

FEBRUARY 2006

The Dallas Morning News

EXXON PROFITS OBSCENE? NOT TO THESE EXECUTIVES. They say firm earned its billions, but they ask: Where will money go? – by Cheryl Hall

Dean Daniel Short was featured with his comments: “Obscenity exists in the eyes of the beholder. Several million investors in Exxon Mobil stock probably see these profits as the return they have earned for putting their money at risk.

“If you believe in free markets, it is difficult to make emotional judgments about profits in the absence of illegal activities. Markets allocate resources in a remarkably efficient manner. Any effort to alter that allocation process based on political reactions will harm the economy.

“This year, Exxon Mobil earned some of its money based on inventory profits. Most businesses are adopting “just-in-time” inventory methods to minimize the cost of carrying inventory. If oil companies cannot earn inventory profits, they, too, will attempt to minimize the inventory they carry. The result would be an increase in spot shortages and gas lines.

“In the stock market, risk and return are closely linked. Given high risks and uncertainty in the energy business, one should expect high returns. Interestingly, many industries have a higher return on sales than does the oil industry.

“Judgments should never be based on a single year's return. It is more appropriate to compare Exxon Mobil's return on investment to other alternatives with similar risk over a several year period.

“It is difficult to compare a gallon of gas priced at \$2.29 with a cup of Starbucks priced at \$4.29 and then conclude that the oil companies are earning obscene profits.

“Just a few years ago, Exxon Mobil invested nearly 100 percent of its profits back into its core business. Strong profits are good for consumers because a large portion of the profit is reinvested in productive resources.

“High profits attract increased investment and competition. In the long run, that's good for consumers.

“Even if one concludes that Exxon Mobil earned excessive profits, I'd rather see them pay dividends and invest in new productive capacity instead of taxing the money and sending it to the federal government.” 2/5/06



VENTURE-BACKED IPOs OUTPERFORM DEBT-BACKED—STUDY

Christopher Barry and Vassil Mihov, finance professors, were featured for their research that found that initial public offerings of companies backed by venture capitalists performed better than companies that carried large amounts of debt. The stronger performance is partly explained by the fact that venture capitalists are willing to accept a higher level of risk in their investments than are loan officers at major banks, said Barry, chair of business administration. 2/6/06



NEW SYNDICATE CHAIR DEVELOPS STOCK SHOW FEVER – By Robert Francis

Bob Akin, marketing professor, was featured as the new chairman of the Stock Show Syndicate. Akin, who claims to bleed purple, got his undergraduate and MBA from TCU. “I find it hard to believe I'm teaching here to be honest. If you had asked me that as an undergraduate, it would have been the last thing on my list,” he said. When William Moncrief, who was the dean of the

Neeley School at the time, asked Akin to teach a marketing class several years ago, he took the opportunity.

Since then he has been named the most charismatic professor by the IFC/Panhellenic council in 2003, the most outstanding professor by the same group in 2004 and was named the top non-tenure track professor at the Neeley School of Business in 2005.

“My job is to convince them to become marketing majors and to emphasize the importance of marketing. It doesn’t matter what you do in a company, nothing happens until you sell something. I also tell everyone that you have to market yourself. You have to sell yourself, whether you’re a lawyer or a doctor. If somebody wants your help, you still have to convince them that they need you and that you know what you’re doing. That’s true for doctors, lawyers and for anyone, he said.

One of Akin’s 2005 class projects ended up raising \$20,000 for Cook Children’s Medical Center. For that project, Akin gave students \$25 as seed money for any entrepreneurial venture they wanted to attempt to raise funds for the hospital. The students sold pumpkins during Halloween, held raffles and sold various items throughout the semester and ended up with \$20,000.

Akin often brings in businesspeople from the community to give real world examples of product development and marketing. 2/6/06



TRAVELOCITY’S CEO TALKS BUSINESS PHILOSOPHIES - By Jeff Eskew

A gathering of professionals exchanged business philosophies, jokes and laughter Tuesday morning at the latest installment of the Charles Tandy Executive Speaker Series breakfast, as Michelle Peluso, Travelocity president and CEO, talked about how her former company, Site59, went from being on the upswing in the business world, to almost crashing after the attacks of 9/11, to being bought by Travelocity. She then worked her way up to become the company's top executive. 2/8/06

The Dallas Morning News

2 HP HIGH SENIORS UP FOR ENTREPRENEUR PRIZES

Highland Park High seniors Andrew Spiziri and Kelly Cavender are among 25 Texas high school finalists for the TCU Texas Youth Entrepreneur of the Year Awards. Andrew is being honored for iLaunch Creations, a network of Web sites that he initiated in January of 2002. Kelly was selected for KCAV's Lawn Service, which was formed in 2001. The finalists will be recognized at the awards banquet, and six winners will be announced Monday. 2/9/06



VEHICLE CONSUMERS MAY FOLLOW GENDER LINES, STUDY SHOWS – by Dan McGraw

Eric Yorkston, assistant professor of marketing, was featured for his research showing that consumers remember a brand more easily when the gender implied by the name fits the product. Ford Broncos are from Mars, Toyota Sequoias are from Venus...Consumers assign gender to products and remember them easier if product names correlate with a perceived gender, said Yorkston. “These are non-conscious or automatic responses. So we don't register what these endings mean, but they spark something in our minds. Our languages are filled with these automatic responses from words.” 2/10/06



BOOK TELLS HOW TO TURN FUNDS INTO EXTRA MONEY – *By Anthony Williams*
Austin Hoffman, a finalist for the 2006 TCU Texas Youth Entrepreneur of the Year Award, was featured for his business. Being his last semester of high school, he has already begun the arduous cycle of applying for college and preparing for advanced placement tests, all the while attempting to enjoy senior year traditions - oh, and maintaining his business while writing a book. Hoffman, 18, owner of Coletto Collectibles, spent more than two years writing "Guerilla Garage Sales" with the help of his father, Nathan Hoffman.

Austin has already been recognized for his talents. He is once again one of 25 finalists up for the Texas Christian University Youth Entrepreneur of the Year Award, which he previously won as a sophomore, to be handed out Monday. Awarded by the Neeley School of Business, to which Austin has already been accepted, he will be interviewed by a panel of judges before narrowing down to five finalists and one winner. 2/11/06



TRAVEL EXEC SHARES SUCCESS SECRETS AT BUSINESS BREAKFAST – *By Sarah McClellan-Brandt*

The Charles Tandy Executive Speaker Series hosted Michelle Peluso, who spoke of her business leadership style. A speech given by a competitor at a travel conference was one of the things that fueled Michelle Peluso to grow the online travel company she has headed since 2003. Peluso, who is president and CEO of Travelocity and executive vice president of Sabre Holdings, both in Southlake, told a group of community business leaders, students and faculty at the Charles Tandy Executive Speaker Series at TCU. 2/13/06



STUDENTS GAIN CREDIT FOR STARTING BUSINESS – *By Erin Glatzel*

The TCU Youth Entrepreneur of the Year Awards event, hosted by the Neeley School, was covered. High school entrepreneurs from all over Texas met at the Kelly Alumni Center for the chance to receive a scholarship for their entrepreneurial ideas. The TCU Youth Entrepreneur of the Year Awards is a two-day event that recognizes students for their accomplishments in starting their own business, and \$10,000 in scholarships was awarded. 2/14/06



We're guessing Travelocity CEO Michelle Peluso used a derivative of the word passionate 20 times during her breakfast speech at the Executive Speaker Series presented by TCU's Neeley School of Business. She called her team passionate, hungry and humble. Her management style? Hire people better than me, put other people first, respond to feedback and call a spade a spade. She says business "is always, always about the people." 2/15/06



NORTH CENTRAL SCHOOL NEWS

Judson High School student Craig Gagne, Canyon High School student Christian Cartwright and The Academy for Excellence in Learning in Adkins student Laura Rolfe are three of 25 Texas students being honored by the Texas Christian University Neeley School of Business for their

entrepreneurial spirit and success in business with a TCU Texas Youth Entrepreneur of the Year Award. 2/15/06

Star-Telegram FORT WORTH

CEO PUTS RADIOSHACK IN BIND - *By Bob Cox*

Stuart Youngblood, business ethics professor, commented on the admission by Radio-Shack Chief Executive Dave Edmondson that he had misstated his academic record on his résumé. The RadioShack board needs to get all the facts before it makes any decision, but Edmondson's statement doesn't help his case, said Youngblood. "If the facts were that he has not earned the degrees he claimed, that he has been dishonest, that there's been perpetuation of résumé fraud, that speaks loudly, I would expect them to act very quickly." Youngblood said the RadioShack board members need to look closely at how their action will be viewed by employees, stockholders and customers, as well as the community at large. "It comes down to an ethical choice for the board, an issue of trust, integrity and do we walk the talk." 2/17/06

Star-Telegram FORT WORTH

PRIVATE LIFE AS A PUBLIC MATTER – *By Mitchell Schnurman*

Shannon Shipp, marketing professor, was called upon for his ethics expertise to comment on Dave Edmondson's recent divorce filing merit a mention in the Star-Telegram and New York Times. Shipp said there are two ways to gauge the depth of an ethical lapse: Assess its relevance and context.

Dean Dan Short said that there's been a change in what we want from leadership, especially in business. "We've moved from the command-and-control style of management, where leaders tell people what to do, to executives who are more like coaches — they're inspirational, they're empowering, they motivate people to work together as teams. With that kind of leadership, the issue of values creeps in." 2/19/06

Fort Worth Business Press

RADIOSHACK EXEC MISSTATES ACADEMIC RECORD, BOARD WILL SEEK LEGAL ACTION – *By Sarah McClellan-Brandt*

Dean Daniel Short commented that an apologetic statement was what Edmondson needed to release, or he would have risked undermining his leadership. "He needs to get out in front of this and make a definitive statement, apologize, and get on with his leadership. In situations where they [public figures] decide to tough it out, once the press gets interested it will just go on and on. If he doesn't come out and apologize, it will live on longer than it needs to. At some point, you just have to accept responsibility and close the door."

Short also said that a college degree isn't always necessary to a successful career. "At some point in a career, a college degree is unimportant. If he lied, it's wrong, but at some point let's judge a man over what he's done in his career, not whether he's gotten a degree. There are lots of very successful people who run very successful companies and did not complete college."

2/20/06



SCHOOL OF BUSINESS ACCOUNTING GRADS RATED NO. 1 IN TEXAS

Barry Bryan, professor of professional practice in accounting and director of the master of accounting program, announced that Neeley School accounting graduates were rated No. 1 in Texas for success rates in passing the Uniform CPA Exam by the Texas State Board of Public Accountancy, based on schools with high numbers of candidates taking the exam. "Since our master's of accounting program is small relative to schools such as the University of Texas at Austin and Texas A&M University, this is a significant accomplishment for our recent graduates," said Bryan. "The success they achieved is a reflection of the quality of instruction they received both from my colleagues in the accounting department and other departments in the Neeley School." 2/20/06



CITY LEADERS REACT WITH REGRET OVER CEO'S RESIGNATION – *By Barry Shlachter*

Shannon H. Shipp, a professor at Texas Christian University's M.J. Neeley School of Business, had scheduled an ethics lecture for last Tuesday entitled, "Résumé Inflation and Integrity," when he spotted a Star-Telegram story the same day on apparent discrepancies in Edmondson's official company profile. "It's a lesson that should be taught, and has been," said Shipp, who speculated that Edmondson might have kept the CEO chair if there had not been a convergence of developments. "I think what has happened here is a combination of issues — the résumé, the DWI arrest and the firm's poor performance. All these led the board to make this choice. If he had encountered any one of these individual issues, say, they could have taken his bonus away." 2/20/06

Dallas Business Journal

Education

Texas Christian University hired Dr. Christine Riordan as associate dean of external relations. 2/20/06



TEXAS STUDENTS WIN SCHOLARSHIPS FOR ENTREPRENEURIALISM – *By Sarah McClellan-Brandt*

Six Texas high school students were awarded for entrepreneurial success at the 2006 TCU Texas Youth Entrepreneur of the Year Awards banquet Feb. 13. The awards, given by the TCU's Neeley School of Business, are scholarships of \$5,000 for the grand prize winner and \$1,000 for the other five winners. Prizes are doubled for those who attend TCU upon graduation. 2/20/06



YOUTH ENTREPRENEUR AWARDS TO BE PRESENTED FEB. 13

The Neeley School of Business honors 25 Texas high school entrepreneurs for their success in business with the TCU Texas Youth Entrepreneur of the Year Awards. The Neeley Entrepreneurship Program hosts TCU Young Entrepreneur Days next week. It will bring to the campus the state's 25 most impressive high school entrepreneurs. From these finalists, six will be chosen to receive TCU Texas Youth Entrepreneur Awards at a banquet Feb. 13. The Grand

Award winner receives a \$5,000 scholarship. The remaining five award winners receive \$1,000 scholarships. The scholarships are doubled for those who attend TCU.

“They may be in high school now, but these young Texas business people are sharp, forward-thinking entrepreneurs who will hone their skills and broaden their knowledge in college, helping to drive our future economy,” says David Minor, director of the Neeley Entrepreneurship Program. 2/20/06



WOODLANDS SENIOR ZOOMING TO THE TOP

Jeff Livney, a senior from The Woodlands High School, has been named Texas Youth Entrepreneur of the Year by Texas Christian University, receiving a \$5,000 scholarship. 2/21/06



JUDSON'S GAGNE WINNER OF 2006 TCU TEXAS YOUTH ENTREPRENEUR OF THE YEAR AWARD

The Neeley School of Business at TCU awarded five inventive Texas high school students for their success as entrepreneurs, out of 25 finalists from across the state. Craig Gagne, a senior at Judson High School, received a \$1,000 scholarship for his business venture, Global Exotic Reptiles (www.gereptiles.250free.com). The Neeley Entrepreneurship Program is one of the top entrepreneurship programs in the country and has been recognized nationally by Entrepreneur Magazine, U. S. News & World Report, the Collegiate Entrepreneurs Organization and NASDAQ. 2/21/06



STATE RECOGNIZING ACCOUNTING STUDENTS FOR EXAM SUCCESS – By Jeff Eskew

Barry Bryan, professor of professional practice in accounting and director of the master of accounting program, announced that Neeley School accounting graduates were rated No. 1 in Texas for success rates in passing the Uniform CPA Exam by the Texas State Board of Public Accountancy, based on schools with high numbers of candidates taking the exam. Although Bryan said he is pleased with the ranking, the master of accounting program was never intended to serve as a review for the test. “We focus on developing students for a career in public practice or industry.” 2/23/06



NEW STUDY OF RACE IN THE WORKPLACE FINDS WHITES THE MOST UNCOMFORTABLE

Christine Riordan, associate dean for External Relations and holder of the Luther Hendrson University Chair in Leadership, was cited for her research results that white employees with black supervisors experience greater racially based discomfort than do blacks with white supervisors. It was one of the first studies to directly examine the relationship between worker perceptions of discrimination and demographic differences between workers and their bosses. 2/24/06



WOODLANDS HIGH SCHOOL STUDENT IS TEXAS YOUTH ENTREPRENEUR OF THE YEAR

Jeff Livney, a senior at The Woodlands High School, started PIKOZOOM about two years ago. Since, he has had great success, even winning Texas Christian University's Texas Youth Entrepreneur of the Year Award. The award is given to Texas youth business owners as part of the college's Neely Entrepreneurship Program.

Sheryl Doll, program director of TCU's Texas Youth Entrepreneur of the Year Awards, said to even qualify for the award, students had to have a business currently in operation and running for a minimum of one year. Livney was the top winner because when he presented information about his business to the panel of judges, he had a booklet full of information about his business, had profit and loss statements and knowledge of business that exceeds what many adults exhibit.

David Minor, director of the Neeley Entrepreneurship Program, commented: "They may be in high school now, but these young Texas business people are sharp, forward-thinking entrepreneurs who will hone their skills and broaden their knowledge in college, helping to drive our future economy." 2/24/06

Fort Worth
Business Press

BABROWSKI CLIMBS LADDER QUICKLY AT RADIOSHACK – *By Sarah McClellan-Brandt*

Dean Daniel Short commented on Claire Babrowski's first week on the job at RadioShack.

"Obviously she is going to make a very serious commitment to show everybody she is going to take the job on a permanent basis. She's going to try to tackle important issues and do what's important for RadioShack and show people that she's capable of making those decisions."

Short said he doesn't consider Babrowski an internal candidate, since she is still fresh enough from her last job at McDonald's to bring a different perspective and background to the search. Short also said he is impressed with Babrowski because of her academic background — she didn't complete a bachelor's degree, but was admitted to and completed an executive MBA program at the University of North Carolina.

"That shows that she is very bright, very focused and very goal oriented. It's wonderful to see somebody who didn't finish a baccalaureate but is so strong they get admitted into a masters program. You have to demonstrate tremendous intellectual capability to do that." 2/27/06

CEO RESIGNS: WHAT HAPPENED AND HOW WILL THEY RECOVER? – *By Sarah McClellan-Brandt*

Dean Dan Short said Edmondson did the right thing by resigning. “He recognized that his leadership image was eroded and decided to step aside. Organizations can recover very quickly from these types of problems. It’s isolated and doesn’t seem to be a systematic problem with other executives. What would’ve been difficult is if it had lingered on for months and then another person had to come in. The morale would’ve been zapped. This played out in essentially a week, which is lightning speed.”

Short also said the scenario has already been and will continue to be used as learning material in classes at the school. He went to lunch with 12 business undergraduates Feb. 22 and said the discussion lingered around what has happened to Edmondson. “They were all emphatic that once a leader made this kind of mistake, they should not be in a leadership position anymore,” he said. “These students want to go to work for companies that they respect. It’s a generation of students that doesn’t want just a job, just a paycheck. They want meaning in their lives. If corporations aren’t willing to do good by their employees, customers and shareholders and have high ethical standards, it’s not a place they want to be.” 2/27/06

WE STILL HAVE QUESTIONS, THEY’RE VAGUE WITH THE ANSWERS – *By Sarah McClellan-Brandt*

Dean Dan Short commented that RadioShack may not be as forthcoming as it could be because of Edmondson’s privacy. “This is probably the most difficult period Dave Edmondson has ever lived through in his life, he deserves a little privacy now that the door’s been closed. He may want to go quietly with a little dignity and respect. This is not an evil man, this is not someone who has done a gross injustice to our society, this is someone who made a stupid mistake.”

2/27/06