

VIP LOOKS TO SAINT MICHAEL'S FOR HELP WITH RESEARCH

Last semester, two of Karen Popovich's BU 207 Business Statistics students were asked to help a local business with an interesting research project. Kendra LaBounty, a business and accounting double major, and Matt Stayton, accounting major, spent nearly 40 hours trying to create pricing tiers for various beer brands for a local company called Vermont Information Processing (VIP). "It was interesting to visit VIP and see firsthand how management deals with projects," states Matt.

VIP, a provider of software and services to the U.S. alcohol beverage industry, has a command-

ing share of the software market for beverage wholesalers. VIP provides data processing services and applications to beverage suppliers including Anheuser Busch/InBev, MillerCoors, and E&J Gallo Winery, as well as most leading beer importers and craft brewers.

The objective of Kendra and Matt's project was to analyze the data concerning various beer brands and their corresponding volumes, dollar amounts, and average prices. Using this information, the intent was to categorize the beer brands into four pricing tiers – bargain, mid tier, premium, and ultra premium. The purpose of these pricing tiers was to provide a framework by which suppliers and distributors can classify their products. The results of the project were used by VIP to determine which method of brand classification is appropriate, and based on that choice, create a procedure to reproduce the pricing tiers.

Located in Colchester, VIP has employed a number of Saint Michael's College graduates. Tom O'Keefe is a 1986 business graduate of Saint Michael's College and manages VIP's Supplier Services Group. Tom is a 20 year veteran of the alcohol beverage industry, starting at VIP in 1990. He spent about 8 years with Miller Brewing Company in Milwaukee, WI before returning to VIP in 2002.

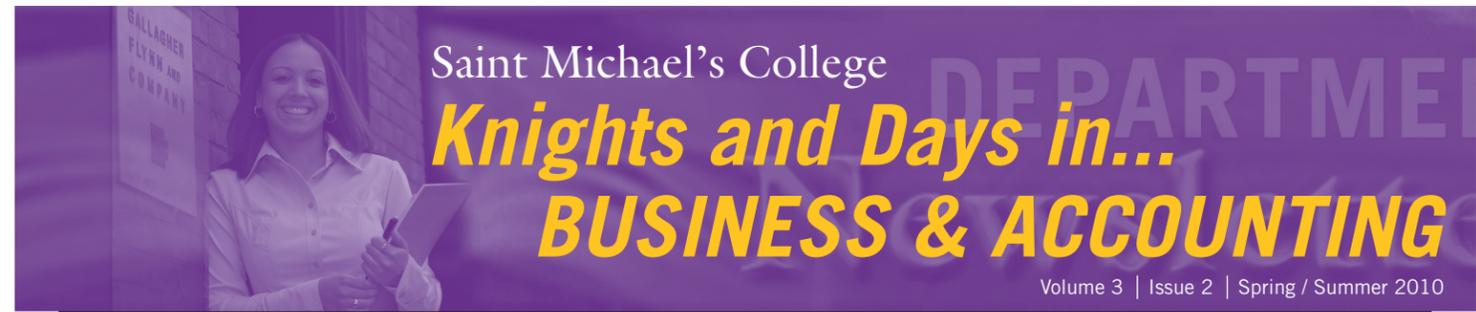
When asked to talk about some challenges they faced when working on this project, Kendra stated, "The data required cleansing before analysis could be properly performed. The hardest part of the project was deciding which pieces of data to remove and which to keep." Matt added, "This project taught us what to do,



statistically, when the data you are working with is not perfect. In class, the numbers always work out." Throughout the project, Kendra and Matt worked extensively with Microsoft Excel. Four pricing tiers were determined to be the suitable number of categories, based on the natural shifts in the data.

Outside of the classroom, Matt is involved with MOVE, belongs to the Fly Fishing Club, and is an accounting tutor. Matt is hoping to become a CPA and study fraud.

Kendra, a Vermont native, is interested in Corporate Law and is considering Law School after graduating from Saint Michael's in 2012.



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

CHAIRS NOTES: Robert Letovsky, Ph.D., department chair



One of the great aspects about travel to new places is the way it alters perceptions and ideas we may have been holding on to for a long time, even as those perceptions no longer reflect reality. So it is for Brazil, where Dr. Paul Olsen and I led a group of MSA and undergraduate students during Spring Break. For most of us, Brazil conjures up images of Sugarloaf Mountain and the iconic statue of Jesus looking down on beautiful beaches. And yet, Brazil is today the world's sixth largest economy. The business press frequently refers to the "BRIC" countries (Brazil, Russia, India, China) as the economies of tomorrow. However, Brazilian businesspeople and government officials insist that Brazil, alone among the four BRIC economies, is not dependent either on exports or raw material exports to sustain its already robust growth. The country is poised to become even more of an economic powerhouse over the next ten years.

The extent of Brazil's economic dynamism and the multiple sources of its prosperity are what our group came to understand. After the "mandatory" inspection of Rio's famed Copacabana beach and a trip up to the iconic statue of Jesus on Corcovado, our group had a lengthy meeting at Petrobras, the state-owned oil company. The company has made massive discoveries of underwater oil and gas off Brazil's coastline in the past two years, and once developed Brazil will be one of the world's leading energy producers.

We then went on to Sao Paulo, stopping on the way for a plant tour at General Motors dos Brasil, a sprawling facility in the industrial city of San Jose dos Campos. Arriving in Sao Paulo in late afternoon by van was an incredible experience – the city of 29 million, one of the five largest cities in the world, has a skyline that can only be described as endless. In Sao Paulo, our group met with a number of companies, as well as with the Foreign and Commercial staff at the U.S. consulate and toured the booming Sao Paulo stock exchange. We also were given an outstanding presentation on Brazilian management style by the faculty at the University of Sao Paulo, where we were able to have lunch with a number of students in their

English-language MBA program. One of our most memorable experiences was an afternoon spent at Meninos de Morumbi, a nonprofit group that works with poor children from the city's slums, encouraging them to get involved in music as an alternative to gang activity. We also had a wonderful dinner with two Saint Michael's College alums, Daniel Johnson '97, a resident of the city, and Jay Bellissimo '87 and his wife Kathleen, who have been posted to Sao Paulo by IBM.

Overall, we accomplished a lot in one week. Each one of us left with a completely new perception of what Brazil and its society are really about – precisely the kind of learning outcome a good trip should have.

ARE UNREGULATED FREE MARKETS REALLY SUCH A GOOD IDEA?

By Norm Walker

After I read Robert Letovsky's Chair's Message in our last newsletter, I asked for a chance to respond because many of the views he expressed were not at all consistent with my own. The deep recession that we and the rest of the world are struggling to get out of provides evidence that following a path of deregulation and unrestricted free markets that he strongly supports may not have been that smart. Of particular concern is our eager willingness to outsource jobs and production to other countries in order to reduce labor costs, without sufficient regard for the impact of those policies on individuals, communities and longterm national prosperity and security.

One of the odd arguments in his letter was that if Congress provided certain subsidies to businesses only if their products were made in the U.S.A., it was going to be difficult to find any eligible recipients because hardly anything was exclusively made in the U.S.A. I thought if providing subsidies funded by U.S. taxpayers only if those subsidies helped increase U.S. jobs was a problem, we should reconsider the wisdom of the policies that lead us to be in this situation rather than to criticize Congress for trying to do something that most people would find logical. It wasn't very long ago that Wal-Mart prominently advertised the "Made in the USA" logo in their stores. I admired

that because I thought that would encourage shoppers to use their dollars wisely by supporting their local and national economy. Supporting local business seems like a reasonable way to help ensure that your shoppers could continue to afford to shop for the things your store sells. Wal-Mart now promotes a "Always Low Prices" tagline and regrettably have been a driving force behind the pressure to outsource production, so much so that a significant percent of the things they sell that were formerly made in the U.S.A. are now produced in China.

As you will see in my short bio in this newsletter, I am most proud of the contribution I have made to our students through the development of our "Ethical Issues in Business" course. At the beginning of that course we develop an understanding of key ethical values that are generally considered to have universal applicability so that when we discuss particular business cases we have a framework to evaluate the ethical soundness of decisions. I had the good fortune of spending a sabbatical as a Research Associate for the Josephson Institute of Ethics in Los Angeles, CA in 1994. The Institute is responsible for the national "Character Counts" initiative and promote six core values for ethical decision making. These are: Trustworthiness, Responsibility, Respect, Caring, Justice and Fairness and Civic Virtue. Of most relevance to business in a capitalistic system is trustworthiness; this encompasses honesty, integrity, loyalty and promise keeping. Business cannot function effectively without widespread adherence to this value. When those values are breached there are consequences, unfortunately when businesses violate these values many of the consequences are borne some time after the fact by downstream innocents who had no say in the decision. Yet when we lavishly reward the decision makers responsible for outsourcing jobs overseas and disregard the pain to the workers and communities impacted for the sake of saving a few pennies or dollars on a product from an important industry like tire manufacturing, we have embarked on a slippery slope. Aren't we seeing now that critics that warned that this was a race to the bottom may have been right? Are we surprised that jobs are scarce, that wages are stagnant or decreasing, that many college graduates are having a difficult time finding jobs that will justify the cost of their education? It seems that we collectively stand in violation of core ethical values by just watching and letting this happen, and are finding

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BUSINESS ADMINISTRATION AND ACCOUNTING DEPARTMENT AWARDS

APRIL 10, 2010

Congratulations to the following recipients:

DEPARTMENTAL HONORS
Awarded annually by the faculty to an outstanding senior in each major, Accounting and Business Administration Awardees are listed in the Commencement program.

Katherine A. Gosselin
(Top Accounting Student)

Kerry B. Hill
(Top Business Student)

GALLAGHER-FLYNN SCHOLARSHIP
Awarded annually by the faculty to a senior accounting major for recognition of academic excellence. This scholarship is funded annually through the generosity of the Burlington, Vermont accounting firm, Gallagher, Flynn & Company.

Daniel J. Baginski

WALL STREET JOURNAL STUDENT ACHIEVEMENT
Awarded annually by the faculty for recognition of academic excellence. Recipients receive a commemorative paperweight, a one-year complimentary subscription to the Wall Street Journal and WSJ.com, and inclusion of their name on the department plaque

Meagan E. Newell

SIGMA BETA DELTA

Congratulations to the following students who were inducted into Sigma Beta Delta on April 10, 2010

SENIORS

Daniel J. Baginski	Alison J. Marsh
Kelsey J. Dole	Amanda M. Matonis
Sarah J. Dudley	Meagan E. Newell
Thomas J. Dunn	Casey P. Olander
Erika R. Fuglestad	Ashley A. Ottens
Katherine A. Gosselin	Jared J. Palardy
Kerry B. Hill	Molly K. Salt
Christopher R. Kopka	Michael T. Troescher
Sara A. Longpre	

MSA STUDENTS

Jason L. Crooks
Nicole J. Dyhrman
Sheree M. Etter
Barbara M. Iverson
Aparna Nahar
Frank J. O'Connor
Ronald B. Redmond
Deborah J. Sabourin

FACULTY

Francis J. Farina
Diane M. Lander

HONORARY

Donald C. George

Sigma Beta Delta (SBD) is the International Honor Society for Business, Management and Administration.

To qualify for SBD, students must rank in the top 20 percent of their class and have completed approximately three-quarters of the program. Accepted students are chosen in early fall.

Knights and Days in Business & Accounting is coordinated by Candice Arnold, MSA Graduate Assistant. The Department of Business and Accounting would enjoy hearing from you! Please feel free to share your comments with us at carnold2@smcvt.edu.

INTERN PROFILE: JACLYN SMULLEN '10



Senior Jaclyn Smullen, a Saint Michael's College business administration major and marketing minor, recently interned at the Make-A-Wish Foundation located in South Burlington. Founded in 1980, the foundation's

mission is to "enrich the lives of children with life-threatening medical conditions through its wish-granting work."

As an intern, Jaclyn's main function was to assemble "Kids for Wish Kids" packets, which included an introduction of the program, program guidelines, fundraising ideas, posters and fundraising letters. The Kids for Wish Kids program focuses on raising awareness of the Make-A-Wish Foundation by encouraging schools to become involved in fundraising. Program participants form their own committees, develop their own fundraising ideas, and implement these ideas with the help and guidance of teachers and parents. The Kids for Wish Kids program is not only beneficial for the Foundation, but it also serves as an excellent tool to teach children about the value of community service and enhance school spirit.

During her internship, Jaclyn was invited to accompany Hattie Johnson, Director of Development at the Make-A-Wish Foundation and current Saint Michael's graduate student, to accept a check from one of the local schools which participated in the Kids for Wish Kids program.

In addition to assembling the Kids for Wish Kids packets and visiting schools, Jaclyn played an important role in helping to obtain donations and

sponsorships for the foundation's April 10 "Silver & Blue Gala," which will be held at the Sheraton Hotel in Burlington. The purpose of this event is to celebrate 20 years of making wishes come true for Vermont children living with life-threatening medical conditions.

Jaclyn had a lot of practice cold-calling and says, "This has been a great learning experience for me because it was the first time I had to do cold-calling. I found that when I explained that the donations remain in Vermont, people were more likely to help."

While Jaclyn's internship with Make-A-Wish has ended, her support for the foundation has not. Jaclyn will continue to support the foundation even though her internship is over. She recently completed the 6-hour long "wish granter" training program. The wish granters act as the middle person between the families and the Make-A-Wish Foundation and are responsible for helping the child choose his or her wish. One of the most common wishes is a Disney vacation.

In order to be considered eligible to receive a wish, the child must first be referred by a physician, parent, or the child themselves. After receiving the referral, the Make-A-Wish Foundation determines whether the child is medically eligible. Once eligible, wish-granters are sent out to help the child identify their wish. Jaclyn says the average cost of a wish is around \$10,000.

When asked whether her internship has sparked an interest in working for a non-profit after graduation, Jaclyn said, "I will certainly continue volunteering, but I have a very strong interest in international business and marketing. I love to travel!" Following graduation, Jaclyn is considering applying to graduate school to pursue an MBA degree.

PHI BETA KAPPA

Congratulations to the following Saint Michael's business and accounting students who were inducted into the Gamma Chapter of Vermont of Phi Beta Kappa April 9, 2010

Sarah Dudley
Business & Psychology double major

Katherine Gosselin
Accounting Major
Economics & Finance Minor

Meagan Newell
Business Major
Economics & Accounting Minor

Melissa Kaylor
Art Major / Business Minor

As the nation's oldest academic honor society, Phi Beta Kappa is dedicated to promoting excellence in the liberal arts. Less than one percent of college graduates nationwide are admitted, and fewer than 10 percent of colleges and universities are privileged to have Phi Beta Kappa chapters on their campuses.

ENTERPRISE PLAN COMPETITION

The Enterprise Plan Competition began in 2000 with the support of alumnus and Saint Michael's Trustee, Peter Worrell '79, H'06, and his wife, Karen Kendrick Worrell '77. This annual competition challenges Saint Michael's undergraduates to develop and market sustainable business plans to a panel of business leaders serving as competition judges. All business plans must include the social purpose of the enterprise being proposed. The plan may be for a new enterprise or for the reorganization of an existing organization and can be for a for-profit or a not-for-profit organization. Individuals and teams of students compete for the cash prize awarded to the winner. Contestants are judged on creativity, social purpose, thoroughness of research, persuasiveness of presentation, quality of analysis, likelihood of success of enterprise, and quality of written materials. Final Presentations will be held Friday, April 30, 2009 from 1:00 – 5:00 p.m. in the Farrell Room, which is located on the 3rd floor of Saint Edmund's Hall.

SUMMER ALUMNI INTERNSHIP PROGRAM



By Joanne LaBrake Muehlberger, Internship Director

As you know, having internship experience on your resume is crucial in today's job market. In an effort to support our students, the Alumni Board is in the process of establishing a Summer Alumni Internship Program that is open to all current juniors. Although there is no guarantee, the Board is making every effort to establish summer sites for those students who applied to the program. Applications for this summer are now closed, however the program will be open again next year to current sophomores. We are in the early stages of establishing the program, however it looks very promising.

Should you have any questions, please feel free to contact me at extension 2314 or send me an e-mail at jlabrake@smcvt.edu.

out now that the longterm implications were not well understood. If they were, only those at the very top would have said, "yeah let's do that."

Maybe a renewed focus on entrepreneurship, on finding productive activities that can't be outsourced and hopefully, on more fairly distributing the benefits of success, will pull us out of this mess, but until we gain a more stable footing I see no problem with smart regulation, smart import limitations, targeted incentives and a sincere emphasis on values based decisions that support the virtues of trustworthiness and other important principles. At this point unhindered capitalism as conducted over the recent past hasn't proven itself as the best system and continuing on the same path expecting a better result makes me wonder if we are paying attention.

OUTSOURCING RESPONSE

by Robert Letovsky, Ph.D.

One of the best things about working in a large department is the opportunity to present to students differing opinions on key issues. People of good faith can disagree on many fundamental questions of business practice and public policy. Each of us brings our own perspectives to the key business and public policy issues of today, based on our own professional experiences, research and ongoing contacts with the business community. So it is with the complex issue of outsourcing. My long-time colleague, Prof. Norm Walker, took issue with several points I made in our Fall/Winter newsletter ("Protectionism's Slippery Slope"). He asked for an opportunity to address those points he most disagreed with, and I'm delighted that he's done so in this edition.

There were, however, several points in Prof. Walker's response which I feel compelled to respond to. Firstly, I did state that "Buy American" laws were problematic because many products today – ranging from cars to computers to advanced industrial machinery – are global composites, with parts made in a number of countries. I did not state, however, that "hardly anything" is made in the U.S.A. In fact, while globalization has changed what is produced in the United States, it has not decreased America's share of global manufacturing output to any significant degree. In 1995, American factories produced 22.4% of global manufacturing output. Ten years later, after significant outsourcing by thousands of U.S. firms, American manufacturers still accounted for 21.1% of worldwide manufacturing. Factory jobs in America have declined over the past 40 years, but this reflects increasing automation and productivity at U.S. factories. A similar thing occurred with agriculture, where farming went from occupying almost half of all jobs in America in the late 19th century to less than one job in 50 by 2002. What has changed, due to globalization, is what is made in America. While countries in Asia have increasingly become the workshops for textiles, apparel and consumer electronics, American factories have shifted to higher value added machinery, transportation equipment, and medical devices. Meanwhile, exports have become increasingly important for American manufacturers. The latest

FACULTY PROFILE: NORM WALKER



Professor Norm Walker has been teaching Advanced Accounting and a variety of other accounting and finance courses at Saint Michael's College since 1984. About 20 years ago, Professor Walker and Edward Mahoney, professor of Religious

Studies, were jointly responsible for developing the Ethical Issues in Business course which is still being offered today. "This has been a very well received elective and probably my best contribution to our students thus far based on the feedback provided by the student evaluations. Many students consider this to be one of their favorite courses," says Professor Walker.

After graduating from St. Peter's College in 1969, Professor Walker earned an MBA from New York University through their part-time evening program while working for Arthur Young (now called Ernst & Young) as an auditor. He continued

working for Arthur Young after he returned from serving in the U.S. Army.

U.S. government statistics in fact show increased employment in manufacturing. As I noted in my Fall article, "Buy American" laws invite retaliation by foreign governments, threatening precisely the manufacturing jobs Prof. Walker is concerned with.

Prof. Walker also discusses the ethics of outsourcing. This is a crucial perspective – and one to which he brings a lot of background. That said, I can't help but wonder why he didn't discuss the ethical responsibility of managers to maximize shareholders' wealth – something greatly assisted by the cost-cutting globalization has offered to thousands of American firms. Keep in mind that many American firms are owned not by a wealthy elite but by institutional investors – pension and mutual funds which invest the retirement savings of millions of working Americans, including the faculty and staff of Saint Michael's College. Similarly, public officials have an ethical responsibility to see to it that taxpayers get the most for every dollar of public purchases. As I pointed out in my Fall article, "Buy American" provisions, by resulting in inflated costs for many key components of infrastructure projects, short change millions of taxpayers and result in fewer workers being hired for construction and maintenance.

I agree with Prof. Walker that the job market right now is difficult, but the overwhelming consensus among business and economics professionals and academicians is that the current downturn reflects the bursting of both the housing and the financial speculative bubbles not the outsourcing of manufacturing jobs. This isn't to minimize the pain which outsourcing has inflicted on some groups of workers. That said, data shows that outsourcing has created more jobs in the U.S. than it's elimi-

working for Arthur Young after he returned from serving in the U.S. Army.

Professor Walker's interest in teaching developed while trying to improve his public speaking skills. He took the Dale Carnegie course and then taught at Rutgers University for five years at both the New Brunswick and Newark, NJ locations. Prior to coming to Saint Michael's, Professor Walker lead seminars at the Arthur Young training campus in Reston, VA and taught other evening courses at St. Elizabeth's College in Convent Station, NJ.

When asked what brought Norm to Saint Michael's College he stated, "My interest in Saint Michael's came when I discovered how beautiful Vermont was after visiting the state on a couple of Christmas ski holidays. I also had a good friend who graduated from Saint Michael's. Good luck and happenstance lead to getting the job when it turned out that my friend had been the college roommate of David LaMarche, Chair of the Business Department. When I met Dave, I knew that Saint Michael's was going to be a good fit for me."

Complex issues like globalization and outsourcing invite differences of opinion. I'm glad that Prof. Walker took the time to outline some of the differences between his positions on this issue and mine. The best way our students can develop the intellectual flexibility they'll need to succeed in the highly competitive marketplace of the future is by critically examining a range of views, and then developing their own interpretations and perspectives.

ALUMNI NEWS

Cinzia Coppola '09, is a Transfer Agency Associate at International Fund Services (IFS) in New York City. IFS is the premier provider of accounting and hedge fund administration services.

Joshua Dixon '09, was recently accepted into Officer Candidate School with the U.S. Navy. He began his training in Newport Rhode Island last February.

Ned Granara '09, passed the CPA exam last December. He is currently working at Price-waterhouse Cooper in Boston.

Andre Garant '91, is the Accounting Manager at HealthWise Medical Associates, LLP and was recently recognized by Cambridge Who's Who for demonstrating dedication, leadership and excellence in financial services. In addition to being an accounting manager, he is also a published author of numerous children's books.