INSIDE:

4 Sharing the Wealth: Disruption in Wealth Management Advising Could Benefit the Masses
12 Ripe for Disruption
18 Disrupting the $3 Trillion Health Care Industry
24 Do As I Say, Not As I Do: Old Saying Proves Relevant When It Comes to Smoking
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3 Dean’s Message: Harnessing the Power of Disruption

INNOVATION
4 Sharing the Wealth: Disruption in Wealth Management Advising Could Benefit the Masses
9 Where Will You Be in Two Years? Ten? Twenty?
12 Ripe for Disruption
15 Big Data: Understanding the Path to Purchase

BEYOND THE CLASSROOM
16 Microsemi Leadership Academy Execs Practice What They Teach
17 New Certificate Program Helps Users Leverage Big Data
18 Disrupting the $3 Trillion Health Care Industry
20 LIFEvest Disrupts the Poverty Cycle
22 Center for Global Leadership Mentor and Protégé of the Year
23 Center for Global Leadership Disrupted

STUDENTS AND PROGRAMS
24 Do As I Say, Not As I Do: Old Saying Proves Relevant When It Comes to Smoking
26 Program Updates

FACULTY INSIGHTS
28 A Leader Remembered—Lyman W. Porter, PhD
30 Research Summaries
32 Faculty in the News

COLLABORATION
34 Grand Opening of New Building at The Paul Merage School of Business
35 New Business School Building LEEDing the Way

ALUMNI NEWS
36 Alumni Businesses
38 Social Responsibility
42 Reunion 2015
43 Class Notes
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Merage magazine is published by:
UC Irvine's Paul Merage School of Business, Marketing and Communications, SB2 315 Irvine, CA 92697-3125

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UCI Paul Merage School of Business
Harnessing the Power of Disruption

This last year has seen more disruption in business due to the digital revolution than any year in history. We have seen businesses—mainstays for years—vanish overnight. We have seen new industries born. We have witnessed innovation at breakneck speed. It’s hard to fathom where technology will take us next.

In this edition of Merage magazine, we examine a variety of industries and the disruption they’ve experienced. We bring together faculty and industry experts to speculate on the future. And, we illustrate how we are connecting our changing world with the education our school provides to influence the next generation of leaders.

Disruption in business is fast becoming the norm, and it takes many forms. In education, there’s disruption in the classroom: The Merage School is experiencing this in the form of flipped classes, new online business minors and flexible online core course offerings. We’re launching new initiatives aimed at expanding our global footprint. We’re partnering with universities and other entities, including the United Nations, to build relationships around the globe. Our Office of Executive Education is building international custom-training modules and has introduced a new Certificate in Business Data Analytics, along with a specialized entrepreneurship program designed for veterans.

We’re experiencing disruption in our everyday lives: New technologies recently introduced have changed the way we shop for products, monitor our health and conduct our banking. Interestingly enough, most of today’s disruption lies in the palms of our hands. Mobile is the future. We have more power in our mobile phones today than we had in mainframe computer systems of the past. We can do more with a touch of a finger than we could have ever imagined. And, there’s much more to come.

That said, the old saying that change is the only constant, probably needs to be updated. “Disruption is the only constant” may be more accurate. By embracing disruption, our school, our businesses and our world will thrive.

Eric R. Spangenberg
Dean and Professor of Marketing
The Paul Merage School of Business
Sharing the Wealth:

Disruption in Wealth Management Advising Could Benefit the Masses

By Anne Warde
At no time in history have consumers had more access to information and more power over their purchases than they do today. The rise of the social consumer has reinvented the business landscape and “virtually” changed world markets. Already, we’ve seen decades-old businesses disappear overnight. We’ve seen innovative new companies blossom into billion-dollar powerhouses in record time. So, which businesses will be the next target of the digital revolution?

The wealth management advising industry, a mature business model by anyone’s definition, is in the midst of a digital disruption of its own. New, automated financial advising systems are making inroads into an environment traditionally dominated by personal relationships built over decades. Soon, technology may be opening doors for millions of households, giving them a taste of the good life.

Referred to as the mass affluent, there exists a large investment market made up of individuals who do not meet wealth advisory firm investment minimums, most of which are in the seven-figure range. However, combined, this market holds a staggering $3.5 trillion in wealth by some estimates, and it’s caught the attention of wealth management firms all over the world.

“Mass affluents are made up of households with assets of between $100,000 and $1 million. They consist of typically younger-generation investors and young accumulators who may not have achieved wealth but who have tremendous potential,” explained Laine Ainsworth, managing director for Beacon Pointe Wealth Advisors and member of the Advisory Board for the Merage School Center for Investment and Wealth Management. “The opportunity with this market lies in the fact that a very low percentage of them,
somewhere around nine percent or less, use the services of a professional financial advisor. If our industry can tap into this market, just imagine the possibilities.”

“Mass affluents are underserved by the wealth management industry, and they present a unique opportunity. Typically well-versed in social media, the mass affluent have developed a strong sense of trust in virtual communities and a high level of comfort with technology. This is the good news. However, this market also comes with its own unique set of expectations,” said David Canter, executive vice president, Practice Management and Consulting, Fidelity Institutional. “The challenge for wealth managers is how to properly service these clients in a way that is beneficial to both parties.”

Charles Schwab goes even further in defining this segment and has dubbed investors between the ages of 30–45 as “Generation Now.”

Chris Candela, senior technology consultant for Charles Schwab commented, “Technology is a big part of the solution when it comes to serving Generation Now. Through the integration of automated investing software products, advisors can service these clients in a manner that both parties are comfortable with. The beauty of these solutions is that they provide the access and flexibility that Generation Now demands, while giving advisors a tool to serve them in an economical way.”

Recent surveys by both Fidelity and Charles Schwab indicate that people who fall into the mass affluent category are: 1) open to receiving financial advice from someone who does not live or work near them, and; 2) extremely comfortable with the idea of a virtual financial advisor.

Concern exists in the wealth management arena, and questions have been raised about the quality and threat posed by automated financial advising systems. While robo-advisors have been around since at least 2005, it was not until recently that they began to make a significant impact on the financial landscape. Robo-advisors are fully automated, human-less software systems that aggregate financial data and produce information for do-it-yourself investors. Bionic-advisors, on the other hand, provide much the same service; however, there is a human involved. Both robo- and bionic-advisory systems can prepare financial data for a client, run projections on confidence regarding objectives, and provide options based on new workflow designs to get and keep a client on track. Only one of them can offer empathy, counseling and judgment, which may just be the reassurance the wealth management industry needs.

“Software can provide all the data anyone could possible need,” said Candela. “But, history has demonstrated that people place a tremendous amount of value on human experience. They desire the ‘voice of reason’ when it comes to complex situations such as planning for retirement or investing their life savings. They can’t get that level of support from a computer.”
“Financial advising software cuts the time it takes an advisor to produce outstanding service,” said Canter. “While some advisors feel this software could put people out of work, the consensus today is that this disruption may unlock the full potential of all classes of investors and, essentially, enable more investors to share the wealth. “These systems will open the door for advisors to accommodate mass affluents into their client base. And, by embracing technology, wealth advisors can increase productivity and client satisfaction, which will ultimately enable them to substantially grow their businesses.”

Bionics may open the door to other markets as well. In addition to capturing mass affluents, a recent report—2014 Fidelity Millionaire Outlook—shows there may be huge opportunity in pursuing individuals well positioned to attain millionaire status, a group Fidelity refers to as “HENRYs,” those high earners who are not rich yet. Through the implementation of technology, advisors can create parameters for client selection, establish relationships early and maintain these clients as they achieve wealth.

Many of these clients are Millennials, which includes all those born after 1979. This market has very different attitudes and buying habits than older generations. Most of these people research products online and are comfortable completing online transactions. Millennials are social consumers and well informed due to their voracious appetite for online information.

According to Candela, “Today, most business is conducted whenever and wherever clients want, using the Internet, through video conferencing or co-browsing. This is the way that Millennials expect to be served. It’s this fact that makes them potential candidates for an automated investing platform.”

With the growing popularity of financial automation, some worry that robo-advisors may replace traditional wealth management professionals. The consensus in the industry indicates the advance of fully automated systems—robo-advisors—will probably be limited. However, the growth of bionic-advisors, those that use a combination of automation and human consulting, will probably weigh heavy in the future.

“At some point in their financial lives, even younger investors are likely to need or realize that they will need personally delivered financial guidance,” said Candela.

“The industry may see some separation between portfolio management and wealth management,” said Beacon Pointe’s Ainsworth, “similar to the discount brokers of the 1980s separating the cost of a trade from the advice of what to buy. Meeting the needs of clients on their terms will require a paradigm shift within many firms.”

No matter which way it goes, clearly, automation has a place in the future of financial advising. Already, digital registered investment advisor (RIA) asset growth has exceeded estimates and is accelerating at breakneck speed. According
to Fidelity research, beginning in 2013, digital RIA assets were at $2B. By 2014, they had already grown to $16B; by mid-2015, estimates were at $55B.

“Suffice it to say, Moore’s Law has finally arrived at the advisory space, and Schumpeter’s theory on the 50-year business cycle is being rigorously tested,” said Andy Polican, director of the Center for Investment and Wealth Management. “One of Schumpeter’s arguments is holding fast: Economic change is revolving around innovation, entrepreneurial activities and market power. The difference is that it is happening much more quickly than Schumpeter ever envisioned.”

Growth in digital RIA assets appears to be continuing into the foreseeable future as robo- and bionic- advisors, and traditional wealth advisors, seek new synergies. Pioneering firms, like Schwab and Fidelity, are quickly building and delivering remote advice systems and creating new client bases made up of mass affluents and Millennials.

“We’re seeing more and more financial advisor firms changing their engagement model to help serve the mass affluent in a cost-effective manner and building plans to nurture and engage younger investors,” said Fidelity’s Canter. “The proof of the viability of this market for wealth management firms will be in the firms’ ability to serve these clients on their terms. Timeliness, high-tech communications and bite-sized information and recommendations will be crucial. And, with the rate of growth in digital RIA assets, firms and advisors will have to be online or risk being irrelevant.”

“Given that automated investing software has made portfolio management a commodity, it’s going to be tough for wealth advisors who don’t offer value-added services to survive,” said Candela. “The future is going to force our industry to be more efficient and deliver a wider range of services, thus ushering in an evolution in the advisory space.”

“Some digital advisors will fail, fees will be compressed and advisors will have to reorient themselves to the changing environment,” commented Canter. “So far it is not clear whether firms can move beyond simple investment solutions to capture Millennial and mass affluent investors at scale. The potential is there. It will take some creative innovation to achieve it.”

“If the disruption that’s occurring in other industries is any indication, virtual advice is just the tip of the iceberg when it comes to disruption in wealth management. There’s excitement in the development of the bionic-advisor,” said Polican. “But, real disruption will occur when someone comes along that can leverage the true power of digital communications to bring wealth advising to the masses.”

“It’s a bull market for advice,” said Canter. “We, as an industry, need to recognize the opportunities and make the most of them. We believe that our efforts, collectively, should have a positive impact on the overall economy and well-being of investors on a large scale.”
Where Will You Be in Two Years?

Ten? Twenty?

By Connie Clark

“Say yes before you say no”
Gina Lee, FT MBA ’15, Associate Marketing Manager, Mattel Inc.

Taking on a marketing internship with a Fortune 100 company when you have no prior marketing experience might seem daunting, but Gina Lee wanted to leave no stones unturned in her career search. For the former aerospace buyer, getting real-world exposure was essential to discovering the right career path. “I was excited to be like a sponge and soak up as much marketing knowledge as I could,” she says. The product marketing internship at Toyota North America she secured through the Merage School MBA Career Center gave Lee the experience she sought, plus a lot more, “It helped me confirm that I love being a marketer and being part of a company whose products have a global impact.”

Lee credits the Career Center with introducing her to many diverse career paths and helping her zero in on marketing. During her first month in the Full-Time MBA program, Lee began sitting in on “Day in the Life” events where speakers discussed their careers in operations, marketing, finance, and consulting. “The events gave me an insightful glimpse into each career and helped me envision myself in those roles. Ultimately, it gave me the initial push in the direction of marketing, since this career path really resonated with me.” Lee also attended “Day on the Job” events at Toyota and Mattel. “I was able to network with marketing managers and better understand how their companies operated. It gave me great talking points and experiences to draw upon later in my interviews.”

A second internship at Honda in advanced product planning made Lee a standout candidate with experience in brand management, new product development and market research, leading to her current position at Mattel.

Lee advises students to take advantage of everything offered at the Merage School, even if they don’t think it applies to them. “Say yes before you say no. Spend the first quarter of your MBA figuring out what you want from your career, and then spend the rest of your MBA taking the actions necessary to achieve it.”

Career goals: from “vague understanding” to finding an “exact match”
Joe Gaggero, FT MBA ’12, CrossLeader, McChrystal Group, LLC

For a while, Joe Gaggero thought his future might be in wine. “I was interested in sales, and my family had always been avid wine enthusiasts. When the opportunity came up to join E. & J. Gallo’s management development program, I jumped at it.”

Gaggero says he learned much, but after a few years realized it wasn’t quite the right fit. When Gaggero later entered the Merage School, he really didn’t have a clear idea about his career trajectory. “I was interested in leadership and enjoyed managing teams. However, I did not know how those interests would manifest themselves in the next phase of my career journey.”

Gaggero enrolled in the Career Visioning program. “Being challenged to reflect on personality traits and behavioral tendencies really helped me understand why I liked certain
parts of my previous jobs, and why I didn’t appreciate others,” he says. The next steps were mock interviews, most notably with Janet Clardy, vice president of human resources at Experian. “It was an incredible conversation,” he recalls. “I told her about the current career paths I was considering, and she dove deeper into some of my personality traits and interests, and began describing organizational development to me. I had never heard much about it, so it was a very enlightening conversation.”

Gaggero also notes “countless meetings and conversations” with the Career Center staff. “My career advisor always seemed one step ahead in navigating the process. She helped me understand the ‘why’ behind my interests and how they are reflected in my career path.”

He says the process helped him see how he might leverage his strengths for various careers and what he still needed to learn. “I went from a vague understanding of my interests to knowing that I wanted to get into organizational development consulting. During the process, I looked into several other careers and companies that had aspects of this space but didn’t encapsulate all of my interests. Between the workshops, alumni interviews and meetings with my career advisor, my path became clearer and I felt very confident in my direction.”

After graduation, Gaggero worked for Deloitte Consulting before joining McChrystal Group. “McChrystal Group is the exact match of the career interests and goals that I established at the Merage School. My path after graduation mirrored what my advisor Nan Stothard and I had laid out during the program. She prepared me very well and had the experience and insights to map the path for me to achieve my goals and earn a job that is very fulfilling.”

Pay it forward with networking
Carrie Zhao FEMBA ’15, Management Consultant, Accenture Consulting

For Carrie Zhao, there was no question that management consulting was the right career for her. After working at Fortune 500 companies and startups for six years, she branched out on her own as a self-employed consultant. “I loved consulting and knew that I wanted to join one of the best big firms later in my career,” she says.

During her time in the Fully Employed MBA program at the Merage School, Zhao says she researched nearly every type of firm and networked with numerous consultants working at the firms in which she was interested. “Every company offers different benefits, and it was important for me to select one that surrounded me with great colleagues, offered a collaborative environment, invested in their employees and allowed me to travel.”

Zhao landed a job at Accenture just before graduating in June 2015. “It definitely was a win that I was matched with my current company. It exceeded my criteria.”

Zhao suggests that students get proactive and follow her networking example, and she welcomes the opportunity to share her own networks and resources, saying, “I believe in paying it forward.”

“Introspection does not happen overnight”
Meredith Johnson, FEMBA ’15, Strategy Analyst, Edwards Lifesciences

It wasn’t until her second year at the Merage School that Meredith Johnson began thinking more seriously about her career plans. With an undergraduate degree in biomedical engineering, the FEMBA student had worked in quality engineering and was ready for a change. She began attending MBA Career Center workshops and informational interviews. “I discovered that I could more easily transition into a business role through an analyst position,” she says. “This would allow me to utilize my newly acquired MBA framework while leveraging my analytical thinking skills.”

She also gained some intangibles. “I have learned that you must be confident to sell yourself even when you don’t have the direct experience that’s in the job description. You can draw parallels to previous work you have done and offer examples of times you were able to come up to speed without previous training.”

Johnson recommends that Merage School students begin their career planning early. “Don’t wait until the workshops are required to attend the career fairs. Look at the current student and alumni listing to contact people who have positions that interest you, or work at companies of interest and set up informational interviews to learn more.” She notes that while the MBA Career Center offers a variety of programs and support, it’s up to students to take the initiative. “Ultimately, your career path is up to you. It takes time and effort to plan your goals and take steps to achieve them. Introspection does not happen overnight!”
Ten things the MBA Career Center can do for you

Graduates who take advantage of all the resources in the Career Center “don’t just find incredible jobs,” says Tom Kozicki, executive director of the MBA Career Center, “they define the course of their careers. We’re building career resiliency,” he says. “We provide outstanding coaching and training so graduates are empowered to successfully manage their careers, and continue to make the right decisions as they go forward in achieving their goals.”

Here are ten ways the MBA Career Center can help students:

1 | **Career Visioning**
Think you’re already pretty self-aware? The Career Visioning program uses powerful assessment tools to help you understand why you’re suited to certain career areas. It’s the career launching point for all Merage School graduate students, where you’ll get clarification and support on your career objectives and even discover new areas to pursue.

2 | **Gap analysis**
Once you discern a career direction, gap analysis helps you determine exactly what skills and experience you need to get there.

3 | **The five-year plan**
Kozicki says it’s too risky for MBA students to graduate without defined career goals. All Merage School graduate students work with the Career Center staff to develop a five-year career plan based on their career visioning assessments and gap analysis.

4 | **One-on-one, collaborative career advising**
All of the coaches in the Career Center are business professionals who share a unique combination of corporate experience and career coaching expertise with students. Gina Lee, FT MBA ’15, sums up the level of support. “Whenever I needed guidance, my advisor would quickly respond and give me the tools to accomplish my goals.”

5 | **Career Launch**
Top companies are vying for candidates at the beginning of their MBA careers. The Career Launch “boot camp” gets you job-market-ready before you even start classes.

6 | **Customized, online training modules**
Whether you want to brush up on resume writing or improve your networking skills, you can choose from several online training modules covering the important steps in your job search. Follow up with one of the facilitated peer workshops to get live feedback on your skills.

7 | **An active, connected network of hiring professionals and alumni**
The staff can connect you with a vast number of alumni who are happy to give back by helping students in mock interviews and connecting them through networking events and more.

8 | **Robust workshops and seminars**
Professional development workshops and panel discussions focus on everything from understanding generational differences in the workplace, to who gets promoted. “Day in the Life” events bring industry professionals from a variety of fields and companies to share their insight and experience.

9 | **Get in front of people who matter**
Merage School graduate student can attend specialized networking receptions, mixers, company site visits, career fairs, informational interviews and more. Online resume databases, job postings and resume referral services help facilitate meaningful career connections with employers throughout the region.

10 | **Real-world experience through internships and case competitions**
The Merage School boasts participation in some of the nation’s leading case competitions that put students’ work in front of top professionals from Orange County’s dynamic business community and beyond.

It’s all designed with student success in mind. “We have a team of experts,” says Nan Stothard, senior associate director. “We empower students to package and market themselves, talk about their skills intelligently and gain the skills to land a job. But, nothing compares to hearing back from graduates five and 10 years down the road who want to give back by participating in the program. Our reward is seeing their continued success and achievements as alumni.”
Blockbuster and Borders are dead. Amazon’s market cap exceeds Walmart’s. Apple® is the most valuable company in the world. Yet, many companies still don’t see the need to embrace the digital age.

Now that we are well into the “digital age,” it may come as a surprise that many CIOs still say their companies do not view digital transformation as critical to their businesses. In fact, 44 percent of CIOs polled in a recent survey held that view.

“Because many companies aren’t able to adapt to this new environment, they are in danger of losing their market positions,” said Vijay Gurbaxani, founding director of the Center for Digital Transformation and Taco Bell Professor of Business and Computer Science, who conducted the survey and co-authored the report with Debora Dunkle, director of research at the Center.

**Vision Comes From the Top**

While we can learn from the misfortunes of others, according to Gurbaxani, there’s more to gain from the companies who do believe that digital transformation is a critical mandate.

- Is the drive toward digital transformation coming from the top of the organization? Is the CEO involved, knowledgeable and an active champion of transformative digital initiatives?
- Is the company’s overall culture, from the CEO down, embracing innovation and risk-taking?
- Is the organization investing in attracting the most skilled talent?
- Are they innovating solely within their companies, or are they leveraging an ecosystem? GE, for example, has partnered with Frost Data Capital, an incubator and venture capital firm in Orange County, to grow 30 new startups in three years. These companies will help GE meet its business needs.

**New Players Disrupt the Old Guard**

There are plenty of well-established industries that did not prepare for the digital age. For example, the app-based rideshare service Uber has traditional taxi services in a jam. “Uber is only possible because of widespread distribution of smartphones. Uber saw a huge opportunity and built a sophisticated platform for riders and drivers to connect. Their ingenuity and insight opened the door to an entirely new world,” said Gurbaxani. “A very young company, Uber is now reported to be doing over $500 million a year in revenues just in San Francisco alone. Taxicab revenues, in the same area, were only around $150 million.” What this demonstrates is that there was massive demand for service that wasn’t being met using traditional methods, a blind spot across the transportation sector. In a similar fashion, Airbnb, an online business that first launched by helping customers find lodging in other people’s homes and Instacart, an online grocery-delivery service, are challenging and changing the established hotel and supermarket industries, respectively. These sharing-economy companies are taking the under-utilized capacity—of our cars and homes—and finding commercial uses for them.

While witnessing these well-known disruptions, why aren’t companies, like the 44 percent in the Center’s survey, scurrying to catch up? Gurbaxani said that there are many possible reasons. Some companies don’t see an immediate threat, but disruption is often closer than they think. Take the slow-moving health care sector. Leap, a new healthcare company, offers house calls by physicians within an hour for $99. Who would have predicted this? It’s very risky.
because we aren’t talking about piecemeal digital initiatives but business reinvention. Third, the dynamics of competition are different. Traditional companies are used to perfecting a product before putting it on the market. Within the tech world, products and services are frequently released when they are minimally viable and improved later. “There is often first-mover advantage. It’s self-reinforcing. These innovative, digital disrupters get to market first, learn quickly and get better and bigger fast. And, they become difficult to dislodge.”

**The Risk-Averse May Be Left Behind**

Established corporate cultures can squash innovation and risk-takers—especially if they put the current cash cows at risk. It’s these organizations that may be doomed to go the way of the fax machine, despite the many and various articles, statistics and cautionary tales their business leadership consumes. This reluctance is shaped by a number of factors:

- Sometimes, “...it’s a generational thing,” said Gurbaxani, and there is a learning curve. “The generation that’s running a lot of these companies didn’t grow up with digital.”
- If a company is profitable in its traditional business, both leadership and stockholders are reluctant to cannibalize current profits to explore expensive and risky investments in digital for uncertain future gains.
- Few want to innovate themselves out of a job. “Years ago, for example, traditional sales channel managers were hostile to online sales because it cost them sales and reduced commissions,” Gurbaxani said.
- Finally, keeping up requires tenacity: Once you’ve embarked on the cycle of technological innovation, no matter how successful you are, there’s no stopping to rest. “Uber is building a self-driving car,” said Gurbaxani. “How many five-year-old companies do you know that are thinking of disrupting themselves?”

**The Digital Journey Continues**

“Digital technologies are fundamentally changing the underlying economics of all industries. Businesses are facing new and unexpected competition and must continuously reinvent themselves,” said Vijay Gurbaxani, director for the Merage School’s Center for Digital Transformation (CDT). “This transition will require a new mind-set. Smart business leaders understand this and are moving ahead of their competitors. Our conference is designed to help you reflect on your journey in an evolving digital world.”

In March 2015, the CDT held its inaugural signature conference, Road to Reinvention: Leadership in the Digital Age. Structured as a one-day forum, the conference provided a sophisticated understanding of the key elements in a senior management agenda for business reinvention and included guests from companies like Marriott, Walmart, United Healthcare, Edmunds, Trulia, Cognizant, Instacart, OpenTable, Welttik and IBM Watson. Copies of the CDT’s latest research, Time for a Reboot: Nearly Half of Companies Aren’t Ready for Digital Transformation, were provided to conference participants.

“Today’s digital environment requires business leaders to undertake a profound and systematic rethinking of how their companies will compete,” said Gurbaxani. “Through our annual signature conference, we will continue to examine how businesses can leverage the different economics of an evolving digital world and build successful digital enterprises.” The second signature Road to Reinvention conference is slated for Thursday, March 24, 2016 at UCI’s Beckman Center.

The Center for Digital Transformation focuses on advancing the competitiveness and productivity of businesses in the digital economy. Guided by a distinguished and talented external advisory board, we provide executives with a better understanding of the dynamics of the digital revolution and what these forces mean for their industries and organizations. For more information, go to merage.uci.edu/go/cdt.

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The study, “Time for a Reboot,” was issued at the “Road to Reinvention: Leadership in the Digital Age” conference presented by the Merage School Center for Digital Transformation in March 2015. The respondents were anonymous and represented a cross-section of industries. To view the report, visit centerfordigitaltransformation.org/assets/Time-For-a-Reboot-Digital-Readiness-Survey-Report-from-Center-for-Digital-Transformation-at-UC-Irvine.pdf.

Vijay Gurbaxani is the Taco Bell Endowed professor of Information Systems and Computer Science and director of the Center for Digital Transformation (CDT) at the UC Irvine Paul Merage School of Business. His research, teaching and consulting interests are at the nexus of business strategy and information technology (IT). He focuses on analyzing how emerging information technologies enable business model innovation, on developing and evaluating business-driven strategies for the sourcing of information services, and on valuing IT investment. His approach is distinctive in its use of economic principles as the lens with which to analyze strategic management questions.
Collecting data and the art of analyzing it has been a burgeoning industry over the last 15 years. Thanks to our “always online” lifestyles and a massive amount of posting and clicking, the digital data bank could top 43 trillion gigabytes of information by 2020. That’s 10 times the total digital data created through 2013. The challenge for companies is harnessing this staggering amount of data and applying the right analyses to put it to work.

“It’s one thing to collect information, but it’s another to use it intelligently,” said Imran Currim, chancellor’s professor and director of the Beall Center for Innovation and Entrepreneurship at the Merage School. “When collected strategically and analyzed intelligently,” added Currim, “such ‘big data’ can give companies the customer-centric understanding they need to out-compete their rivals.”

Currim has asserted that a company’s majority focus should be on their customers rather than their products. “I advocate that at least 51 percent of the company’s attention be customer-focused, which is not usually the case,” he said. “Normally, the majority emphasis is on creating a better product, not on understanding the customer’s online journey toward buying that product.”

In a research study Currim co-authored and published in the 2015 issue of the Journal of Interactive Marketing, he and his co-authors worked with a well-known online retail site and monitored the actions of customers shopping for a product similar to a tablet. They tracked customer activity by requiring shoppers to click on product information (size, color, battery life, etc.) they chose to read. They then analyzed the data and developed models to predict which attributes future customers would want in a product. The results gave the manufacturer/retailer a better understanding of what product information was important to each of the study’s 582 shoppers, whether they made a purchase or not.

“Shoppers don’t look at all of the information, just some of it,” said Currim about general browsing habits. Right now, models are based on all the information available to the buyer. Currim’s model evaluates only the exact information a buyer accesses.

“The data derived from where the eyeball lands is valuable, and companies can integrate customer-preference clicking models similar to the one used for this study into their online programming,” Currim said. “You can easily rework your websites and track what information customers want during multiple visits, then tailor products, sales and marketing accordingly.”

For three decades, Currim has established a world-wide reputation for developing, conducting and analyzing a shopper’s path to purchase with smart use of data to strengthen the focus on customers. “Look at it this way,” he said, “would an investor prefer you have a better product than the competition, or would they prefer you have more customers?”

Imran Currim is chancellor’s professor at UC Irvine and director of the Merage School’s Beall Center for Innovation and Entrepreneurship. In previous roles, Currim has served as associate dean of the Merage School’s Undergraduate Program (2012-2014), and prior to that, associate dean for Marketing & Student Relations for the Executive MBA Programs (2010-2012), and associate dean of the Masters Programs (2008-2010).

He is the recipient of two of the highest honors in marketing: the American Marketing Association William O’Dell Award for “the article judged to have made the most significant five-year contribution to marketing theory, methodology, and practice,” and the American Marketing Association/Houghton Mifflin Distinguished Teaching in Marketing Award “for contributions to teaching excellence.”

Professor Currim is recognized as an international expert in the area of design and marketing of products and services, and market research. ●
The Office of Executive Education Partners to Deliver Microsemi Leadership Academy; Program Targets Pressing Company Issues

By Connie Clark

Imagine having world-renowned business school professors on the faculty of your company’s leadership training program. Imagine these professionals focusing on your company and industry to teach the latest ideas and methodologies to your best and brightest. Then, imagine your employee-students using what they’ve learned and working together to address some of your business units’ most pressing issues. This and more took place during the 2015 Microsemi Leadership Academy, developed by the Merage School’s Office of Executive Education, in conjunction with Merage School Corporate Partner Microsemi and under the direction of Microsemi CTO Jim Aralis.

Aralis, who participated in the 2010 Microsemi Leadership Academy at the Merage School, worked closely with the Office of Executive Education to design and customize the current version of the program, at the request of James Peterson, Microsemi CEO. Aralis and Microsemi human resources department identified high-potential leaders at all levels and locations of the fast-growing global semiconductor manufacturer, and 42 hand-picked “students” were brought to the Merage School for the prestigious program, which consisted of two separate weeks of classes on innovation, leadership growth strategies, business practices, finance and more. Each Merage School faculty instructor was strategically matched with a member of Microsemi executive management team to develop and deliver the highly-tailored curriculum. Aralis calls this “targeted general knowledge,” and admits it’s an oxymoron but says it resulted in a robust curriculum that helped students understand how to apply general business strategies to specific issues within Microsemi and the semiconductor industry. At the end of the first week, each participant was assigned to one of eight multidisciplinary project teams. “These weren’t the typical projects you see in a business management textbook,” Aralis says. “These were real issues that were keeping our management teams awake at night.”

In between the two sessions, students had six weeks to work together and work out solutions for their projects. Aralis says the multidisciplinary approach was highly successful. “I would walk into a classroom and hear talking, debating and even arguing,” he says. “That told me we were really getting something exciting going here.” Ideas and observations that students presented to business unit management teams at the end of the program have already yielded results.

Aralis also plans to work with the Office of Executive Education to expand the successful program, developing additional class modules on more specific issues such as communication techniques for Microsemi engineering professionals.

In addition to solving issues, Aralis says bringing together people from various disciplines and global locations was a key part of the curriculum. “Communication is critical to the way we do business,” he says. “When companies grow as quickly as we have over the past few years, they run the risk of losing their identity and culture. We didn’t want to do that. So, the bonding and the connections our people made in the Leadership Academy are extremely valuable. You just can’t put a price tag on that.”

To start a conversation about how a customized program can benefit you and your organization, contact the Office of Executive Education at ExecEd@merage.uci.edu or 949.824.6610.
New Certificate in Big Data and Analytics: Program Helps More Users Leverage Big Data

By Anne Warde

Understanding big data is no longer limited to a few data scientists or business analysts, thanks to the new Certificate in Business Data and Analytics offered through the Office of Executive Education at The Paul Merage School of Business. Designed for middle- to high-level managers and executives with little or no computer science background, the program is taught by top ranked thought-leaders and experts in business information systems. The two-day course began in October 2015 and is already helping stakeholders gain better insight into leveraging data and data analytics tools for their organizations.

“Information is the key to innovation in most industries,” said David Knuff, assistant dean for the Merage School Executive Education program. “Being able to harness the power of data is what will open the door to future growth. This new program enables us to give our clients the knowledge they need to succeed in an accelerated business environment.”

Participants learn about best practices for collecting big data and how various analytics tools can best be deployed. The curriculum drills down into specifics, including:

- Understanding database systems and data warehousing
- Overview of dashboards and various data mining methods
- Predictive analytics using classification (Naive Bayes method)
- Classification using decision trees
- Overview of clustering and association rules
- How to create a sentiment analysis
- The use of A/B testing
- How to utilize click and conversion data
- Looking at social network analysis

The open enrollment program is taught on the campus of the Merage School. For more information, visit [merage.uci.edu/go/CBDA](http://merage.uci.edu/go/CBDA), or contact Lynette A. Mabutol at lalbovia@uci.edu.
Each day, Connie Pechmann is urged to exercise more. She wears an Apple Watch®, and “it knows when I haven’t done my walk,” said Pechmann. “It monitors whether I walk for 30 minutes, and it praises me when I do so, which encourages me to do that walk each day. It’s also constantly telling me to stand up, and I do, even if I am on a plane.”

Wearable technology, like fitness trackers, smartwatches and smart glasses, are no longer a novelty, but the effect they may have on the future of health care is still evolving. Pechmann, a Merage School professor of marketing, is particularly enthusiastic about this trend. The potential for sending health data from a person’s wearable technology to health care providers, who would in turn respond to the patient, is one of the “biggest and most exciting movements in delivering health information to consumers,” she said. “When I talk to academics and different people who are moving in this space, they are trying to develop apps, watches and other devices to help with all sorts of health issues, like diabetes, drug addiction, exercise and mental health.”

This burgeoning market is just one of the game-changing trends shaping how patients and the medical industry are thinking about health care. In February 2015, at the Health Care Forecast Conference presented by the Merage School Center for Health Care Management and Policy (CHCMP), professionals from across the United States presented and discussed the ideas, programs and prospective laws that are disrupting the traditional health care landscape.

As a result of the Affordable Care Act, there are new laws, new levels of accountability and a lot of room for disrupting the old health care model, according to Paul Feldstein, Merage School professor emeritus of economics and public policy and Robert Gumbiner chair in health care management. “Entrepreneurs see huge opportunities within this $3 trillion market where they can do something quicker and better.”

**Patients Seek Affordability and Convenience at Retail Clinics**

Retail clinics offer immediate potential for shaking up the norm. Operating in grocery stores, pharmacies, shopping malls and drugstores, like Walgreens’ Healthcare Clinics and CVS’s MinuteClinic, these customer-friendly locations offer affordability and convenience. Open weekends and evenings,
they are staffed with nurse practitioners and physician’s assistants and can be less expensive and have shorter wait times. “We have a tradition and a culture that is about office-based [doctor visits], and we have known for a number of years that will not continue,” said Paul Swenson, senior vice president and chief strategy officer for Kaiser Permanente, during the health care conference. “If you look today at the number of telephone visits, e-visits and tele-visits, it is increasing exponentially every year, so there’s a tremendous amount of [our] focus on that.”

Sheryl R. Skolnick, managing director of U.S. Equity Research for Misuho Securities USA Inc., believes the market will drive new paths to access. “Your physician is too tough to get to for some things,” she said. “We’ve all been trained that if it’s simple … and you don’t need a doctor, go to a MinuteClinic. It’s about being pulled by demand and being pushed by supply … and trying to substitute a more expensive setting.”

Mega-Mergers Set to Change the Health Insurance Landscape

Summer 2015 was the season of mega-mergers when health insurance giant Anthem agreed to pay $54 billion to buy Cigna, and weeks before that, Aetna and Humana announced a $37 billion merger. Each of these companies rank among the five largest health insurers in the United States, and these colossal consolidations—the Anthem/Cigna deal would be the largest merger in the insurance industry’s history—could mean fewer choices for consumers. “These two mergers are going to be looked at very carefully by the Department of Justice,” said Mireille Jacobson, Merage School associate professor of economics and public policy, and CHCMP director. She explained that hospitals are also consolidating as well as buying physician groups, a move that likely helped prompt the insurance mergers. “If providers are now bigger entities, insurers also want to be bigger entities in order to have bargaining power with the hospitals.”

In theory, insurance companies would therefore negotiate better rates with the providers and pay less for services. But, said Jacobson, “The question is whether that savings gets passed down to the consumer.” She added that a potential benefit is that there could be economies of scale in the market. “If there are efficiencies to be gained from merging, that’s a pro,” Jacobson said. “But past experience suggests that the anti-competitive effects of merging will probably be larger than any kind of efficiency gains.”

A Long Road to Bundled Payments

Another potential tectonic shift in the health care insurance industry is the move towards bundled payments. A classic example of bundled payments, already used by some insurers, involves paying a lump sum to a hospital for a health episode—for example, a hip replacement. The hospital would, out of the lump sum “bundled fee,” be responsible to pay for each of the services involved, like radiology and laboratory services and physician care. These bundles are usually tied to quality metrics to prevent skimping on care. This payment approach is in contrast to the fee-for-service system, which pays each service individually and is most prevalent today. “The issue is that the usual fee-for-service model incentivizes a provider to do more procedures or tests. Bundling payments would, instead, give providers an incentive to increase efficiency,” said Jacobson.

The Center for Medicare and Medicaid Innovation (CMMI) has sought to expedite the move toward bundled payments through, among other things, the Bundled Payments for Care Improvement (BPCI) Initiative. The initiative aims to test whether bundled payments across a range of settings and episodes can reduce Medicare spending while maintaining or even improving outcomes. Still in the very early stages nationally, there are many questions to answer before we see widespread adoption of bundled payments. “A potential risk, possibly more theoretical than real, is that sicker patients may have more difficulty getting care,” said Jacobson, as hospitals will have an incentive to avoid the sickest patients in a world of imperfectly risk-adjusted bundled payments.

It may take years for bundled payments and other value-based payment approaches to become commonplace nationally, but the notion of enhancing care while increasing efficiency has its attractions, according to Jacobson. “There is widespread agreement that there is a lot of waste in the U.S. health care system,” she said. “And many see the move away from fee-for-service as key to reducing this waste.”

To learn more about issues facing the health care industry and to watch video presentations from the 2015 Health Care Forecast Conference presented by the Merage School’s Center for Health Care Management and Policy, visit merage.uci.edu/ResearchAndCenters/HealthCare.
Each summer since 2011, crowds of middle school-aged kids have descended upon The Paul Merage School of Business for an immersive week of learning, bonding and gaining financial literacy skills. These students come from the most underserved areas of Southern California, many from single parent households. But, their futures look bright ... very bright.

“The program has already helped hundreds of young students,” says Lee Anne Maki, associate director of the Center for Investment and Wealth Management (CIWM). “In fact, the majority of students who attended our first program in 2011 have already enrolled in college. Most of them are the first in their families to do so.”

The Week: LIFEvest is a weeklong financial literacy immersion program at the Merage School that gives eighth- and ninth-grade students in underserved areas a chance to experience a college setting as they learn to build and track successful stock portfolios, explore career options, manage money, prepare for college and develop networking, computing and presentation skills. Each student learns how to make a positive first impression and participates in other leadership and team-building exercises such as the UCI Odyssey Ropes Course,” Maki says.

Hosted by the CIWM and funded by private donations and corporate sponsorships, the event requires an army of volunteers from the Merage School and community. Kara Duckworth, chief compliance officer and principal of Duckworth Wealth Advisors, serves as the LIFEvest Steering Committee chairperson and leads the planning, which begins as early as September for the following year’s program. Over 100 volunteers participated this year, leading classes, hosting corporate visits, sharing inspirational stories and providing business and life coaching.

Students: Every year, a cohort of 40 high-achieving, low-income students is selected from a pool of about 150 applicants. Potential attendees are identified through partnerships with non-profit social impact organizations and schools, including Big Brothers Big Sisters, Project Hope Alliance, El Viento, El Sol Academy, St. Anne Parish and Church, Love Beyond Limits, Operation Jump Start, The Wooden Floor, KidWorks and the Santa Ana Unified School District. In 2016, thanks to a generous $250,000 pledge from PAAMCO, the program will be expanded to accommodate two separate sessions: July 17–23 for boys; and July 31–August 6 for girls.

Graduates: A recent poll reveals that 90 percent of students who attended the first event in 2011 (previously called the Financial Literacy Summer Residential Program), are applying for college. As of September 2015, many had already been accepted at the schools of their choice. Other LIFEvest graduates who are still in high school continue to build impressive resumes of high school achievements. Here are some of their stories:

Natalie L.
Current status: Freshman, University of California, San Diego
“[LIFEvest] bolstered my self-confidence because I was living in a supportive environment with other girls who were interested in learning about finance. We all bonded through the group activities ranging from presentations to games. We even played sardines on the UCI campus at night!”

Proudest accomplishment: Created a robotics club in high school. “We started with nobody knowing how to program or construct a robot. We had zero funding from the school, but after a year of fundraising along with a generous donation from the school’s ASB, we finally raised enough money to enter the FIRST Tech Challenge (a sports-modeled robot building competition).”

Giving back: “I hope to create an outreach program that will efficiently connect college students majoring in STEM subjects, with middle school and high school students who are part of the FIRST Tech Challenge. My idea is to allow college students to mentor the middle school and high school students and apply what they learned in class. In return, the middle and high school students will be able to learn programming and engineering concepts. It’s a win-win for everyone.”

Breanna S.
Current status: Freshman, Whittier College
Proudest accomplishment: “I was very involved in high school, participating in more than ten organizations, including basketball, speech and debate, and senior class vice president. But, I would say my biggest accomplishment was getting into college. It was so rewarding to get into a great school, to see my hard work pay off and to make my parents proud.”

Future plans: Attend college and go to law school with the hope of becoming a defense attorney.
Giving back: “I was very interested in helping out [as a LIFEvest volunteer] this year simply because I had a wonderful time at the camp. It will be an experience I carry with me for the rest of my life.”

**Bianca R.**

**Current Status:** High school senior, 4.04 GPA

“[LIFEvest] changed my perspective. It opened me to the world of finance. It was very empowering. We all came from different backgrounds and bonded over the course of a week. My best friend Jocelyn attended the program, and we are still best friends, although she is now in college.”

**Giving back:** The Boys & Girls Clubs offered me this wonderful opportunity [to attend LIFEvest] back in 2011. I was very grateful so I began volunteering at the local Boys & Girls Club during the summer.” (Bianca volunteers every day from 7 a.m. until noon as a music teacher.)

*Note: Bianca could not provide an image.*

**Beatriz A.**

**Current status:** High school junior

“The [LIFEvest] summer program helped me get a better insight on what business is. It helped me consider business as a possible major.”

**Giving back:** Involved in the Youth Champion Chair for American Cancer Society and active as a community volunteer for Santa Ana Public Library’s math, science and music buddy system. “We help younger students with activities that coincide with these subjects.”

**Accomplishments:** Selected for Sage Hill Academy Internship program and Chapman University leadership program. Together with LIFEvest, she says, “These experiences helped me get out of my comfort zone and brought out the ability in me to get out and help others.”

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**Many thanks to our 2015 LIFEvest Sponsors and Partners**

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For more information on LIFEvest Financial Literacy Program, contact Lee Anne Maki at lmaki@uci.edu or 949.824.2675.
Most mentors don’t think about what protégés can do for them, but IBM’s Neil Sahota, FTMBA ’03, says he was so energized by the positive attitude and dedication of Merage Protégé of the Year Michael Bennett FTMBA ’16, that he actually looked forward to their meetings. In fact, the Merage School lecturer and IBM Master Inventor explains, “Bennett was so inspirational, that another IBM executive expressed a desire for their staff to learn from Bennett’s leadership.” Sahota nominated Bennett, a graduate of the United States Naval Academy, for the annual Protégé of the Year award in light of Bennett’s consistent personal commitment and initiative, and his honest assessment of his own strengths and weaknesses. In his nomination statement, Sahota writes, “Michael’s enthusiasm is infectious. He brings a zestful energy and can-do attitude that makes me feel like there’s zero work involved.”

**Mentor of the Year**

Not many people can say they get regular text messages and driving force in the health care industry, but David Lee, HCEMBA ’16, did. In fact, Volberding regularly checks in with protégé Lee to see how he can help with classes or networking. For example, when Lee needed ideas for an MBA-class project, Volberding e-mailed several health care executives and professionals to brainstorm ideas. The meetings were so successful, Lee says he now has ideas for next year’s Business Plan Competition. “I have had mentors from high school through medical school, but Bud has been one of the few who takes a personal interest in my learning and makes sure that I am doing well professionally and personally,” says Lee. “He genuinely wants me to learn more about the industry and has an active interest in helping me achieve my goals.”

To date, the Executive Mentoring Program has connected more than 1,500 students with executives in a wide variety of industries and business functions. The 2015 awards and honorees include:

**10-year Mentor Service Award**

Tom Koch, CT Partners
Leslee Perlstein, Retired
Larry Tucker, Executive Coaches of America

**15-year Mentor Service Award**

Mike Numamoto, Cianna Medical, Inc.
Pete Todd, Sharp Electronics

**Mentor of the Year**

Bud Volberding

**Protégé of the Year**

Michael Bennett, FTMBA ’16
The Center for Global Leadership (CGL) is experiencing disruption of another kind. In an effort to broaden the international footprint of the Merage School, the CGL will expand its role to include all things international.

Professor John Graham will take the role as faculty director for the Center and will be responsible for gauging cross-school interest and scheduling internationally-oriented courses, including face-to-face, online and residential offerings. Creating a synergy with ongoing faculty and staff efforts, Graham will also help lead and build out international scholarship and executive education activities at the School. The first order of business for Graham will be to increase the invitation of internationally focused guest speakers and drive fundraising initiatives to enable more Merage School students to study abroad.

In addition to Graham’s appointment, Professor William Hernández Requejo will be joining the CGL as executive director. Requejo is a UCI alumnus and graduate of Georgetown University Law Center. He holds a JD in international law. Requejo has taught at UCI since 1981 and for The Paul Merage School of Business for over a decade, with excellent reviews. Previously, he taught at the Instituto de Empresa (IE) in Madrid and was the founding director of the Asturias Business School in Spain. Most recently, Requejo was recognized as an international expert by the United Nations Development Program in the area of Foreign Investment Negotiations.

For more information about the CGL, visit merage.uci.edu/go/CGL.
Do As I Say,
Not As I Do

For decades, the tobacco and alcohol industries have been accused of advertising their products to kids. Tremendous public pressure has prompted the implementation of strict guidelines. Today, tobacco and alcohol advertising are among the most highly regulated forms of marketing in existence. But, are all of the rules having any effect on the adolescents we seek to protect?

In a 2015 study, published in the Journal of Consumer Psychology, researchers found that regulators may want to rethink the guidelines they apply to the alcohol and tobacco industries. The study titled, “The effects of advertising models for age-restricted products and self-concept discrepancy on advertising outcomes among young adolescents,” was written by Cornelia Pechmann, a marketing professor at the Merage School, and two Merage School PhDs: Todd Pezzuti, PhD ’12, who now teaches in the Industrial Engineering Department at the University of Chile and Dante Pirouz, PhD ’10, who teaches at the Ivey Business School at Western University in London, Canada.

“Advertising policy is based on the assumption that certain similarities between the models used in alcohol and tobacco ads and the consumers who view the ads are what drive persuasion, especially, similarity in age. On the surface, psychological research and theory seems to support this view,” said Pechmann. “However, our study, titled, Current Practices in the Advertising of Age-restricted Products, indicates that adolescents respond differently when the advertised product is age-restricted. This is an important finding, as it may signify a need to change the way we approach advertising guidelines for certain products to protect young people from predatory advertising practices. Cigarette and alcohol industry guidelines state they will use young adult ad models who are 25 years of age or older to protect adolescents, which seems reasonable, but in fact, 14- and 15-year-old adolescents are most persuaded to smoke and drink by those 25-year-old models that they use.”

New Research Finds Adolescents More Likely Not to Smoke When Cigarette Ads Feature Older Adults

By Anne Warde
The Research and Results
During the study, Pechmann and her colleagues conducted a series of experiments which involved giving a group of adolescents professionally produced mock magazines, then having them answer questions about the magazine’s content. The line of questioning included personal inquiries about the subjects’ intent to smoke in the future. The magazines included different advertisements to test the research hypotheses.

Results of the first experiment showed that advertisements featuring young (17-year-old) cigarette models actually decreased the adolescents’ intent to smoke. When the ads featured young adult models (25 years old), the adolescents’ intent to smoke increased. Interestingly enough, when mid-aged adult models (45 years old) were used, the advertisements had no effect on the subject group’s intent to smoke.

“What we found in the second experiment illustrates how adolescents diverge from other adolescents and follow young adults when ads are selling age-restricted products, like cigarettes,” said Pechmann. “This same result was not true for unrestricted products, like clothing. In fact, when the product was unrestricted, adolescents conformed to the behavior of other adolescents rather than young adults.”

“The significance of our findings is that, while cigarette and alcohol industries have agreed to use models that appear to be 25 years of age or older to protect adolescents, their efforts may be having the exact opposite effect,” said Pechmann. “Advertisements for age-restricted products may prompt adolescents to respond to dissatisfaction with their age by behaving like young adults. In the case of tobacco advertisements, more young people may be choosing to smoke as a result.”

In a third experiment, the researchers found that the level to which adolescents conformed to young adults and diverged from other adolescents, after exposure to cigarette advertisements, depended on the level of dissatisfaction the adolescents felt toward their age.

Reasons Why Current Practices May Be Harming Adolescents
One reason adolescents might respond differently than expected is that they are facing unique life challenges such as understanding and attaining the freedom and independence that come with young adulthood. The limitations and restrictions adolescents face may be causing dissatisfaction with their age. It’s important to note that much research has been done surrounding how consumers respond to personal dissatisfaction. Cueing dissatisfaction leads to tension, which consumers can try to avoid or reduce. “For example, adolescents can reduce the tension resulting from dissatisfaction with age limitations by behaving more like and identifying more with young adults,” said Pechmann. “Cigarette advertisements, may elicit tension by reminding adolescents of their age limitations and prompting them to follow the actions of the young adults they see.”

What’s it all mean?
Contrary to the logic guiding the advertising practices of the manufacturers of cigarettes and other age-restricted products, like alcohol, adolescent desire for such products seems to increase when the model is a young adult rather than a similar adolescent. Based on the findings of these three experiments, the best policy for protecting adolescents from the advertising of age-restricted products is to use models that appear to be 45 years of age or older.

Cornelia (Connie) Pechmann (MS, MBA, PhD) is a professor of marketing at UC Irvine’s Merage School. She studies the effects of advertising, social media, product labeling, brand names and retail store locations on consumers, and she has published over 80 articles, reports and papers.

Professor Pechmann has received numerous grants and over $1.5M to study youths’ responses to pro- and anti-smoking ads and product placements in movies. This research persuaded movie studios to place anti-smoking ads on movie DVDs if the movies target youth and depict smoking. She is currently studying how to form effective online communities on Twitter for smoking cessation, funded by a $.6M innovation grant from NIH.

She is the recipient of the Pollay Prize for Public Interest Research and has also received the best journal article award from the Journal of Consumer Research.
Program Updates

FTMBA
Full-Time MBA Program Climbs to 7th Among Public Schools in the U.S.
The Merage School Full-Time MBA program has climbed two spots among public schools in the U.S. to rank seventh in the latest Financial Times rankings report. The School ranked 21st in the U.S. overall, up from 25th in 2014, and tied for 43rd in the world, up from 48th in 2014.

“We are definitely on the right trajectory,” said Merage School Dean Eric Spangenberg. “We are extremely focused on expanding our global reach, redefining business education and delivering high return on investment, and we are diligent in our efforts to improve student career outcomes. Our progress toward these goals is clearly reflected in our continued ascendance in the rankings.”

The Merage School was tied at 29th in the world and 25th in the U.S. for faculty research. The School moved up significantly in areas related to salary, ranking 17th in world placement success, and tied for 19th in the world and 7th in the U.S. for salary percentage increases.

FEMBA
Fully Employed MBA Program Among Top Five in California, 37th in the Nation
The Fully Employed MBA program at the Merage School has moved up into the top five in California, and climbed nine spots to rank 37th among the nation’s Top MBA Programs in the U.S. News & World Report 2016 Best Business Schools rankings.

“A large part of our ascent can be attributed to the positive peer review we have received from other part-time MBA program leaders across the nation. This past year, we have made a concerted effort to drive awareness of our distinctive program. We’ve maintained our focus on personalized attention, keeping each and every student engaged with personal connections to our alumni and our strong Corporate Partner community. We’ve also increased outreach and collaboration with peer institutions, and we have enhanced our online marketing efforts. The combination of these approaches is improving our yield, which is illustrated in the strength of our incoming spring class,” said Tony Hansford, senior assistant dean of the Part-Time and Executive MBA Programs at the Merage School.

“This current ranking reinforces the Merage School placement among the top 10 percent of accredited programs in the U.S.,” said Dean Eric Spangenberg, adding, “we continue to enhance our programs and curriculum in support of our commitment to students to provide the highest quality MBA education possible.”

Hybrid Courses Now Available
The Merage School’s Fully Employed MBA program is delivering greater flexibility and more specialization. New hybrid and fully online courses, available beginning Fall 2015, add convenience and enable students to better leverage the depth of experience offered through the Merage School. Additional hybrid courses for the part-time MBA programs are under development for 2016.

EMBA
Executive MBAs Take Their Show On the Road
After a lot of adjustments and precautionary planning, the EMBA International Residential got underway and went along as planned. The Residential included visits to Thailand and Myanmar. Students experienced business in Bangkok and visited companies like Siam Commercial Bank and Toyota before heading on to Yangon, Myanmar to explore the next “frontier” of business in the ASEAN region. Students stopped at McThai Headquarters and Bumrungrad Hospital to meet and exchange ideas with executives. This International Residential was a pioneering adventure and may just have been the first large group ever to tour Myanmar.
Undergrads

Merage School Undergraduate Program Rises Five Spots in U.S. News Rankings

In the 2015 report, the undergraduate business program at the Merage School climbed five spots to rank 34th (tied) in the nation and 22nd (tied) among public schools. Established in Fall 2008, the undergraduate program is the youngest business program among the top 50 included in the rankings report. Since its inception, the Merage School has graduated four cohorts of undergraduate students and has ranked among the top 50 schools since its inaugural listing last year. The full rankings report and methodology is available at colleges.usnews.rankingsandreviews.com/best-colleges/rankings/business.

Charles Schwab Foundation/CIWM: Launches MoneyWise Program Campus-Wide: New Personal Finance Basics Now Available to all UCI Undergraduates

A new program called MoneyWise debuted campus-wide in Fall 2015. The free, online personal finance basics course was offered through a partnership between the Charles Schwab Foundation and the Merage School’s Center for Wealth Management and designed to help students build a personalized action plan for managing their money while in school and beyond. The program, sponsored by the Merage School’s Center for Investment and Wealth Management, along with the Office of the Vice Chancellor for Student Affairs, Charles Schwab Foundation and Everfi, provides a fun, easy way for students to boost their financial knowledge and get on a path to success. To find out more, visit schwabmoneywiseoncampus.com/ucirvine/.

Exec Ed

Executive Education Launches new Certificate in Business Data and Analytics Program

With all the buzz surrounding “big data,” the real excitement lies in the opportunity to better leverage the vast amount of data and information that a company has access to, and in understanding which tools and techniques are best for the organization. To that end, the Executive Education program at the Merage School has launched a new Certificate in Business Data and Analytics (CBDA) Program. Taught by thought-leaders and experts in the area of business information systems, the program provides participants with the knowledge and tools needed to take full advantage of the information and resources available to make their organizations more competitive. For more information, visit merage.uci.edu/ExecEd/Content/Certificate-in-Business-Data-and-Analytics/327.

Master of Professional Accountancy

In just three years, the Master of Professional Accountancy program at the Merage School has grown from 40 students to more than 90. Already, more than 80 firms are recruiting our graduates, including the Big Four: Deloitte, PwC, EY and KPMG. Best of all, the Class of 2014 had a 94 percent employment rate within six months of graduation. For more information, visit merage.uci.edu/go/mpac.

Other News

Namesake Keynotes Milestone Commencement Year

Paul Merage, noted entrepreneur, chairman and CEO of MIG® investment companies, and namesake of The Paul Merage School of Business at UC Irvine, gave the commencement address at the 2015 business school graduation ceremony. His presence marked the 10th anniversary of his generous naming gift and the 50th anniversary of the University of California, Irvine.

During the ceremony, Merage shared his insights and advice to a graduating class of more than 535 students made up of 160 undergraduates, nine PhDs, 85 Full-Time MBAs, 128 Fully Employed MBAs, 43 Executive MBAs and 34 Health Care Executive MBAs. Also in this year’s graduating class were 78 students from the Master of Professional Accountancy program.
A Leader Remembered -
Lyman W. Porter, PhD
Dr. Lyman W. Porter, the former dean of the University of California, Irvine, Graduate School of Administration (later known as the Graduate School of Management and now known as The Paul Merage School of Business) passed away on July 2, 2015 at the age of 85. It is with great sadness that the UCI community mourns the loss of one of its great leaders. Porter was the School’s second dean and served from 1972 through 1983, but what people remember most was that he was a noted professor, advisor, mentor and friend to all who came into contact with him, particularly his students.

“It’s amazing that during his entire career, right from the get-go, Lyman was always doing whatever it took to make the student experience better,” said Jack F. McKenna, PhD ’78, a doctoral student during Dean Porter’s tenure. “I have never met anybody in my life, and I’ve met an awful lot of talented people, so commendable. He was an incredible force and has been an inspiration to so many of us, both during our tenure at UC Irvine and as we began and carried out our respective careers. He personified the meaning of scholarship. I personally know of no other individual that has been so fundamentally driven toward the growth and development of his students.”

Porter (or “Port” as he liked to be called) joined the faculty of the GSA program in 1967 as professor of administration and psychology and associate dean. By 1972, he was appointed dean of UCI’s burgeoning business school.

“Lyman was instrumental in transitioning the business school from what it was, to what it is today,” said Leon LaPorte ’77, retired United States Army general. “Lyman was the dean that reached out to the business community and public and started those relationships, and it’s those relationships that are critical to the school’s viability. The fact that the Merage School is expanding is an illustration of how phenomenally successful it has become. Lyman deserves credit for much of that success.”

Many times, Port has been recognized for his strong vision, leadership and continued involvement with the Merage School. Most recently, a research colloquia room, which serves as a place of collaboration between students, faculty, alumni and the greater business community, was named in his honor and is located on the top floor of the new Merage School building.

Merage School Dean Eric Spangenberg added, “It is certainly with great sadness that we mourn the loss of one of this university’s truly great leaders. Port was the father of the modern business school at UCI, and I’m sad that our paths crossed only briefly as I arrived at the Merage School. His reputation in higher education preceded my arrival and I am honored to follow in his footsteps while emulating his level of integrity and his tireless commitment to our students and faculty. Dean Porter set the bar high, and we are forever in his debt.”

“Port will forever be recognized as the dean who set the direction and standards of high quality of our school. Faculty, students and staff who knew Port are forever impacted by his contributions to their educational and life experiences,” said Andy Polciano, former dean and director of the Merage School’s Center for Investment and Wealth Management. “Personally, Port was a valued advisor for me during my deanship, and I will always treasure the time I was able to share with him.”

A private memorial service and public celebration of the life of Dr. Lyman W. Porter was held on September 25, 2015. View a video of the celebration and other photos at merage.uci.edu/events/merage/PorterTribute/.
Faculty research is an important part of the Merage School’s focus on strategic innovation. This section includes summaries of 22 recent papers by our faculty members (names in bold) or co-written with colleagues from other UC Irvine departments or other universities.

ACCOUNTING
The Impact of Financial Histories on Individuals and Societies: A Replication and Extension of Berg et. al. (1995)
By Professor Radhika Lunawat; Co-authors: Xu Jiang and Brian Shapiro; Accepted at: Research in Experimental Economics

Measuring Income Tax Accrual Quality
By Professor Terry Shevlin; Co-authors: Preeti Choudhary and Allison Koester; Accepted at: Review of Accounting Studies

Market (In)Attention and the Strategic Scheduling and Timing of Earnings Announcements
By Professor Terry Shevlin; Co-authors: Ed deHaan and Jake Thornock; Accepted at: Journal of Accounting and Economics

ECONOMICS AND PUBLIC POLICY
The Effect of Medicare on Medical Expenditure Risk and Financial Strain
By Professor Mireille Jacobson; Co-authors: Silvia Barcellos; Accepted at: American Economic Journal: Economic Policy

FINANCE
Editorial: Cosmetic Surgery in the Academic Review Process
By Professor David Hirshleifer; Accepted at: Review of Financial Studies

Does Media Coverage of Stocks Affect Mutual Funds’ Trading and Performance?
By Professor Lu Zheng; Co-authors: Lily H. Fang and Joel Peress; Accepted at: Review of Financial Studies

INFORMATION SYSTEMS
What Explains the Variation? Industry-Level Analysis of Information Technology Risk and Return
By Professor Sanjeev Dewan; Co-author: Fei Ren (PhD Alumna); Accepted at: Journal of Management Information Systems

Social Capital and Contract Duration in Buyer-Supplier Networks for Information Technology Outsourcing
By Professor Vijay Gurbaxani; Co-authors: Kiron Ravindran (PhD Alumnus), Anjana Susaria and Deepa Mani; Accepted at: Information Systems Research

MARKETING
When Does Metric Use Matter Less? How Firm and Managerial Characteristics Moderate the Relationship between Metric Use and Marketing Mix Performance
By Professor Imran Currim; Co-author: Ofer Mintz (PhD Alumnus); Accepted at: European Journal of Marketing

Manufacturer-Provided Services vs. Retailer-Provided Services: Effect on Product Quality, Channel Profits and Consumer Welfare
By Professor Sreya Kolay; Accepted at: International Journal of Research in Marketing
OPERATIONS AND DECISION TECHNOLOGIES
Efficient Implementation of Collective Extended Producer Responsibility Legislation
By Professor Luyi Gui; Co-authors: Atalay Atasu, Ozlem Ergun and Beril Toktay; Accepted at: Management Science

ORGANIZATION AND MANAGEMENT
Diverse According to Whom? Racial Group Membership and Concerns About Discrimination Spare Diversity Judgments
By Professor Christopher W. Bauman; Co-authors: Sophie Trawalter and Miguel M. Unzueta; Accepted at: Personality and Social Psychology Bulletin

Revisiting External Validity: Concerns about Trolley Problems and Other Sacrificial Dilemmas in Moral Psychology
By Professor Christopher W. Bauman; Co-authors: A. Peter McGraw, Daniel M. Bartels and Caleb Warren; Accepted at: Social and Personality Psychology Compass

Cronyism and Nepotism Are Bad for Everyone: The Research Evidence
By Professor Jone Pearce; Accepted at: Industrial and Organizational Psychology

Managing the Unknowable: The Effectiveness of Early-Stage Investor Gut Feel in Entrepreneurial Investment Decisions
By Professor Jone Pearce; Co-author: Laura Huang (PhD Alumna); Accepted at: Administrative Science Quarterly

Joint Selling of Complementary Components Under Brand and Retail Competition
By Professor Shuya Yin; Co-author: Yuhong He (PhD Alumna); Accepted at: Manufacturing and Service Operations Management

Please visit merage.uci.edu/go/research and merage.uci.edu/go/ResearchInAction for more business research topics.
Faculty in the News

David Hirshleifer, professor, finance

L. Robin Keller, professor, operations and decision technologies
- 2015 President of INFORMS (The Institute for Operations Research and the Management Sciences).
- 2015 Frank P. Ramsey Medal winner for life-time contributions to the field of decision analysis.

Judy Rosener, professor emerita
- Received the 2014–2015 UC Irvine Academic Senate Distinguished Faculty Award for Mentorship. Only a few of these awards are given out each year, and this is the first time one has been given for Mentorship.

John Turner, assistant professor, operations and decision technologies
- 2014 INFORMS William Pierskalla Best Paper Award in Health Care Management Science for “Simultaneous Location of Trauma Centers and Helicopters for Emergency Medical Service Planning,” now published in Operations Research with coauthors Soo-Haeng Cho (Carnegie Mellon), Hoon Jang (KAIST) and Taesik Lee (KAIST).

Libby Weber, assistant professor, strategy

Margarethe Wiersema, dean’s professor, strategic management
- Appointed as Senior Editor, Global Strategy Journal.
- Invited Plenary Speaker “Competing in Global Markets: The Impact of Corporate Governance” Strategic Management Society Conference, Santiago, Chile, March 2015.

On July 1, 2015, the following new faculty members joined The Paul Merage School of Business:

John Joseph, assistant professor, strategy – Professor Joseph received his BA from Muhlenberg College, his MBA from The Wharton School at University of Pennsylvania and his PhD in management and organizations from Northwestern University. His research focuses on how organizational structures shape managerial decision-making.

Sharon Koppman, assistant professor, operations management – Professor Koppman received her BA from UC Santa Barbara and MA and PhD in sociology from University of Arizona. Her research incorporates organization theory and cultural sociology to examine career processes in cultural and creative industries, and use of culture as a resource in intergroup processes.

Ben Lourie, assistant professor, accounting – Professor Lourie received his BA in economics from Tel Aviv University and his PhD in accounting from The Anderson School of Management at UCLA. His research focuses on financial analysis, earning quality, corporate governance, equity valuations and managerial accounting.

Tingting Nian, assistant professor, information systems – Professor Nian received her BS from Tsinghua University in Beijing and her PhD in information systems from the Stern School at New York University. Her research lies at the intersection of economics of digital technology, analytical modeling, econometrics and machine learning, with a focus on social media, digital advertising and online communities.

David Yang, assistant professor, finance – David Yang received an AB in applied mathematics from Harvard before pursuing his PhD in business economics, also at Harvard. His research focuses on financial economics, in particular, frictional finance and behavioral finance.
Looking for Top MBA Talent?

Find out what leading companies throughout Southern California and the U.S. already know.

The Merage School MBA Career Center is your first source in Orange County for highly qualified MBA business professionals. In fact, Bloomberg Businessweek ranked Merage School alumni at No. 3 and No. 5 nationally for creative thinking and ability to work collaboratively. Tapping into the professional talent network of our four MBA programs has never been easier.

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  949.824.8464  
  recruiting@merage.uci.edu

Think **MerageFirst**

Word of mouth is the most powerful and trusted way to communicate brand loyalty and experience to friends and family. We encourage you to share your Merage School experience with others that would benefit and grow from earning their MBA at UC Irvine. Or, share a job opening with a fellow alumnus or the MBA Career Center. Your support of the Merage School and its alumni increases your degree equity.

MERAGEFIRST.COM

Companies that hire Merage School graduates include Apple, Broadcom, Experian, Johnson & Johnson, Mattel, PIMCO and Wells Fargo.

merage.uci.edu/go/recruit

UCI Paul Merage School of Business
The two-day-long grand opening celebration for UC Irvine’s new five-story building at The Paul Merage School of Business took place this past May, generating a standing-room-only crowd as hundreds gathered to witness a major milestone in the history of the Merage School. The multipart event welcomed donors along with members of the School’s Dean Advisory Board, Dean’s Leadership Circle, faculty and staff for an evening soirée. The following day, community members and business leaders came together to hear remarks from special guests, including Assemblyman Don Wagner, Chancellor Howard Gillman, business school namesake Paul Merage and UC Irvine campus architect Rebekah Gladson. Dean Eric Spangenberg and former Dean Andrew J. Policano led a ribbon-cutting ceremony, followed by self-guided tours of the innovative new facility.

“Officially opening this building marks a tremendous milestone in the history of our school, and we are grateful for the support received for this project which accurately reflects the importance our supporters place on educational excellence in business. The new facility better enables us to strengthen our connections with business and community members, faculty and students while cementing our position at the forefront of innovation, collaboration, research and technology in Orange County,” said Merage School Dean Eric Spangenberg. The new, 78,000-square-foot building is now complete and serves as home to a beautiful high-tech 300-seat auditorium, several of the Merage School’s Centers of Excellence, a unique Charles Schwab® Trading and Technology Lab and a 70-seat Lyman W. Porter Colloquia Room & Executive Terrace for pre- and post-function events. Other features include 70-seat and 90-seat case-study classrooms, a multi-purpose classroom and 20 small group study rooms. A 4,000-square-foot “grand terrace” overlooking a new courtyard is also part of this project as well as an abundance of indoor/outdoor dining space, including two new restaurants—Au Bon Pain and Starbucks—along with many academic and administrative offices. Visit merage.uci.edu/Content/Gala-Celebration-Video/462 for a virtual tour of the new building and to catch up on all the excitement that is taking place on campus.

For more information about the new building at the Merage School, visit merage.uci.edu/go/buildingforthefuture.
New Business School Building \textit{LEEDing} the Way

By Anne Warde

The completion of the new building at The Paul Merage School of Business adds to the already stellar performance by UC Irvine in the area of sustainable site planning and high-performance buildings. For the second year in a row, \textit{Sierra Club} magazine ranked UCI as the greenest university in the nation, scoring especially high marks in energy, transportation and waste.

In step with UC Irvine’s Green Campus Initiative, the new 78,000-square-foot expansion of the business school was designed and built to meet Platinum-level LEED (Leadership in Energy & Environmental Design) green building certification standards with special attention paid to water and energy efficiency, materials and resource management. The certification process is underway with the U.S. Green Building Council.

“UC Irvine is a leader in sustainable site planning and high-performance buildings. Our business school building is no exception. With strategic design and consideration of holistic sustainability practices, the School of Business is confident the new building will achieve Platinum-level certification,” said John Clarke, assistant dean and CIO for the Merage School.

The LEED rating system was developed by the USGBC to exemplify projects that go above and beyond minimum design and code standards in order to be set apart as leaders in the building and construction industry. LEED is a voluntary credits-based system—with the exception of a few prerequisite credits—that is characterized by different certification tiers based on the number of points earned for achieving selected credits. The lowest certification tier is Certified; the highest tier is Platinum. To achieve Platinum certification, project teams must use tailored strategies to drastically reduce energy and water usage, create a healthy indoor environment, reduce impact on waste and non-renewable materials and to contribute to user accessibility and comfort.

Some of the sustainable features of the new business school building include:

- Native vegetation, efficient watering devices and water controllers that reduce water consumption
- Roofing materials that reduce the urban heat island effect and contribute to energy efficiency
- Permanent underground bio-treatment trenches that help manage storm water runoff
- Bicycle racks with a shower and changing facilities, and priority parking spaces for low-emitting and fuel-efficient vehicles and carpools that promote sustainable practices
- Low-flow toilets, sinks and shower that reduce water consumption by about 187,000 gallons per year
- Daylight harvesting controls with solar shading that bring in natural light and reduce the use of electric lights
- High-performance windows that transmit visible light while reducing entering solar heat; reducing lighting and cooling energy needs
- Heavy concrete mass structure that stores heat energy and helps reduce annual heating and cooling energy requirements.
- Operable windows introduce “free-cooling” through most of the year
- Low energy LED site lighting reduces energy demand.
- Energy efficient air conditioning systems and equipment contribute to building energy savings

To watch videos or see photos from Groundbreaking to Grand Opening, visit \texttt{merage.uci.edu/go/groundbreaking}.  

Alumni Businesses

Sometimes Health Care is All About Logistics
Business Plan Competition is Catalyst for Lifesaving Technology
By Anne Warde

Early versions of a positron emission tomography (PET) scanner look like something out of a Frankenstein movie. But the sleek, modern version offers valuable, lifesaving technology and is used today to make images of various body parts and organs. And, while these devices have been around since the 1980s, they continue to be a part of major breakthroughs in the diagnosis, monitoring and treatment of diseases such as cancer, heart diseases and brain disorders.

But, even as the overall design of PET scanners has improved, many of the logistical limitations of the device remain. Namely, PET scanners are large, heavy yet fragile pieces of equipment that utilize high-voltage electricity to function. Due to their size, they are typically transported in an 18-wheel trailer when used as a mobile service to hospitals, and patients are required to come to the trailer for their PET scan study. If installed in a hospital, PET scanners require a designated suite to function. Once installed, it’s very difficult to ever move the instrument. Patients requiring a PET scan must be transported to the PET scanner room and moved onto the bed of the scanner to receive treatment. Couple these logistical issues with the fact that a PET scanner costs around $2 million, and the challenges become clear.

Fast forward to 2012. Ariel Beroukhim, an undergraduate engineering major at UCI, is doing an internship at a small startup called IntraMedical Imaging LLC. He is working on a novel detector design for PET. He is also involved in a class at UCI called “Entrepreneurship for Scientists and Engineers,” where he is required to write a business plan. Beroukhim convinces IntraMedical President Farhad Daghighian, a UCI alumnus who obtained his PhD in high-energy physics, to let him write about the work he was doing on the novel PET scanner. Daghighian supports Beroukhim in developing the business plan, and soon, Beroukhim and an enterprising team of innovators enter the plan into the Merage School Business Plan completion under the team name Impetro Technologies. The team recruits a local radiology imaging business coach, Mike Mesenbrink, to coach them in presenting their innovative new idea—a line of portable, cost-effective, low-dose PET scanners. These exciting products addressed both the logistical and cost issues inherent in PET scanners and caught the imagination of the competition’s judges.

“Sometimes Health Care is All About Logistics.
Business Plan Competition is Catalyst for Lifesaving Technology.

For Oncology – Prescient’s VersaPET can be used for detection and follow-up of cancer therapy, specifically brain and breast cancers.

For Neurology – Prescient’s HeadPET enables health care providers to scan for many neurological diseases and is expected to be a viable tool for the diagnosis of Alzheimer’s disease.

Cardiology – CardioPET will acquire high-resolution images of blood perfusion in the heart’s muscle.

The potential is huge,” said Daghighian. “PET is an essential imaging modality that reveals the clinical biology of the disease process in individual patients. As the general age of the worldwide population increases, so will the demand for high-quality, cost-effective diagnostic imaging services.”
The innovative design of Prescient’s products enables them to be used in a variety of settings that were not possible before. The PET scanners can be easily transported for use in the operating room for a patient who may be undergoing surgery. They can be used with a patient in a sitting position, like a person in a wheelchair. And, one of the most promising uses for the VersaPET is that they can be used for breast exams. VersaPET can deliver more accurate results and perform a more specific breast exam without the discomfort caused by mammography machines.

The key to VersaPET lies in a novel solid-state detector that is at the core of the Prescient’s PET design. Solid State photomultipliers are smaller than the photomultiplier tubes used in tradition PET scanners, thereby reducing the overall size of the equipment and improving the performance. In addition, the new design exposes the patient to less radiation. It also reduces the overall weight of the system, from 5,000 pounds to 400 pounds, making them portable. Now, Prescient’s VersaPET can be wheeled into an operating room and “opened” to allow a patient to be scanned without having to be moved from the surgical table.

For their efforts at the 2012 Business Plan Competition, the team was awarded 2nd place overall. Today, Prescient Imaging is seeking to commercialize the VersaPET in the coming months. So far, they’ve received strong support from the financial community to the tune of $4.5 million in venture funding.

“Developments like VersaPET highlight the true value of the Merage School Business Plan Competition. Without the motivation and encouragement to put a plan on paper, new companies like Prescient Imaging probably never would have made it past the point of being an idea in someone’s mind,” said Daghghian. “We’ve taken what we learned through the Business Plan Competition and improved on it,” he continued. “To date, the biggest problem with PET scanning was one of logistics. What we have created is a device that performs better than current products, is portable and highly reliable. Now, rather than making the patient go to the PET scanner, we’re bringing the PET scanner to the patient. The beauty of this creation is that it gives millions more patients access to potentially lifesaving technology. After all, the functionality of the device hasn’t changed that dramatically. The real innovation is in our ability to deliver the service to the patients where and when they need it. It’s revolutionary.”
Social Responsibility

A different kind of disruption—one with a social impact
Aaron Byzak (HCEMBA ’08) helps students prepare for the future by showing the power of the past
By Connie Clark

When W.H. “Chick” Mensching was captured during the Battle of the Philippines in World War II, he probably had no inkling that he would inspire young people 70 years in the future. During the U.S. Marine’s three years in a Japanese POW camp, he survived slave labor, torture, bouts of malaria and a surgery without anesthesia. After his liberation and return to the United States, he worked his way up to the position of bank CEO despite having completed only a year of high school. Mensching died in 2007, but his story, movingly told by his grandson Aaron Byzak (HCEMBA ’08) in a high school auditorium, is making the Purple Heart and Bronze Star recipient a hero to a new generation. Byzak hopes his story can inspire people to respect and protect senior citizens and possibly prevent what happened in a California nursing home to Mensching’s widow, Byzak’s grandmother, from ever happening again.

In 2013, when Hazel Mensching (Chick’s wife of 61 years) died in an assisted living facility as a result of neglect, Byzak was spurred into action. He founded Hazel’s Army, a grassroots organization that has enlisted hundreds of citizens and forged partnerships with lawmakers and other consumer organizations to advocate for legislative reform and consumer awareness of the assisted living industry. A recent victory was the passage of the Residential Care Facilities for the Elderly (RCFE) Reform Act of 2014.

Byzak and Hazel’s Army played a key role in gathering bipartisan support and sponsoring four of 12 laws in the package, which is said to represent the most comprehensive reform for the industry in California in 30 years. And, while Byzak continues to advocate for seniors, calling attention to issues through social media and speaking engagements, he’s also set his sights on education through GreatGen2.0.

GreatGen2.0 is Byzak’s intergenerational education program that brings volunteer speakers to high schools and youth organizations. The speakers share stories about their parents.
and grandparents—the men and women who grew up during the Great Depression, fought in World War II, contributed to the war effort and literally and figuratively built America. They have been dubbed the Greatest Generation (based on the book of the same title by Tom Brokaw), yet Byzak says they are often forgotten, sometimes with tragic results.

“People tend to write off seniors. So the goal is to form a new generation of young people who have a profound sense of value and respect for seniors.”

A key component of GreatGen2.0 is a call to action. Byzak is organizing volunteer opportunities so teens can spend time with seniors, recording stories like Mensching’s for future generations.

He says the response in high schools has been overwhelming.

“Students laugh, gasp, wince (particularly at the details [of Mensching’s] torture in the prison camp) and cry during the presentations.” Byzak says. “They line up afterwards and thank me for telling them the story. They are anxious to volunteer.”

Byzak does all of this on his own time, sometimes using vacation days from his job as director of Government and Community Affairs for UC San Diego Health Sciences.

“When I started, I put in four or five hours a night after the kids went to sleep. That’s similar to what life was like as an MBA student at Merage.”

He notes the interconnectedness of his professional job and his volunteer work. “It may sound trite, but when you use your own time, talent and treasure to help communities or to accomplish something that’s important to you, it can create opportunities for you professionally, and it can help you polish your skills.”

His advice for other professionals? “If you want to be a leader in business, exercise leadership in what you’re passionate about.”

For more information, visit the Hazel’s Army Facebook page at Facebook.com/HazelsArmy.
In public clinics and hospitals throughout Egypt and Northern Africa, physicians report shortages of equipment, medicines and staff. But Dr. Adel Eldahmy, HCEMBA ’97, has a solution that can go a long way toward improving conditions and outcomes there. The medical director of two Southern California outpatient clinics has launched the Telemed Foundation, whose mission it is to remotely connect patients and providers with volunteer specialists around the world via digital technology.

Through his organization, physicians from Egypt, the Nile Valley and the entire Nile Basin have access to a wealth of medical, educational and technology resources. “I can envision a physician in Cairo with a particularly challenging case using relatively inexpensive software and video conferencing equipment to connect with a team of specialists in the United States. The doctor securely uploads the patient’s data to the cloud so specialists can access diagnostic tests and vital signs in real time. The volunteer specialists then provide needed assistance to help the physician treat and manage the case.”

Eldahmy has assembled a team of more than 30 distinguished physicians with specialties ranging from pediatric oncology to nephrology and neuroradiology. The team also includes engineers and business and technology experts charged with developing operational infrastructures and ensuring the sustainability of individual projects. All are volunteering their time and expertise, and making charitable donations to help purchase equipment.

“The pieces are in place, and the team is enthusiastic and ready to get started,” he said. But what’s missing is a green light from the Egyptian Health Ministry. And, that is a serious hurdle to overcome in a country where economic instability remains a factor following the 2011 revolution.

But Eldahmy remains undaunted, pointing to similar humanitarian projects around the world such as the Lopez Family Foundation, which is implementing telemedicine projects in Puerto Rico and Panama. “We aren’t inventing something new,” he said. “This is proven, cost-effective technology.”

As the field of telemedicine gains traction around the world, it also appeals to physicians with humanitarian inclinations who are unable to commit to lengthy absences from their practices. Hospitals and medical schools in the United States are widely embracing the technology, making it even more accessible.

Eldahmy has championed the remote healthcare delivery system since attending an American Telemedicine Association conference in 2007. A member of the first graduating class of the Health Care Executive MBA Program (HCEMBA) at the Merage School, he notes that the key to making use of telemedicine technology worldwide is education. “My eyes were opened to the tremendous opportunities the field of telemedicine provides,” he says. “And new digital technology makes international telemedicine convenient, secure and relatively inexpensive.”

International telemedicine may not solve all of the Nile Valley region’s healthcare woes, but, he said, “It’s a step in the right direction. A step toward improving the quality of life for Egyptians and really anyone in need of health care.”

For more information, go to telemedfoundation.org.
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Reception 7:30 to 8:30 p.m.

COST
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THANK YOU TO OUR GOLD SPONSOR:

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The Merage School Reunion 2015 was held August 29, celebrating classes ending in 0 or 5, from 1970 through 2015. The first reunion to be held at the new Merage School building, the event featured a welcome from Dean Eric Spangenberg and Professor Jone Pearce and an alumni panel discussion on the developments of business education. Panelists included Carlos Amaya, MBA ’05, senior manager, Deloitte; Nathan Franke, MBA ’85, chief financial officer and executive vice president at Resources Global Professionals; Cathy Mesnik, FEMBA ’05, executive director, Analytics & Data Intelligence at St. Joseph Health; and Ariela Tannenbaum, EMBA ’95, executive vice president, Finance at Allianz Asset Management of America. Faculty member Sue Padernacht served as moderator. Participants enjoyed reuniting with friends, reminiscing with classmates and faculty members, while celebrating the 50th Anniversary of UC Irvine and the tremendous advancements the Merage School has made over the years.
Class Notes

1968
Recently, the Merage School Alumni team met up with Alan Feddersen, MS ’68, at an alumni mixer in San Diego. Feddersen is one of the very first graduates of the business school at UC Irvine, now The Paul Merage School of Business. Now retired, Feddersen spent 20 years working at UCLA in the Chancellor’s Planning Office. He took an early retirement in 1993 and later obtained a salesman’s and a broker’s license in real estate. He practiced in La Jolla until permanently retiring earlier this year.

1977
Vicki Lanza Hines, MS ’77, started a new business called Assisted Living Locators for South Orange County. The company offers free placement services for seniors into independent living, assisted living or memory care in larger communities as well as smaller board and care properties.

1978
Bruce Neuschwander, MS ’78, has been appointed chief financial officer of SpendSmart Networks Inc. He previously served as controller and CFO for various startups over the past six years, including Finis Inc. and Eat Club.

1989
Lois Bernstein, EMBA ’89, senior vice president of Community Services for MultiCare Health System, received the Business Examiner 2014 Women of Influence Lifetime Achievement Award.

1996
Su Kim-Stroud, FEMBA ’96, recently joined Slalom Consulting, a leading business and technology consulting firm, as director of Business Development in the company’s London office.

2004
Rashad Moumneh, MBA ’04, started Falasophy, a gourmet food truck/falafel shop and hummus bar and, recently visited the UCI campus as part of the Global Summit for Peace featuring His Holiness the 14th Dalai Lama.

2005
Jason Dedrick, PhD ’05, has been promoted to full professor and is serving as associate dean for research at Syracuse University’s School of Information Studies.

2006
Steve Chang, FEMBA ’06, recently won the Startup Weekend San Diego competition with a new product called “UP” that turns your lamp into a smart alarm. UP can wake you earlier if traffic is congested or let you sleep in if your early flight is delayed. It can even check the surf report to wake you only if the waves are good!

Cindy Cheng, FEMBA ’06, relocated to London in 2014 to serve as the director of Marketing for Europe, Middle East, and Africa at Appian Corp.
2008
U.S. Navy Lt. Cdr. Mike Lee, FEMBA ’08, was recently honored at an Angels Baseball game upon returning from deployment in Djibouti, Africa and surprised his family to a standing ovation.

Jeff Light, EMBA ’08, was named president and chief operating officer of the U-T San Diego, a multimedia company.

Ryan Patel, FEMBA ’08, vice president, Global Development for Pinkberry Inc. was named 2015 Outstanding Asian American Executive by the Los Angeles Business Journal.

2009
Sherry Main, FEMBA ’09, has been named assistant vice chancellor for communications and marketing at UC Santa Cruz. In this role, she will enhance and protect the university’s public face and lead the teams responsible for marketing, news and media relations, and social media.

2011
Ramin Mousavi, FEMBA ’11, has accepted the position of director, Sales Strategy, Operations and Business Intelligence, THV at Edwards Lifesciences.

2012
Matt Bailey, EMBA ’12 has joined The UCI Institute for Innovation as chief collaboration strategist. In this role, he will lead the Institute’s collaboration initiatives to advance Orange County’s innovation ecosystem.

2013
Jeff Frenken, FEMBA ’13, has been hired as an associate manager in the Insights Lab at Taco Bell in Irvine. In his new role, he is implementing the consumer behavior and data science skills he learned at the Merage School and practiced as a member of the Consumer Insights and Analytics team at Jack in the Box.

Mark Phillips, HCEMBA ’13, PharmD and Marcel Fraix, HCEMBA ’16, DO, provided expert testimony to the Food and Drug Administration at a hearing on “Homeopathic Product Regulation: Evaluating the Food and Drug Administration’s Regulatory Framework After a Quarter-Century.”

2014
Gina Heitkamp, FEMBA ’14, launched iBesties, a toy company that makes dolls and books that inspire girls six to 11 years old in the areas of technology learning and entrepreneurship. iBesties was the winner of the 2014 Business Plan Competition and was conceptualized during Heitkamp’s time at the Merage School. Recently, iBesties was recognized by the White House as one of the “growing community of organizations answering the call to action on inclusive entrepreneurship.”

Sisters Riddhi and Siddhi Khara, both FEMBA ’14, were recently featured in an Orange County Register about the success of their company known as Borrow It Bindas.

Abhinav Singh, FEMBA ’14, was recently featured on the CNN Money website for his talent for finding blockbuster stocks and using the proceeds to pay for his MBA education.
You Are Invited to Create Your Legacy

The Dean’s Leadership Circle invites alumni and members of our business community to join us in supporting the Merage School’s continued rise in the business school rankings and expansion of its global and digital footprint. We are building exciting new partnerships and programs, and the demand for private support is vital to our continued success.

Create your legacy inside our beautiful 300-seat auditorium in the Merage School’s new building. You will make an impact on our next generation of business leaders while gaining countless benefits of membership through the Best Seat in the House Campaign. By putting your name on a seat in the auditorium, you will gain access to a three-year membership in the Dean’s Leadership Circle, one of the most prestigious networking organizations in the Southern California business community. The Dean’s Leadership Circle provides year-round exclusive networking opportunities and connects you to an elite group of dynamic business leaders.

The purpose of our endowment is to financially sustain the mission and work of UC Irvine. You can make a significant contribution to endow our future…and it’s easier than you might think.

Here are a number of charitable gift and estate planning strategies that can benefit you and build our endowment.

- CHARITABLE BEQUESTS
- BENEFICIARY DESIGNATIONS
- CHARITABLE LIFE ESTATE
- CHARITABLE LIFE INCOME PLANS

To learn more about how you can make a significant gift to endow our future, please contact us.

University of California, Irvine
(949) 824.6454 | www.plannedgiving.uci.edu
November 18

**Distinguished Speaker Series.** Craig Boundy of Experian North America will share insights with business and community leaders, alumni and students. For more information, visit merage.uci.edu/go/DSS.

December 3

**The Center for Global Leadership** is a supporting association for The Economist Events’ Cuba Summit in Washington, D.C. For information about the agenda and the speakers, visit cuba.economist.com. To take advantage of our partner discount, contact the CGL at [email address].

January 11, 2016

The Center for Investment and Wealth Management presents “Macroeconomy and Financial Markets Forecast” from 6:00 – 7:30 p.m. featuring Professors David Hirschleifer, Chris Schwarz and Andy Pollicano. For more information, contact Lee Anne Maki at lmaki@uci.edu.

January 28, 2016

**Distinguished Speaker Series.** Brian Niccol, CEO of Taco Bell will share insights with business and community leaders, alumni and students. For more information, visit merage.uci.edu/go/DSS.

February 18-19, 2016

**Annual Health Care Forecast Conference.** For more information, please contact Margaret Wong at mwong@uci.edu.

March 24, 2016

The Center for Digital Transformation presents the **Road to Reinvention: Leadership in the Digital Age Conference.** For more information, contact Megan Marburger at megan.marburger@uci.edu.