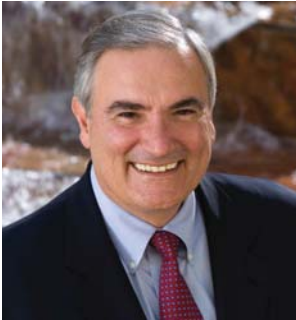


Dean's Quarterly

The latest news and views from The Paul Merage School of Business



Dean Andy Policano

In Perspective

As we enter the second decade of the 21st century, we must take time to savor our successes, reflect on our accomplishments, and contemplate what we have learned. Our nation has recently experienced a difficult job market, a global economic crisis, ethical dilemmas and questions of sustainability. At the Merage School, in spite of challenging economic times, we have successfully weathered the storm and exceeded even our own expectations for growth and innovation.

Our business community is thriving. Our vibrant student population, made up of business leaders with the exceptional ability to help grow their organizations, continues to expand. Our focus on innovation and sustainability – to lead us through the next decade and beyond – remains solid.

This year we celebrate the fifth anniversary of the naming of our School in honor of noted business entrepreneur Paul Merage. Through his generosity, we have created endowed chairs to facilitate the School's ongoing recruitment of top faculty; we have provided fellowships to support the recruitment and retention of top graduate students from around the country; and we have initiated innovative research centered on business growth.

The Merage School, through its many interactions with the community, is helping to fuel avenues for sustained growth. As always, we invite you to join us in any of our initiatives and events. We look forward to your participation.

A handwritten signature in blue ink that reads "Andy".

Spotlight on Success



Aaron Byzak, HCEMBA '08 has been chosen director of Government Affairs for University of California, San Diego, Health Sciences. In this new role he is responsible for community outreach and legislative affairs activities that advance the interests of the UCSD School of Medicine, Skaggs School of Pharmacy and Pharmaceutical Sciences and UC San Diego Medical Center at the local, state and federal levels. He will generate support for UC San Diego Health Sciences by actively positioning leadership, faculty and programs with targeted constituents through strategic programming and outreach activities.



Lt. Tony Ruelas, EMBA '10 has been appointed acting police chief for San Fernando until a new police chief can be selected. Ruelas was first up in a rotation among three divisional command officers identified as possible replacements for the soon-to-retire Police Chief Robert Ordelheide. Ruelas is looking forward to his experience as police chief and also to his completion of the EMBA program this year.



War Games Predict Future for Health IT Industry

Predictions from The Paul Merage School of Business/Fuld & Company 2009 War Games – The Battle for Healthcare Information – may shed light on the future of the health information technology industry. The day-long competition featured teams of MBA students from the Merage School who assumed the identities of Microsoft, McKesson, Kaiser-Permanente, and Allscripts, then simulated and “stress tested” business strategies to determine which company will profit from the adoption of Electronic Medical Records (EMR) by the healthcare industry.

Continued on page 6

Mark Your Calendar

Visit merage.uci.edu for all calendar events.

ONGOING

MBA Programs Information Sessions invite prospective students for full-time, fully employed and executive MBA programs starting in both spring and fall of 2010.

FEBRUARY 25-26, 2010

Center for Health Care Management and Policy hosts the 2010 Health Care Forecast Conference

Strategic Issues in Management Series

FEBRUARY 25, 2010

BUILDING EFFECTIVE TEAMS with Professor Kristin Behfar

MARCH 18, 2010

FINANCE FOR NON-FINANCIAL MANAGERS with Professor Todd Richey

APRIL 8, 2010

DRIVING TRANSFORMATION WITH INFORMATION TECHNOLOGY with Professor Vijay Gurbaxani

APRIL 15, 2010

RESOLVING ORGANIZATIONAL ISSUES WITH NEGOTIATION with Professor Lisa Barron

Distinguished Speakers Series

MARCH 4, 2010

Mike Mussallem
Chairman and CEO, Edwards Lifesciences

MAY 6, 2010

John Krafcik
President and CEO, Hyundai Motor America

APRIL 9, 2010

MBA Career Fair

MAY 5, 2010

Center for Real Estate Industry Breakfast Series

MAY 12, 2010

Center for Investment and Wealth Management luncheon series, *Investment Strategies for Turbulent Times*, featuring Liz Ann Sonders, Chief Investment Strategist at Charles Schwab & Co.

MAY 21, 2010

Don Beall Center for Innovation and Entrepreneurship Business Plan Competition Awards Ceremony

Upcoming Conference Tackles Health Care in an Election Year

Leading authorities and prominent keynote speakers, including Norman J. Ornstein, PhD, television commentator and Resident Scholar at the American Enterprise Institute, will address important issues facing business and government, February 25 and 26 at the 19th Annual Health Care Forecast Conference hosted by The Paul Merage School of Business, Center for Health Care Management and Policy.

The conference could not be more timely as the country enters an election year and also the year that might see health care reform legislation passed and signed into law. The impact of health care reform, affecting 16% of the U.S. economy, will be discussed at length by industry insiders, as well as by Dr. Ornstein whose keynote address will provide insight from an inside-the-beltway perspective.

In addition to policy-related issues, conference speakers will address the impact of new technologies transforming healthcare delivery and competitive forces in the marketplace influencing business strategies of hospitals and insurance companies.

This year's Health Care Forecast Conference will be held at the Beckman Center, 100 Academy Way in Irvine. To register visit merage.uci.edu/go/hcc.



Dean Andy Policano joins Tallia Hart, President of the Irvine Chamber and David Crane, Special Advisor for the Jobs and Economic Growth Office of Governor Arnold Schwarzenegger.

Could Detroit be the New China?

Leveraging Detroit as a hub for U.S. manufacturing – in essence “turning Detroit into our own China” – was just one idea suggested by Merage School Dean Andy Policano who again headlined the 2010 Business Outlook conference presented by the Merage School and the Irvine Chamber of Commerce in January.

“If we are to get back to a growth state, the U.S. must look for ways to stimulate innovation and increase manufacturing,” said Policano. “We also have to focus on increasing savings and exports; controlling spending; and not surprisingly, reducing the deficit.”

David Crane, special advisor for the Jobs and Economic Growth Office of Governor Arnold Schwarzenegger, also presented and supported Policano's comments with a warning about the state of California's budget. According to Crane,

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Luncheon Explores New Investment Realities

Hosted by the Center for Investment and Wealth Management

- *Is a buy and hold strategy dead?*
- *Is the dollar doomed to an endless decline?*
- *How should you protect against the coming inflation?*
- *What should your overall portfolio strategy be?*

More than 120 of Orange County's top business leaders gathered on November 16 to hear Rob Arnott, CEO and founder of Research Affiliates, share his insight with a presentation titled, "New Investment Realities in the Current Challenging Environment." The luncheon included a panel discussion with prominent investment gurus Kristin Ceva, managing principal, Global Fixed-Income Group, Payden & Rygel; Robert L. Panetti, CFA, vice president and portfolio manager, Black Rock Inc.; and James Berens, MA, PhD, managing director and sector specialist for PAAMCO. The panel was moderated by long time investment expert Chuck Martin, chairman/CEO, Mont Pelerin Capital LLC.

Following introductions by event chair Pamela M. Adams, CFP, MBA, Merage School Dean Andy Policano offered opening remarks on the state of

the economy, warning investors that over the next 10 years we can expect significant inflation.

Seeming to favor investment in bonds, Arnott commented, "Stocks have given up 40 years of growth... those who view stocks as an infallible way to get return are naïve." He went on to say, "Stocks endure long dry spells. Over 80 percent of the time they are in a bear market or clawing back from a bear market." Arnott dispelled the myth that bonds are for income, stocks are for growth by saying, "Stocks yield 20% from growth and 80 percent from dividends." He cautioned, "We are headed for a demographic train wreck" due to the ratio of retirees to workers which he predicts may go as high as 10:1. Arnott recommended investors, "Move out of markets that are comfortable and into markets that are



Dean Andy Policano joins Wells Fargo's John Evans at Economic Outlook Luncheon. Wells Fargo helped to underwrite the event.

priced more favorably. What has worked well in the last five years is rarely what will work well in the next five years."

Kristin Ceva added that what is happening in the United States policy-wise is very similar to what happened following the Great Depression. She pointed out that Asia will probably be first to show "green shoots" and recommended investors "seek value in value-oriented equities rather than growth-oriented companies."

"Hedge funds are not an asset class," joked James Berens, "they are unconstrained active management." Berens encouraged investors to monitor closely the push and pull between inflation and deflation, noting, "Timing of these elements can make your career."

Robert Panetti finished up the panel discussion recommending that "Portfolio managers need to be able to look globally," adding that if investors "mix assets with low correlation in a portfolio, they can reduce risk over time."

The event, held at the Pacific Club in Newport Beach, was presented by the Center for Investment and Wealth Management (CIWM) at The Paul Merage School of Business. Wells Fargo provided underwriting for the event.

CIWM's next public event is May 12, 2010, and features Charles Schwab's Chief Investment Strategist, Liz Ann Sonders, speaking on "Investment Strategies for Turbulent Times." Visit merage.uci.edu/go/CIWM for more details.



Luncheon speakers (left to right) Chuck Martin, Robert Panetti, Pam Adams, Jim Berens, Kristen Ceva and Merage School Dean Andy Policano.

Merage on the Move



Josh Needle, FEMBA '10

Merage School Student Honored as First CRE-NAIOP Fellow

Josh Needle, a Fully-Employed MBA student at The Paul Merage School of Business, and Co-Founder/Co-Chair of UC Irvine's Real Estate Alumni Association (UCIREA), has been honored as the first CRE-NAIOP Fellow.

As a CRE-NAIOP fellow, Needle will receive \$7,500, to be awarded in the form of tuition over a period of three quarters. He will also have the opportunity to become an intern or mentor at an NAIOP member company and serve an internship with the NAIOP SoCal Board of Directors.

Needle is currently a senior analyst for Business Development at the Bascom Group, LLC – a private equity firm specializing in value-added multi-family real estate investments.



For more information, visit naiopsocal.org/In-the-News.

PhD Candidates Recognized



Dante Pirouz, PhD candidate at The Paul Merage School of Business, was selected as one of two winners of the prestigious 2009 Alden G. Clayton Doctoral Dissertation Proposal Competition.

Pirouz's dissertation is titled, *The Dark Side of Product Attachment: Reactivity of Addicted users to Ad Cues*.

Her dissertation chair was Merage School Professor Connie Pechmann.

The Alden G. Clayton Doctoral Dissertation Proposal Competition is held annually by the Marketing Science Institute (MSI) and is intended to encourage doctoral work on topics of importance to the marketing community.

More than 60 entries were received for this competition. Pirouz received \$5,000 and is invited to attend MSI's spring Trustees Meeting, where her work will be acknowledged.



Renee Rottner, PhD candidate at the Merage School, has won the INFORMS dissertation proposal competition for Organization Science.

Rottner's dissertation proposal is titled, *The Life of a Project: Accomplishing Legitimacy in Sustained Innovation*, which examines a space telescope project at NASA over a 30 year period to understand how the innovation was created and sustained over time.

Rottner was one of eight finalists selected from a total of 65 dissertation proposals to present to a panel of judges. She competed against students from Wharton, MIT, Columbia, Cornell and INSEAD for the win.

As part of her work, Rottner has conducted numerous interviews and has extensive archival data. Her research was funded by a grant from the History Program at NASA, and she is in the process of writing a monograph for them as part of the project.

The Merage School Corporate Partners Program Welcomes Five New Members

Bausch & Lomb, Microsemi and Pacific Alternative Asset Management Company (PAAMCO), Sage Software and Yamaha Corporation of America are the most recent companies to join the Merage School's Corporate Partners Program in support of the School's research and education efforts and extensive Executive Education pro-

grams, conferences and seminars.

There are currently 24 companies participating in the program, including Kingston Technology Company, Inc.

BAUSCH + LOMB



"Membership in the Corporate Partners Program is a key part of our community relations strategy at Kingston," said Stephen Rodriguez, director of Financial Reporting Systems. "It affords us the opportunity to discuss common business issues with a diverse group of industry leaders facilitated by The Paul Merage School of Business faculty and staff. We also benefit from early access to outstanding students for internships and recruitment as well as access to the Merage School faculty for training or consulting engagements."

For more information, visit merage.uci.edu/go/corporatepartners.

Program News



New Fellowship Fund Established to Honor Leading Businessman and Tech Coast Angels Founder, Luis Villalobos

Friends and colleagues of recently deceased businessman, entrepreneur and Tech Coast Angels founder, Luis Villalobos, are working to establish an endowed fellowship fund to be awarded to a graduate MBA student at The Paul Merage School of Business. The *Luis Villalobos Endowed Fellowship in Entrepreneurship* is designed to honor the business leader in perpetuity.

According to Tech Coast Angels Orange County President Richard Sudek, "Luis spent most of his life mentoring and training new entrepreneurs. It's appropriate that this endowment should continue his mission to help and assist young entrepreneurs."

The Villalobos Fellowship will attract outstanding students to the full-time MBA program at The Paul Merage School of Business. Candidates for the endowment must meet all of the requirements for admission to the school as well as display an interest in entrepreneurship and/or starting or being part of a new business.

Villalobos passed away on October 1, 2009. He is remembered as the founder of Tech Coast Angels, the largest angel investment network in the U.S., and as a tireless entrepreneur and investor who founded several successful high technology firms, invested in over 50 early-stage startups and personally mentored at least a dozen company CEOs.

The Villalobos Fellowship is expected to be available for application in 2010. Donations are currently being accepted for the Luis Villalobos Endowed Fellowship in Entrepreneurship. Checks can be mailed to Assistant Dean Donna Mumford, The Paul Merage School of Business, UC Irvine, SB 350B, Irvine, CA, 92697. Donations can also be made online via credit card. For further information, contact Donna Mumford at 949.824.6418 or dmumford@uci.edu.

Chris Kovitz has joined the MBA Career Center staff as associate director and lead for the Finance and Real Estate Career Verticals. Previously Kovitz served as associate director of Experiential Learning for the MBA program at Eller College of Management at the University of Arizona. He also served as a career coach assisting students securing positions in Finance and Consulting.

Prior to his time at Eller, Chris ran his own career coaching and training firm focusing on helping professionals and students make successful career

transitions. He worked for more than fifteen years for Fortune 500 companies including Abbott Laboratories, Eaton Corporation, and Deloitte Consulting and held several leadership and managerial positions in functions including: Engineering, Supply Chain, Marketing, Finance, and International Project Management.

Kovitz holds a bachelors degree in Chemical Engineering from the University of Michigan, and an MBA from the University of Chicago, Booth Graduate School of Business.

New Research, Books & Ideas



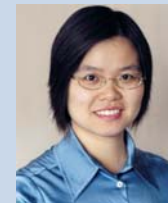
Congratulations to **Greg Autry** and **Professor Peter Navarro** for their article, "Leveraging Business Cycle Ups and Downs," which was published in the

December 2009 issue of Financial Executive magazine.



Professor Connie Pechmann's article on the efficacy of Entertainment Education was published on the Journal of Marketing Research website in

January with the hard copy version scheduled to come out in the February edition of the organization's magazine.



Professor Shuya Yin's paper titled, "Alliance Formation among Perfectly Complementary Suppliers in a Price-Sensitive Assembly System" has been accepted at Manufacturing and Service Operations Management Magazine (MSOM).

accepted at Manufacturing and Service Operations Management Magazine (MSOM).

Strategic Issues in Management Series Begins February 25

Forward-thinking seminars geared toward managers and administrators who want to sharpen management skills and enhance their careers will get underway beginning February 25.

The series allows participants to:

- Gain tools and techniques today – apply them tomorrow!
- Network with peers in a dynamic classroom setting.
- Learn new approaches and perspectives from our world-class faculty and each other.
- Earn a certificate of completion – a great resume builder.

Formerly the MBA Update program, the Strategic Issues in Management

Series (SIMS) provides today's senior managers with an opportunity to both update and broaden their business skill set and knowledge. World-class faculty from UC Irvine's Paul Merage School of Business conduct highly interactive seminars designed to address today's most pressing management needs.

Each of the half-day seminars is held 2:30 - 6:30 p.m. on campus in executive classrooms using the latest teaching technology. A certificate of completion is given to participants who attend any four (4) sessions.

For Merage School Alumni and Friends' discount information, or to register for one or more of the seminars, visit merage.uci.edu/go/SIMS.

FEBRUARY 25, 2010	Building Effective Teams – Professor Kristin Behfar
MARCH 18, 2010	Finance for Non-Financial Managers – Professor Todd Richey
APRIL 8, 2010	Driving Transformation with Information Technology – Professor Vijay Gurbaxani
April 15, 2010	Resolving Organizational Issues with Negotiation – Professor Lisa Barron

Sue Swenson, CEO of Sage Software, Speaks on Leadership at Distinguished Speaker Series



Sue Swenson, president and CEO of Sage North America, packed the house on January 22 for The Paul Merage School of Business Distinguished Speaker Series. Hosted by the Center for Leadership and Team Development and presented by Bank of America, Swenson's presentation, "From Individual States to a Collaborative Community: For the Sake of the Customer" gave more than 300 guests unique insight into her highly effective leadership style.

The next Distinguished Speaker Series event, scheduled for March 4, will feature Edwards Lifesciences CEO Mike Mussallem. General admission is \$50. Register now at merage.uci.edu/go/dss.

The Distinguished Speaker Series highlights the innovation processes, leadership perspectives, ethical frameworks, decision making practices and insights of top business leaders. The series is presented by Bank of America with sponsors including Bingham McCutchen LLP, Capital Group Companies, PricewaterhouseCoopers and Wells Fargo.

The next Distinguished Speaker Series event, scheduled for March 4, will feature Edwards Lifesciences CEO Mike Mussallem. General admission is \$50. Register now at merage.uci.edu/go/dss.

New China?

Continued from page 2

the state is under-accounting for the largest debt, the state's employee retirement benefits, which cost the state's tax payers \$5.5 billion this year and is expected to grow exponentially.

"American households are highly leveraged," said Crane. "For our economy to gain traction we must exploit trade and exports to fuel growth."

Both Policano and Crane agree innovation will be the key to growth. "There has been a reduction in capital for small business. Economics tells us that capital follows demand, and demand is created by innovation," said Crane.

For a look at Dean Policano's presentation visit merage.uci.edu/News.aspx?EventID=55.

NEXT ISSUE:

Stay tuned to find out results of the 2010 Business Plan Competition, the Merage School's largest competition to date. The Final Presentations and Awards Ceremony will be held on May 21 where winning teams will share \$30,000 in cash and prizes.



War Games

Continued from page 1

PREDICTION 1:

Manpower shortage will slow progress.

PREDICTION 2:

Adoption of EMR will come slower than expected.

PREDICTION 3:

Leverage and consolidation will occur in the marketplace.

PREDICTION 4:

Health plans will be forced to "un-tether" their records.

PREDICTION 5:

Evidence-based medicine will be truly enabled by EMR adoption.

Competitive intelligence guru Leonard Fuld commented, "The EMR market is one that hungers for consolidation and the standardization that comes with it. Government stimulus money or further regulation will not do the trick. The \$19 billion of EMR seed money is to stimulate – intentional or not – corporate M&A. With a vast majority of the hospital and physician market not yet embracing this technology – partly because it's not standardized – merging platforms through acquisition is inevitable, and it's beginning."

The war games are a component of the Merage School's unique Competitive Intelligence (CI) course included each year in the MBA program. To ensure the CI course delivers a comprehensive and best-in-class curriculum, the Merage School has partnered with Fuld & Company, the world's leading consultancy in the competitive intelligence field.

