

SPRING 2005

## IMPACT



UNIVERSITY OF WASHINGTON BUSINESS SCHOOL  
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## A MESSAGE FROM THE DEAN

## STAYING ON COURSE



Welcome to *IMPACT*. Our goal with this annual publication is to report to you, our donors, on the impact your gifts are having on the Business School. Whether your investment is modest or large, we strive to ensure that every dollar is used efficiently and in line with your giving priorities. If you invest in the future

of this Business School you should expect a return on that investment—a return measured by the certainty that your gift is truly making a difference.

As I step into my new role as Dean, I'm committed to fulfilling our shared vision to secure a great future for this School. Since our ambitious campaign entered its "public" phase last fall—as part of the larger UW campaign *Creating Futures*—we've been focused on three priorities.

**Building a world-class facility.** Investing in modern facilities is critical to fulfilling our educational mission, meeting projected needs for growth, expanding revenue streams, running programs cost-efficiently, and strengthening our efforts to recruit top faculty, students, and corporate partners. Without such an investment, it will be impossible to achieve our potential to become one of the world's premier centers for business education.

**Increasing faculty endowments.** Faculty are clearly the most important element in providing students with an exceptional learning experience and sustaining our mission as part of a leading research university. Faculty endowments provide an essential supplement to state salaries, enhancing our efforts to recruit and retain faculty who are exceptional scholars, teachers, and who share our vision and values.

**Increasing student scholarships.** Investing in the human capital represented by our students is central to our vision of creating a great Business School. As we gradually raise tuition to the level of peer institutions, it's imperative that we have sufficient scholarship funds to ensure access for deserving students and promote diversity.

While all three priorities are critical, most of my time in the coming months will be devoted to securing sufficient gifts for the building project to move to the full design phase, which means we could start construction as early as 2007. The challenge of this \$160 million project is huge, but I'm confident that we will secure the private dollars necessary to complete it. When it comes to building much-needed new facilities, failure—in my view—is simply not an option.

We can all take pride in the steps we've taken in recent years to constantly improve the content and relevance of our curriculum to ensure we are at the leading edge of business education. Those initiatives have helped drive our steady upward progress in the latest *U.S. News & World Report* rankings, from 27 to 18 among the nation's best graduate business schools. And we're also extremely proud of our placement rate for M.B.A. graduates—which was the best among any of the top 50 schools, and a clear indication of the high regard that recruiters have for our graduates.

Again, I thank you for your continuing support of this great Business School. And I look forward to working closely with you to build and even greater future.

JAMES JAMBALVO, DEAN UW BUSINESS SCHOOL  
KIRBY L. CRAMER CHAIR IN BUSINESS ADMINISTRATION

External Relations  
Adds Two Major Gifts Officers

SEAN MOORE (BA 1996) has rejoined the development team after a stint as major gifts officer at the UW College of Arts & Sciences. Moore studied finance and marketing at the Business School. After graduating in 1996, he worked in development and communications at Duke and Arizona State University, before coming home to the UW in 2002 to become manager of the Business School's annual fund.



JOHN SIEGEL began his career in higher education fundraising as the manager of New York University's annual fund and then as director of corporate and foundation relations for Sarah Lawrence College. In 2001 he founded Polaris Non-Profit Strategy Group, a Seattle-based consulting company that develops and executes fundraising programs for non-profit organizations. Siegel earned a BA in economics from the College of William & Mary and a master's degree in public administration from NYU.

## UW BUSINESS SCHOOL EXTERNAL RELATIONS

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Contact the External Relations office at 206.543.0304.  
Visit the Business School online: <http://bschool.washington.edu>

# IMPACT

THE POWER OF INVESTING IN THE FUTURE

A PUBLICATION OF THE UW BUSINESS SCHOOL OFFICE OF EXTERNAL RELATIONS

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## MAJOR GIFT BOOSTS NEW FACILITY CAMPAIGN

The Business School's capital campaign received a massive boost in December when The Foster Foundation committed \$10 million toward the construction of a new facility, the largest single private gift the School has ever received.

When completed, the state-of-the-art facility will increase the School's total space by nearly 50 percent, adding 52,000 square feet that will contain interactive lecture halls, wireless classrooms, computer labs, study areas and offices for faculty and staff.

"New facilities are essential if we expect to attract top faculty and students—and deliver the innovative business education our young people deserve," says Neal Dempsey (BA 1964), managing general partner at Bay Partners and co-chair of the Business School campaign.

This is the latest in a series of gifts to the Business School from The Foster Foundation, which was created in 1982 by members of the Foster family whose three generations have attended the University of Washington. Since its creation, The Foster Foundation has given the Business School more than \$13 million for endowments, fellowships and facilities. The School's library, opened in 1997, was named in honor of Albert Foster (BA 1928), a member of the New York Stock Exchange's board of governors, and his wife, Evelyn, a 1932 UW graduate who volunteered with the Seattle Symphony, Seattle Opera and Seattle Art Museum. The recent \$10 million gift was made in memory of Michael G. Foster, one of Albert and Evelyn Foster's four children who dramatically expanded his father's financial services business.

"Michael Foster opened the door of opportunity to so many during his lifetime, whether it was through his profession or his philanthropy," says Jill Goodsell, The Foster Foundation's administra-

tor. "This gift is not only a fitting tribute to his legacy; it also affirms The Foster Foundation's continuing commitment to the University of Washington."

And it's providing an enormous surge of momentum for the campaign to construct a facility suitable of a business school that is moving into the nation's elite. Since fundraising efforts began in 2002, the School has raised \$38 million from private donors, as well as a commitment of \$35 million from the university toward the \$160 million project.

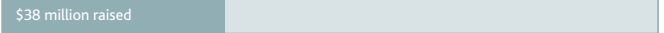
"This investment from The Foster Foundation is a huge boost for our campaign," says Mike Garvey, chair of Saltchuk Resources and the Business School's Advisory Board, "and it should inspire others to step forward to help us make this Business School among our nation's best."

### CAMPAIGN PROGRESS THROUGH APRIL 30, 2005

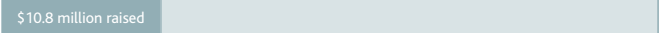
CAMPAIGN OVERALL GOAL: \$226 million



NEW FACILITY GOAL: \$125 MILLION\*



FACULTY GOAL: \$50 MILLION



STUDENT GOAL: \$15 MILLION



PROGRAM SUPPORT GOAL: \$36 MILLION



\*Overall construction cost is estimated at \$160, of which \$35 million has been committed by the UW.



Accounting Department chair Kasi Ramanathan with Ernst & Young partner Al Winterroth, a charter member of the 25 Year Club.

### The 25 Year Club

Contributors to the Business School's Annual Fund for or more 25 consecutive years

- Charles E. "Chuck" Fancher ('42)
- Alvin ('73) and Janice Winterroth
- Thomas ('61, '71) and Brenda ('61) Melang
- Douglas ('68) and Willeen ('68) Klan
- Richard R. "Dick" Woods ('51)
- Verna Jensen Draper ('33)
- Dennis ('68) and Jan ('68) Conrad
- Jim ('69) and Barbara ('66, '80) Larson
- Roger ('51) and Shirley ('52) Nyquist
- Judy and Bob ('58) Wilson, Jr.
- Gerald E. Gorans ('47)
- Harold Haynes ('48)
- Anonymous

## AN ANNUAL TRADITION OF GIVING

Apparently, giving to the Business School can be habit-forming.

It has been for Al Winterroth (BA 1973), a partner at Ernst & Young who began contributing to the School's Annual Fund shortly after his graduation in 1973 and hasn't missed a year since. He's not alone in perennial philanthropy. This year the Business School honors 424 donors who have contributed to the School for 5 consecutive years, 49 who have done so for 15 consecutive years and 13 who have given for 25 consecutive years or more.

For Winterroth, though, his own tradition didn't begin with designs on longevity that might someday land his name on a plaque. Shortly after going to work at Ernst & Young, he was asked by Ronald Luhman (BA 1957), the Seattle office managing partner and a founding member of the Business School's Accounting Development Fund, to consider making a gift to their alma mater.

Winterroth had worked six days a week to pay his way through school, missing Husky football games and all other extra-curricular activities. Then in his senior year he won a scholarship, a lucrative internship with the IRS and membership in Beta Alpha Psi, the honorary organization for financial information students and professionals. "Obviously, things took off after that," says Winterroth, who chairs the Accounting Development Fund's Board of Trustees and is a member of the Business School's Advisory Board. "The scholarship meant a lot to me, and that motivated my giving. I wanted to give back to the School."

Winterroth and a growing cohort of annual givers are supporting the School's excellence through targeted funds like Accounting Development, and through the Dean's Discretionary Fund, which is fuel for innovation and opportunity. This year, Dean's Discretionary dollars sent undergrads to prestigious case competitions in Hong Kong, Copenhagen and Montreal, and MBA students to meet employers around the country through MBA Road Shows. It helped recruit and retain top faculty minds and supported the launch of the Global Social Entrepreneurship Competition and the Corporate Directors Series.

Winterroth, who has been involved with the Accounting Development Fund from its beginning, says that what he puts in is more than matched by what he gets out: a vested stake in the Business School.

"I feel very involved in the success of the program," he says. "When I started, it was with a minimal gift. But every year I could afford to contribute a little more, and I wanted to. Now, with the people we hire, there's an expectation that they'll get involved somehow. The School has done so much for every graduate—given them a great education, opportunity and skills that can take them anywhere."

## UP CLOSE AND PERSONAL WITH DEAN JAMES JIAMBALVO



### How did you come to a career in academia?

I grew up in Chicago. And while neither of my parents went to college, they really believed in education. They were great savers, and they sent my brothers and me to Fenwick High School in Oak Park, one of the best private schools in Illinois. While studying accounting at the University of Illinois, I tutored minority students. I think that's what got me interested in being a teacher at some point. After I graduated, I worked for Haskins & Sells (now Deloitte & Touche) in Chicago for a few years before going back to Illinois for graduate school. I got the idea that I could do some research for the firm while I was there. I also took a Ph.D. level class and really enjoyed it. I decided that graduate school really agreed with me, so I went on to Ohio State to get my Ph.D. I found that I really liked thinking about accounting more than doing accounting.

### How did you come to the UW?

The UW Business School has had a strong accounting program for years and years. Accounting was really just taking off as an academic discipline in the early 1970s, and some of the early giants of the profession were here—people like Gary Sundem, Bill Felix, Bob May and Kasi Ramathan. I was interested in the west coast and an urban setting. The UW looked very attractive.

### What's the biggest change in university life since you joined the faculty in 1977?

I think for us, and all the top-rated schools, there has been a real shift toward quality teaching. When I arrived we were probably focused 80 percent on research and 20 percent on teaching. Now it's more like a 50-50 split—even among the top research institutions.

### What are your top priorities for the Business School product?

We must be focused on quality and community. We want our faculty to publish research in the premier journals, and take part in discourse of all the important issues of the day. We want our curriculum, programs and students to be of the highest quality as well. Our creation of community will be the catalyst: we want to bring together faculty, students and business leaders in meaningful interactions—expand this competitive advantage of living amid some of the world's most exciting and innovative companies through our advisory boards, competitions, speaker series and mentorship programs.

### How do you balance the goal of being a world-class program with the mandate to provide accessible education to Washington students?

We want every bright, energetic high school student in Washington to come to the UW and then to the Business School. Having said that, their experience will be richer with some geographic diversity, where they interact with students from around the country and the world.

### In what direction do you foresee the Business School moving?

We want to continue to focus on technology, entrepreneurship and international business. At the same time, we still want to provide a solid education in the functional areas of finance, marketing, accounting and management. One of the themes in my teaching is: you get what you measure. Performance measures drive the behavior of managers. We do a lot of measurement in the Business School, and we'll do more.

### The economics of higher education have changed. How do you plan to cope with eroding state support?

We will have to become much more self-sustaining. This will require tuition increases offset by substantial scholarship support to maintain accessibility—we've already raised nearly \$10 million for scholarships during this capital campaign. We also will have to expand our higher-revenue Executive Programs that allow us to maintain the highest quality for all of our programs. The new facility is the key. A world-class home for the Business School is essential to realizing our ultimate goals.

### What is your vision for the Business School?

I would like to see excess demand for every program, including our Executive Education programs. I'd like to see companies say, "I've got to recruit at the UW Business School. I love their students. I need their students." I'd like to have graduating students say that they received the best education anywhere—regardless of where we are ranked. I'd like the quality of education to match the finest schools in the country.



Sue Hanses (second from right) with her family after the 1987 Emerald City Marathon.

## TURNING TRAGEDY INTO LEGACY

On June 11, 1990, Sue Hanses (BA 1982) died suddenly of a meningococcal infection.

To everyone who knew and loved her—and there were many—Sue's death was an absolute tragedy. She was just 30 years old, already a vice president at the Federal Home Loan Bank of Seattle. But she also found time to run marathons, cook adventurously and learn to sew and knit. She was dedicated to her family and considered a best friend by many in her sorority (Delta Delta Delta), at school, at work and at play.

Sue Hanses was in the prime of her life. And her prime was probably sweeter than most, though she never would have admitted it. She was smart, ambitious and successful, but also caring, warm and humble to a fault.

"Sue was so full of life," recalls her mother, Sharon Hanses. "It sounds like a cliché to say that, but she just was. She'd come into a room and just bounce."

Sue's family and friends decided they could not let such a joyous life end in tragedy. Knowing her deep affection for the UW Business School that educated her and opened the door to her career, Sue's friends at the Federal Home Loan Bank, working with the family, made an initial contribution of \$10,000 to endow a scholarship in her name. The Susan L. Hanses Endowed Scholarship would be awarded to a deserving young woman from central or eastern Washington who was studying finance at the Business School—someone like Sue.

At the time, an endowed scholarship required \$25,000 to begin paying out. So the Hanses, with help from the bank, began an annual three-mile fun run to recall Sue's spirit, and to raise funds.

"In the beginning it was mostly young people who were serious runners," Sharon says. "Eventually they slowed down and started pushing strollers and walking dogs. Now we have kids on bikes and roller skates, too."

Fifteen years of contributions from friends and family have grown the endowment to more than \$100,000 today, and helped fund the education of 19 students—it now generates three scholarships each year.

Sue's mother, sisters Lynn and Cheryl, and niece Meghann Smith, a junior studying finance at the Business School, say they are forever running into somebody who knew Sue and wants to talk about her.

"She was just so full of life that it's unthinkable that she would be forgotten," Sharon Hanses says.

Such is the perpetuity of endowment that Sue Hanses never will be forgotten, so long as students from east of the Cascades keep coming to the UW Business School, and earning a scholarship named after a luminous young woman who made so much of the brief time she was given, the best role model they could ever ask for.

*The 15<sup>th</sup> annual Sue Hanses Memorial Fun Run/Walk will take place Saturday, June 25, Seattle's Burke Gilman Park at 9 a.m. Contact Cheryl Smith (509-452-1614 or cheryl7560@msn.com) for more information.*

### Rising Scholarship Support

Thanks to a dramatic increase in scholarship support, the Business School has nearly tripled the monies awarded to undergraduate, MBA, MPAcc and PhD students in the past six years.

2000-01	\$565,700
2001-02	\$718,800
2002-03	\$901,400
2003-04	\$1,141,500
2004-05	\$1,333,452
2005-06	\$1,419,300

## SOLDIER AND SCHOLAR



Syklee Robinson

Skylee Robinson has triumphed over more adversity in her young life than many do in a lifetime, but you'd never know it from her infectious smile and the enthusiasm with which she tackles every new challenge. Skylee is not just the first member of her large family to go to college; she's also the first to graduate from high school. One of four children, she was raised by a feisty single mom who struggled to make ends meet by working in construction as an electrician. "As a woman, my mom had to fight hard to be accepted in the dominantly male construction trades," Skylee says. "She set a wonderful example for me that women could be strong too."

In her senior year at Thomas Jefferson High in Auburn, WA, Skylee joined the Army National Guard—encouraged by her mother who had dreamed of serving in the military. After graduation, Skylee went to basic training for 10 weeks and entered the UW in the fall of 2000, expecting to fulfill the rest of her military obligation with monthly reserve meetings. She applied to the Business School during her freshman year and was accepted under the early admit program for outstanding UW students.

After the terrorist attacks in September of 2001, Skylee's future at the Business School was increasingly insecure with the prospect that her reserve unit would be called to active duty. After several false alarms, her unit was indeed activated in November 2003 for two years and Skylee was forced to leave her studies and report for active duty in the Army. Instead of classes in accounting and marketing, she found herself in the Mojave desert learning how to identify roadside bombs and shoot an M-16 from a moving Humvee to simulate dangerous convoy operations in Iraq.

Fortunately, the Army decided that Skylee's skills as a paralegal were needed more at Ft. Lewis than in Iraq—so she served her active duty in the legal trenches, gaining valuable experience as part of the support team that successfully prosecuted a highly publicized espionage case involving a U.S. soldier.

Scheduled to return to civilian life this fall, Skylee is once again attending the Business School and committed to graduating in June 2006. "Because of my military service, it's taking two years longer than I expected, but the time wasn't wasted," she says. "I served my country and I got enough experience in law to know that's what I want to do for a career."

Since she was accepted at the Business School, Skylee has been awarded a total of three scholarships, each of which has made a huge difference in the quality of her educational experiences. "Because of those scholarships, I was able to take advantage of fantastic internships at Deloitte, Merrill Lynch, and the Washington State auditor's office. I learned an incredible amount from those experiences, but without scholarship money it would have been far more difficult."

Skylee is excited about becoming a full-time student again. After earning her BA she wants to go straight to law school and eventually use her knowledge of business and law to help disadvantaged and at-risk youth. "I feel very fortunate to have emerged from the background I have," Skylee says. "I want to encourage other kids that they can do the same."

## GROWING RANKS OF BUSINESSES INVESTING IN SCHOOL

The Business School counts many businesses among its strongest allies. Since the capital campaign began in 2002, stepped-up support has arrived from Safeco Insurance, Deloitte & Touche, Amgen, Washington Mutual, Ernst & Young, The Boeing Company, Battelle, Moss Adams and many others.

Why have so many companies and firms decided to contribute? Because they see their support of the Business School as an investment rather than a gift. "The future of Seattle's business community lies in our ability to attract top-ranking students to our local business schools," says Mike McGavick, chairman and CEO of Safeco Insurance, which contributed \$1 million this year toward construction of the new facility. "It is important for us to support the effort to create an environment that entices students to attend the University of Washington, giving us a better chance for those bright minds to stay and contribute their talents locally."

This sentiment has been echoed by Deloitte & Touche, whose partners and directors have gone to extraordinary lengths to support the Business School and its efforts to produce excellent accountants and the thriving businesses that will require their services. A group of alumni partners at Deloitte devised its own campaign to raise one percent of the Business School's original campaign goal of \$165 million. To get there, they convinced the Deloitte Foundation to provide a significant match if they could persuade every alumni partner, director and principal

throughout the firm—as well as all 60 partners, directors and principals at the Seattle office—to contribute. To date, this Deloitte partnership has contributed \$1 million for the new facility, \$500,000 for faculty support and is working on \$150,000 for scholarship support.

"This was a true test of the fact that this is a partnership, not a corporation," says Sheryl Hildebrand (BA 1982), managing partner of Deloitte's Seattle office. "The UW is important to our firm both as an excellent supplier of our human capital and as an important economic driver to the business community. We know that only through a strong business community in the greater Puget Sound region can our office continue to grow and prosper."

Bill Fowler (BA 1966), the retired CFO of Deloitte & Touche, was referred for his first job at the firm while working as a teaching assistant in accounting at the Business School. Contributing to its success, he says, is not only the smart thing to do, it's the right thing. "The UW provides opportunity to people," he explains. "If you asked every successful graduate, you'd probably hear a similar story to mine. There was some teacher, or some class, or some event that stimulated them, developed a skill or interest, or created an opportunity that made all the difference."

"The economics of higher education have changed," Fowler adds. "The University of Washington no longer gets sufficient funding from the state. It needs our support."

## THE UPSIDE OF ENDOWMENT

Believe it or not, there is a downside to the Business School's precipitous rise in rankings and the increased notoriety it brings: Demand for our faculty rises with it.

Years of eroding public support of higher education in Washington has left salaries well below market—especially for top scholars. So schools are increasingly looking to the UW Business School faculty as an opportunity to find Nordstrom quality at Costco prices.

In this harsh economic reality, faculty endowment becomes invaluable. Endowed chairs, professorships, fellowships and awards can make the difference between retaining and losing key faculty members. Take the Douglas E. Oleson/Battelle Excellence Chair in Entrepreneurship, awarded to Warren Boeker and Suresh Kotha, two of the brightest minds studying entrepreneurship today.

"The market for high-level entrepreneurship scholars is very intense," says Tom Jones, The Boeing Company Endowed Professor in Business Management and chair of the department of management

and organization. "There are many more schools who want entrepreneurship study done and want it done well than there are people who can do it well."

After looking outside to fill the Chair, the search committee realized that it had two top candidates already on the payroll. Just too low on the payroll. And they were actively being courted by many other schools.

"With 50 or 60 vacant entrepreneurship chairs around the country, I was getting many inquiries of interest, and I still do," admits Kotha, who is doing ground-breaking research on corporate entrepreneurship, passion and the evolution of a start-up's capabilities as it grows and matures. "But a Chair like this reduces the attractiveness of external offers—and not just because of the money. It's also a recognition of scholarly achievement in one's career. It signals to people from the outside that we've got good people on the inside, a vibrant community of excellent scholarship. That's a very attractive situation to be a part of."

The Business School manages 41 faculty endowments worth \$32,266,258. Five more are in the pipeline.