

IMPACT

THE POWER OF INVESTING IN THE FUTURE

A PUBLICATION OF THE UW BUSINESS SCHOOL OFFICE OF EXTERNAL RELATIONS

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BUILDING CAMPAIGN GAINING MOMENTUM, MONEY

The UW Business School's fund-raising campaign has been gaining momentum this spring.

Private donors have already contributed \$25 million toward a new facility. The University has chipped in another \$23 million. And just \$8 million more is needed before the project can move into the design phase.

The goal is to raise \$105 million for a new facility designed to propel the nationally ranked School to elite status as one of the top programs in the nation. The project will include a complete renovation of Balmer Hall, minor modifications to the Bank of America Executive Education Center, and the construction of an entirely new complex. The resulting facility will include interactive lecture halls and wireless classrooms, breakout rooms for team learning, flexible spaces to accommodate future technology, common areas to stimulate informal interaction between faculty and students, laboratories for research and study, and an auditorium that will be a resource for both the University and the School.

UW President Lee Huntsman praised the donors for their early financial support of the project.

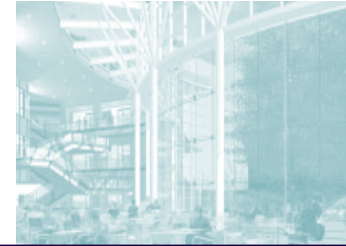
"This is a wonderful expression of confidence in the future of our outstanding Business School," Huntsman said. "These patrons clearly see the importance of investing in business education — an investment

that will help create the next generation of business leaders and return value to our regional economy. We are very grateful for these generous gifts."

Currently, the UW receives less than 4 percent in funding for new building construction from the state of Washington, making private support and contributions from alumni and friends more important than at any other time in the University's 142-year history. The Business School is currently divided among four buildings, including three older facilities — Balmer Hall, Mackenzie Hall, and Lewis Hall. The three older buildings are cramped and generally inadequate to meet the School's current needs, much less support projected growth and a transformational vision of becoming a premier institution.

"These gifts represent a giant stride toward building a world-class facility," Business School Dean Yash Gupta said. "They will allow us to provide students with a superior learning experience, attract top faculty and business partners, and strengthen Seattle's reputation as a dynamic business center."

When completed, the new complex will increase total space by nearly 50 percent, adding 52,000 square feet.



An architectural rendering of the commons area in a new Business School facility.

A MESSAGE FROM MIKE GARVEY

NEW FACILITY WILL BOOST AREA ECONOMY

The idea of a new Business School facility reminds me of a Winston Churchill quote: "We shape our buildings and afterwards, our buildings shape us." I couldn't agree more.

A new facility will shape tomorrow's leaders, it will bring in top faculty and it will help the School continue to be one of the key economic drivers benefiting the people of this great region.

What the Business School has accomplished in recent years — in a facility that's well beyond its best years — cannot be disputed. It has climbed considerably in the national rankings. It continues to bring in bright, creative and energetic students, as well as a top-notch faculty to lead them. Graduates from the School go on to successful jobs in the area. Some start their own businesses. And each graduate leaves campus with new tools that can be used to strengthen our communities.

Of course, the Business School has had help. Throughout the University of Washington campus, ideas and innovations are developed that positively affect our economy. That's why I believe there's no institution more important to this region than the UW, and specifically its Business School.

The School is where knowledge from a variety of disciplines comes together in a manageable way. Innovative ideas that drive the economy and improve peoples' lives don't exist in a vacuum. They operate within complex organizations. And no place on campus focuses on organizations more than the Business School. So if we want to have a great university that drives economic growth in the region, we need to recognize that success hinges on having a world-class business school.

A new building won't guarantee such success. It will come down to people. Dean Yash Gupta leaves us this summer, but one of his great legacies will be the quality leadership team and faculty that he has assembled. They have accomplished terrific things already. But put them in a new Business School complex, built with the future of education in mind, and the potential is limitless.

I know this because I recently visited two business schools with new facilities at respected peer institutions on the East Coast. I wanted to see for myself how a building can affect business education.

These buildings were designed to, among other things, extend learning beyond the classroom by creating a series of gathering places. I heard stories of students, faculty, staff and alumni regularly getting together for informal events — a coffee and cookie hour, for example — right there in the school during the middle of a workday. What a fantastic opportunity. The chance to come together and share ideas in a relaxed situation is an invaluable learning opportunity for everyone. And it's an opportunity that is currently hard to match at the UW Business School, considering the cramped setting at Balmer and Mackenzie Halls.

Of course, the new facilities also were designed with classroom learning in mind. Instructors have a wealth of technology at their fingertips, readily available during lectures. Students can access the Internet from their desk — desks that were designed, by the way, for students working on laptop computers.

Small breakout rooms branch off of larger classrooms making it easy for students to gather in small groups or teams. And teamwork, UW faculty members tell me, is an increasingly important part of a good business education.

These campus visits were an eye-opening experience for me personally. I saw firsthand how a new building has created the right conditions to achieve greatness for two of the UW Business School's competitors. The trips made a believer out of me, but I was no easy sell.

When I first became involved with this project, I told people that, given my age, I'm old enough to remember when Balmer Hall *was* the new building. Now, however, I can clearly see that aging facilities are limiting our faculty, staff, students and alumni from reaching their full potential.

I hope you'll join me in supporting the Business School as it works to raise funds for this exciting and worthy project.

Mike Garvey is the Chairman of Saltchuk Resources and the incoming chair of the Business School Advisory Board.



Mike Garvey is incoming chairman of the University of Washington Business School Advisory Board.

BUSINESS PLAN COMPETITION HELPS STUDENTS LEARN, LAUNCH SUCCESSFUL BUSINESS

Almost three years ago Tim Ennis (BA 2003) was just another student — albeit an ambitious one. Today, he's the president of a fledgling company that is starting to realize its enormous upside.

The Business Plan Competition, sponsored by the Business School's Center for Technology Entrepreneurship and supported by gifts from a host of corporations, makes stories like Ennis' possible.

The event pits teams of business students from around Washington against one another for a share of the roughly \$80,000 available in seed money. Teams submit business plans that go through an initial screening. Thirty-two teams are invited to participate in the investment round, where judges select 16 teams to move on. Those teams get two weeks to regroup and prepare presentations that will ultimately crown the \$25,000 grand-prize winner.

Ennis saw an advertisement for the competition within his first week on campus.

"I knew I was going to compete in that," he said. "I didn't know what the idea would be. I didn't know who would be on my management team. But I knew that somehow, somehow, I was going to do that."

A few months later he turned a frightening motorcycle commute into an innovative idea that would lead to his Business Plan Competition entry, CyberSpeed Technologies.

When he entered the UW, Ennis purchased a motorcycle as an inexpensive way to get from the Eastside to campus each day. What he didn't count on was the fear that gripped him during each commute.

"I was riding my bike back and forth everyday and thinking, 'Man, there's got to be a better way.' I felt so exposed, like I was going to get hit any minute."

So Ennis, who came to the UW with an electrical engineering degree from Renton Technical College already under his belt, concocted the idea of an electronic rear-vision safety system. He envisioned a color LCD screen mounted on the front of the motorcycle. On it would be real-time images captured by an infrared camera mounted on the rear of the bike.

In time, after consulting with some technical experts, he became convinced the idea was a good one. He began to immediately put together a management team.

The five students he assembled spent more than a year working on a business plan, developing various prototypes and getting their business up and running. By the time the competition rolled around the team was totally engrossed in the project.

"While our classmates were talking about which party to go to on the weekend we were working night and day, seven days a week. We were very focused."

They attended each of the workshops that CTE organizes to help students prepare for the competition. Further, they aligned their curriculum to include just the right mix of classes to prepare them. They found that their classroom learning was immediately applicable to their project.

CyberSpeed was one of just two undergraduate teams to make the final round of four teams during the 2003 competition. They ultimately finished third, pocketing \$16,000, which helped support their business during some lean times. Just as important, the CyberSpeed team left the competition with renewed confidence, knowing that a team of expert judges — venture capitalists, lawyers and other local business leaders — believed in their plan.

One year later, the company figures to turn a significant profit in 2004 and is even able to dole out paychecks to the three remaining team members. Ennis gives a great deal of credit for the successful business venture to his experiences at the UW Business School, the Business Plan Competition in particular. The hands-on aspect of the competition, he said, made all the difference.

"It's like a sophisticated game of Monopoly," he said, of the competition. "It mitigates the risk. You're more or less dabbling in this potential business model and if it works, great. If it doesn't, you've had this great learning experience, you've got a degree and you've got a tremendous opportunity to go get a job."

Corporate sponsors for the 2004 edition of the Business Plan Competition included: AT&T Wireless, Boeing Ventures, ConocoPhillips, Corixa, Ernst & Young Emerging Growth, Evergreen Venture Capital Association, Fluke, Ford Motor Co., Gray Cary, Hyogo Business, Ignition, InfoSpace, Jones Foundation, Madrona, Silicon Valley Bank, Starbucks Coffee Company, Voyager, Vulcan and Wells Fargo Bank.

2004 BPC Winners

- 1 **AQUASTASIS**
developers of an easy-to-use system for monitoring water chemistry.
- 2 **TEACHTOWN**
providers of educational software for children with autism.
- 3 **CELLVITRO**
which sells a process for accelerating drug discoveries.
- 4 **MYSTYLE**
designers of custom-fit, on-demand apparel for women.

GIVING HELPS SCHOOL ATTRACT HIGH-ACHIEVING STUDENTS

The Business Discretionary Fund continues to play an increasingly important role in the Business School, including as a source of scholarship money to attract highly sought-after students.

The fund, which includes Dean's Club-qualifying gifts of \$1,000 or more, has contributed to things like wireless access in Mackenzie and Balmer Halls, new computers, and even the creation of two academic programs — the Technology Management MBA and the MS/MBA in Information Systems.

But at least as important, according to Pete Dukes, the associate dean of undergraduate programs, the money has helped provide financial incentives to attract top-notch high school seniors to the School.

"These are people we believe will take on leadership roles within the School, and those are the kind of students that we feel are fundamental to our success," Dukes said. "These are students that might otherwise go elsewhere. But with the financial support from the Business Discretionary Fund, we're able to show a serious commitment to them that's hard to walk away from."

The commitment to students in the Freshman Admission Program, or FRAPs, as they're known, is financial and more. The select group of students receives \$1,000 in scholarship money, as well as a head start in the Business School.

While most business students enter the School at the beginning of their junior year, roughly 30 high achievers each of the last four years have entered directly, through the Freshman Admission Program. It gives students a head start on their business education, allowing them to participate in student programs and clubs, attend School functions and work with the advising staff.

Many of the FRAP students use the extra time in the School to experiment with a novel approach to their education, according to Sue Lim, an academic counselor in the Business School. FRAP students have been known to pursue double-degrees outside of the School in fields as diverse as engineering, pre-medicine and drama. They take internships across the globe and generally look for challenges that will help them grow.

"These students really stand out," Lim said. "They're not afraid to take risks and they go off the beaten path and try things different from a lot of the other business majors."

"They never come into my office and ask for the easiest class, but rather the one that is challenging. They want to know what will help them prepare for their future."

And the students have also shown exceptional leadership ability. The current and incoming presidents for Beta Alpha Psi are FRAPs. The current and incoming presidents for the Business Information Technology Society are also FRAPs.

"The idea was to get these high-caliber students in early so they could grow to be leaders within the School," Lim said. "And that's exactly what is happening."

During the first four years of the program the students had to meet basic screening requirements to be considered for the program. They had to have a combined SAT score of 1290 with a minimum 600 on both the verbal and analytical sections. They also had to have at least a 3.85 high school grade point average. But the program has been so successful at attracting high-quality students that the SAT bar has been raised to 1300 and the GPA to 3.9 for the incoming class of 2004.

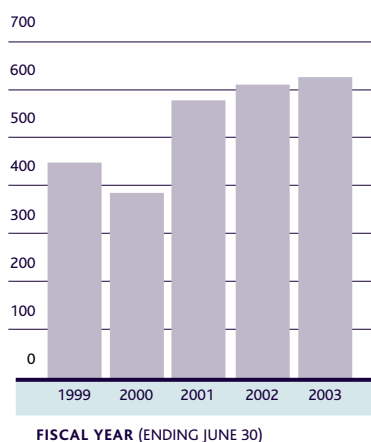
Giving to the Business Discretionary Fund, and the Dean's Club in particular, continues to increase. That's good news for the Freshman Admission Program and the many other beneficiaries of private donations within the School.

Lim said she looks forward to the day when scholarship money for students accepted to the Freshman Admission Program can be increased. The current \$1,000 gift, she said, is nice, but she'd like to see that figure double.

"Additional money would really help us compete with peer institutions to attract the best available students."

BUSINESS DISCRETIONARY GIFTS

IN THOUSANDS OF DOLLARS



PERRY KNOWS THERE'S MORE THAN ONE WAY TO SUPPORT BUSINESS SCHOOL



Wayne Perry co-taught Finance 579 with Professor Jarrad Harford during the winter quarter.

Wayne Perry (BA 1972) has supported the Business School financially. He has given of his time and talent as an advisory board member. And during the winter quarter, the chairman and CEO of Edge Wireless shared his business acumen with MBA students in a class that he co-taught.

So why does one of the wireless industry's renowned dealmakers give such a breadth of support to the School? Wouldn't it be easier to just write a check?

"Yes, but the students are a lot of fun and it's a real high-energy place," he said. "I enjoyed my time there as a student, especially when they brought someone in with practical experience. So I guess it's a way of giving back. But I think people only give back when they're having fun doing it. And I had a lot of fun."

During the winter quarter Perry co-taught Finance 579: Acquisitions and Alliances with Professor Jarrad Harford. The upper division MBA class provides students with a solid grounding in the financial theory and practice of mergers and acquisitions. And Perry's involvement brought an exciting new dimension to the class — real-live stories from the deal-making trenches.

"Wayne's perspective was perfect for showing students the value of applying academic results and techniques," Harford said. "The students really responded to the combination of academic rigor and real-world experience."

And as if Perry himself wasn't enough, his former colleagues John Stanton, chairman and CEO of Western Wireless and chairman of T-Mobile USA, and John Zeglis, chairman and CEO of AT&T Wireless, made guest appearances in the class. Because the three were key players in the multibillion-dollar acquisition of McCaw Cellular by AT&T Wireless in 1994, the students were treated to a rare inside look at the actual negotiations and strategy behind that deal.

Student Doug St. John found Perry's contribution to the class invaluable. "Having academic theory supported by the actual experience of a top executive was an incredible learning experience," he said.

Clearly Perry values the interactions with the students too.

"I had a blast," he said. "And I learned a lot from Jarrad too — theory and research that I found fascinating. But what made it really special was the kids. They had a solid foundation in finance, so we could move fast and get spirited class participation."

Perry said he won't be able to take time away from his business ventures every quarter, but he does hope to find his way to the head of the classroom again someday — "as long as it continues to be fun."

ENDOWED POSITIONS HELP SCHOOL LAND TOP FACULTY

Adding an accomplished professor from The Harvard Business School to the faculty is a rare opportunity. Adding a top executive from a Fortune 500 company is equally notable. Adding both in the same year simply sounds too good to be true.

But it happened at the UW Business School, thanks to the financial support of The Boeing Company and Amgen. They are two of several Business School corporate partners that have endowed faculty positions that help recruit some of the top scholars in the nation.

Richard L. Nolan (BA 1962, MBA 1963, Ph.D. 1966) recently completed his first academic year as the Philip M. Condit Endowed Chair in Business Administration. Charles M. Pigott, likewise, completed his one-year stint as the Edward V. Fritzky Endowed Visiting Chair in Leadership. Their arrival was key to a five-year plan to increase the number of faculty members at the Business School.

In fact, a total of 10 new scholars were added to the faculty for the 2003-04 academic year. The new hires bring the school's total number of tenure-track faculty to 80. The goal is to get to 100 faculty members by the start of the 2007-08 academic year.

"This is the biggest net increase in our faculty in more than 20 years," said Vance Roley, the associate dean for academic and faculty affairs. "That can only help our students as the knowledge those faculty create through research finds its way into an innovative and increasingly demanding curriculum."

Money from the endowments is used to fund summer salary, which allows young professors a block of time each year to focus exclusively on research. The money also helps overcome a significant gap between the state-funded salaries the UW can offer and the higher salaries paid by peer institutions.

Nolan's position was established in 2001 with gifts from The Boeing Company totaling \$1 million. Amgen endowed the Fritzky chair in honor of the former chairman, CEO and president of Immunex (which was acquired by Amgen in 2002).

After earning his bachelor's, master's and doctorate from the UW, Nolan enjoyed highly successful years at Harvard and as chairman of the information technology consulting firm Nolan, Norton & Company. Nolan's interest in information technology management made the UW and Seattle a logical destination.

"I'm attracted to this University for its entrepreneurial spirit and dedication to making Seattle the nexus of technology and business," Nolan said. "I view this gift, the Philip M. Condit Endowed Chair in Business Administration, as a leadership statement about the future of the UW Business School."

Pigott holds a bachelor's degree from Stanford University. He is chairman emeritus of PACCAR Inc., the manufacturer of heavy-duty transportation equipment, including Kenworth and Peterbilt trucks. He has also served on the boards of leading companies, including Citibank, The Boeing Company and Chevron. In his position at the UW, Pigott has held a series of informal discussions with students and faculty regarding a variety of business topics.

"Today software, high tech and biotech is the hope of the future for this area," Pigott said. "If we're going to be successful it's going to be because we have a well-educated group of young people. If I've made a small contribution to that, then I feel good."

Pigott and Nolan hold just two of several endowed positions on the faculty. The School has eight endowed chair positions, 22 professorships and 19 faculty fellowships.

FOSTER ESTATE GIFT TO LINK LIBRARY AND NEW FACILITY

The Business School lost a longtime friend when Evelyn Foster died in 2002. But the commitment that she and her husband Albert Foster showed to the School will be remembered for generations. Her final contribution, a sizable estate gift, will be used to connect the new building to the Albert O. and Evelyn W. Foster Business Library.

Such estate gifts are a good way to benefit both the School and the family members left behind. The gifts serve at least two important functions. First, they can create lasting reminder of a person's dedication to the Business School. Second, the gifts can be useful estate and tax planning tools.

Estate gifts go to a variety of worthy causes, including the Business Discretionary Fund. The gifts can also be used to fund endowed faculty positions, or, as is the case with the latest gift from the Fosters, to contribute to a construction project.

Evelyn Foster, a 1932 UW graduate, arranged to have proceeds from the sale of a property in Hawaii given to the School.

The library, of course, is the most tangible impact the Fosters made on the School. That gift, given in 1990 through the family's foundation, resulted in a beautiful facility with one and one-half times as much space as the old business library in Balmer Hall. This latest gift will go toward the Business School's new facility, specifically linking the library to the new complex.

"They were big supporters of the UW Business School," said Jill Goodsell, the administrator for the Foster Foundation. "This gift was consistent with the family's tradition of support and their eagerness to give back to the community."

Albert Foster graduated from the UW in 1928 with a degree in business and in 1938 founded the investment-banking firm of Foster & Marshall.

SPRING 2004

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A MESSAGE FROM THE DEAN

STAYING ON COURSE



Welcome to IMPACT. This is our chance to report to you, our investors, on the impact your gifts are having in transforming the student learning experience at the UW Business School. It is thanks to your support that we have the resources to recruit and retain top faculty, fund scholarships for deserving students and move steadily

toward our long-term goal of building a world-class facility for the Business School.

This has been a banner year for investments in our future. Fund raising for this fiscal year is up about 135 percent over the year before. And the momentum of our campaign is growing. To date (since we initiated our campaign in July 2000), we have gifts or pledged gifts in excess of \$50 million toward our total goal of \$206 million — which includes \$15 million for student scholarships, \$50 million for faculty endowments, and \$105 million for new facilities. Momentum is building toward the public launch this fall of the full University of Washington campaign — of which our campaign is a substantial portion.

Our goals are ambitious, but necessarily so if we want to meet our objective of becoming one of the top business schools in the nation. And, thanks to your support, we have already made spectacular progress in that direction. In April we learned that the MBA program again moved up in the *U.S. News & World Report* rankings, jumping from 35th to 27th. This is an impressive gain, especially when you consider that just two years ago we were ranked 49th. The School's accounting program is now ranked 18th, and our Executive MBA program 21st. Ranking polls, of course, are an imperfect measure of the true quality of any business school, but our steady upward progress in national reputation is clearly a testament to many initiatives we've implemented — all of which are aimed at enhancing the learning experience and career opportunities we can offer students.

Of particular importance are the sweeping changes to our graduate and undergraduate curriculum that will be implemented next fall. As part of our commitment to give students the skills they need to lead and succeed in a global economy, we are putting more emphasis than ever on opportunities for "action learning" in the real-world of business. The curriculum changes we have made, and will continue to make, clearly position us as one of the most innovative business schools in the nation. When you combine this innovative approach to curriculum with our commitment to grow the ranks of our faculty with leading scholars and teachers, as well as building a truly world-class facility, our future looks very bright indeed.

We need your continued support, with gifts small and large, to keep the momentum building over the next several years to meet all of our campaign objectives. When you think of how far we've come, in such a short time, I have no doubt that our long-term vision for the School will be realized.

Sadly, I will not be able to complete this journey with you. As you may know, I will be leaving the UW Business School on July 1 to accept a position as dean of the Marshall School of Business at the University of Southern California. The five years I have spent as your dean have been the most rewarding of my entire professional career. I've had the opportunity to work with outstanding faculty and staff, dedicated alumni, and visionary business partners to help shape a new direction for the School. In bidding you farewell, let me say how grateful I am for the opportunity to have served as your dean, and extend my heartfelt thanks to all for the kindness and support you have shown me. *Go Huskies!*


YASH GUPTA, DEAN, UW BUSINESS SCHOOL

KIRBY L. CRAMER CHAIR IN BUSINESS ADMINISTRATION

External Relations Adds Two Team Members



RUEBEN MAYES, an accomplished fund-raiser at cross-state Washington State University, is the new assistant dean of external relations at the Business School.

Mayes was the executive director of the President's Associates Program at WSU, where he oversaw fund raising and communications with alumni and donors. He earned a Bachelor of Arts and MBA at Washington State.

Mayes, a former gridiron star who was named the NFL Rookie of the Year in 1986, will direct all stewardship, alumni relations and communications projects within the Business School.



LYNN WETZLER, comes to the Business School after working in fund raising at St. Olaf College and, most recently, the Washington/Alaska chapter of the Arthritis Foundation. Wetzler coordinated foundation's marathon training program, which was the largest fund-raiser for the local chapter.

Wetzler also worked for Nordstrom in the executive and relocation offices. She earned a bachelor's degree

UW BUSINESS SCHOOL EXTERNAL RELATIONS

Rueben Mayes, Assistant Dean for External Relations
Cristina Balleit, Director of Major Gifts
Sissy Bouchard, Director of Development
Christina Economou, Corporate & Foundation Relations Officer
Mary Ann Estrellado, Stewardship Coordinator
Andy Keehn, Major Gifts Officer
Tom Keehn, Corporate & Foundation Relations Officer
Nicole Pargoff, Stakeholder Relationship Officer
Kristine Vosk, Campaign and Special Projects Manager
Lynn Wetzler, Annual Fund Officer
Cameron Young, Development Program Manager

Contact the External Relations office at 206.543.0304.