

**April 2016**

**Star-Telegram**

**April 2, 2016**

**At American Airlines, profit sharing shows CEO's willingness to adapt— by *Andrea Ahles***

It was a surprising reversal by an airline CEO who for two years had stuck to his guns, saying that higher wages are better for employees than risky profit-sharing plans.

But last month, American Airlines' chief executive Doug Parker announced that the Fort Worth-based carrier would implement a profit-sharing program for more than 110,000 employees.

"This is a CEO who had a point of view and then changed it to one that is frankly a more employee-friendly point of view," said Henry Harteveldt, an analyst with Atmosphere Research.

But will the prospect of getting a profit-sharing check at the end of the year make American employees pull together to make the airline great again?

Parker and other senior executives at American hope so.

Industry analysts, however, say it's too early to tell if the offer will translate to more motivated workers, particularly if the payout ends up being less than expected because fuel prices go up or a slowing economy hurts demand for travel.

**"If they don't see how their job affects corporate profits, it will be just a short-term bump in engagement," said Brad Harris, an assistant professor of management at Texas Christian University's Neeley School of Business.**

Analysts say Parker's move is a step in the right direction to improving labor relations at the airline, and a necessary one if American wants to remain competitive with Delta Air Lines and United Airlines, both of which already have profit-sharing plans in place.

"Many people want to think (they have), and many do actually have, a day-to-day influence on how customers view the airline. And for that they would like some recognition," said airline analyst Bob Mann.

### **Will it work?**

Profit sharing can improve employee morale and is often used by management teams to motivate workers, business professors said.

By offering the profit sharing to unionized employees in the middle of a contract, instead of waiting to offer it as part of contract negotiations three years from now, Parker may have laid the groundwork to ask for productivity improvements from workers in the future.

**"Parker is doing a lot to negotiate in good faith with the union and have a legitimate open dialogue so he can build trust and do what he wants to do with future initiatives," Harris said.**

But if the profit sharing doesn't pay out or competing airlines continue to offer more lucrative plans to their employees, American workers could be disgruntled again, analysts said.

"If they can't get everybody on the same team and pulling the oars at the same time, the boat is going nowhere, and in the meantime they are getting outpaced by Delta and United," Mann said.



April 4, 2016

### **Students from Scottish university set for business battle in Texas—by *Liam Hamilton***

Business-savvy students from a Scottish university are flying out to Texas to compete against the world's best entrepreneurial brains.

The five students from Strathclyde University will take on the best business universities across the world to try to win the \$25,000 (£17,000) top prize to launch their own enterprise.

The second-year undergraduates, who will join nearly 50 top universities including Harvard and the University of Chicago, have created a smartphone and tablet application to help combat loneliness in older people.

The team hope the app, called Be Friend, aims to help to solve the issue by allowing users to connect with other older people and organise social activities.

Loneliness is a problem experienced by 51 per cent of the over-75s, according to an ONS report. Older people are especially vulnerable to loneliness and social isolation. This can be for a variety of reasons such as leaving the workplace, the death of family and friends and living alone. This can lead to depression and have a massive detrimental effect on an individual's health.

The Be Friend team believed they had found a solution when they read a report by retirement home builders McCarthy and Stone that found 59 per cent of retirees own or have access to a tablet or smartphone. They decided this medium would be the best way to proceed with their project.

Their idea has already edged out 46 other teams from Strathclyde University in the selection process to represent the university in Texas.

The criteria for the best prize at the competition, held by the **Neeley School of Business at Texas Christian University**, is to come up with an idea that tackles a social issue but at the same time is profitable to run.

**Matt Smilor, director of the Values and Ventures programme at Neeley School, said: "We invite the best universities and colleges from around the world to submit an undergraduate team for the competition. It is a forum for the students to showcase and express their entrepreneurial prowess, gain validity for their business ideas and enjoy opportunities to network with other like-minded students and faculties from across the globe.**

**“My advice for the Strathclyde students would be to do your best, have a clear presentation and be confident in your ideas and answers to judges’ questions. You are the expert for your business. Show that off.”**

The members of team Be Friend – Lisa Higgins, Amy Hyslop, Caitlin Connolly, Ross Ford and Jack Simpson – leave from Glasgow airport for a **four-day trip funded by the Values and Ventures program at the Fort Worth-based university. The competition takes place on Friday and Saturday.**



**April 9, 2016**

### **Wartburg students to pitch socially minded business**

A group of Wartburg students will head to Fort Worth, Texas, this weekend to share their plans for making a difference while making a profit.

Led by Krystal Graves of Cedar Falls, the team, including Lindo Simelane, Cassandra Ward, Ashlee McGrown and Andre Green, will be one of 47 collegiate teams from across the U.S. and around the world competing in the **Richards Barrentine Values and Ventures Competition at Texas Christian University Friday and Saturday.**

Competing teams present business plans demonstrating a societal or environmental need to be filled, as well as profitability. More than 90 business leaders will serve as judges and mentors.

# **FORT WORTH BUSINESS**

**April 12, 2016**

### **Loyola takes home top prize at TCU Values and Ventures Competition**

InterWallet, a low-cost method for people with lower-incomes to pay bills and transfer funds from Loyola Marymount University, took home the top prize in the sixth annual **Richards Barrentine Values and Ventures Competition at TCU.**

**College students from 47 universities came to TCU April 8-9,** for the event that judges business ideas that benefit society from undergraduate students. Rice University and the University of Texas at Dallas received honorable mentions at the event.

The annual competition is presented by the **Neeley Entrepreneurship Center.** Cash prizes totaled \$77,700. More than 80 business leaders served as judges and mentors, to provide a solid base of knowledge about the viability of startup businesses.

Loyola Marymount University won first place and \$25,000 for the InterWallet concept.

“I feel that business isn’t about just making money; it’s about creating a product or service that really helps people,” Franky Bernstein, who represented LMU in the competition, said. “More than 70 million people in this country struggle with basic things like having a bank account and paying bills, and I want to fix that.”

George Washington University won second place and \$15,000 for The Rooftop Tea Company, empowering women in underserved communities to transform their rooftops into economically lucrative tea gardens. GWU also won the \$1,000 Ripple Effect Award for women helping women.

“I think social entrepreneurship is the way to create innovative solutions for the future,” Cheyenne Tessier, who represented GWU, said. “I observed something happening in the developing world, where women didn’t have access to jobs to help with the family income. And in these communities, families really need more than one wage. So I knew it would be impactful to target these women that so many companies and NGOs are overlooking.”

Johns Hopkins University won third place and \$10,000 for Separatec, a patent-pending ultrasonic tip that separates scar tissue in the spinal cord during surgery to reduce cerebrospinal fluid leaks and expedite recovery.

#### 2016 TCU Values and Ventures Winners

Grand Prize \$25,000 Loyola Marymount University InterWallet payment and money transfer service for low-income neighborhoods

Second Place \$15,000 The George Washington University The Rooftop Tea Company, empowering women entrepreneurs through rooftop tea gardens

Third Place \$10,000 John Hopkins University Separatec patent-pending ultrasonic tip for spinal cord surgery

Honorable Mention \$2,500 Rice University Ziel, a sensor-sleeve that gives baseball pitchers real-time feedback to mitigate injury

Honorable Mention \$2,500 Grand Valley State University UCOL, a breakthrough device for urinary incontinence

Honorable Mention \$2,500 Florida State University DivvyUp fashion socks that donate a pair to homeless shelters for every pair sold

Honorable Mention \$2,500 University of Texas at Dallas Blanco Farms Exotic Mushrooms locally grown in repurposed shipping containers

Honorable Mention \$2,500 San Diego State University Genius, wearable sensors that allow people with severe physical disabilities to use computers via brainwaves

Honorable Mention \$2,500 University of Brawijawa (Indonesia) Garbage Clinical Insurance collects waste from impoverished households at a low cost and uses the fees to cover health care

Founders Award \$5,000 Ohio University Vaylenx, an environmentally safe, affordable, easy-to-use larvicide to decrease mosquito populations to combat mosquito-borne diseases

Marjorie and James Sly Entrepreneurship Award \$2,500 United States Air Force Academy Activity database and app that matches adventurers with trails, waterways and slopes, with option to rent/buy gear

Ripple Effect Award \$1,000 University of Brawijawa (Indonesia) Garbage Clinical Insurance

Ripple Effect Award \$1,000 The George Washington University The Rooftop Tea Company

Ripple Effect Award \$1,000 Iowa State University KinoSol is a solar food dehydrator that helps subsistence farmers reduce post-harvest loss

Elevator Pitch First Place \$1,000 University of Kansas Carbon Financial next-generation automated investment service for new investors with limited knowledge and capital to share fees

Elevator Pitch Second Place \$500 Emory University Sale Split cooperative buying for individuals to take advantage of bulk discounts

Elevator Pitch Third Place (tie) \$250 University of Strathclyde (Scotland) Befriend, an social meeting app designed to combat isolation for people over 65

Elevator Pitch Third Place (tie) \$250 Iowa State University KinoSol is a solar food dehydrator

Elevator Pitch Honorable Mention \$100 Brigham Young University Curo mobile wallet platform for users in developing countries to send, receive and store money without high banking fees

Elevator Pitch Honorable Mention \$100 Ohio University Vaylenx environmentally safe mosquito larvicide

As judges deliberated, the students heard from Four Day Weekend improv comedy troupe on the power of “Yes, and...” thinking in entrepreneurship. Four Day Weekend, the newest Entrepreneur-in-Residence at the TCU Neeley School of Business, was the featured speaker for TCU’s Bolin Innovation Forum.



April 13, 2016

**InterWallet from Loyola Marymount Wins TCU’s 2016 Richards Barrentine Values and Ventures® Competition at TCU - Texas Christian University**

**College students from 47 universities came to TCU April 8-9, 2016, for the sixth annual Richards Barrentine Values and Ventures® Competition, to demonstrate their heads for business and their hearts from humanity.** The undergraduate students pitched plans for products and services that benefit a specific population, community and/or the environment while making a profit.

The annual competition is presented by the **Neeley Entrepreneurship Center**. Cash prizes totaled \$77,700. More than 80 business leaders served as judges and mentors, to provide a solid base of knowledge about the viability of startup businesses.

Loyola Marymount University won First Place and \$25,000 for InterWallet, which provides a low-cost way for lower-income people to pay bills and transfer money through local terminals.

“I feel that business isn’t about just making money; it’s about creating a product or service that really helps people,” Franky Bernstein, who represented LMU in the competition, said. “More than 70 million people in this country struggle with basic things like having a bank account and paying bills, and I want to fix that.”

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Johns Hopkins University won third place and \$10,000 for Separatec, a patent-pending ultrasonic tip that separates scar tissue in the spinal cord during surgery to reduce cerebrospinal fluid leaks and expedite recovery.

# FORT WORTH BUSINESS

April 25, 2016

**Four Day Weekend comedy troupe combines improv, entrepreneurship – by Shirley Jenkins**

The “Yes and…” principle on stage calls for an actor to accept whatever a fellow actor says or does, but then add to it.

The “Yes and…” idea works on an organizational level by creating a culture in which anyone can come up with an idea and it will lead to more collaboration, according to Four Day Weekend members.

Four Day Weekend, the Fort Worth-based improvisational comedy troupe, has found almost two decades of fast-paced humorous success in saying “Yes” to all audience prompts, with nary an outright “No” or even a script.

So strong is their belief in their “Yes, and” technique that now they’ve parlayed it into a business model to present to young entrepreneurs.

**Four Day Weekend, Entrepreneur-in-Residence at Texas Christian University’s Neeley School of Business, presented at the annual Bolin Innovation Forum on April 9 for the second time since 2014.**

“Our intent was to put on a great comedy show,” said founding member David Wilk as he looked back to the group’s beginnings. “As it grew, everything just grew around us.”

They started their comedy career in 1997 with \$700 and a six-week stand at a Houston Street theater. They were a hit, said “Yes” to staying on, “and” to getting a bigger share of the earnings. They added shows (they’re past 5,000 now), and before long they were recruited by the CEO of a big corporation to do a series of corporate workshops.

“One of us said, ‘Why don’t we use those main tenets to build a business?’” Wilk said.

A new facet of their career opened up, and they have presented to groups at Southwest Airlines, Hyatt Corp., FedEx, American Airlines and even the U.S. Congress. They have grown their show into a company with a

corporate communication division, a training center for up-and-coming improvisational artists, a touring company, television and film projects and children's toys, plus being keynote speakers and authors.

"As we're getting older, now we're just funny entrepreneurs," said Wilk, an Oklahoma transplant to North Texas.

Do they really use ALL the improv ideas that are thrown their way?

"Here's the loophole," Wilk said. "Nobody's ideas are any better or any worse than anyone else's. There are only higher and lower percentage points of success with an idea. We've found that out over 5,000 shows in 19 years."

Their "trade secret" is to listen well and to build on the pertinent information of their comedy partners.

"If there is a bad idea, no one gets punished for it," Wilk said. "Instead it's a 'yes, and.' That's the caveat. It's a philosophy, not a statement."

**O. Homer Erikson, dean and professor of managerial economics and strategy at Neeley School of Business, said department administrators were pleased to invite Four Day Weekend back as feature presenters to the Bolin Innovation Forum. The forum is held each year in conjunction with the Richards Barrentine Values and Ventures Competition, which draws business students from all over the country and the world.**

**"I heard from numerous students from the 47 participating universities that it was inspiring for them to hear how taking a 'Yes, and' approach can propel them over hurdles they may face as aspiring entrepreneurs," Erikson said.**

Four Day Weekend found that improvisation and business have three common elements for success: collaboration, creativity and innovation.

"It's an introduction to the culture shift of 'Yes, and' because if you hear 'No, but' too many times you quit presenting your ideas," Wilk said. "'But' is an acronym, 'behold the underlying truth,' we always say."

Balancing the comedy club with business coaching has worked into a nice tradeoff for Four Day Weekend.

"When the [stock] market is down, they [business managers] see a line item for a corporate comedy show and say, we can do without this, and it gets cut," Wilk said. "The 'comedy' at the business may get cut, but the comedy business at the club does great."

**During the group's hour-long presentation at TCU, Wilk, David Ahearn and Frank Ford kept students involved in a fast-paced, interactive dialogue "where your idea becomes our idea," Wilk said.**

"As an entrepreneur, you improvise every single day, all day," Ahearn said. The "Yes, and" model encourages team members to offer their ideas without fear of ridicule or rejection, and it builds loyalty based on being appreciated.

The similar phrase "Yes, but" is not much better than "No," the troupe members said.

"'But' is just a polite no," Wilk said. "Whatever came along in the conversation before 'but' isn't gonna fly."

The best comedic part of the presentation came in a fast-paced example of “Yes, and” with an audience volunteer. The back-and-forth exchange started out as an imaginary golf game, but quickly built into a partnership with Leonardo DiCaprio, which ended badly, but then rebounded with a friendship with George Clooney.

The Four Day Weekend recap was, strike “No” from the entrepreneurial vocabulary, listen to all ideas brought forward, stay positive and reject the power of negativity.

“Some [business managers] say it’s better to be feared than loved,” said Ford. “In our world, it’s always better to be loved, always. Fort Worth is a ‘Yes, and’ city, and TCU is a ‘Yes, and’ university.”

Visiting students leaving the group’s presentation were enthusiastic, using adjectives like “amazing” and “inspiring.”

“It was very entertaining,” said one student, Liban Sheikh of San Diego State University. “It was cool how TCU is presenting this.”

“I teach entrepreneurship and I use improvisation in the classroom myself. I’m glad to see they’re promoting it,” said Melanie Tedri, a faculty member at George Washington University.

“It was interesting,” said Cheyenne Tessiers, a student at GWU. “They had good advice for a changing business environment.”

# The Dallas Morning News

April 26, 2016

**For Comerica and other companies, ‘the heat is on’ from activist investors – by Mitchell Shnurman**

Last week, Comerica Inc. opened an earnings call by acknowledging the elephant in the room. Before getting to quarterly results, CEO Ralph Babb said, he wanted investors and analysts to know that their feedback and suggestions had been received: They all want better returns.

Then Babb reminded everyone what’s at stake. “I know that we must earn our right to remain independent every day,” he said, a phrase he repeated almost verbatim later in the call.

Indeed, Comerica’s independence is in doubt because outsiders are pushing the company to consider a sale to lift its value. The issue could escalate Tuesday at Comerica’s annual meeting in Dallas.

A banking analyst, Mike Mayo of CLSA, is helping lead a high-profile challenge. He talked with some large shareholders who agreed that Comerica needed a change, he wrote last month. So Mayo is encouraging them to come to Dallas to press the case.

“The heat is on,” Mayo wrote in his report, which upgraded the stock from sell to outperform. “Either management shows progress by next year’s annual meeting or a flammable shareholder base pressures Comerica to restructure or sell.”



It's unusual for an analyst to lead such a charge, but activist investors have been taking on this role more frequently. Some investors are adversarial, challenging management in the press and proxy votes, while others team with management and even join the board.

While Mayo has been a loud voice, Comerica also has an activist investor group that likes to work quietly. Hudson Executive Capital, led by former banking executives, has taken a stake in Comerica. According to its mission statement, Hudson won't do proxy fights or go directly to shareholders. It prefers "constructive engagement" with management.

That's one way to describe what happened with Dow Chemical and DuPont. When they agreed to merge last year, activist investor Nelson Peltz played a central role in the deal, according to *The Wall Street Journal*. The transaction signaled "the arrival of a new era of activist investing," the *Journal* wrote in December.

Most activist investors go long on companies, betting that the stock price will climb because of their involvement. But short-sellers, who bet that prices will fall, are taking high-profile stances, too.

About five months ago, Hayman Capital Management of Dallas started a public campaign against United Development Funding IV, a real estate investment trust in Grapevine. Hayman, which shorted UDF shares, revealed a number of serious financial problems based on its own research.

Founder Kyle Bass called UDF "a billion-dollar house of cards" and said it was "on the verge of collapse." In February, UDF was raided by the FBI and trading in UDF shares have been suspended since then.

Hayman flew under the radar, examining UDF financial reports and real estate holdings — and going short on the shares — without talking to UDF management. The hostility between the two sides was evident in public statements and presentations.

At the other end of the spectrum, Dallas-based Tenet Healthcare Corp. expanded its board to bring in two partners from a New York hedge fund. Glenview Capital Management, Tenet's largest investor, got the two seats in January, when it reported that its stake had increased to 18 percent of Tenet shares.

But activist investors don't always push in the right direction. Ackman engineered a restructuring at J.C. Penney, including the recruitment of CEO Ron Johnson from Apple. That experiment failed and Ackman called it his worst investment.

**"Financial people tend to be pretty arrogant and think they know everything," said Steve Mann, a finance professor at Texas Christian University's Neeley School of Business.**

**A year ago, hedge fund founder David Einhorn took some heavy shots at energy companies that specialize in "fracking." He shorted Pioneer Natural Resources of Irving and called it the "mother-fracker."**

**Pioneer's stock fell but has been recovering lately. Meanwhile, total returns in Einhorn's fund declined by double digits in 2015.**

**"There's a fine line between activist investors who want to make the company stronger and those who just want to flip the stock," Mann said.**

**He likes the Warren Buffett model, in which a white knight buys a good company and gives management room to run. But only so many companies have that option.**