $1000 was awarded to the students from Case Western to use towards the development of their company.

Cleveland State University students developed Northeast Ohio Extreme Sports (Neo-XS), a web based service which provides sports rental equipment for those on vacation throughout the state.

The 35 students who participated in the program now not only know how to form a business plan from an idea, but have also expanded their networking resources from the area. In addition the EEC also showed them how they could be successful without relocating away from Northeast Ohio. One group of students is already in the process of starting a company in the area, and if others follow their example then the region could receive much needed economic development. The Burton D. Morgan Foundation generously provided funding for this year’s program, and has also promised some funding for the second and third years of the program. The ECC would like to make this program an annual event, and is looking for ways to expand it. Currently, the EEC is researching other initiatives to build up entrepreneurship in the region. If other ventures turn out to be as successful as Entrepreneurship Immersion Week the benefits for Northeast Ohio could be great.

Dr. Reichert Presents Paper at the Federal Reserve Bank Annual Conference

Dr. Alan Reichert and former CSU doctoral student Hsin-Yu (Amy) Liang were invited to speak at the 43rd Annual Conference on Bank and Structure Competition, held by the Federal Reserve Bank of Chicago from May 16 - 18, 2007. Notable speakers included Ben Bernanke, Federal Reserve Board Chairman, and Congressman James Leach. The topic of this year’s discussion was “The Mixing of Banking and Commerce”. In other words, allowing banks to own commercial companies, and in turn allowing companies to own banks. Congress officially separated the mixing of banking and commerce with the Glass-Steagall Act of 1933, which was reinforced by the Bank Holding Act of 1956.

However, in 1999 Congress passed the GLB (Gramm-Leach-Bliley) Act which allows the mixing of banking and other financial activities. Since then there have been arguments to allow the blending of banking and commerce, and the conference addressed the pros and cons of the issue.

Those against the mixing of banking and commerce fear that banks would become destabilized through their association with a private company. There is also a fear that banks would offer their partner companies loans at below-market rates, while denying credit to competing companies. Perhaps the biggest issue of debate is the question of what organization would be responsible for regulation between banking and commerce if the two were merged. Dr. Reichert’s study The Integration of Banking and Commerce: A Portfolio Modeling Approach addressed each of these questions, and researched the possible benefits from the mixing of banking and commerce.
Dr. Reichert conducted a study (with the help of colleague Larry Wall and Hsin-Yu Liang), using industry tax data from the IRS to examine both potential risk and portfolio gain. Overall, Reichert sees the merger as positive as long as there was a definitive regulatory group with concrete regulations. He disproves the argument that banks would favor their partners with low interest rates and be unfair to competitors because of the competitiveness of financial markets. Reichert concludes that “if banks want to diversify further, it will have to be in the commercial and industrial sectors”. The most viable sector would be retail, followed by wholesale, and then construction. He finds that these gains would be in the form of “significant portfolio benefits in terms of enhanced returns, lower risk, or both”. Reichert used a risk return model to calculate his findings.

Using an Efficient Frontier Analysis, the expected return on a portfolio given the level of risk; he saw that currently bank holding companies that have to stand alone are not operating at an efficient level. However, if banks were allowed to diversify, they would experience greater risk but also increased expected portfolio return. This could be especially beneficial for small banking companies. Reichert then used Wal-Mart as a case study to show the changes that would occur to a commercial company if they were invested with a bank. He found that the ROE for the commercial company could fall by a very small amount, but the risk was decreased by a dramatic amount. For example, if Wal-Mart had 10% of its assets invested in banking, the ROE is at 18.9% with a risk of 1.07%; when Wal-Mart has 20% of its assets invested in banking the ROE falls 18.4%, but the risk falls to 0.96%. Overall, banks and commercial companies would increase each other’s stability.

Dr. Reichert’s paper was an important element in the debate of the mixing of banking and commerce during the Federal Reserve Bank Conference. His research form 1994-2004 is extremely significant because it gives a detailed view of what the merging of banking and commerce would look like. The positive findings show that both banks and commercial sectors could benefit from increased portfolios and decreased risk. Therefore it is likely that support for the mixing of banking and commerce will continue to grow. From this study it is not difficult to envision the day when people go to their favorite store which also has a bank on premises for even greater one-stop shopping. Reichert’s research gives us an intuitive view of the future in banking and commercial development.

Dr. Pesta Wins Award from Harvard University Humanist Chaplaincy

Dr. Bryan Pesta, Assistant Professor in the MLR department, received the “Excellence in Humanist Communications” Award at the 35th Annual Humanist Symposium. The Humanist Communications Award honored his commitment to promoting the development of discourse and sharing of ideas among skeptics. Outside of his responsibilities at CSU, Dr. Pesta developed an Internet skeptics group. The group is now the largest organization of online skeptics in the world, with more than 31,000 members. Several different groups of “free thinkers” were represented at the international symposium. The theme of the event was “Dialogue Among Religions, Cultures, and Civilizations”. Dr. Pesta was a panel speaker at the conference, at which his accomplishments were recognized. Fellow speakers included Steve Pinker, E.O. Wilson, Noble Prize winner Amartya Sen, Lance Armstrong, and Salman Rushdie.

Beyond silicon: New computing paradigms
Toshinori Munakata, Professor of Computer and Information Science Department, has served as Guest Editor for Special Issue of the above title that appeared in the September edition of the Communications of the ACM. The CACM is a premier magazine for about 85,000 computer science professionals worldwide, and this is his fourth stint as a CACM Guest Editor.

For over 40 years, computers have been dominated by silicon based technology. The advancement of this technology has been unprecedented, with a doubling of computing speed and memory capacity roughly every 18 months (the so-called Moore’s Law). But it is fast approaching its physical limit, and it is thought that further advancement will slow to a halt in 5 to 15 years. Recently, there has been increasing interest in computing schemes that are based on totally different principles. While practical, everyday use of most of these techniques as computing devices has yet to be seen, these ideas have stimulated the scientific community by their fundamental nature, their intrinsic novelty, and their potential as the basis for new forms of information processing and applications.

In this Special Issue, the term “computing” is interpreted in a very broad sense. The topics included are: computing technologies by nano-wires, carbon nanotubes, organic molecules, BioDNA, quantum effects, lasers, micro/nano fluidics, and chaotic amoeba. It turns out many of these techniques aim at miniaturization, often on the order of 1 to 100 nanometers. To read this special edition of CACM, visit CSU Library at: www.ulib.csuohio.edu/. Click on Journal Finder, type in "Communications of the ACM", log in using your PIN, then click on OhioLINK or ACM Digital Library.

In addition to the original English edition, the ACM Japan Chapter decided to publish a translated version. The editorial board carefully selects issues of their interest – since the year 2004, they had picked out only four. They must have highly assessed this issue.

**Spotlight on Dr. Georgia Anetzberger**

Dr. Georgia Anetzberger, Assistant Professor of the Health Care Administration Program and Public Health, was honored by the Visiting Nurse Association with an award in Healthcare Education at the 5th “Distinguished Women In Healthcare” awards dinner on June 7, 2007. The Visiting Nurse Association (VNA) is a nonprofit organization that was established over 100 years ago by a group of Cleveland women. Today it is the second largest community healthcare provider in the state, servicing over 18 counties with a variety of programs. Every two years a committee from the VNA examines nominations from the community to determine who will receive recognition as one of the “Distinguished Women In Healthcare”. Dr. Anetzberger was selected for her dedication to healthcare education throughout her many career roles as a social servant, professor, administrator, advocate, and writer.

Through her many changing career roles, Dr. Anetzberger has remained focused in her examination of elder abuse. She is Vice- President for the National Committee for the Prevention of Elder Abuse, the organization which serves as the source of information on elder abuse for Congress. The NCPEA is responsible for the Journal of Elder Abuse and Neglect; Dr. Anetzberger currently serves as editor for that publication. Anetzberger was exposed to abuse of the elderly when she was a social servant during an early part of her career. Since that point she has been completely committed to the prevention and the treatment of elder abuse. She describes herself as being “absolutely passionate” about solving the growing problem of elder abuse in an aging population. Dr. Anetzberger’s passion for the issue and her achievements
make her an excellent professor, who challenges students to become aware of this issue and work towards prevention.

Additional News

New Writer for Dialogue is Clare Gross

Clare is a Graduate Student in CSU’s Masters of Applied Communication Theory and Methodology Program, and a Graduate Assistant to Ann Csongei, editor of Dialogue and Communications Coordinator for Nance College of Business. Clare graduated from CSU’s College of Liberal Arts and Social Sciences in May 2007 with a Bachelor of Arts degree in English. Feel free to contact her with story ideas at c.m.gross@csuohio.edu.

Alumni Accomplishments

After completing the finance doctoral program at CSU, former student Amy Liang recently accepted an Assistant Professor position from Providence University in Taiwan. The position is tenure-track focused, and is sure to be a major stepping-stone in her career. Amy will be joining colleagues from several notable U.S. universities, as well as those from Taiwan. Providence University is known for its excellent finance curriculum. Congratulations to Amy for this accomplishment.

Athletic Business Majors Honored

Business majors were honored at the 17th John Konstantinos Athletic Academic Honors Luncheon. The annual event honors CSU varsity athletes who have achieved a 3.00 grade point average. There were eight business honorees in 2007: George Badziong, Sr., Robyn Hoying, Sr., Marianne Lionell, Sr., Katherine McLaughlin, Sr., Josue Negrele, Sr., Thomas Sadd, Jr., Bjorn Schantz, Sr., and Nicole Thomas, Graduate student. In addition to their honor’s GPA, these students also gave a consistent involvement to their athletic teams.

SpongeBob SquarePants used as Motivational Tool

Dr. James Webb uses an unusual motivational tool for his undergraduate real estate class, a SpongeBob SquarePants doll. The student with the highest grade on the end of semester final wins the doll. Professor Webb takes SpongeBob with him to every exam during the semester so the students can visualize their prize. Dr. Webb also reminds them that SpongeBob is also watching them during exams. However, more than just a fun prize, the doll is used to symbolize successful business. SpongeBob SquarePants is by
far the most financially successful character on Nick at Night with an “estimated value of $300 million dollars”. This past spring semester’s proud winner of SpongeBob was Daniel Amiot, a Finance Major expected to graduate this December, with a cumulative GPA of 3.94. He is pictured here holding his prize.

Recently Published Books (and Chapters) by CSU Faculty

Dr. William H. Bommer, Associate Professor of Management and Nance Professor of Research in Organizational Behavior, along with Timothy T. Baldwin (Indiana University) and Robert S. Rubin (DePaul University) recently published a new textbook entitled Developing Management Skills: What Great Managers Know and Do, published by McGraw-Hill/Irwin. This text combines theory and practice and comes complete with real world illustrations, management myths and management skills tool kits. This is one that won't be sold back to the bookstore at the end of the semester!

Dr. Ashutosh Dixit, Assistant Professor of Marketing, Dr. Raj Javalgi, Associate Dean for Research and Strategic Initiatives and Professor of Marketing and Dr. Robert Scherer, Dean and Professor of Management wrote chapters in the recently published book Marketing in the 21st Century, Volume One. Javalgi and Dixit wrote Chapter 5, Complexities of the Indian Consumer Market. Javalgi and Scherer, along with Robert B. Young wrote Chapter 9, the Value of Qualitative Research for International Marketers: Cross-Cultural Issues and Recommendations. The book's General Editor is Bruce D. Keillor and Volume Editors are Timothy J. Wilkinson and Andrew R. Thomas.

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