

IMPACT

THE POWER OF INVESTING IN THE FUTURE

A PUBLICATION OF THE UW BUSINESS SCHOOL OFFICE OF EXTERNAL RELATIONS

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GARVEYS GIVE \$1 MILLION TO CENTER FOR TECHNOLOGY ENTREPRENEURSHIP

In response to a matching gift pledged by Neal Dempsey in January 2001, Mike and Lynn Garvey recently made a \$1 million donation to the Business School's Center for Technology Entrepreneurship (CTE) program.

"This gift will go toward the long-term sustainability of the CTE," said Professor Michael Song, executive director of the CTE. "It gives us leverage to raise additional funds for the future and helps us to achieve our mission, which is to establish a world-class center that fosters learning and discovery in innovation and technology entrepreneurship."

Mike Garvey, CEO of Saltchuk Resources, Inc., received his law degree from the UW and taught as a part-time instructor in the Business School in the late 60s and early 70s. He and wife Lynn have been interested in helping the UW for a long time. He believes one of the most important things they can do to help the community over the long-term is to make sure the UW is an outstanding, world-class institution.

"There are so many good things that come from having a university in your midst, for the community, that I could sit here and describe them from now until the end of the day," Garvey said.

The fact that the gift went toward the CTE is indicative of Garvey's interests. He has spent half his career in law, the other half in business. As an entrepreneur, he sees the value in promoting entrepreneurialism.

"In general money like this, that is given to a program like this, can create a cluster of people and networks and ideas that can have an enormous long-term benefit," Garvey said. "It's sort of like the notion of how a small initial input in a dynamic system can have a large output."

Garvey doesn't expect to change the world. Instead he hopes to promote social innovation. He believes public works and impacting the global community are not restricted to those in public service, but that business can play an important role too.

"In the long run it's the creativity of people, and the energy that they give to something, and their focus, that makes for a great community and a healthy society," Garvey said.

In their gift, then, the Garveys set out to encourage the kind of creativity, focus and optimism that makes a difference. He believes every entrepreneur is fundamentally an optimist — that they must be in order to be an entrepreneur. To him, that spirit of innovation and optimism "...creates that kind of attitude about life that says we can do better, we can improve, we can make our society better, and we can do it in the context of developing a business."

NASDAQ GIFT ESTABLISHES REAL TIME TRADING ROOM AT UW

Thanks to a \$250,000 gift from the Nasdaq Stock Market Educational Foundation students in the Business School will soon have the opportunity to learn about financial markets using real time data. The grant makes way for an online trading room, in which each computer will be equipped with Carnegie Mellon trading and analytical software. The room will allow students to conduct simulated transactions and sophisticated financial analysis using real time market data.

The gift is the first ever given by Nasdaq in order to create a trading room, though a select handful of schools — the University of Texas at Austin, Cornell, Carnegie Mellon and MIT — currently have their own trading rooms. It is one of the most sizable grants in the Foundation's history.

"This is the first time we've done a trading room of this scale, and we are very optimistic and enthusiastic that it will become an example that can be utilized within other business schools and other universities around the country at getting a real practical and educational experience in the trading room," said Michael Casey, a member of the board of directors for the Nasdaq Educational Foundation, and executive vice president and CFO of Starbucks. In addition to giving students first-hand experience in financial markets, the finance curriculum gets a boost, too, by enabling integration of actual markets into course work, and by introducing new tools for analyzing market behavior and new financial strategies for managing risk and investment portfolios. Additionally, the room will allow faculty to conduct research with real-time securities trading data.

"Because we expect so many future business leaders will come from the University of Washington Business School this is a great place to start," Casey said. "It builds a bond between Nasdaq and future business leaders and we think that would be a benefit for the market as well as whatever companies they end up working for."



Mike Casey and Barbara Cosgriff present Nasdaq gift to Chuck Lillis (right)

The Pacific Northwest region is a key market for Nasdaq. At the turn of the millennium Washington state was home to more than 3,000 software and Internet companies, generating a revenue over \$30 billion in annual sales. Not only does it lead the nation in creation of new high-tech companies, the Puget Sound region has the second highest concentration of Nasdaq companies in the world. In fact, Washington state holds 12 percent of the total global market value for Nasdaq listed companies.

The trading room, which was initially proposed by Barbara Cosgriff (BA 1982), chief of staff and managing director of Nasdaq, will be housed next to the e-business lab in Balmer Hall and is expected to be operational during the 2002-2003 academic year.

GIFTS BRING HIGH ACHIEVERS TO BUSINESS SCHOOL

Gifts to Business Discretionary Fund

	FISCAL YEAR 2001	FISCAL YEAR 2002
Total Gifts	\$385,181	\$405,138
Gifts of \$1,000 or more	\$221,810	\$269,015
Contributors giving \$1,000 or more	147	173

Last fall 31 freshmen accepted \$1,000 in scholarship money and the opportunity to get into the Business School early. Begun in 2000, the Freshman Admissions Program (FRAP) offers an elite group of high school seniors the opportunity to receive early and direct admission to the UW Business School. FRAP was created in order to encourage high achievers to select the UW, and to allow the Business School to compete with other universities in attracting these students.

“We began the program because we wanted to signal to these students how very serious we are about their place at the Business School,” said Professor Pete Dukes, associate dean of undergraduate programs. “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.”

Initially the program featured only early admission, however the School soon realized it was losing excellent candidates to universities that were offering merit-based scholarships to the students. Thanks to gifts from loyal supporters of the Business Discretionary Annual Fund — and especially those made by Dean’s Club members — the School was able to begin offering these bright students yet one more reason to attend the

UW.

Every year the School selects FRAP candidates from the pool of accepted freshmen who have indicated their interest in studying business. The students are selected based on high school academic records, SAT scores (above 1280) and grade point averages (GPAs). Approximately 60 students are offered the FRAP opportunity each year.

The next chance for students to enter the Business School comes at the end of their freshman year, when they can apply for the Early Admissions Group, which requires high academic performance in UW coursework. The majority of students apply for admission to the School as juniors. This year’s median GPA for junior admits is a 3.5.

In the first year, when FRAP offered early admission but no scholarship money, only 23 of the 60 students who received an invitation to join the Business School accepted. When Dukes and staff chose to offer a scholarship as well the yield jumped considerably. This year 31 of the 60 invited students accepted the invitation — and scholarship — to join the Business School.

SCHOLARSHIPS ESSENTIAL TO SCHOOL’S MISSION

Scholarship Applications Soar



Competition is fierce for next year’s undergraduate scholarships; 110 more students have applied than last year. Of the 280 candidates, at least 100 have a GPA of 3.7 or better.

Scholarships have long served as an important tool for improving access to higher education and recruiting the best students. As the UW Business School works with the State Legislature to acquire full authority to raise graduate tuition to the prevailing rates of peer institutions, it’s more important than ever to increase the funds available for scholarships. To support that effort our Advisory Board has offered to help us raise at least \$15 million for endowed scholarships — \$10 million for graduates and \$5 million for undergraduates.

This year more than 200 graduate and undergraduate students



Scholarship recipients Steve Namkung and Laura Reed

benefited from scholarships. What follows are two stories which illustrate the impact of scholarships on individual lives.

First-year M.B.A. student Laura Reed grew up in Michigan and earned a B.S. in Chemical Engineering from Michigan Tech University in 1996. After graduation she moved to Seattle to work in research and development at the Boeing Everett plant, where she studied aircraft painting processes that would comply with tighter environmental rules. After five years there Reed decided to return to school for an M.B.A. to pursue growing interests in finance and global economic issues. She chose

the UW because of its solid reputation, because she wanted to stay in Seattle and because resident tuition was very attractive. Plus, she received a merit-based scholarship which has made a huge difference in her academic career.

“Thanks to the scholarship, I can be a full time M.B.A. student, without the added burden of trying to work too,” Reed said. “It’s made for a far richer learning experience.” She is not certain of her ultimate career path, but is focusing on finance and technology entrepreneurship.

Steve Namkung, also a first-year M.B.A. student, came to the school by a far different route. After graduating from Pacific Union College in California with a B.S. in Business Administration as well as a teaching credential, Steve set off for Saipan, Micronesia, where he taught K-12 students and eventually became a school principal. His choice to get an M.B.A. was fueled by a desire to improve his managerial and business skills, and because he wanted to pursue career opportunities that would provide greater financial security for his wife and two young children. Namkung researched schools from Micronesia and decided on the UW Business School for a number of reasons.

“I was impressed by the curriculum and the choices for specialization,” Namkung said. “And I was also impressed by the diversity of the School. You can always do a better job in that arena...but there is definitely a commitment to diversity here.” The scholarship Namkung received has made it possible for him to maintain a family life. “I can concentrate on my studies, without working, and have adequate time to spend with my wife and children.” Namkung has a finance concentration and is getting a certificate in e-business. He is one of two representatives to the UW Graduate Senate and is Executive Vice President of the M.B.A. Association.

Both Reed and Namkung have been impressed by the close-knit, collaborative culture at the Business School. “There’s really a strong camaraderie here among both students and faculty,” Reed said. And Namkung concurs. “All business schools are highly competitive,” he said, “but here you get the feeling that people want to see you succeed — and are willing to help.”

Helping students succeed in their career aspirations is what scholarships are all about, and why the UW Business School is committed to growing our endowments.

BEQUEST GIFT MAKES LASTING IMPRESSION

This year undergraduate and master’s candidates in the accounting program will begin to benefit from a generous gift left by Mary Katherine Mackenzie.

Mackenzie, who earned her B.A. in accounting at the UW in 1931, bequeathed more than \$1 million to the Business School. The dividends from the endowment principle will be used to provide approximately \$60,000 in scholarships to undergraduates and students in the Masters in Public Accounting program.

As one of the first generation of women to study at the Business School, Ms. Mackenzie both enjoyed her accounting degree and put it to great use during her lifetime. While married to her former professor, Donald Mackenzie — who taught at the Business School until his death in 1955 — she was exposed to the various stock market investment materials and corporate reports her husband was constantly reading. According to her son, Donald D. Mackenzie, following Professor Mackenzie’s death she began using the material to invest in growth com-

panies. Over the years she owned stock in many companies and used the dividends to maintain first the family budget, then her budget as well.

“Her greatest ability was to have a sense of which companies to hold and which to sell,” said Donald D. Mackenzie. “From a small initial investment her portfolio grew, as she stuck with quality companies, and never was rattled by the many ups and downs of the market.”

Mackenzie left the gift in memory of her husband, Professor Donald Mackenzie, after whom Mackenzie hall was named in 1961, as well as in memory of his mother Catherine Emily Mackenzie. While it was her intention to honor the lives of those she knew to have a profound effect on others’ lives, Mackenzie inadvertently did the same herself. Her gift will provide the means for countless students to study within the Business School and will last into perpetuity.

FOR ALBERTO-CULVER FOUNDERS, IT'S ALL ABOUT ETHICS



Bernice and Leonard Lavin

Think Alberto V05 and most likely your mind doesn't leap straight to the subject of ethics, but for Leonard and Bernice Lavin, founders of the incredibly diverse Alberto-Culver Company, business ethics these days is top of mind. Which is why the Lavin Family Foundation recently donated \$50,000 toward business ethics programs at the Business School. While how the money will be used is still under consideration, ideas include bringing in guest speakers, helping to fund research projects and providing supplemental course materials. Faculty and staff are also considering an ethics case competition.

"This gift is clear evidence that the Lavins are not only aware of the importance of ethics in a quality business education — as well as in the conduct of business itself — but that they strongly endorse the Business School's efforts to enhance the ethics component of its key programs," said Professor Thomas M. Jones, Kirby L. Cramer scholar in business ethics. "Their support increases the credibility and legitimacy of business ethics among our students."

Leonard Lavin said the couple was motivated to establish the gift by

what he observed during the dotcom boom. "I was struck by how many young people expected to get a job and immediately make a fortune," Lavin said. "The ends didn't justify the means."

Alberto-Culver is a family business where founders Leonard Lavin is chairman and Bernice E. Lavin is vice chair, secretary and treasurer. Their daughter, Carol Bernick, president of Alberto-Culver North America, created Mrs. Dash in the 1980s. The company's products range from TRESemme shampoo to Molly McButter seasonings. Keeping the spirit of family part of the corporate environment has long been a goal for the Lavins, who say they always wanted employees to feel they were part of the family. Breeding a good corporate culture isn't all they stand for; philanthropy is among their core beliefs, too.

"We always felt we should share our good fortune. That is why we do what we do; it is gratifying," Lavin said. "I told Dean Gupta I'd help him and thought this would be the best way."

It's a sort of win-win situation for the Lavins. And for students at the Business School.

ARCHITECTS HIRED TO PLAN NEW BUILDING

After a nation-wide search involving more than a dozen architectural firms, many of them international in scope, the UW Business School selected LMN Architects, headquartered in Seattle, to conduct the pre-design study for a new facility. Their report is scheduled for completion this fall. The main purpose of the pre-design phase, which is being paid for entirely by private funds, is to accurately assess both the long-term space requirements for the School — including classrooms, labs, career center, faculty and staff offices, as well as common areas — and the functional design elements to promote learning. In addition, the study will recommend the most appropriate available site, or sites, for such a facility.

LMN Architects was selected because of their impressive track record in designing major buildings across the nation as well as their experience in working with universities on educational facilities. In Seattle, LMN Architects designed Benaroya Hall, the symphony hall that opened in 1998 to rave reviews over its design and acoustics. Here on the UW campus LMN was responsible for remodeling the Hec Edmundson Pavilion and designing the new Computer Science and Engineering building, now under construction.

Pete Dukes, associate dean of undergraduate programs, chairs the building committee and has spearheaded the effort to select an architect. "We selected LMN, not only because of their credentials in designing buildings with aesthetic appeal," Dukes said, "but because of their experience in working with universities to create functional buildings that enhance the learning environment."

The goal is to create a building that will not only meet the needs



of students, faculty and staff for the long-term, but will also serve as a powerful link to the business and alumni community, drawing business leaders from across the country to lecture and share their expertise. Pete Lasher, assistant dean of external relations, envisions the new building as a "...convergence zone. Providing a center that will allow us to better leverage all of the extraordinary high-tech and entrepreneurial talent we have in this region — to really showcase what's unique about the UW Business School."

While there is much work to be done before deciding on a site and building configuration, the planning to date has focused on a site that would accommodate a structure of approximately 250,000 square feet. The Business School is committed to underwriting the entire cost of the design and construction with private funds — a first for any academic building on the UW campus. This new facility, in concert with the Executive Education Center, would meet all the space requirements for the Business School. Sites under active consideration include a parking lot just to the northwest of Balmer Hall, and the current location of Mackenzie Hall.

Creating facilities that match the long-term strategic direction of the Business School is a huge challenge, and one that you'll be hearing more about this fall when the pre-design study is completed.

DEMPSEY SCHOLAR GIVES SENATE A LESSON IN BUSINESS



Jenni Kothavale

The day before the Senate Ways and Means Committee met to discuss tuition increases Jenni Kothavale got a call from the Business School's external relations department. They were looking for someone to represent the School and M.B.A. students on the issue and Kothavale, the incoming president of the M.B.A. Association, came to mind. Smart — she's a Dempsey Scholar — well spoken, outgoing and a leader, she was a natural choice.

"I called Jenni because I knew she was ready to speak on behalf of the M.B.A. students, and I knew she'd do it well," Lasher said. "We received less than 24 hours notice for this hearing, and that was all that Jenni needed to do an outstanding job."

On March 7, 2002, Kothavale went to Olympia to advocate for Senate bill 5770 — a bill that would delegate tuition-setting authority for all students, except resident undergraduates, to the governing boards of the respective institutions. It's odd to imagine students advocating for an increase in tuition, but that's what Kothavale did. As far as she knows, she was an anomaly. Most other students were there to rally against the increase, but as the representative for the M.B.A. program Kothavale was supported by her peers.

Why would a student — any student, but especially one on a scholarship — argue in favor of a tuition increase? For Kothavale, it was good business sense.

"I have a vested interest in the quality of this program on an on-going basis," Kothavale said. "This is a long-term vision. The value of this degree transcends these two years. The value of my graduate business degree out in the marketplace lasts 30 or 40 years as I am working."

Even from the outside it was clear to Kothavale and her colleagues that the School wouldn't be able to continue offering a quality education at such a low tuition rate much longer. "I think it's a pretty compelling case," Kothavale said. "A lot of what we learn in business school isn't being practiced in terms of pricing — pricing above cost and perception pricing."

"If you think about marketing, a lot of the perception of value in a product is based on its price," Kothavale said. "A lot of the actual value is also based on price... I think if we want to continue to be competitive among our peer institutions for future applicants, they need to know that their dollars are buying a very quality education."

"We want to build in a perception that there is actual quality that students are receiving here in education, and if we want to be compared against our peer institutions — not only in the application process but in the rankings — tuition absolutely has to increase," she said.

While Kothavale thinks of graduate school as a privilege not a right, she doesn't believe a tuition increase will exclude potential students.

"With the leadership that we have in place I'm confident that we'll be able to raise funds for an endowment that will support scholarships," Kothavale said. Already the School has received commitments of \$3 million — toward a \$10 million goal — to go toward M.B.A. scholarships. For Kothavale all of this isn't just good business sense for the School, it's good business sense for her, too.

"We want to build in a perception that there is actual quality that students are receiving here in education, and if we want to be compared against our peer institutions — not only in the application process but in the rankings — tuition absolutely has to increase." — JENNI KOTHAVALA

SUMMER 2002

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A MESSAGE FROM THE DEAN

BUILDING THE FUTURE TOGETHER



All of us at the Business School continue to push forward with the vision you helped create: to transform a very good school into one of the world's best. With the headlines since last September dominated by news about terror and violence, our mission seems more important than ever. And we've been truly heartened by the

renewed commitment from our alumni and friends to build a strong and enduring community here at the Business School — a community focused on learning, creativity and mutual respect. I'm not naïve, but I believe that higher education in general, and our particular role here at the Business School, is a force that contributes in a small but significant way to building a more peaceful world.

Our goal is to prepare students to lead in a global economy driven by technological change, the information revolution, and the increasing interdependence of nations through trade. We want our graduates to be much more than sound technicians in the fundamentals of business: we want them to have the broader ethical values and global perspective to be great leaders. A powerful economic engine in any nation, if led by men and women of vision and character, helps promote democratic principles and alleviate the kind of desperate poverty and hopelessness that so often leads to violence and political unrest.

Despite the economic downturn that followed the events of last September, our fund-raising efforts have achieved excellent results. While the overall numbers for fiscal year 2002 (which ends June 30) will not be available for another month, we are acquiring new dollars at a pace that compares favorably with last year. On behalf of all of us at the Business School, I want to thank each of you for your generous support.

In Impact we want to show you, our donors, how your investments are returning value and helping us achieve our long-term objectives. With just 16 percent of our support

coming from the state, it's clear we must look increasingly to private dollars to realize our vision.

Our number one priority is to improve the student learning experience. To do that we must continue to invest in our human capital. We have superb faculty, but to retain and recruit the best we need additional resources to offer compensation and incentives equal to top tier public universities. We also need to boost our endowment for scholarships, to ensure that deserving students are not excluded as we push for more authority to raise tuition to market rates.

Improving the student learning experience also means investing in world-class facilities. We've made significant investments already in upgrading technology, but our classrooms and faculty/staff offices are clearly outdated and inadequate. We are pushing forward with architectural planning (see story inside) for a new facility — a project that may ultimately require an investment of up to \$100 million. We are committed to building a facility that is worthy of a great business school, and we are committed to doing it — out of necessity — entirely with private funds. This is a big, long-term challenge, and you'll be hearing more about it in the months and years ahead.

As your Dean, it falls to me to take the lead in soliciting our alumni, friends, and business partners for the resources and support we need to take our school to the next level. But I also want to assure you that all of us at the Business School are committed to using every dollar that comes into this institution — whether from tax dollars or private investment — with maximum efficiency. This is a Business School that we can all take pride in today. With your continued help, there are few limits on the greatness we can achieve tomorrow.

YASU GUPTA, DEAN, UW BUSINESS SCHOOL

New Additions to Development Team

Two new hires have the development office's fund-raising staff up to full strength and ready to move forward with the challenge of bringing in more than \$200 million in investments to achieve the long-term vision of becoming a top-tier business school.



SEAN MOORE joined the development staff in March as manager of the annual fund. Moore is a 1996 graduate of UW Business School, with a B.S. in Business Administration and concentration in Finance and Marketing. He has a strong track record in both development and communications at Arizona State University. "As an alum,"

Moore says, "I couldn't be more excited about the school's direction. For a student, choosing the UW Business School isn't just a two or four-year decision, it's an initiation into a community of lifelong learning and opportunity. I can't wait to spread that message."



ANDY KEEHN, a Seattle native who graduated from Washington State University, but spent a full year at UW Business School, joined the development team in April as a major gifts officer. Keehn brings more than 20 years of corporate marketing and

advertising experience to the job. In his last position he served as regional marketing manager for Bank of America, and has very strong ties to the Seattle business community. "Coming from the corporate world, I'm thrilled with the opportunity to help the Business School get the resources it needs to become one of the world's great institutions," Keehn said. "It's a huge challenge — but one I want to be a part of."

UW BUSINESS SCHOOL DEVELOPMENT TEAM

Pete Lasher, Assistant Dean for External Relations
Cristina Bailet, Director of Development
Christina Economou, Corporate and Foundation Relations Officer
Andy Keehn, Major Gifts Officer
Christina Marx, Alumni Relations Manager
Sean Moore, Annual Fund Officer
Nicole Pargoff, Development Program Manager
Katy Terry, Stewardship Coordinator
Tiffany Vajda, Major Gifts Officer
Kristine Vosk, Assistant to the Assistant Dean
David Welch, Major Gifts Officer
Cameron Young, Program Assistant