



*A newsletter for students and alumni of Saint Michael's Department of Business Administration and Accounting*

### CHAIR'S MESSAGE by Robert Letovsky, Ph.D



Outsourcing jobs by American companies has been a source of controversy for some time;

however, in the last few years, the phenomenon has taken a new turn. In the past, outsourcing affected blue collar workers involved in production and assembly work, but now American firms turn to foreign workers for a wide range of service and white collar jobs. These range from operating call centers to handling data entry and bookkeeping operations to reading X-rays. Since many of these jobs require workers with a strong command of English, India has been the recipient of a large number of outsourced ser-

vice jobs from the U.S. Predictably, the apparent outflow of jobs has been criticized by many of the same people who criticized outsourcing in the manufacturing sector. However, the new form of outsourcing has also created increasing uncertainty in America's middle class, where white collar and service jobs have traditionally been seen as the bedrock of an upwardly mobile career. For soon-to-graduate business and accounting students, this new form of outsourcing has also become a cause for concern, as many of the jobs being sent overseas are precisely the kinds of entry-level positions to which college graduates aspire.

To understand what outsourcing will mean for current college students, it's important first to recognize that there is

a substantial body of data that demonstrate the benefits outsourcing has had for our economy. According to government data, the United States runs a substantial surplus on service exports. For every call center or data entry job sent to India, the United States takes in far more when foreigners come to the United States for advanced services ranging from banking, insurance and health care to management consulting. McKinsey Consulting found that when a U.S. software company outsources a \$60/hr. code writer's job to India and gives the work to someone earning \$6/hr., the American economy captures 2/3 of the benefits. This shouldn't be surprising to anyone: The company has just eliminated \$54 of expenses, which it can now reinvest in research and development, marketing or ex-

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### ATTENTION STUDENTS: PEER TUTORS NEEDED!

#### *Are you interested in...*

- helping a fellow student grow his/her confidence and skills?
- sharing your enthusiasm for a subject you know well and want to understand even better?
- building your resume?
- earning extra money?

If so, then your skills are needed! Currently, there is a particular need for business and accounting tutors. Peer tutoring is a non-workstudy em-

ployment opportunity. Requests for tutors in many subject areas are made throughout the semester, so the peer tutoring office is always seeking tutors and accepting applications.

You can apply to be a peer tutor at any time throughout the semester, so it's not too late to let us know of your interest. In order to become a tutor, you must be at least a sophomore and obtain the recommendation of a professor in the subject(s) for which you'd

like to be a tutor.

To get an application and learn more, contact Joan Wagner, Peer Tutor Coordinator at [jwagner@smcvt.edu](mailto:jwagner@smcvt.edu), or 654.2844, or stop by her office in Klein 116.

## OUTSOURCING *continued from page 1*

pansion in the U.S. Most importantly, critics of outsourcing ignore a fundamental truth of international trade: If we don't buy from them, they can't (and won't) buy from us. Last spring, Air India signed an \$11 billion deal with Boeing Corp. for a large number of American made jets, including Boeing's new 787 Dreamliner. Boeing estimates the demand for new jetliners in India over the next 20 years to be in excess of \$35 billion. Where does India get this money? Certainly not from U.S. taxpayers – our aid to India has been fairly small for years. No, they “earned it,” primarily by exporting services to us. This includes everything from call center serv-

ices to data entry jobs. Wouldn't we much rather have American workers make 787's and all the sophisticated technologies that go into it than handle data entry and call center work?

I am not suggesting that outsourcing doesn't cause significant hardship for some Americans. Students in college now have to face some stark new realities of today's interconnected global economy: Any part of a job that can be digitized is a candidate for dispatch to a distant, lower cost locale. Few of us are entirely immune from this phenomenon. What does this mean for the business or accounting student of today? Each of you has to manage “Me,

Inc.” so that you are as up-to-date as possible with the skills and knowledge which the jobs of the future require. This will only be possible if our students embrace a philosophy of continuous learning, and prepare themselves to move into new areas of knowledge and practice that keep them one step ahead of the competition – whomever or wherever that may be. This is a tall order; however, our students have repeatedly shown us that they are not afraid of competition. Moreover, the solid liberal arts background our business and accounting majors graduate with is an excellent foundation for future career and occupation transitions.

## FACULTY PROFILE: **DR. COLIN PILLAY**



Dr. Colin Pillay has been at Saint Michael's College since fall 2003, teaching courses in financial accounting, business policies, financial policies, financial management and in-

roduction to business.

He earned an MBA in finance from Texas A&M in 1995, an MS in finance from Texas A&M in 1998 and a DBA from Louisiana Tech in 2004. Prior to receiving a business education, Dr. Pillay worked in the computer industry for companies such as Exxon Production Research, System One Corporation and Electronic Data Systems.

Through extensive use of technology in the classroom, Dr. Pillay has pioneered the use of McGraw Hill's homework manager, an online system

which grades student homework. Students in his Financial Policies class have access to CapitalIQ, a hedge fund database provided by Standard and Poor's. Saint Michael's College was the first undergraduate institution to receive access to this database. Students in his Business Policies class play the CAPSIM game which allows them to simulate the decision making techniques of top management.

Dr. Pillay has used the Capital IQ database in his research to identify companies that have issued restricted stock grants. He is investigating whether the companies offering these grants demonstrate superior corporate governance structures and whether the market places a higher valuation on these companies than companies that do not offer restricted stock.

The IVEY School of Business at the University of Western Ontario in London, Ontario held a case writing workshop in April 2006 where Dr. Pillay

co-authored a case with the CEO of Sertonex, a biotechnology company.

He is also a reviewer for Annual Advances in Business Cases as well as a textbook reviewer for McGraw Hill. Dr. Pillay has participated in finance conferences as a presenter and discussant. At the 2006 Financial Management Association meeting held in Salt Lake City in October, he was a discussant, and chair ed a session on market microstructure.

In April 2006 Dr. Pillay accompanied four business students to the RISE (Redefining Investment Strategy Education) VI Student Investment conference held at the University of Dayton in Dayton, Ohio. Students attending the conference had the opportunity to hear influential business leaders such as Elaine Gazarelli, Michael Oxley, Dr. William Poole and Diane Swonk.

## FACULTY NEWS

**Dennis Wilson**, instructor in business administration and accounting, published an article with his wife, Vanina, entitled “American Ballet - could be improved by a return to the past?” that appeared in the August/September 2006 issue of *Dance Europe*. The article contends that there are too many lower-tier ballet companies that dilute the available ballet talent in the United States. The lack of talent available to these lower-tier ballet companies also leads to poorly-educated American ballet consumers and condemns dancers in these companies to a marginal professional existence. The best solution is for upper-tier ballet companies to form traveling companies consisting of a portion of their best talent and to offer to perform several times in communities contemplating the sponsorship of a local company.

(Information taken from the “Campus Currents” September 2006 newsletter)

## STUDENT INTERN PROFILE: *Kurt Palermo '07*

*Kurt Palermo is participating in an internship at Pomerleau Real Estate. Below, he shares his experiences.*

**Q: What do you like most about your internship?**

A: I love the industry in which I am involved but most of all I love the environment I work in. The people I work with are not only extremely hard working but they also love what they do.

**Q: How has your education at Saint Michael's helped you with your internship?**

A: There have been so many instances where I have applied aspects of my education at Saint Michael's. The programs' well-rounded capaci-

ties have been a very important aspect in relaying what I have learned at Saint Michael's to my internship.

**Q: What is one thing that stands out in your mind that you have learned at your internship that you never knew you could do?**

A: I always enjoyed work but I was very serious about getting tasks done. The internship environment is much more relaxed in terms of employee relations, yet is still extremely hard working.

**Q: Why did you choose your internship position?**

A: After talking to the people there, I realized that it was equally im-

portant who I worked with as well as where I worked. Not only were they very welcoming but they were also very passionate about their jobs.

**Q: Has your internship position prepared you for the real world?**

A: I still have a long way to go before I am prepared, but it certainly is a good starting block.

**Q: What advice could you give to your fellow students about performing well in an internship position?**

A: Love the internship you are going to apply to, don't just go through the motions for your resume, and work hard.

## A MESSAGE FROM THE ACADEMIC INTERNSHIP PROGRAM *by Joanne LaBrake Muehlberger, internship director*

Today it is imperative to pursue an internship during your college career. Internships are highly valued in the business world. There are many opportunities through the Saint Michael's Internship Office for you to secure an internship while earning credit. The Academic Internship Program is designed for all students who are interested in earning credit

while gaining valuable work experience. This is an opportunity to integrate the work you have done in the classroom within a business setting. An academic internship allows you to enhance your resume, test the career waters, and develop a professional network while earning credit. In September we begin planning for the spring semester and in Janu-

ary we begin the process for the fall.

We hope you will visit our Web site and view the sites that have already been approved. If you are interested in learning more about the program, schedule an appointment to meet with me and discuss the many possibilities.

## ALUMNI NEWS

**Bert Vinning '97** is now President of HartScreen America, Inc. in Andover, MA. HartScreen America, Inc. is a company that screens individuals for heart defects to prevent sudden unexpected death.

**Shaun Anderson '93** is a Sales Assistant at an advertising firm in Norwalk, CT.

**Bryan Nelson '01** is the Vice President, Regional Sales Director at Columbia Management Distributors.

**Matthew Byrne '02** is working at Bank of America in Boston, Massachusetts. He has been employed there for the past three years. Before beginning work at BOA, Matt completed Clarkston's 4+1 MBA program in 2003.

**Daniel F. Casey '81**, CIC is the President & CEO of Chittenden Insurance Group. His son Patrick is a first-year student at Saint Michael's in the Business & Accounting Department.

*Alumni: Please let us know what you are doing and send us pictures! We would like to add to this section.*

## NEW MATERIAL AT THE LIBRARY

### New Books

*Are You Ready to Succeed?:* Unconventional strategies for achieving personal mastery in business and life by Srikumar S. Rao (2006).

*Body Brokers:* Inside America's underground trade in human remains by Annie Cheney (2006).

*Conspiracy of Fools:* A true story by Kurt Eichenwald (2005).

*A Corporate Solution to Global Poverty:* How multinationals can help the poor and invigorate their own legitimacy by George Lodge & Craig Wilson (2006).

*Globalization and Economic and Financial Instability* edited by H. Peter Gray and John R. Dilyard (2006).

*Hershey:* Milton S. Hershey's extraordinary life of wealth, empire, and utopian dreams by Michael D'Antonio (2006).

*Monster Careers:* How to land the job of your life by Jeff Taylor with Doug Hardy (2006).

*Start Late, Finish Rich:* a no-fail plan for achieving financial freedom at any age by D. Bach (2005).

*The Wealth of Networks:* How Social Production Transforms Markets and

Freedoms by Yochai Benkler (2006).

*Who Controls the Internet?:* Illusions of a borderless world by Jack Goldsmith and Tim Wu (2006).

### New DVDs

*Enron:* The smartest guys in the room. DVD 2598

*Shell Shock:* The failure of corporate ethics. DVD 2528

*What in the world?* (Developing nations and globalization) DVD 2819



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*Knights and Days in Business & Accounting* is authored by Sarah Cloutier, Graduate Assistant in the MSA Program.

The Business and Accounting department would love to hear from you! Please submit comments to [scloutier@smcvt.edu](mailto:scloutier@smcvt.edu).

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