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In the News

Fort Worth BusinessPress

June 1, 2009

Entrepreneurship up in down economy - *By John-Laurent Tronche*

"People who are downsized, or lose their jobs, for a while they'll look for other employment but if they don't find something they say, 'What can I do for employment?'" said **Brad Hancock, director of the Neeley Entrepreneurship Center at Texas Christian University**. "I'd like to believe people dreamed of owning their own business and that's their ultimate dream – to be their own boss. But they never had that push, that catalyst. Sometimes they aren't intentional entrepreneurs but once they're forced they become successful entrepreneurs."

At TCU, there are 201 students majoring in entrepreneurial management, some of whom also are getting other degrees. There are more than 400 members in the university's Collegiate Entrepreneurs Organization, or TCU CEO. That organization had 12 members when it was started eight years ago, Hancock said, illustrating the ever-growing interest in business ownership.

Hancock said many new small businesses are created by an older demographic. "If you're 30 or 35 and lose your job at GM, you probably have a better chance of going out and finding employment," he said. "But if you're 60 and you get downsized, that's a greater incentive (to start a business) because there's less of an opportunity." Just as previous slumps in the economy gave way to huge opportunities, such as the tech boom, the current recession provides an opportunity for people to get in on the ground floor of what Hancock believes is the next great business boom: the green economy.

Fort Worth BusinessPress

June 1, 2009

Real estate internships take hit in current downturn - *By Aleshia Howe*

Kelly Faerber, a senior in TCU's real estate program, considers herself lucky for nabbing one of the dwindling internships in Fort Worth at N3 Real Estate – even if it doesn't pay.

Joe Lipscomb, professor of finance and real estate at TCU, said there are several firms…second-guessing their abilities to bring in summer interns. The result, he said, is less opportunity for burgeoning real estate professionals. The solution, though, is a wider focus for interns and companies.

"It's a tough market for kids out there majoring in real estate. They're going to have a tough time finding employment or even internships," he said. "But I've been in this for 32 years and my philosophy has always been to prepare students to do anything in finance because the real estate market is so cyclical and at times, there may be little or no employment, but there will always be real estate changing hands."

At TCU, real estate is offered as a concentration area within the business school's finance major. Lipscomb said the program is set up so finance students with a real estate emphasis can still find employment should the real estate market be in a downturn. And though students are largely encouraged to do summer internships in their professions, the current real estate market ultimately is dictating students' choices. While TCU doesn't have a formal internship program, its student-run Real Estate Club has a faculty-advised program. Real Estate Club President Megan Dewar said several club members have opted to accept a non-paid internship in exchange for on-the-job experience.

HOUSTON CHRONICLE

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FACES IN THE CROWD: Student finds success as business entrepreneur - *By Kim Morgan*

Austin Brinson is the consummate businessman who knows the value of networking, and never misses an opportunity to hand out his business card. That's commendable for someone who is 18-years-old, but that's not all. Brinson recently received $1,000 in the **Texas Youth Entrepreneur of the Year Award** scholarship program. As an award winner, Brinson visited the **Neeley Entrepreneurship Center at Texas Christian University** in Fort Worth, where he consulted and mingled with successful entrepreneurs. "It was a great experience," Brinson said. "There were a lot of people you wouldn't otherwise get the chance to talk to. On a normal day, you don't get to talk with the marketing president of a bank."

DIGITAL JOURNAL | BUSINESS

June 16, 2009

What Can Business Learn from Film Remakes and Sequels? - *By Carol Forsloff*

Sequels seem to be a pattern with the movies. But are most sequels successful and what makes one a hit at the box office or not? And what can business learn from them?

One of the reasons movie studios do sequels is because of lower risks filming the sequels in comparison to original films. Success, however, is really based on a number of factors. Research on what makes success of sequels gives some reasons for the success or lack of it of repeat films, research the authors believe could be adapted to other industries.

The report is titled, "Conceptualizing and Measuring the Monetary Value of Brand Extensions: The Case of Motion Pictures." **Dr. Mark B. Houston of the M.J. Neeley School of Business at Texas Christian University**, and Dr. Thorsten Hennig-Thurau and doctoral student Torsten Heitjans, both of Bauhaus University of Weimar in Germany are the principal authors. It will appear in an edition of the Journal of Marketing later this year.

"We found that sequels have two advantages over original movies that are not sequels: They have higher average box office returns and are less financially risky," says **Dr. Houston, a professor of marketing**. "We can predict outcomes with more certainty because of the known value of the parent brand. The venture is less risky because of more precision in predicting the outcomes."

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June 22, 2009

Business 101: Must Apple discuss CEO Jobs' health? - *By Rachel Beck, AP*

NEW YORK - This week, Apple Inc. wasn't shy about touting the sales of its latest mobile device. But the company didn't say any-thing confirming reports from over the weekend that co-founder and CEO Steve Jobs had a liver transplant two months ago.

Q: But Jobs is an iconic figure and Apple's fortunes seem to rise and fall with his health. Shouldn't that require greater disclosure?

A: If information isn't deemed "material," then the decision to disclose lies in the hands of Apple's board, said **Alexa A. Perryman, a professor of management at the Neeley School of Business at Texas Christian University.** She said the SEC rules lack specific guidelines regarding executive health disclosures, which means corporate directors have discretion over what kind of information they decide to tell the public. "It's a fuzzy, gray area of what is required," **Perryman** said. "There is certainly interest among investors, but that doesn't mean they have a right to know." Even though companies for the most part don't have to disclose CEO health issues, many companies do — but well after the fact. **Perryman**, who has studied corporate health disclosures, has found many companies wait until the executive is healthy again to tell investors about the problem.

Fort Worth Business Press

June 22, 2009

Economy makes business purchase a buyer's market - *By Leslie Wimmer*

Thinking about buying a business? The economy is in your favor. Area business officials say important first steps to take in the buying process are meeting with experienced attorneys, accountants and bankers.

"First of all, [buying a business] is not a do-it-yourself project," said **Rob Rhodes, a professor of professional practice in Texas Christian University's Neeley School of Business.** "You're going to have issues that frankly only an attorney can confidently deal with, you're probably going to have some tax issues, so you're going to at least have to enlist the help of a couple of different professionals." One of the first questions to take on is how the buyer wants to structure the business acquisition, Rhodes said. Acquisition choices can fall into three basic categories.

One possibility for buyers who already own a business similar to one they're looking to purchase is merging the two businesses together. The last two options are to purchase the assets of the targeted business, or to purchase a majority hold of the company's stock. Sometimes, however, acquiring a business through a majority stock purchase will pass on company liabilities to the new owner without any corporate changes, **Rhodes** said. The buyer "will quickly come to realize that they're buying the stock in a business, but at the same time they're acquiring any sort of liabilities or claims against the company. They're just the new owner," **Rhodes** said. "There have been no changes in the company itself."

Buying a business through acquiring the business' assets also comes with challenges, Rhodes said, including financial issues. "The other option – to acquire assets – leaves you buying an asset but you're also going to buy it with any outstanding security interest that may exist," **Rhodes** said. "But, if you simply purchase assets you aren't taking on the liabilities that you would if you were to buy a company's stock."

From a legal standpoint, no matter which purchasing avenue a buyer chooses, a legal representative should go through the existing business' contracts and claims, said Stephen Norris, a partner in Thompson & Knight LLP's corporate security section. Some legal issues a buyer may run into are environmental liabilities, depending on the nature of the business, intellectual property rights and product liability claims.

"Say you're acquiring a car dealership, and the dealer at one time had gas pumps on the property and the pumps are now buried under the ground, those are environmental concerns and issues," **Rhodes** said. "There's the very real possibility that when you buy a piece of land that as the purchaser, although you weren't responsible for the creation of the environmental problem, that you will have some liability for it.

"There may also be issues surrounding intellectual property, you'll want to make sure you get such items fully transferred to you as the buyer, everything about patents held by the seller, trademarks, and trade secrets," **Rhodes** said. "And, if you're acquiring a business that manufactures or sells products, and if the nature of those products is such that there's a risk of product liability claims brought by people who might be injured by the product, you're going to need to understand what you're exposure is."

BusinessWeek

June 24, 2009

The SEC Is Too Lax on CEO Health Disclosure - *By Arik Hesseldahl*

The SEC has a strong legal basis on which to set down strict guidelines about reporting on the health of a CEO, say a group of academics whose research is due to be published in *Business Horizons*, the journal of the Kelley School of Business at Indiana University. The paper was authored by **Alexa Perryman, a professor of management at Texas Christian University**; Frank Butler of Florida State University; and John Martin of the U.S. Air Force Academy.

The authors outline extreme cases where shareholders were given plenty and too little information on the condition of a CEO. In 1993, when Tenneco CEO Michael Walsh was diagnosed with brain cancer, the company made an extensive and detailed disclosure. Before he died in 1994, Walsh stayed on long enough to see the company through a restructuring and to designate a successor. In 2006, Frank Lanza, the CEO of defense contractor L-3 Communications, was recovering from surgery on his esophagus, supposedly for acid reflux, when he died suddenly of esophageal cancer, a condition about which L-3 investors were ignorant.

The legal basis stems from a 1976 decision by the U.S. Supreme Court, which ruled in *TSC Industries v. Northway* that "an omitted fact is material if there is a substantial likelihood that a reasonable shareholder would consider it important in deciding how to vote." The case had nothing to do with the health matters of executives, but rather information withheld from view about which shareholders would reasonably wish to know.

Too often, CEOs resist disclosure until the illness has reached a critical stage. **Perryman** and her co-authors suggest that the SEC lay down guidelines that would require disclosure any time there's an illness or medical condition that endangers the CEO's life, or would require a lengthy absence, or would impact the CEO's ability to do his or her job.