

FROM THE CHAIRS

A Successful Campaign Continues



Matthew Gilson

Capital campaign co-chairs Dennis Keller, '68, (left) and Andrew Alper, A.B. '80, M.B.A. '81



Related campaign stories in this issue:

page 11
Alumni Effort Helps Chicago GSB Fund Reach Record Amount

Chicago GSB Fund Exceeds Goal

Record-setting donations to the Chicago GSB Fund, along with other campaign gifts, have made it clear the campaign continues to draw incredible support. Thanks to the diligent work of alumni volunteers, the fund had its best year ever, drawing more than \$4.1 million (see "Alumni Effort Helps Chicago GSB Fund Reach Record Amount," page 11). We think this shows a tremendous response to the spirit and commitment of dean **Ted Snyder** and demonstrates that the GSB community is solidly behind him. Each gift was important—regardless of size—because every contribution helped us reach this goal.

While gifts to the Chicago GSB Fund make it possible to respond to needs that arise suddenly, we are also glad to report that gifts for specific GSB campaign goals are on the increase. By November 1, we had raised more than \$143 million, or 57 percent of our total goal of \$250 million. Of that amount, some \$58 million will go to creating the new Hyde Park campus, and nearly \$15 million will support student scholarships. Additional donations have been made to other aspects of the campaign, including faculty support and research centers.

Summer Travel

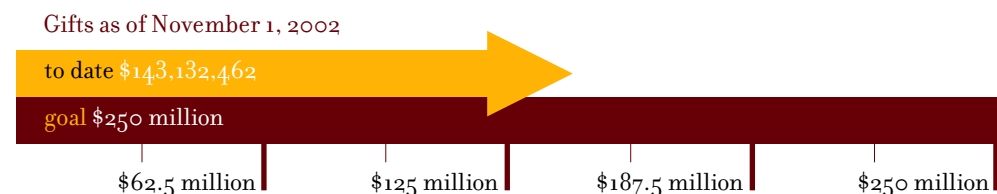
Ted visited with alumni and student interns in several cities this summer to solidify sound relationships with companies from Pfizer to Ford. The visits also gave him a chance to speak with students to make sure they had been well prepared for their internships. He visited Wellington Management in Boston, Eli Lilly in Indianapolis, Merrill Lynch in London, Pfizer in New York, and Ford in Detroit.

Boston Celebration

Jim Kilts, '74, hosted a dinner in June at L'Espalier to introduce Ted to alumni donors and friends in the Boston community. Among those who attended were **Basil Anderson, '71**; **Gerard Badler, '72**; **Marie-Claude P. Bernal, '71**; **Satish Bhat, '96**; **Beatrice C. and David Burke, '60**; **Eugene Clapp III, '74**; **Arthur Clarke, '76**, and his wife, Susan P. Sloane; **Frances and Charles Cramb, '70**; and **Maureen and Max Haviland, A.B. '82, M.B.A. '83**.

Other guests were **Richard Heller, '80**; **Bruce Herzfelder, M.B.A. '87, J.D. '87**, and his wife, Ellen Roy; **Daniel Kasper, J.D. '70, M.B.A. '71**; **Judith W. and John Kordash, '75**; **Helen and Hilton Lauenstein, '60 (XP-16)**; and **Dick Wai-Cheong Man, '83**, and his wife, Margaret M. Chang.

\$143,132,462* and counting



*This new campaign total reflects confirmed gifts and pledges only.

FROM THE DEAN

Businesses, Students Turn to Chicago GSB



Mark Joseph

In this challenging economy with a multiplicity of risks, businesses from many quarters are turning to the GSB. On the executive education front, the GSB is the only school I know that earned higher revenues in these nondegree programs last year. Similarly, in this tougher job market for new graduates, record numbers of prospective M.B.A. students look to the GSB as the most substantive graduate school of business.

Is it all part of a return to traditional values? In part, yes. As my colleague [deputy dean] **Ann McGill** says, the proposition that "to succeed, one really does need to know something" is enjoying renewed appreciation.

But there is more going on than a return to something known. We are not returning to a simpler economy or less agile business organizations. The technology revolution leveraging the computer and information networks will continue to change business practice for decades to come. In addition, the transition to market-oriented economies that holds the promise of fully integrating three billion people

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into a global economy is far from complete. It will generate significant opportunities for those who can operate effectively in ambiguous circumstances.

Indeed, the GSB is getting much attention now because business leaders need new knowledge and new insights. Our century-long track record of providing just that has established the GSB as the authority on capitalism. People are confident about investing their time, money, and efforts in our programs. People believe in the Chicago approach to management education.

What is the Chicago approach? **Kevin Murphy**, George J. Stigler Professor of Economics and a member of the GSB faculty since 1983, cites four key elements:

1. Discipline-based knowledge is a powerful tool for understanding how organizations function and how markets work.
2. Empirical evidence is important for building discipline-based knowledge.
3. Good decisions follow from good analysis.
4. Good business practices follow from good fundamental principles, not the latest fads.

This coherent statement helps explain why GSB faculty are so tough-minded in workshops and in the classroom. It helps explain why our alumni are ready to confront any business challenge, confident in their ability to analyze a situation and then act. It also clarifies the GSB's unique role in addressing the issue of ethics in business, a topic that I hope to address in a future letter to you.

Meanwhile, I wish you the best in all your endeavors.

Edward A. Snyder
Dean and George Pratt Shultz Professor of Economics

LETTERS

To the Editor

Where Are the Women?

The Spring 2002 issue of the magazine just arrived. OK, so I could spot only six women in the hard hat-wearing crowd on the cover. But when I looked at the sod-turning photo on the inside cover, I truly was incensed. What does this photo of eight men say to women who might consider attending the GSB? What does it say to women who are alumnae? I have been asked for more than 30 years to contribute to this school, all the while believing that it stood for scholarship and research for both men and women. I thought that the prejudices against women had changed since I graduated in 1970. Was I wrong? What's wrong with this picture? I suggest that if it were a photo of eight women and no men, someone would have noticed that this was not representative of the GSB.

Evelyn H. Lazare, '70

Editor's Note: *This is a good point, and it is not the first time a reader has pointed out gender disparities in the magazine and at the GSB. In fact, there are many more alumni than alumnae overall: approximately 29,000 living male graduates to 7,000 female ones as of July 2002. Despite the fact that we have a smaller pool of alumnae from which to draw, the magazine staff works hard to cover the accomplishments of alumnae throughout the magazine, from features to class notes. In the case of the Spring 2002 cover photo (top), it was selected to show the diversity of the enormous crowd that attended*



Dan Dry



Dan Dry

A diverse crowd donned hard hats in May for the groundbreaking of the GSB's new Hyde Park campus, shown on the cover of the Spring 2002 issue of *Chicago GSB* (top). The inside front cover (above) illustrated the first people to break ground including (from left) chairman of the university's board of trustees **Edgar D. Janotta**, university president **Don Michael Randel**, campaign co-chair **Andrew Alper, A.B. '80, M.B.A. '81**, campaign co-chair **Dennis Keller, '68**, dean **Edward A. Snyder**, former dean **Robert S. Hamada**, deputy dean **John Huizinga** (who is supervising the new building project), and architect **Rafael Viñoly**.

the event, in terms of gender, race, and age. For the inside front cover (above), we sought a photo that pictured the first shovel of earth being turned at the ceremonial groundbreaking. The lineup featured the primary individuals responsible for creating the new facility, from dean Edward A. Snyder to former dean Robert S. Hamada to architect Rafael Viñoly.

From an aesthetic and historic perspective, we thought it was the best image to use on the inside cover. Subsequent lineups featured alumnae as well as female administrators and staff members, and a photo of both women and men breaking ground opened the story on page 24.

Change may come slowly, but statistics show a shift is beginning to

take place. The incoming class boasts the highest percentage of women at the GSB ever—31 percent. This new number reflects a strong recruiting effort on the part of the school to boost the number of female students, including receptions and a brochure targeted toward women. Deputy dean Ann McGill says programs are in place to keep the momentum going. To do this requires participation from all the GSB's constituencies, and interested alumnae can join the GSB's effort to attract women by participating in admissions receptions worldwide. For more information, contact Go Yoshida, associate director of admissions, at 773.834.8742. To find out how to become involved with the current student population, contact Jessica Pounds-Bryant, director of diversity affairs, at 773.702.6803.—M.M.B.

The Functioning of Capitalism in America

Capitalism can be defined as a political, social, and economic system in which property, including capital assets, are owned and controlled, for the most part, by private persons. The doctrine that underlies the functioning of the system of capitalism is *laissez faire*, which implies that the economic affairs of society are best



What do Chicago GSB experts have to say about ethics and Enron's fall? Professor **Richard Leftwich**, alumni **Michael Polsky** and **David Vitale**, and dean **Edward A. Snyder** gave their assessments in the Spring 2002 *Chicago GSB*. Read it online at gsbwww.uchicago.edu.

guided by the decisions of individuals acting in their own interest and that are virtually excluded by collective authority. This doctrine derives its analytic foundations from the works of Adam Smith, who argued in *The Wealth of Nations* that the individual acting purely out of self-interest will yield a progressive force that will result in a maximization of the total wealth of a nation.

The role of public authorities, given this aim, should be to create the legal apparatus and environment that would allow individual actions to permit maximum growth of wealth and income and minimize the misdirection of resources away from their most effective use. To what extent has capitalism in America diverged from these objectives? This is a question that serious students of the subject should be asking themselves. It is being asked by the United States Congress, which is now in the process of tightening regulations of auditors, stock analysts, and corporate executives. Both Democrats and Republicans have supported this legislation, motivated by the Enron bankruptcy and the indictment of the Andersen accounting firm. The Securities and Exchange Commission is setting up a new oversight system to set accounting standards and discipline auditors of publicly traded companies. The aim is to shore up investor confidence that has been badly shaken by the Enron fiasco, major accounting missteps in major corporations, and other exposures of questionable practices on Wall Street. This will be the first

time in this country's history when the accounting profession will experience vigorous regulatory oversight that is independent, transparent, effective, and swift.

While the final outcome of these measures remains in doubt, the fact remains that corporate executives and members of the accounting profession have committed serious infractions. Their actions will compromise the legitimate interests of employees and raise serious questions about the prerogatives and even the integrity of the business world. How widespread is "Capitalism's Hollow Core," alluded to in the *Washington Post* editorial of May 19, 2002, and what is the responsibility of graduate schools of business in coping with it? Is this a legitimate question one should raise at this time? In my opinion, the answer is yes.

Joseph A. Hasson, Ph.D. '51

Corrections

In "A Winning Venture" (Summer/Fall 2002), *brightroom*, the company of **Sol Kanthack, '00**, was not designated as a participant in the *New Venture Challenge*. In fact, the company did participate in the annual business plan competition. Additionally, the profile of **Michael P. Polsky, '87**, referred to perestroika when describing the 1970s; however, perestroika did not begin until the mid-1980s. *Chicago GSB regrets the errors.*—M.M.B.

Please send your letters and story suggestions to editor@gsb.uchicago.edu or Editor, *Chicago GSB*, 6030 South Ellis Avenue, Room 236, Chicago, Illinois 60637.