

FREEMAN NEWS

BUSINESS FORUM FOCUSES ON BIOTECH

Biotech companies pumped \$353 billion into the economy in 2000, an increase of 156 percent over the previous year. Can Louisiana pull together the resources to claim a share of this rapidly growing industry?

A panel presentation on the Louisiana biotechnology industry was a highlight of this year's Tulane Business Forum. The forum took place at the New Orleans Hilton on Oct. 31, 2002. More than 800 business people attended this year's forum.

Louisiana native Bobby Jindal, assistant secretary for planning and evaluation with the U.S. Department of Health and Human Services, kicked off the forum with a presentation on ways to increase federal research funding in Louisiana. Next, a panel of experts addressed the future of the biotechnology industry in Louisiana. Panelists included John Crowley, senior vice president of Genzyme Corp. in Cambridge, Mass.; Carla Fishman, executive director of the Office of Technology Development at Tulane University; and James Hardy (BSM '79), director of



"THE TRANSFER OF INFORMATION IN THE DIGITAL AGE IS GOING TO BE FUNDAMENTALLY DIFFERENT THAN IT HAS BEEN IN THE BROADCAST AGE, AND THAT CHANGE IS GOING TO BE AS DIFFERENT AS WHEN GUTENBERG FIRST INVENTED THE PRINTING PRESS." —WALTER ISAACSON

technology development at Louisiana State University's Health Sciences Center. The panel was moderated by Peter Urbanowicz (A&S '85, L '89), deputy general counsel of the U.S. Department of Health and Human Services.

After a break, New Orleans native Walter Isaacson, chairman and CEO of CNN, discussed the digital revolution and how that revolution has affected CNN's

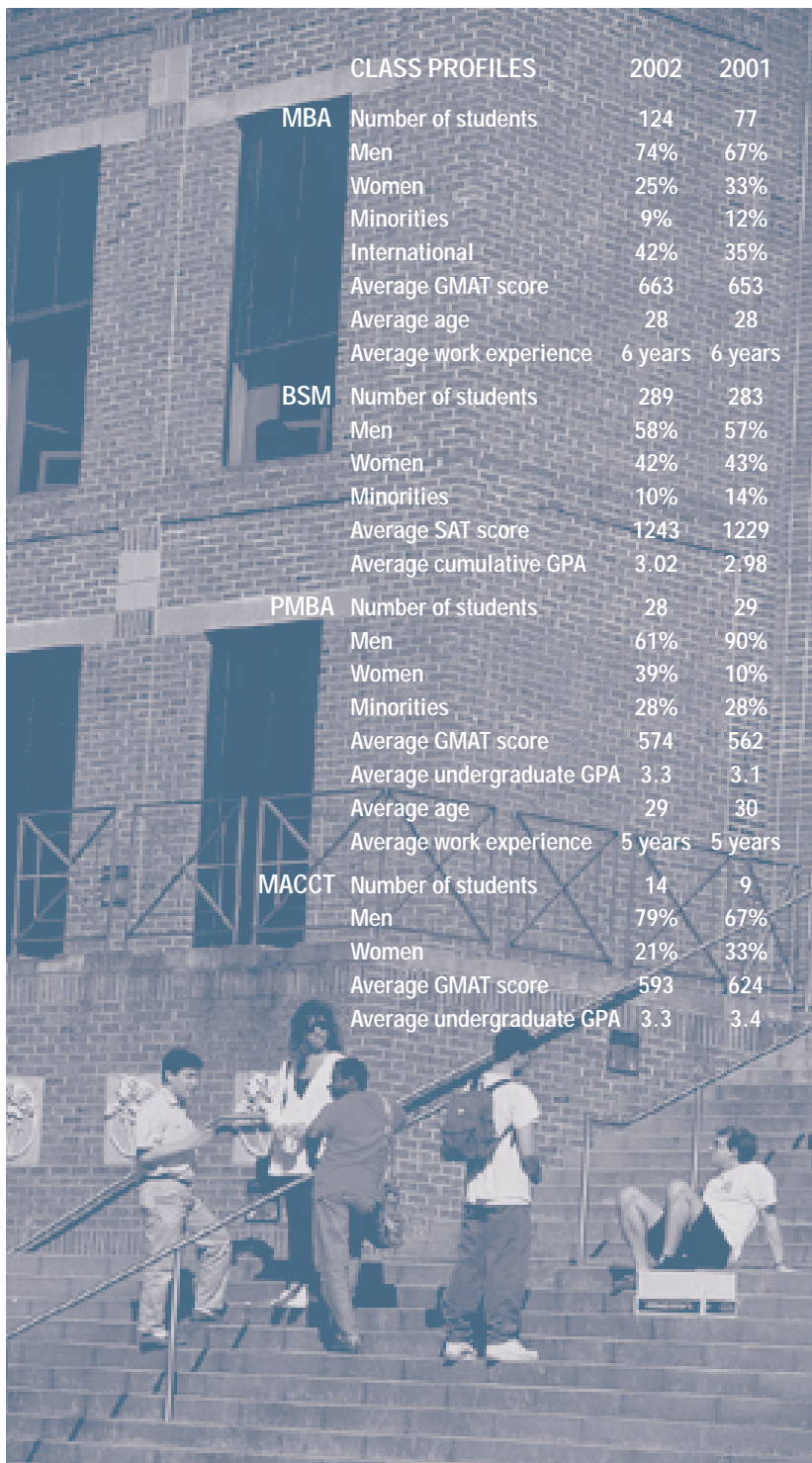
business strategy. Next, James Bernhard, president and CEO of the Shaw Group, revealed some of the secrets that helped him build the Baton Rouge pipe fabrication company into an international firm with 20,000 employees and revenues in excess of \$2.5 billion.

The forum concluded with a luncheon presentation by David Oreck, the colorful, unconventional chairman and founder of Oreck Corp., the New Orleans-based vacuum manufacturer that grew from a modest maker of machines for hotels into one of the industry's biggest retail success stories.



Top: David Oreck, founder and chairman of Oreck Corp. Right: Walter Isaacson, chairman and CEO of CNN. Left: John Crowley, senior vice president of Genzyme Corp., and Carla Fishman, executive director of Tulane's Office of Technology Development.

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CLASS PROFILES		2002	2001
MBA	Number of students	124	77
	Men	74%	67%
	Women	25%	33%
	Minorities	9%	12%
	International	42%	35%
	Average GMAT score	663	653
	Average age	28	28
Average work experience	6 years	6 years	
BSM	Number of students	289	283
	Men	58%	57%
	Women	42%	43%
	Minorities	10%	14%
	Average SAT score	1243	1229
	Average cumulative GPA	3.02	2.98
PMBA	Number of students	28	29
	Men	61%	90%
	Women	39%	10%
	Minorities	28%	28%
	Average GMAT score	574	562
	Average undergraduate GPA	3.3	3.1
	Average age	29	30
Average work experience	5 years	5 years	
MACCT	Number of students	14	9
	Men	79%	67%
	Women	21%	33%
	Average GMAT score	593	624
	Average undergraduate GPA	3.3	3.4

BIGGER AND BETTER

It's a good thing work is underway on Goldring/Woldenberg Hall II. The extra space will come in handy.

In August, the Freeman School welcomed to campus an MBA class of 124 students, a 61 percent increase over last year and the largest class in the history of the program. According to director of MBA admissions Bill Sandefer, expanding the size of the MBA program was a strategic decision, but the quality of the new class surprised even him.

"We have 30 percent who scored over 700 on the GMAT," says Sandefer. "It's pretty scary. When I started here seven years ago, a 700 GMAT was something to get excited about. Now it's almost become the norm."

Sandefer hoped to increase the size of the MBA program in anticipation of the opening of Goldring/Woldenberg Hall II, the Freeman School's new graduate facility, which is scheduled to be completed for the fall 2003 semester. That strategy coincided with a nationwide increase in the number of students seeking MBAs, an increase Sandefer attributes to a number of factors, not the least of which is 9-11. "People did a lot of reassessment," Sandefer explains. "I've heard from many students that you have to make a decision about what you're going to do with your life and an MBA for many people plays a very strong part in restructuring those life options."

Sandefer adds that the economy also played a role in increasing the size of this year's pool. "We

have a couple of students who were victims of Enron and the downturn in the economy," he says. "When you have an opportunity to stop and reassess what you're doing and look at other career opportunities, the MBA emerges as something people want to do."

The larger pool of students enabled Sandefer and his staff to increase the number of MBAs admitted without affecting quality indicators. "The quality of students applying was very high," Sandefer says. "We opened up a bit and admitted a few more students, and most of the ones we admitted came. I think we did a great job communicating what makes Tulane a special place."

TULANE BREAKS GROUND IN ASIA

In October, Tulane became the first non-Chinese university to establish a campus in that country with the groundbreaking for the Tulane International Business School. The school, located in Shanghai Zhangjiang Hi-Tech Park, will house the Freeman School's Asia Executive MBA program in China.

The Shanghai Zhangjiang Hi-Tech Park was established in July 1992 as a national business park for the development of new technology. In August 1999 the Shanghai municipal government issued a "Focus on Zhangjiang" strategic policy to accelerate the park's development. The program increased the park's area from 17 to 25 square kilometers. The park's two leading industries are information technology and modern

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Doing the honors at the ceremonial laying of the foundation stone for Zhangjiang Tulane International Business School were, center left to right, Haibo Dai, president of Shanghai Zhangjiang Hi-Tech Park; Jevons Lee, coordinator of the Asia Executive MBA program; Lester Lefton, provost; and Freeman School Dean James McFarland.

biotechnology and pharmaceuticals, and its principal focus is to develop innovation and entrepreneurship. By 2005, Zhangjiang is projected to be one of the nation's top high-tech parks, with an innovative and educational atmosphere and state-of-the-art technology. The park is also striving to become a world-renowned center for high-tech industries and scholars.

The school is funded by the Shanghai Zhangjiang Hi-Tech Park. Tulane and the Freeman School will provide faculty to the school and provide oversight to its curriculum and programs.

PLANNING FOR SUCCESS

It may not be \$10 million in start-up funds, but it's a start all the same.

Paul Breslow (G '02) and Shane Fulkerson (MBA '02) took

the top prize of \$1,500 at the inaugural Freeman Business Plan Competition. The competition, in which teams of Tulane-based entrepreneurs pitched business plans to judges playing the part of potential investors, took place at the Freeman School on April 12 and 13, 2002.

Breslow and Fulkerson's plan was for a company called WhiteWire, a communications firm that provides wireless local area networks to commercial, institutional and high-end residential markets.

"I agreed with their assessment that this is going to be the next wave in communications technology," says Aaron Miscenich (MBA '91), one of the judges. "They face some pretty strong competitors if they try to control the technology, but if they can form strategic alliances, be ahead of the curve in positioning themselves as key players in the installation of the

technology and line up key customer relationships on the installment, I think they can do well."

The competition, sponsored by the Levy-Rosenblum Institute for Entrepreneurship and the Tulane Entrepreneurs Association, was open to students, faculty and staff from across the university. To

be eligible, at least half of a team's participants were required to be affiliated with Tulane. A total of nine teams put together business plans and presented them to judges, who functioned as surrogate venture capitalists. The judges grilled the teams on all aspects of their plans, from market research



Business Plan Competition teams pitched their plans to judges playing the part of potential investors.

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to financial forecasts. In the first round, judges picked three plans to compete for the top prize the following day. In addition to WhiteWire, the other finalists were Digital Gourmet, a marketer of DVD cookbooks featuring celebrity chefs, and Lacticulture, a health care company that develops vaccines for prophylactic and immunotherapeutic use.

Business plan competitions have become a big deal at schools across the country. The nation's premier business plan competition—the University of Texas' Moot Corp. competition—awards \$100,000 to a winning team each year and boasts an impressive track record for spawning successful companies. “A business plan competition is something we've wanted to do for quite a while,” says John Elstrott, adjunct professor of business and director of the Levy-Rosenblum

Institute. “The objective is to offer students interested in one day pursuing their own ventures with a simulation of a real-world experience in terms of what it's like to put together a plan and compete for limited resources. When you go to start a business, that's what you're trying to do. You're competing for limited resources.”

Membership in the Tulane Entrepreneurs Association is open to faculty, staff and students in all schools, colleges and departments. Indeed, spurring collaborations between the business school and other divisions of the university is a goal of the association and the competition. “We're trying to get business school students to work on interdisciplinary projects with students, staff and faculty from other disciplines,” Elstrott says. “We're trying to help commercialize technologies coming out of other areas of the university.”

“The competition is a great outreach program,” says Miscenich. “It helps the community understand what Tulane and the Levy-Rosenblum Institute are all about. A lot of times, there's an 'ivory tower' perception of Tulane. I think the competition was a great way to show all departments of Tulane and the community what the students and the school are capable of. I think you're going to see better and better business plans coming out of the schools each year.”

Elstrott, who teaches classes on new venture creation at the Freeman School, sees the competition as more than just a university project. New venture creation, he argues, is the bedrock of economic

development. “If we're successful in having faculty who have good research ideas team up with alumni, students and staff to put together plans, raise capital, license their intellectual property back from Tulane and start locally, it's going to create jobs and wealth here,” Elstrott says.

Elstrott is putting his money where his mouth is. He's currently working with David H. Coy, a research professor at Tulane Medical School, to raise \$11 million to start a drug development company in New Orleans.

For more information about the Tulane Entrepreneurs Association, contact Rosalind Butler at rbutler4@tulane.edu.

BURKENROAD LATIN AMERICA HOSTS FIRST CONFERENCE

Business leaders from across Latin America came together in September at the first Burkenroad Reports for Latin America Investment Conference. The conference, which took place in Monterrey, Mexico, featured representatives from more than 50 companies in Colombia, Mexico and Venezuela, who pitched their respective prospects to banks and lenders from across the region.

Burkenroad Reports for Latin America is modeled after the highly successful Burkenroad Reports program. The program puts students to work writing equity research reports on small and medium-sized companies that often go undetected by Wall Street, and the program has garnered national praise for its objective, unbiased research.



AN EYE ON PROGRESS

Follow the construction progress of Goldring/Woldenberg Hall II from the comfort of your computer screen via the Freeman School's live Webcams. Two cams provide continually updated views of the Freeman School's soon-to-be-completed center for graduate and executive programs. To see the cams, visit <http://freeman.tulane.edu/future> and click on the Webcams link.

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According to John Trapani, Martin F. Schmidt Chair of International Business, Burkenroad Reports for Latin America was made possible through a grant from the Inter-American Development Bank, which funded the program to help improve the efficiency of capital markets in the region and capital flows for small, medium and less-traded firms in Latin American countries. The Freeman School, through its Center for Latin American Business Studies, trained faculty members at Venezuela's IESA, Mexico's ITESM, and Colombia's Universidad de Los Andes to oversee the project in their respective countries.

While both the U.S. and the Latin American program involve student-written reports on small or mid-size companies, the Latin American market differs significantly from the United States. "In Latin America, since small to medium-size companies typically are not publicly traded, we're training the students to do project evaluation reports," Trapani explains. "These are like pro formas that a company would present to a lender in order to get capital to carry out



Left: Freeman School MBA Lyle Muir (MBA '03), left, a student from Monterrey Tech and Moises Benavides, who is coordinating Burkenroad Reports for Latin America for Monterrey Tech, at the first annual Burkenroad Reports for Latin America Conference.

Below: John Trapani, center, director of the Goldring Institute of International Business, talks with ITESM faculty member Maria Concepcion del Alto and an executive from Monterrey, Mexico, at the conference.

Right: Representatives from the Freeman School, the Inter-American Development Bank and several Latin American universities attended a weeklong faculty workshop prior to the conference.



certain capital projects. So in some cases, we're not producing a report that goes on Bloomberg. It's a project evaluation for the company to use to find debt capital within its own market."

While the unbiased nature of the research attracts investors to

companies followed in the U.S. program, banks in Latin America are likewise interested in concise, objective reports on potential borrowers. "This formalizes applications for loans and lending," Trapani says. "In some ways, it might be the higher value-added activity. It adds sophistication. The lending agencies are huge supporters of this. They want that level expertise on the part of the firms rather than just doing it on an old buddy basis."

Trapani says Burkenroad Reports for Latin America is currently in the second of a projected three years, and he hopes to add more companies over the next 24 months. Investment conferences in Columbia and Venezuela are scheduled for February.



UNBIASED RESEARCH SETS BURKENROAD APART

The Burkenroad Reports team may be the only securities analysts actually to benefit from the recent stock market scandals. Since the program's inception, Burkenroad's student analysts have signed a pledge not to purchase any of the stocks they cover. Research director Peter Ricchiuti assumed Wall Street analysts signed a similar pledge, that is until it was revealed that some analysts had huge stakes in several of the companies recently rocked by scandal and mismanagement. "People are coming up to me praising us for our objectivity," Ricchiuti says. "They're saying, 'We know Burkenroad Reports is written by students, so there may be some errors, but at least we know they're honest.'"



Peter Ricchiuti

Despite the downturn in the stock market, Burkenroad Reports' portfolio of "stocks under rocks" continues to grow. The program added five companies in 2002 to bring the number of companies reported on to 46. The companies added were Hibbett Sporting Goods Inc., National Beverage Corp., Offshore Logistics Inc., Team Inc. and Tuesday Morning Corp. The program also added 45 student analysts to bring its research force to 185 students.

Burkenroad Reports also continues to serve as the basis for the Hancock Horizon Burkenroad Fund (HYBUX), a mutual fund launched in late 2001 by Hancock Bank that draws on Burkenroad Reports research. The fund has done remarkably well given the market's performance, Ricchiuti notes. Over the first two quarters of 2002 the fund produced a return of 13.47 percent and ranked fifth out of 594 small cap growth funds ranked by Bloomberg.com. "We were down 9 percent as of mid-October," Ricchiuti says. "But that still puts us in the top 1 percent of small cap growth funds."

According to Ricchiuti, the fund's performance was bolstered by the buyout of two companies in its portfolio. Since the program's founding in 1993, 16 companies covered have been purchased. "That's always great for investors," Ricchiuti says. "It usually results in a 25-40 percent premium."

As of mid October, the fund's value was about \$1.5 million. The fund is managed exclusively by Hancock and neither Tulane nor its students are registered investment advisors. For more information on

the Horizon Burkenroad Fund, contact portfolio manager David Lundgren at Hancock Bank, (228) 868-4392.

Ricchiuti adds that an alumni support campaign will soon kick off to enable Burkenroad Reports to continue to grow while maintaining the quality investors have come to rely on.

MORE THAN BUSINESS

Undergraduates typically enter the Freeman School in their junior year, but this semester a select number of incoming freshmen will spend 10 weeks studying how to develop a product and bring that product to the market. Has the Freeman School changed its admission policy? No, it's just a turn of the TIDES.

"Students don't come to us until they're juniors," says clinical professor of business Mike Hogg, an instructor in the Tulane Interdisciplinary Experiences (TIDES) course More Than Business. "TIDES gives them an opportunity to experience some classes in the Freeman School and to interact with our faculty and learn a little more about the programs we offer."

TIDES is a new program aimed at improving freshman retention by linking students with common interests and creating a greater sense of community among students and faculty. Like the residence-hall based Living Learning Communities that preceded it, TIDES brings together freshmen with similar interests by combining residential, academic

and co-curricular activities organized around a series of unifying themes. According to Lester Lefton, senior vice president for academic affairs and provost, that sense of community is often what makes the difference between a student remaining at Tulane or transferring elsewhere. "Students want to be at a large research university and at the same time they also want a small, intimate kind of environment," Lefton says. "TIDES creates an opportunity to have that sense of intimacy with faculty members and yet still get asked broad intellectual questions. It's an opportunity to connect with faculty, it's an opportunity to connect with students. Within a large university, TIDES makes it feel like a small college environment."

"The goal of TIDES is to increase student satisfaction in the first year, hopefully with the benefit that our retention rate from freshman to sophomore year increases," adds associate provost James MacLaren. "Generally, if we find that students at the end say this was a good experience, that they learned something outside the classroom, that they got to know some faculty members and felt part of the university community, we'll consider it a success."

Hogg likens the TIDES seminar to a typical business school case study but "live." In the first semester, the students focus on the development of a product or service to market or sell. Each of the five sections breaks up into teams charged with developing an idea. Each section then chooses one product as the best, and then the sections

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come together to pick a single product to work on as a group. The second semester focuses on how to implement a marketing plan for the product and achieve the group's sales goals.

In addition to the seminar, Hogg and the TIDES team are planning a series of co-curricular events including team-building exercises, visits to local businesses and exclusive meetings with CEOs like Frank B. Stewart Jr. (BBA '57), chairman of death-care services company Stewart Enterprises. "And then we're going to go to a cemetery," Hogg adds. "It only works because the cemeteries here are so cool."

While the idea behind TIDES is to help first-year students feel comfortable at Tulane, Hogg says

More Than Business should also help the Freeman School attract students. "By the time a lot of students decide they'd like to go to the business school, they can't because it's the end of their sophomore year and they haven't taken the prerequisites," Hogg says. "TIDES lets students who may have an interest in business look at us and figure out what courses they need to take in order to get into the Freeman School."

Hogg will teach More Than Business along with business faculty members Mike Wilson, Kelly Grant, Rebecca Butz and John Burrows.

Besides the business program, incoming freshmen can choose one of seven other TIDES: Cities and

the Urban Environment; Our Digital World; the Music and Culture of New Orleans; Race, Class and Gender Issues in Modern America; World Culture and Religions; and Leadership, Power, Politics and Change.

FREEMAN HOLDS STEADY AMONG THE NATION'S BEST

The A.B. Freeman School of Business remains among the nation's top undergraduate business programs, according to *U.S. News & World Report*. In the magazine's annual ranking of undergraduate business schools, the Freeman School's BSM program ranked 38th nationally, matching last year's ranking and tying the Freeman School with Brigham Young University, Syracuse University, University of Colorado and Virginia Tech. The ranking was based on a survey of deans and senior faculty at programs accredited by the Association to Advance College Schools of Business (AACSB). As it did last year, the University of Pennsylvania's Wharton School topped the list this year as the nation's best undergraduate business program.

The undergraduate program wasn't the only Freeman School program to earn kudos. The London *Financial Times* ranked the Freeman School's New Orleans Executive MBA the 50th best internationally. The ranking was based on a survey of the schools and of alumni who have been in the workplace for three years since

graduation. As it did on the *U.S. News* undergraduate ranking, the University of Pennsylvania's Wharton School topped the *Financial Times* list with its Wharton MBA for Executives program. More recently, Latin American business magazine *AméricaEconomía* ranked the Freeman School's partnership with Universidad de Chile the fifth best MBA program in Latin America. Freeman was the only U.S. business school to make the list. The Freeman School also ranked 38th on the magazine's list of global MBA programs.

