



Arthur D. Warga
Dean
C. T. Bauer College of Business

Message from the Dean

There is always a lot to be proud of at the C. T. Bauer College of Business, but the past year has been one of phenomenal growth and momentum as we continue to educate some of the best and brightest rising stars in business. Among the highlights:

- Bauer is now ranked one of the best 50 public undergraduate business colleges by *Business Week*. The Finance department was rated eighth in the U.S. by Academic Analytics in an article appearing in the *Chronicle of Higher Education*.
- Bauer College Honors enrollment has nearly doubled, to 242 students since its inception in 2001.
- Each year, 1,500 Bauer student graduates are being recruited by some of the world's best companies. In fact, a large number were hired by the Big Four accounting firms and Bauer continues to be a leading resource for these companies.

Alumni are touted for their business success and leadership. Our esteemed Bauer faculty continues to garner accolades. All of these achievements enhance our distinction in research, rankings and academic excellence.

Strengthening and maintaining global ties has always been a major focus for Bauer, and that effort took a giant step forward this year with the graduation of the first class of Global Energy Executive MBA students from Beijing. So significant was their educational experience that all 32 students traveled from China to accept their degrees in our Graduate Programs commencement ceremony in May of 2007. The current class of 77 senior executives of China's two largest energy companies will participate in the December 2007 commencement, and another class is expected to start in January.

Of all the tremendous growth and momentum that has been occurring over the past year, perhaps nothing is more exciting than the impending construction of a tangible, bricks and mortar symbol of Bauer's success and prestige. Cemo Hall, named for lead donor and UH System Regent Michael J. Cemo ('68), will welcome future business leaders at a site adjacent to Melcher Hall. Cemo Hall will house the rapidly expanding Global Business Minor program, three 80-seat classrooms, interview rooms, a testing center and a full service Rockwell Career Center, as well as a state-of-the-art auditorium. Mike has truly been our angel and a great friend for our College. He has inspired others to make a difference here and throughout the University to build a flagship institution for Houston.

Gifts from Sharon and John Stubblefield ('70), Darlene and John McNabb and William J. Gedwed ('80, MBA '92) will help fund the 33,000-square-foot building, which addresses a longstanding space deficit and projected increases in enrollment. In the near future, graduate business and law students will have a new place to come home to with the completion of the \$100 million, 10-story Calhoun Lofts. Featuring studio, 1-2 bedroom apartments available to MBA and JD students, Calhoun Lofts along with Cemo Hall and Melcher Hall will comprise an impressive and inspiring triumvirate of living and working spaces for some of the world's brightest future business stars.

Best to you as we enter our fall 2007 semester,

Arthur D. Warga
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An architect's rendering of Calhoun Lofts as seen from site of future Cemo Hall.

IN THIS ISSUE:

- Microfinance Model
- Conversation with EMBA Alumna Jennifer Pan
- Bauer Alumni tour Federal Reserve Bank
- Bauer Students Mentor Youths

- Dave Warren Leads Energy Alloys, Builds Strong Ties to Bauer



Khumawala, Frazier Develop Microfinance Education Support Model For India's Impoverished Children

A C. T. Bauer College of Business professor and recent MBA alum have developed a framework that could add educational attainment to the microfinance model. In turn, they are demonstrating that there is a way for business people to reach out to people in poverty and yet make a profit at the same time.

After their interest in microfinance was sparked by an India Abroad trip with Dr. Saleha Khumawala, Associate Professor of Accountancy and Taxation, in 2006, several Bauer College of Business students are working in the field, and Khumawala has collaborated with Brian Frazier (MBA '07) on research that could add an educational component to the exploding microfinance industry.

A hot topic internationally, microfinance is a socially responsible method of investment that is a viable and potentially profitable alternative to old models of charitable giving.

Microfinance is the term for providing small loans, often \$100 or less, to people in extreme poverty. The funds allow them to grow their small businesses – farming, or jewelry making, for instance.

Over the last year, Khumawala and Frazier, who recently took a job as operations manager at Ujjivan, a microfinance firm in Bangalore, designed a framework to use the tools and success of microfinance to support client children's education. The model provides incentives for individuals to contribute to an educational fund for themselves or their children as they repay their microfinance loans. It is hoped that partnerships with foundations and other groups that will match the amount of money they contribute may help jumpstart educational opportunities for loan recipients and/or their children.

The project has been presented at several academic conferences, and Assistant Secretary to the U.N., Hafiz Pasha has talked to Khumawala about launching a pilot of their business loan/education model in places like India and Afghanistan.

Meanwhile, Frazier and two other students who took the trip to India in 2006 have begun exploring various approaches to microfinance. Frazier oversees 13 branches at

Ujjivan, making sure they are run as efficiently as possible in order to ensure sustainability.

Another MBA student, Liz Vallette, spent this summer volunteering with the microlending agency, Kiva, in Azerbaijan. Kiva connects small investors with promising business people around the world, and Vallette interviewed hundreds of people who had received loans in order to post updates about how investments have affected their lives on Kiva's web site, www.kiva.org. Vallette, who first became interested in international development while serving with the U.S. Army in Iraq in 2004, says the study abroad trip was her first introduction to microfinance.

"I think probably that microfinance is as effective, if not more effective, than the approach of when you have governments throwing a lot of money at places like Iraq," said Vallette, who will work on extending the project begun by Khumawala and Frazier.

Yet another student who went on the trip has started a business which sells jewelry imported from India. When her business, Global Touch Jewelry, becomes profitable, Christine Munding, who earned an MBA at Philadelphia's

St. Joseph's University, plans to invest the profits in Ujjivan. She also wants to use her web site, www.globaltouch.com, as a portal for educating more people about microfinance.

Though not a student at UH, Munding went with the UH group to India. She works at a small electronics firm, but sees her entrepreneurial venture as a way of "using business skills as a catalyst for social change."

For Frazier, what makes microfinance unique is that

financial institutions are now "giving the poor a tool to take that step out of poverty and seeing extreme poverty as a market opportunity."

He and Khumawala also see microfinance as a field



Hafiz Pasha, Assistant Secretary to the U. N.

of study that's bound to attract more interest from Bauer students as it becomes more widely known. "With the diversity of the school, the number of international students, it's bound to take off," Frazier says.



Dr. Saleha Khumawala, Associate Professor of Accountancy and Taxation, and Brian Frazier (MBA '07)

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EMBA Empowers Alumna Jennifer Pan



EMBA alumna Jennifer Pan (EMBA '03)

“Make sure your personality and resources on hand can give you a good chance to succeed.”

Tell us about your experience as a Bauer EMBA student.

JP: I enjoyed my UH EMBA experience. It was an opportunity for me to get out of my daily routine and enrich my mind. I felt it was a venue for me to access to a better future. I liked how UH EMBA promoted team work. By working in teams, I had a chance to interact closely with people who shared my ambition and work ethics. I also loved the international residency trip – which allowed me to see things from a non-US perspective and on a global scale.

What do you do now?

JP: I am an entrepreneur in China now. I set up a consulting firm, ChinaSense, to help international Executive MBA students learn about China business world via short study trips.

Describe your company's line of business and where it is based?

JP: I'd like to think ChinaSense is an educational boutique consultancy. It is based in Beijing, reaching out to the rest of China. We believe China's economic growth has already made it a significant player in today's global market. Sino-US relationship is and will continue to be one of the most important bilateral relationships in the world. We promote mutual understanding and win-win practices between business professionals in China and US.

How has Bauer's EMBA helped your career?

JP: My Bauer EMBA trained me to think like a business person and gave me the confidence to take calculated risks. Prior to my EMBA, I was a programmer in an IT company. My training at Bauer opened my eyes about the enormous opportunities brought by China's uprising, and more importantly convinced me that “I can do

something”. As a Chinese, I just had to go back to China to see history in the making with my own eyes and touch it with my own hands. Using the business sense I developed through the EMBA program, I was able to spot a great opportunity and had the guts to go after it. Now, I use my MBA knowledge every day. It is very rewarding and exciting.

What advice would you give to anyone wanting to start a business?

JP: I'd say to understand yourself first. Do not always want to do the “best thing”, do the “best thing for you”. Before you put you and your family on the roller coaster ride of entrepreneurship, make sure your personality and resources on hand can give you a good chance to succeed. Having your business is a lonely journey – at least at the beginning. So, make sure you love what you do. Furthermore, use your past experience and apply your MBA knowledge to objectively analyze your business – Will you bet your own money on it? If the answer is “yes”, still do not act in a hurry. List all the potential risks involved and sleep on it. If next morning you still think it is a good business, continue to try to find flaws on your plan. After “sleeping on it” for a month and you still think it is a great idea – now you have something. The most important thing is to find your niche – what you can do better or cheaper than others and keep it that way for a reasonable long period of time?

What do you do when you are not building your business?

JP: When I am not building my business, I find ways to “recharge my battery”. I love spending time with family and friends, take short vacations, or just doing nothing.

Bauer Students Gratiſied by Youth Mentoring, Volunteerism

Programs designed to reach out to and nurture the next generation of business leaders flourished this past summer through various programs of the C. T. Bauer College of Business.

Danny Klam, a junior management student, spent part of his summer as a mentor and volunteer with students ages 8 through 11 at a Junior Achievement of Southeast Texas, Inc. event known as Exchange City. Accounting Professor Michael Newman encourages accounting students to take part in activities such as Junior Achievement as a way to hone presentation skills while giving back to the community. The college students' presence also helps boost University of Houston and Bauer College of Business visibility and may hopefully plant a seed in a young person who'll then consider the school as a possibility when he or she graduates.

Before arriving, the younger kids spent four weeks at their home schools preparing for the day they came to participate in a mini city. Armed with resumes and taking on roles such as judges, business owners, chefs, teachers and the other kinds of professions that make up any municipality, their immediate goal is to be the first to repay a loan they're given at the beginning of the day.



RUNNING THE STORE. Kids learn entrepreneurial skills from management junior Danny Klam.

Meanwhile, they were learning what it takes to work and do business with others. Klam, who came to UH with experience working as a sales manager for Houston-area Toyota dealerships, says he got a charge out of seeing the unbridled enthusiasm the children had for their entrepreneurial roles. "It's almost like the kids are running their businesses more efficiently than actual CEOs," Klam says.

Another upcoming event designed to let students experience life in a virtual city will partner Bauer academic advisors with students from the YES Academy, the only Houston prep school to make *Newsweek* magazine's 100 best schools list this year. YES is dedicated to assisting low-income students achieve their dream of going to college.

Frank Kelley, assistant dean of Undergraduate Business College programs at Bauer, went to the Academy to train students who then worked at the virtual University of Houston on the day of the event. Several academic advisors teamed up with students as they experienced a condensed lifespan (ages 19 to 26) in a single eight-hour day.

The advisors' involvement with these students goes well beyond "just advising them on how to fill out a form or pick out a college," Kelley says. The goal, instead, is: "How do we help students figure out their long range goals and develop a plan that will get them to that goal?" While it's difficult to quantify the impact of working with potential UH students at these events and others, Kelley believes the end result can be seen in rising numbers of students who graduate from Bauer. While the U.S. college graduation rate hovers around 50 percent, Kelley says, Bauer's rate in 2000 was 63 percent, an increase from 56.7 percent the previous year.

A Night at the Fed

Bauer alumni got an inside look at the Federal Reserve Bank of Dallas, Houston branch at an August gathering that featured Robert W. Gilmer, vice president and senior economist.

About 170 alums mixed and mingled and peered through a glassed in viewing area as workers handled large stacks of currency. An independent arm of the federal government created by the U.S. Congress, the Fed's Houston branch and others like it process billions of dollars in currency, checks and electronic payment services each day.

In his address to alums, Gilmer shared information about the role of the Fed in the local economy, especially the oil and gas markets, and offered a measured assessment of current market conditions. "Not even the Fed has fortune-tellers," he said.

Even with his credentials, Gilmer said, "I still wake up and wonder how did oil get to \$70 a barrel?" Gilmer said Houston's healthy economy and its ability to rise above some of the problems that have beset other U.S. cities is based on its ties to the global economy.

Both oil producer and oil service jobs as well as oil and natural gas mining jobs in Houston have been on an upswing, he said, a rare confluence that indicates the degree to which Houston's economy is tied to the global, rather than U.S. economy.

"It was a fascinating tour," said event organizer Maria Koegel (EMBA '06). "The building is very interesting and we received terrific insight into how the Federal Reserve works. These are the kinds of events that we want to bring to Bauer alums." Koegel is helping plan the Bauer Alumni Association's next event which will be at the Moores School of Music on November 10th.



Bauer Alumni recently toured the Houston branch of the Federal Reserve Bank of Dallas.

Dave Warren Fosters Strong Partnership with Bauer College, Leads Energy Alloys on to Fast Track Success



Energy Alloys' President and CEO Dave Warren has built a global company. EA was recently named Ernst & Young Entrepreneur of the Year in the Energy Category in the Houston and Gulf Coast area.

Dave Warren was working, and had already started a family when he began attending night classes at the C. T. Bauer College of Business in the 1990s.

With an undergraduate degree from Louisiana State University, and a desire to go into business for himself, he probably wasn't so different than any number of University of Houston students past or present, working to earn a Master's in Business Administration.

But Warren's meteoric career trajectory—and his willingness to share what he knows with Bauer students and graduates who work at Energy Alloys (EA), the \$400 million oil services business Warren founded with two partners in 1995—make him a model for future leaders.

Warren, who hopes to lead his company to \$1 billion in sales in less than three years, was recently named Ernst & Young Entrepreneur of the Year in the Energy category in the Houston and Gulf Coast area. Even more significant for Bauer College, EA has become a place where the school's top MBAs and graduates in Finance, Accounting, Sales and Entrepreneurship are hired and able to make an impact quickly.

A program launched this fall will team six Marketing & Entrepreneurship students with EA for a full semester class during the fall 2007 and spring 2008 semesters. And just as EA has a reputation for giving new hires significant opportunities, the students who will work there in the coming year are poised to help shape EA's future.

The students' task will be to suggest ways to improve the company's global efficiency as it realigns itself in the

aftermath of tremendous international growth after three major acquisitions, Warren says.

"Having a non-biased, consistent, dedicated look at how we do things could drive a very important, game-changing strategy for this company," he says.

EA's General Manager of the Western Hemisphere, Fran Bobb, along with Human Resources Manager David Barnes, will be overseeing the students with Bauer marketing & entrepreneurship professors Edward Blair and Steven Koch.

Barnes says the consistent thing that has driven a positive relationship between Bauer students and alumni and EA is an excitement and drive that "fits with the passion of this organization." Selective hiring hinges not just on a person's skill-set, but how well the potential employee meshes with the high-energy environment created by Warren, he adds.

"Dave is one of the genuine good guys of the world," says consultant Cliff Eslinger, of Vantage Associates. Eslinger has worked closely with Warren and marvels at his ability to generate sales while cultivating an "atmosphere of development and generosity and fun."

Warren believes it's critically important that employees get broad firsthand knowledge of how the company functions before settling into a more job-specific niche. So Amanda Pifer (BBA, '06), a business analyst with EA, along with other recent hires, had the opportunity to see how things work in the sales, finance, operations and supply chain departments through EA's Business Analyst Rotation program. "Each department is so huge. Those experiences

Continued on Page 6

WARREN *Continued from Page 5*

help me make better decisions for the company, because I've been there and seen how things work," she says.

Besides Warren, EA has nine employees who attended UH. And the number will be growing. Warren's daughter Lesley, who works in the company's accounting department, recently transferred from St. Edward's University in Austin

and plans to attend Bauer. Warren's son, Colin, has worked part-time in an EA warehouse and attends the University of Texas at San Antonio.

Though he is nine hours short of finishing his MBA at Bauer, Warren says his graduate student experience was important to his success. "It gave me a refresher in finance and a lot of confidence that was absolutely critical," he says.



COOGS DRIVING EA PERFORMANCE: *From left Trish Marsala ('01), Jim Phifer ('98), Kimberly Pham ('05), David Barnes, CEO Dave Warren, Fran Bobb, Amanda Pifer ('07), Jordan Moore (seated, '06), Barry Smothernman, and Robert Kunco (MBA candidate)*

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