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 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: Paul Anderson, ’71; Gerard Badler, ’72; Marin-Claude P. Bernard, ’71; Salish 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; Maureen and Max Haviland, A.B. ’82, M.B.A. ’83; 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.

The GSB is getting much attention now because business leaders need new knowledge and new insights…. People believe in the Chicago approach to management education.

Businesses, Students Turn to Chicago GSB
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 nongdegree 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 experiencing 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 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

FROM THE CHAIRS

FROM THE DEAN

A Successful Campaign Continues

Related campaign stories in this issue:
page 11 Alumni Effort Helps Chicago GSB Fund Reach Record Amount

$143,132,462* and counting

Gifts as of November 1, 2002
to date $143,132,462
goal $250 million

$62.5 million
$125 million
$187.5 million
$250 million

* This new campaign total reflects confirmed gifts and pledges only.
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 alumnae than alumni, and systems 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 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 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 then chairman of 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, accounting firms 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 prerequisites 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, 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.