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HEADLINE: Tulane Program Gives Business Students Direct Experience in Analyzing Companies; It reflects a push by M.B.A. programs to link curricula to the marketplace

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BODY:

Paul Vallone wants some answers.

A contributor to the financial newsletter Burkenroad Reports, he's been assigned to analyze the prospects of a company called Lamar Advertising. After arriving here at the company's headquarters, he and some associates are ushered into a meeting with Lamar's president and chief financial officer.

The analysts grill the executives about their expansion plans and about the impact that tobacco-advertising restrictions are having on the company's billboard business.

After the meeting, Mr. Vallone drives back to his New Orleans office -- which happens to double as his Tulane University apartment -- to begin analyzing the data he's gathered.

Burkenroad Reports is a project organized by Peter F. Ricchiuti, a former stockbroker who is now the placement director at Tulane's business school. It is designed to give students who are interested in careers in finance some practical work experience.

About 100 student analysts take to the Louisiana and Mississippi highways each week in search of investment opportunities. They visit companies that are too small to be more than a blip on Wall Street's radar.

Some students don blue smocks and hair nets to observe how efficiently employees at a poultry-processing plant can behead chickens. Others fly over a bayou with an executive of a helicopter service, learning how its network of

landing locations gives it a competitive advantage over its rivals. Still others learn about the economies of scale at a crematorium owned by a "death-care" company.

The students typically spend a full day with company executives, questioning them on a range of subjects that includes projected earnings and strategies for dealing with competitors. The students receive no academic credit for their work, but their reports on the companies -- including recommendations on whether to buy or sell -- are sent to about 1,500 investors around the country and are carried by Bloomberg News, a global financial-news service.

"Being able to sit down and talk with managers and communicate effectively is extremely important," says Mr. Vallone, a first-year M.B.A. student. "I think this experience is definitely going to help me get a job."

Mr. Ricchiuti says he doesn't know of any other business school that offers a program like his. But while its approach might be unique, the emphasis on hands-on experience is becoming increasingly common at business schools across the nation.

Criticized for years for being far removed from the marketplace, business schools have responded by setting up a variety of programs that give students actual experience working in industry. M.B.A. students at the University of Southern California, for example, are hired by Ernst & Young during the school year to provide on-line accounting advice to small companies around the country. A program called "The Hatchery," at Washington University's School of Business, in St. Louis, encourages students to create their own business plans or design one for a local entrepreneur.

The Tulane project, named after its late benefactor, the coffee importer William Burkenroad, has become a hit with students who want a work experience that will stand out in a pile of resumes. One out of three Tulane M.B.A. students takes part in the year-long program. Seniors majoring in business make up about a third of the participants.

Tulane shares some frustrations with the small companies examined by the students: While the companies have a tough time drawing the attention of professional analysts, Tulane -- which isn't in the top tier of business schools -- has trouble getting corporate recruiters to its campus.

The Burkenroad program helps students attract attention, Mr. Ricchiuti says. Since it began, four years ago, about 50 of its 150 graduates have found jobs in

securities analysis or corporate finance.

Eric Handler, who received his M.B.A. from Tulane in 1995, says the skills he used in creating investment reports carry over to his job as a health-care analyst with a New York investment bank, Commonwealth Associates.

"It was a great, practical application for a lot of the book learning we were doing in the classroom," he says. "No one really knows about these companies, so we'd often get calls about them. I received a call one day from a money manager out in California who had seen my name in an industry publication and wanted to find out more about the company I'd been researching. It was a great ego trip."

Burkenroad Reports now tracks 31 publicly traded companies in Louisiana and Mississippi, up from six when the program was started.

Small companies, such as Lamar Advertising, are happy to have someone paying attention.

Rod Rackley, general manager of Lamar's print division, says the exposure generated by the students' reports has contributed to a doubling of the company's stock price in the past year. "Lamar's a small shop, so we don't have five people sitting here generating data about the company," he says. "Any coverage we get is helpful.

"The kids are pretty sharp," he adds. "They've done their homework, and they ask good questions."

In any event, the aim of a financial analyst isn't to keep corporate executives happy, but to give investors an honest assessment of a company's prospects.

The Tulane students meet weekly to discuss their company research. At the end of each semester, teams of three students each write a detailed report on one company. The reports, about 15 pages long, include advice for potential investors. The teams rate each company -- 32 in all -- on a scale of five, based on the risks and rewards they have calculated, with "buy" being the most positive and "sell" the most negative. (Lamar received a "buy.")

Each year, the students also hold a conference that brings executives of the companies together with investors. The students help the companies prepare their presentations and introduce their executives to potential investors.

The students have established a solid track record. The stock prices of their 12 most favorably rated companies over the past year have risen an average of 50 per cent. Such a return trounces that of Standard & Poor's 500-stock index, which had an average 28-per-cent increase during the same period.

John Bossler, a retired professor who taught geodetic science at the Ohio State University, bought \$ 4,000 worth of stock in Superior Energy Services after reading about the company in Burkenroad Reports. Shares in the Louisiana company, which provides drilling equipment to oil companies in the Gulf of Mexico, were going for \$ 4 at the time. Two months later, the stock was worth \$ 11 a share. "It was just phenomenal," he says.

Why would Dr. Bossler have paid attention to a group of first-year M.B.A. students and undergraduate business majors?

"Our analysts may not be as seasoned as some," Mr. Ricchiuti says, "but investors realize that they're objective -- and they don't have an ax to grind."

The newsletter hardly has the influence of, say, the buy lists distributed by Dean Witter. In fact, an analyst at the New York office of that company said he had never heard of Burkenroad Reports.

But being a little-known, regional stock analyst means focusing on little-known, regional stocks. And it's with those companies -- not the more glamorous, heavily covered names -- that an astute analyst is often more likely to help investors make a big profit.

When Eric Stoerr, a first-year M.B.A. student, started in the program, he told Mr. Ricchiuti he wanted to be assigned to a company like Netscape, in California, which makes Internet browsers. Instead, he got Piccadilly Cafeterias, based here in Baton Rouge, which operates 129 cafeterias in 15 states.

"To his surprise, it can be fascinating," says Mr. Ricchiuti. "The company doesn't have to be sexy to make money."

When Piccadilly's stock price rose 50 per cent in the year that ended in September, Mr. Stoerr found himself cast as an expert. "The local newspapers called me for a comment when the first-quarter earnings came out," he says. "To see the way the stock has moved as the company has gained exposure has been amazing. It hadn't been followed by anyone on the Street until we picked it up."

Mr. Stoerr hopes that some of the same Wall Street firms will pay attention to him, too, when he goes looking for a job next year.

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