

CHICAGO PRICE THEORY

Ryan Gift Names Becker Center

With generous support from many, including a major gift from **Richard Ryan, '66**, the Initiative on Chicago Price Theory has been renamed after Nobel laureate **Gary Becker**, University Professor of Economics and of Sociology.

Beginning July 1, the Initiative became the Becker Center on Chicago Price Theory, Founded by Richard O. Ryan, '66. **Steven Levitt**, Alvin H. Baum Professor in Economics and the College, was director of the Initiative and continues as director of the Becker Center. Levitt, Becker, and **Kevin Murphy**, George J. Stigler Distinguished Service Professor of Economics, were the founding members of the Initiative.

Dean **Edward Snyder** announced the gift at a dinner celebrating Becker's achievements, held during the inaugural Initiative on Chicago Price Theory Conference in April at the Hyde Park Center. "Economics, but for Gary Becker, would be a much less exciting discipline, less relevant, and much more narrow," said Snyder, whose comments launched a series of affectionate and admiring tributes to Becker, the 1992 Nobel Prize winner in economic sciences.

ment from Monsanto in 2002, Ryan said he "personally witnessed that the benefits of this kind of research can be enormous." He credited the GSB with giving him a knowledge and respect for the field that "could not have been cultivated more deeply anywhere else." Ryan said, "The study and exposition of price theory is where the University of Chicago distinguishes itself, thanks to an unparalleled legacy of globally recognized economists."

But price theory took the back seat to heaping praise on the honoree during the dinner. Remarks ranged from the personal to the humorously theoretical as Becker's family, friends, former students, and colleagues offered different views of the man.

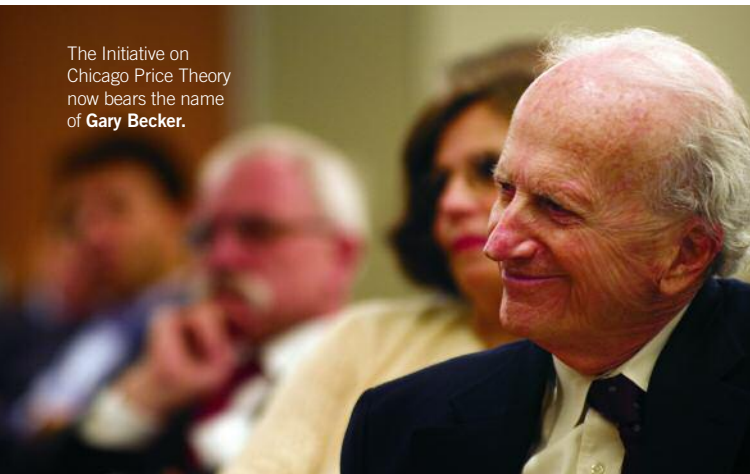
Before offering an acknowledgement of the professor's impact on economics and law, frequent Becker collaborator Richard Posner admired his colleague's unflagging tenacity and his persistence even when pursuing an unusual course of thinking. "It's Gary's unflinching resolve to follow rational choice theory wherever it may lead and, if necessary, fight skepticism—and even indeed ridicule—by his persistence, that marks him as a very serious theorist," said Posner, senior lecturer at the University of Chicago Law School.

Murphy presented Becker with a first edition of Adam Smith's *Theory of Moral Sentiments* and thanked Becker "for seeing further than just about any other economist in terms of what economics could do. He pushed opened new doors into areas that other people probably wouldn't even have thought of; he pushes economics in every direction he can."

Becker's brief remarks concluded the evening. Economics will change over time, but one constant—whatever the tools or techniques—is the goal of economics, he said. "It is judged ultimately by how well it helps us understand the world, and how well we can help improve it."

In addition to the gift from Ryan, financial support for the Becker Center was provided by Betsy Gidwitz; **Ralph Gidwitz, '74 (XP-34)**; **Ephi Gildor, '88**; the provost at the University of Chicago; the Social Sciences Division at the University of Chicago; and Chicago GSB.—J.G.

ON THE WEB To read coverage of the inaugural Chicago Price Theory Conference, including a debate on whether money managers are worth big paychecks, go to ChicagoGSB.edu/ontheweb and enter the keyword "big paychecks".



The Initiative on Chicago Price Theory now bears the name of Gary Becker.

University of Chicago president **Don Randel** heralded Becker as the embodiment of the university's spirit and its focus "on the pursuit of great ideas wherever great ideas take one" in a toast opening the tribute dinner for some 170 guests in the Rothman Winter Garden. The price theory initiative "derives from a belief that it can address a growing disconnect between much of economics and what we really need from economics," Snyder said. "The purpose of the initiative is to change the course of economics."

During his career in agriculture that ended with his retire-

ENTREPRENEURSHIP

Illinois Adds to Award Money for New Venture Challenge Winners



Students who won the 2006 Edward L. Kaplan New Venture Challenge earned more prize money than their counterparts over the past decade thanks to additional award funding from the Illinois Department of Commerce and Economic Opportunity (DCEO).

In addition to splitting \$50,000 in prize money from Chicago GSB, the top winners will share a \$25,000 supplemental award from DCEO for locating the business in Illinois.

Tied for first place were Collectica (www.collectica.com), an online resource for collectors, and GrubHub (www.grubhub.com), an online restaurant delivery guide, which both received \$17,500 from the NVC competition. Hybridtronics, (www.hybridtronics.com), a company promoting hybrid vehicle technology for trucks and buses in Asia, received third place and \$10,000. The fourth place prize went to Identity Corporation, a hair salon and day spa for professional African American women, which received \$5,000.

Additionally, Collectica and GrubHub were awarded \$7,500 each, while Hybridtronics and Identity Corporation received \$5,000 each from DCEO.

The four teams were among nine finalists who emerged from the original field of 55 teams that submitted business plans last fall.

"This is the most diverse set of presentations I've ever heard," said **Edward Kaplan, '70**, who granted seed money 10 years ago for the annual business plan competition.



Top Teams: Tied for first place in the 2006 New Venture Challenge were Collectica, a Web site for collectors, and GrubHub, an online restaurant delivery guide.

The chairman and CEO of Zebra Technologies, who was among speakers at the award ceremony and tenth-anniversary dinner at the Hyde Park Center, will extend his support until 2012.

The competition has only grown stronger over the past 10 years, especially as the Polsky Center for Entrepreneurship has gained renown, Kaplan said. "We've gone from nothing to a clear leadership position in what is taught about entrepreneurship."

DCEO director **Jack Lavin, MBA '90, AM '90**, agreed. "Where the GSB has gone in the past 10 years is tremendous," he said. "It has turned into an engine of the future."—c.m.

ON THE WEB To learn more about the New Venture Challenge, visit chicagonvc.com; to learn more about the Polsky Center for Entrepreneurship, go to ChicagoGSB.edu/entrepreneurship.

Update Asia

CDO Asia Hosts Speakers

The Career Development Office in Singapore held a session at the GSB Asia Campus in April that featured three speakers in finance: **Brian Baker, '97**, CEO and director of PIMCO Asia; Nels Friets, head of ASEAN Equities for Citigroup; and Will Hoon, executive vice president of Transpac Capital, a private equity firm in Asia. With more than 70 students and alumni in attendance, "There was a lively discussion on topics such as what a 'day in the life' looks like for these folks, what motivates them, why they like their jobs, whether they have work-life balance, and more," said **Linda Eunson**, director of the CDO in Asia.

In May, image consultant Jane Jackson presented tips on how to dress for success. "This was Jane's third time speaking at the GSB," added Eunson. "She comes from a public relations and career coaching background. More than 35 current students attended. And now we all know what length and width men's ties should be."—A.R.

AXP-7 Class Profile

Here's a look at the seventh class in the Executive MBA Program Asia.

Number of students: 92 (82 percent male, 18 percent female)

Average age: 36

Average years work experience: 12

Countries of residence: 16, including Canada, Italy, Peru, and Russia

Countries of citizenship: 22

ALUMNI

GSB Launches Global Advisory Board

Dean **Edward Snyder** announced the launch of a Global Advisory Board "to strengthen the school throughout the world."

The board is comprised of three cabinets of alumni and other prominent individuals from the Americas, Europe/Middle East/Africa, and Asia. (See below.) The cabinets will help identify new corporate partners, engage the entrepreneurial community, sponsor admissions and alumni events, and market the GSB worldwide.

The cabinets will begin meeting in fall 2006 and early 2007.—M.M.B.

Global Advisory Board Leadership

AMERICAS CABINET
(INCLUDES MEXICO, CARIBBEAN, CENTRAL AND SOUTH AMERICA)

Chair: **Jaime Chico Pardo, '74**, CEO, Telmex

Vice chair: **Janet Ortega, '81**, director, Saenz Hoffman

EUROPE/MIDDLE EAST/
AFRICA CABINET

Co-chair: **Bruce Rigal, '89**, chief operating officer, Global Banking Deutsche Bank

Co-chair: **Frits Seegers, '89**, Chief executive of global retail and commercial banking, Barclays

ASIA CABINET

Chair: **Luis Miranda, '89**, president and CEO, IDFC Private Equity

EXECUTIVE MBA PROGRAM



Going Global: Students from around the world convened at a welcome reception at the River East Art Center in Chicago for the annual orientation of the Executive MBA Program in June. The classes of XP-77, AXP-7, and EXP-13 include 280 students representing 52 countries of citizenship and 38 countries of residence, including Australia, Bahrain, Brazil, Egypt, Ivory Coast, Israel, Latvia, Saudi Arabia, Turkey, United Arab Emirates, and Vietnam.

CONVOCATION

Class of 2006 Urged to Apply Economic Principles to Everyday Life

Chicago GSB's class of 2006 can have a "disproportionate impact" on the world because they can apply economic principles in life, according to speakers at spring convocation June 11 on Harper Quad.

Giving "one last lecture" to the graduates, **Kevin Murphy**, George J. Stigler Distinguished Service Professor of Economics, encouraged them to apply economic principles personally and professionally to the world at large—



Class of 2006: At spring convocation, Chicago GSB awarded PhD degrees to four students, both an MBA and a PhD to five students, and MBA degrees to 702 students. Professor **Kevin Murphy** (right) addressed the graduates.



in particular, equilibrium, incentives, and cost-benefit analysis.

He suggested there is equilibrium in the "market of ideas" and told students to recognize the value of the status quo. Practices at professional institutions usually evolved because they have

advantages, he said. "People often talk about thinking outside the box and, indeed, there are many good ideas outside the box. Unfortunately

there are many more bad ideas outside the box than there are good ideas," said Murphy, after doffing his academic cap to reveal a baseball cap.

Students now need to jump from thinking about things on the blackboard to practicing those principles in life outside the classroom, Murphy said.

"Incentives do matter," he said, recommending they apply cost-benefit analysis when they consider alternatives, define objectives, and determine hidden costs in life.

Mary Ann Tolan, '92 (XP-61), CEO of Accretive Health, recalled being welcomed to the GSB with the observation that its students "are those who would seek to have disproportionate impact." She exhorted graduates to make that impact as entrepreneurs. Taking a risk as an entrepreneur gives the reward of learning even when the initiative fails, Tolan added.

She also urged students to consider public service. "We often are looking for people with sound economic bearings to have a voice," she said. "I look forward to an opportunity to vote for you. You would grace the political world."—J.G.

Update Europe

EXP Hosts "Corporate Day" for Sponsors

In May, the London campus hosted EXP's first annual Corporate Day to highlight how firms benefit when managers participate in GSB educational programs. Attendees included representatives from sponsoring companies as well as those considering sponsorship. Panelists included current EXP-12 students, professors, and training and development executives. **Marvin Zonis**, professor emeritus of business administration, gave the keynote. To invite someone to the next Corporate Day, contact **Arnold Longboy** at arnold.longboy@Chicago.GSB.edu.

Record Interest Continues in London Program

With its second class to study in London, the Executive MBA Program Europe continues to draw record levels of interest. "It is hard to believe that we again experienced double-digit growth in inquiries and applications after last year's phenomenal experience," said Longboy, director of recruitment and corporate relations in London, adding that this class may be the most diverse ever. Take a look below.—A.R.

EXP-13 Class Profile

Number of students: 90 (73 percent male, 27 percent female—the highest ever in EXP)

Average age: 35

Average years work experience: 11

Countries represented by citizenship or residence: 40, including for the first time Cameroon, Jamaica, Montenegro, and South Korea

MANAGEMENT CONFERENCE

Dougan: Financial Institutions Must Adapt to Change

With hedge funds booming, markets emerging in China and India, and lines blurring between financial vehicles, financial institutions must adapt, according to **Brady Dougan, AB '81, MBA '82**, CEO of Investment Banking at Credit Suisse.

“This industry in particular reinvents itself every 20 years,” Dougan said. “Eighty percent of the revenues that we make today were businesses that didn’t exist 20 years ago.” Dougan shared his thoughts with dean **Edward Snyder** at the 54th annual Management Conference May 19, an event that drew more than 1,000 alumni and friends of Chicago GSB to the Hyatt Regency Chicago for lunch and to Gleacher Center for afternoon panel discussions on a range of issues.

Business strategies and customer bases are going to change, so the most important part of management success is having employees who can deal with change, he said. “You have to have really great people [who can adapt].”

Dougan said fast-growing parts of the world will bring “incredibly exciting change.” India is rapidly developing a middle class, and China is moving from an export-led economy to a consumer, domestic economy. “This is really going to drive a new era in terms of how China interacts with the world,” he said.

“Another good trend is that growth is happening in places like China and India, so we’re actually seeing a better redistribution of some of the wealth and the growth around the world,” he said.

Dougan cited statistics that show the world’s resources are distributed disproportionately. While 100 million people are spending money to lose weight, another seven billion basically eat to live, and another four and a half billion don’t know where their next meal will come from. “That distribution is something the world’s financial systems have to do a better job of equalizing,” Dougan said. “Clearly, that’s not sustainable in the long run.”

One way to build value and improve standards of living is to marry microfinance with macrofinance, he said. “Huge capital surpluses” around the world need to be put into microfinance-type businesses, Dougan said. CSFB has a \$400 million fund to do just that. While it is a “very effective”



Advice from the Top: Work with the growth in India and China, advised **Brady Dougan, AB '81, MBA '82** (right). The youngest CEO on Wall Street, Dougan spoke with dean **Edward Snyder** at Management Conference in Chicago. Dougan heads Investment Banking at Credit Suisse.

method, a “tremendous” amount more needs to be accomplished in this area, he said.

“We’ve had some government sponsorship,” Dougan said. “But the private sector really needs to pick it up and run with it and drive it. And I think that will increasingly happen.”—M.S.P.

ON THE WEB For complete coverage of Management Conference, including panel discussions on branding, setting goals, and changes in hedge fund management, go to ChicagoGSB.edu/ontheweb and enter the keyword “management conference”.

Heard at Chicago GSB News

“I’m afraid Americans don’t see the EU’s accelerating drive toward the social democratic—more social than democratic—European superstate.”

Vaclav Klaus president of the Czech Republic, speaking to students at the Hyde Park Center as part of the Distinguished Speaker Series in April.

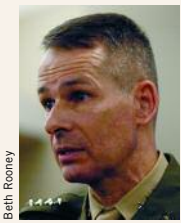


“It’s critically important that there are always women who want to be the first, because otherwise we won’t change the world. But it isn’t right for everybody. It’s a lonely road to walk. You need to ask yourself if you want that. If you don’t want it, don’t believe what they tell you.” **Christie Hefner**, chairman and CEO of Playboy Enterprises, in her keynote address at the Committee of 200’s spring conference in Chicago in May.

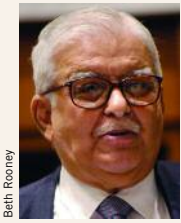


“We essentially had to create a \$6 billion enterprise in two days and it had to be effective at that point.” **Jack McGuire**, interim president and CEO of the American Red Cross, on the challenge of adjusting its model to fit the magnitude of Hurricane Katrina. In the years before Katrina, the Red Cross helped 73,000 families; after Katrina, it helped 1.3 million. McGuire spoke to students at the Hyde Park Center in April.

Heard at Chicago GSB highlights prominent speakers at the GSB. Quotes in this issue were reported by Jenn Goddu, Mary Sue Penn, and Phil Rockrohr.



“I promise you this: if you embrace whatever responsibilities you get, and you do them to the best of your ability, you will be successful beyond your wildest imaginations, because there are more good jobs out there than good people.” **General Peter Pace**, chairman of the Joint Chiefs of Staff, speaking to students at the Hyde Park Center as part of the Distinguished Speaker Series in May.



“A giant is awakening, because the genie that is Indian entrepreneurship, which I think was kept bottled for at least 200 years, has now been unbottled.” **J. J. Irani**, speaking to students in downtown Chicago as part of the Tata Indian Business Conference in May. Irani is a director of Tata Sons, Tata Industries, Tata Motors, and Tata International.