

STATE OF Business

SPRING 2020

HONOR and INTEGRITY

**SCOTT AND MARCY TARRIFF LEAD
THE WAY IN HELPING SMEAL
PRODUCE ETHICAL, SOCIALLY
RESPONSIBLE LEADERS**

PLUS

**GAINING A
GLOBAL PERSPECTIVE**

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**RESEARCH FOR
THE REAL WORLD**

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PennState
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The new Tariff Center will promote honor and integrity at Smeal



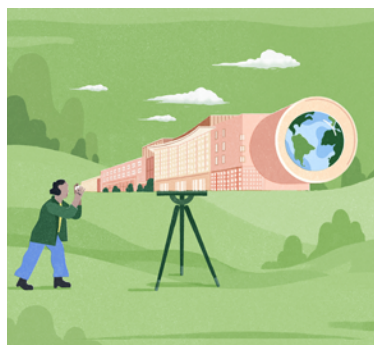
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ABOUT SMEAL

The Penn State Smeal College of Business is a vibrant intellectual community offering highly ranked undergraduate, graduate, doctoral, and executive education opportunities to more than 8,000 students from across the country and around the world. Smeal is a destination of choice for top global organizations seeking talent that will make a positive difference. Through our leading faculty and network of research centers and institutes, the college is a source of knowledge that influences the business practices of tomorrow.

WHEN THE TIME came to send this year's edition of State of Business to the printer, the world was a different place than it is today. Less than one week before the University's spring break began, all embedded course travel was canceled in light of the growing global coronavirus crisis. Within a week, face-to-face, on-campus instruction transitioned to remote learning for the remainder of spring semester.

In a matter of days, Smeal College of Business faculty moved their courses online and our staff began to work remotely as well. I am grateful for their calm and professional response to these events and to our students, many of whom are in their final semester at Penn State, who have quickly and seamlessly adjusted to these unprecedented times.

These actions to help slow the spread of the virus represent a dramatic shift from our day-to-day operations — from not only how we teach our classes, but how we traditionally come together as a Smeal community. As this situation continues to rapidly unfold, I am reminded of how important these connections are in our daily lives. We've done our best to keep in touch with each other through platforms like Office 365, Canvas, Kaltura, and Zoom. It is equally important that we stay connected to you, our alumni and friends.

I hope you'll enjoy the good news that we're highlighting in the third edition of our State of Business magazine.

For Scott Tarriff '81 MKTG, founder and chief executive officer of Eagle Pharmaceuticals, and his wife, Marcy '81 HHD, their shared valued system and commitment to do the right thing inspired a \$5 million gift last fall to create the Tarriff Center for Business Ethics and Social Responsibility. Our cover story, which begins on Page 14, provides a glimpse into the center and how it will help our graduates go forth into the world ready to be the ethical, socially responsible leaders our society needs.

In addition to the Tarriffs' pledge, we closed the calendar year with an anonymous estate commitment of \$12 million, the largest single gift in Smeal's history, which sparked a record-breaking fiscal year of giving.



CHARLES H. WHITEMAN

Whiteman, John and Becky Surma Dean, assumed leadership of the college in 2012. He has nearly 40 years of experience in higher education and business.

On Page 18, we introduce you to senior supply chain and information systems major Katie Gustas, a Schreyer Scholar who, with the help of philanthropic support and grants from Smeal and the Schreyer Honors College, traveled to six countries and to various parts of the United States during her time at Penn State. Her story exemplifies the impact that study abroad opportunities can have on students in an increasingly global economy.

This crisis reminds us of the importance of staying connected to our alumni around the world. To all of our readers, we thank you for being a part of the Smeal community. We are stronger together and I am grateful for your unwavering support. Stay well,

Charles H. Whiteman
John and Becky Surma Dean

30 YEARS **Board of Visitors**

Suggested by Penn State President Bryce Jordan and formed by Dean J.D. Hammond, the BOV has grown into a diverse group of global influencers.

30 YEARS **Alumni Society Board**

Supported and influenced by Dean J.D. Hammond, the ASB has grown to include 24 at-large directors that facilitate four committees and maintain membership in the Penn State Alumni Association and Smeal Alumni Society.

30 YEARS **College Naming**

A generous gift of \$10 million from Mary Jean and Frank P. Smeal, then the largest in Penn State history, created five endowed chairs and named the Smeal College of Business.



Milestone Celebrations

Smeal marks a host of important anniversaries in 2020

15 YEARS

Nittany Lion Fund

Born of an idea conceived by students and supervised by professor of finance and The Goldman Sachs & Co. and Frank P. Smeal University Fellow Randy Woolridge, the fund has surpassed \$10 million in a fund managed by undergraduate students.

15 YEARS

Business Building Completed

Completed a month ahead of schedule, the Business Building was built in two years. Upon its completion, it represented the largest academic building on the University Park campus.

15 YEARS

Sapphire Leadership Academic Program

Created for high-achieving students who have been accepted into Smeal, Sapphire provides unique academic content, leadership and professional development opportunities, and real-world application of knowledge gained inside the classroom.

10 YEARS

Sustainability at Smeal

From informal lunch talks between faculty and Klein Professor Emeritus Gerald Susman to LEED-EB certification for the Business Building, sustainability at Smeal has evolved and is now launching the Center for the Business of Sustainability.



STRATEGIES

Next Strategic Plan Will Lead Smeal Into Middle of the Decade

AS THE CALENDAR turned over to a new decade, Smeal stakeholders were endeavoring to create the document that will guide the college through the next five years — the strategic plan.

As part of the strategic plan, we are proposing revised mission and vision statements. Our proposed mission statement focuses on being a leader among business schools by providing

extraordinary research-informed, business-engaged, globally aware education; producing the highest quality basic and applied research with impact; and building cultures of integrity, diversity, service, and sustainability, preparing graduates for productive careers in business.

Our proposed vision statement places emphasis on being a partner for life, providing individuals with the

pathways, resources, and knowledge to grow as leaders who deliver meaningful impact throughout their careers.

Areas of focus of the 2020–2025 strategic plan include strategic hiring for talent, resource foundations, student differentiation, and big ideas such as the future of business education, customization and personalization at scale, and culture evolution.

Nittany Lion Advisors Pilot Program Exploring Expansion of Experiential Learning Opportunities

A team of students worked during the spring 2020 semester to develop a pilot program to be offered in the fall for a student-managed consulting firm, Nittany Lion Advisors.

Guided by **Dave Lenze '87 ENG, '91 MBA**, assistant teaching professor in management and the director of Smeal's Applied Professional Experience Program (APEX), and **Gus Colangelo '76 LIB, '09 Ph.D. EDU**, assistant professor of management, the students are working to combine the best elements of the following:

Management 496: an independent study consulting course taught by Colangelo

Nittany Consulting Group: a student organization that introduces students to the basics of consulting through mock business cases and pro-bono consulting engagements

APEX: second-year MBA students or undergraduate seniors from the Sapphire Leadership Academic Program take on real business projects for client firms in the Applied Professional Experience Program

Learning Factory: the College of Engineering's hands-on facility for use in conjunction with capstone design and other courses, as well as research projects and student organizations

Nittany Lion Fund: a \$10 million hedge fund run exclusively by undergraduate students, the first of its kind in the country, that invests real investor money

Leveraged Lion Capital: Leveraged Lion Capital is the nation's first student-run syndicated loan and high-yield bond paper portfolio. The organization actively manages a \$125 million paper portfolio via a hands-on approach by researching, analyzing and pitching speculative grade debt

Nittany Lion Advisors would support the college's and the University's strategic goals by providing experiential learning for students while increasing impact and engagement with society and industry.



PSU 6 Introduces Smeal Freshmen to Honor and Integrity

Research has shown that undergraduate students' participation in case competitions is positively linked to strong oral and written communication skills, more mature critical thinking skills, and a heightened awareness of the inherent complexities associated with real-world problems and solutions.

That's why Michelle Darnell, Smeal's director of honor and integrity, started the PSU 6 Business Ethics Case Competition in fall of 2018. PSU 6 is a one-credit seminar course that introduces all Smeal freshmen to many facets of the college, including one of our strategic priorities — honor and integrity.

"This is the first formal introduction Smeal students have into the ethical dimension of business," Darnell says.

Teams of students in each of the more than 50 sections of PSU 6 were tasked with devising solutions to an ethical business dilemma for in-class presentations. Semifinalists competed in front of faculty and corporate recruiters.



Smeal students in PSU 6 participate in a case competition. Teams are asked to devise original solutions to an ethical business dilemma and then present their plan during class.

Professional Graduate Programs Provide Students With 'The Smeal Advantage'

With a highly competitive marketplace for professional graduate education, Smeal set out to develop unique differentiators that would set its graduate degrees and certificate programs apart.

"We wanted to give prospective students more reasons to come to Smeal that weren't being offered anywhere else," says Brian Cameron '91 MBA, '04 Ph.D. EDU, associate dean for professional graduate programs.

Known as "The Smeal Advantage," the specialized student services and experiential opportunities now span integrated global immersion trips, leadership immersion outings, an opportunity to attend and network at the dean's annual Professional Graduate Programs (PGP) tailgate,

and access to personalized career coaching from Smeal's Alumni Career Services. The Advantage is open to all Smeal College master's degree students, with options for graduate certificate students.

"These are opportunities to socialize, network, and develop leadership skills reflective of Penn State's values and the college's 'roll up your sleeves' work ethic," Cameron says.

Today, Smeal's professional graduate programs comprise three different MBA formats, seven online specialty master's programs, 11 online graduate certificates, and five one-year residential master's programs.

LION WEEKEND

FIRST LION WEEKEND DRAWS MORE THAN 200 ATTENDEES

Professional Graduate Programs hosted its first Leadership Immersion and On-Campus Networking (LION) Weekend in September 2019.

Associate Dean for Professional Graduate Programs Brian Cameron said he hoped the event would be an opportunity to provide networking and experiential learning components to PGP students from both resident and online programs.

The event drew more than 200 people from eight different states, with people traveling from as far as Florida and Tennessee.

Students across the PGP portfolio participated in a variety of activities including a high-ropes leadership course, the dean's tailgate, and a group hike of Mount Nittany.

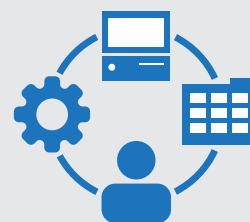
"As an online MBA student, having



events like this truly helped establish a community feel within the Penn State family," Davendra Brijlall says. "Being able to connect with students from other programs at Smeal helped me create a broader network and build relationships." In the future, Cameron says he hopes to find ways to expand the event.



Penn State Executive Programs Launches New Supply Chain Security Course



Penn State Executive Programs, the executive education provider within Smeal, introduced a timely new course in 2020.

Location Intelligence and Supply Chain Security covers principles and techniques for increasing security within each major function of the supply chain.

Now in its 66th year, Penn State Executive Programs readies leaders to excel in their current jobs and prepare for future responsibility.

Two- and three-day short courses on campus cover topics in strategy and leadership, finance, and supply chain management. Participants learn perspectives and frameworks to address business challenges brought

about by current events and trends.

Penn State Executive Programs also partners with multinational organizations to deliver award-winning customized learning solutions through programs, leadership academies, and online experiences.

The Supply Chain Academy, a partnership between Smeal and CorpU that delivers a transformational online learning experience that leverages cross-functional collaboration to solve complex supply chain challenges, continues its growth as a virtual platform for organizations to engage their supply chain leaders for improving operations efficiency and effectiveness.

Learn more at www.psep.smeal.psu.edu.

LEADERSHIP

Rick Ayers named Penn State Smeal's first chief marketing officer and assistant dean for strategic communications

Charles H. Whiteman, John and Becky Surma Dean of the Penn State Smeal College of Business, has named Rick Ayers as the college's first chief marketing officer and assistant dean of strategic communications.

Ayers, who has nearly 30 years of marketing and communications experience, comes to Smeal from WellSpan Health in York, where he was vice president of public relations and marketing.

"We're excited to welcome someone with Rick's depth and breadth of experience to this newly expanded position at this crucial time in Smeal's history," Whiteman said.

"We have many critical needs in these areas as we continue unprecedented growth. From developing a strategy to execute our new brand essence to increasing the recognition and reputation of our college, Rick's expertise will be instrumental in positioning Smeal for future success."

Ayers, who grew up in nearby Tyrone, said that proximity enabled him to not only develop an affinity for the University, but also witness its emergence as a world-class research institution.

"Penn State holds a special place in my heart," he said, "and I could not be more excited to join the leadership team at Smeal."

In more than two decades at WellSpan, Ayers assumed an ascending series of leadership positions. Under his guidance, WellSpan's marketing and communications team grew in size and intricacy as the organization expanded through

partnerships with other hospitals and health systems. WellSpan was able to establish itself as a leading healthcare brand in the region, even with fierce competition from some of the leading health systems in the northeast.

Ayers said he sensed Smeal is entering a similar period of growth and evolution.

"During my visits, I easily discerned that the college has entered an era of transformation and growth, revisiting its portfolio of degree programs and certificates in the face of tremendous disruption by traditional and non-traditional competitors. This reflects a clear recognition of rapidly changing market dynamics and consumer preferences as well as a spirit of innovation," he said.

Ayers said that the opportunity for growth and innovation and the long-range goals of the college drew him to the position.

"I am also inspired by the vision to be one of the very best business schools in the world and the firm commitment to establish a best-in-class marketing and communications infrastructure," he said. "I am looking forward to collaborating with my new colleagues to tell the Penn State Smeal story and to realize the potential of this exciting moment."



JANET DUCK WILL GUIDE GRADUATE LEVEL TEACHING AND LEARNING

The college named Janet Duck '04 Ph.D. WF ED as its director of excellence in teaching and learning in July 2019 to benefit the Penn State Smeal College of Business' fast-growing portfolio of professional graduate programs.

Duck, with more than 15 years of change management expertise, will

support the teaching and learning community through innovative pedagogy, research and development, and data-driven design.

"My role is to help the teaching community approach innovation from a collaborative growth mindset vs. a fixed mindset," Duck says. "Our portfolio has so much potential, and we are headed in the right direction with innovation."



Olivia Lewis Brings Wealth of Experience to Diversity Enhancement Programs

The goal of Smeal's Office of Diversity Enhancement Programs is to help build a culture that welcomes, celebrates, and promotes diversity within the college.

As the new director of diversity enhancement programs, Olivia

Lewis '15 LIB brings the kind of experience that should aid in furthering that goal.

Lewis comes to Smeal from the College of Information Sciences and Technology, where she was student advocacy specialist and coordinator of inclusion and diversity engagement.



Center for the Business of Sustainability on Track to Open This Year

Long one of Smeal's strategic priorities, sustainability has a decade-long history in the college. With the announcement of the creation of the Center for the Business of Sustainability, that history will be enriched going forward.

Led by Erik Foley, Smeal's director of sustainability, the center aims to make the college a Top 10 business school in the area of sustainability through teaching, research, and outreach.

Dan Cahoy (pictured), a professor of business law, was named the center's research director. IBM, Verizon, and Perdue Farms have signed on as founding members and the center has received several philanthropic gifts that will support the center's work.



Five New Appointments to Fellowships and Professorships in 2019

Thanks to the generosity of Smeal's alumni and friends, the college was able to announce five new appointments to fellowships or professorships during 2019.

THOSE NEW APPOINTMENTS INCLUDED:

SAM BONSAALL

'04 LIB, '04 MS ACCTG, '12 PH.D. ACCTG

Reeves Family Early Career Professorship in Accounting

JESS CORNAGGIA

Alumni Professorship in Finance

MATTHEW GUSTAFSON

Stuart and Michele Rothstein Early Career Professorship in Finance

JAY HUANG

Faculty Chair in Finance

YUE ZHANG

Dr. John J. Coyle Early Career Professorship in Supply Chain

IN THE NEWS



Humble CEOs Thrive

FoxBusiness.com

TESSA RECENTES

Assistant professor of management and organization

Recendes conducted research that assessed the earning power of humble CEOs and found that analysts underestimate their earning power.



Cognitive Supply Chains

The Economist

STEVE TRACEY '86 FIN

Professor of practice in supply chain and information systems; executive director of Penn State Executive Programs and the Center for Supply Chain Research®

Tracey is quoted in a story about the new, rapidly developing field of cognitive supply chains.



Amtrak's Perilous Future

The New York Times

JOHN SPYCHALSKI

Professor emeritus of supply chain management

Spychalski said that due to Amtrak's historically tight budgets, "It's existed hand-to-mouth, patchwork to patchwork, to a great degree."

Award-winning Smeal Student Mentors Assist with Transition to College, Campus Life

The executive board of Smeal Student Mentors was chosen for the Outstanding Executive Board of the Year Award 2019 from among the more than 1,300 Penn State student organizations at the Student Affairs Awards Ceremony.

Each year, the Office of Student Activities, a unit of Penn State Student Affairs, presents awards and scholarships to students who have been valuable contributors in the areas of leadership and service. The Student Activities Service and Leadership Awards recognize individual students and student organizations.

Smeal Student Mentors are a selected group of sophomores, juniors, and seniors who serve as a first contact and Smeal liaison on campus, assist with the transition to college and campus life, and help the

advising center with key programming activities for first-year students.

More than 100 Smeal upperclassmen who understand the value of giving back and are passionate about promoting the college's culture within the student body serve as Smeal Student Mentors.



ALUMNI

Smeal Alumni Career Services Broadens Offerings to Constituents

In an effort to offer a broad array of services and support to more than 90,000 alumni, Smeal Alumni Career Services continually strives to meet those disparate needs.

Smeal Alumni Career Services hosts several virtual programs that serve the ongoing educational, professional, and career interests of its growing network of alumni constituents.

Their uniquely curated webinars and podcast episodes showcase cutting-edge research and field knowledge by Smeal faculty members, alumni professionals, and industry insiders.

Podcast topics have included:

- Technology Trends for Job Seekers
- Alumni International Career Perspectives

Webinar topics have included:

- How Companies are Using Data to Create the Next Generation of Supply Chains
- Leadership for a Changing World

Alumni can register to attend a live program, stream at a moment's notice, or download for a later listen.


<https://www.smeal.psu.edu/alumni/alumni-career-services/lifelong-learning>

Alumni News Portal Allows Smeal Graduates to Share Good News

With more than 90,000 alumni, it can be hard for Smeal's graduates to keep track of what their fellow alumni are up to.

The new Alumni News Portal allows alumni to share good news about professional and personal accomplishments, such as promotions, awards, volunteer activities, advanced degrees, new ventures, publications, or family news.

Have some news to share? Start here: <https://php.smeal.psu.edu/alumni/news/>



Alumni News Portal

Share your good news with us so that fellow alumni can see what you're up to. Tell us about your professional and personal accomplishments. Examples include promotions, awards, volunteer activities, advanced degrees, new ventures, publications, or family news. This portal is intended for news-sharing only; please do not include solicitations, sales pitches, or links to business or personal websites.

All fields are required.

Your answers below will be used to update your contact information in the Penn State Alumni Database. Some news items may be chosen to be featured on Smeal social media.

Name	
First	Last
Preferred Email	Preferred Phone Number
PSU / Smeal Major	PSU / Smeal Graduation Year
Title	Company

Professional Graduate Programs from Smeal

Embrace the Power of Lifelong Learning

The broad portfolio of graduate-level programs from the Penn State Smeal College of Business delivers the critical knowledge, perspective, and connections you need, when you need them. Whether you are at the start or later in your career—or planning to pursue a new career path entirely—Smeal is your business school partner. Our portfolio includes:

- › **MBA Programs**
- › **One-Year Residential Master's Programs**
- › **Online Specialty Master's and Certificates**

Discover all of the possibilities with Professional Graduate Programs from Smeal at smeal.psu.edu/pgp.



PennState
Smeal College of Business

BUILDING OUR CULTURE

The new **Tarriff Center for Business Ethics and Social Responsibility** will allow Smeal to enhance an already strong culture of honor and integrity

STORY BY ANNE LOUISE CROPP '99 MBA/MHA

A **T A TIME WHEN** some of the most elite business schools in America are mired in scandals — falsified rankings data, accusations of sexual assault, and mishandling of diversity and gender issues — the Penn State Smeal College of Business is emerging as a model of excellence.

The creation of the Tarriff Center for Business Ethics and Social Responsibility in the fall of 2019 will help Smeal expand and accelerate that excellence.

Smeal alumnus **Scott Tarriff '81 MKTG**, founder and chief executive officer of Eagle Pharmaceuticals, and his wife, Marcy '81 HHD, believe in the importance of a shared value system and ethics. But they also believe society has reached a crossroads where the pressure to succeed sometimes overtakes the desire to act responsibly — something they both find worrisome.

The Tarriffs raised their daughters, **Ashley '14 MKTG**, **Madison '18 MKTG**, and Jessica, an undergraduate student in the College of the Liberal Arts, to understand that success in business requires a commitment to ethical leadership and organizational responsibility. This understanding spurred their \$5 million commitment to create the Tarriff Center.

“Scott and Marcy are deeply committed to their belief that today’s college students must be prepared for the role that

they will play in shaping society and shaping the world,” says Charles H. Whiteman, John and Becky Surma Dean. “With their partnership, we will expand on our commitment to honor and integrity so that our graduates go forth into the world ready to be the ethical, socially responsible leaders our society needs.”

Within the context of the University’s “A Greater Penn State for 21st Century Excellence” fundraising campaign, Smeal is working to provide an extraordinary education by creating transformative experiences that will position our students for successful careers in business. The Tarriff’s gift is a perfect example.

“Teaching our students about the responsibilities and opportunities of global citizenship is among our most important priorities,” said Michelle K. Houser, senior director of development and alumni relations, who worked closely with the Tarriffs to realize their philanthropic vision. “Scott and Marcy’s commitment to endow the Tarriff Center will truly transform our ability to educate and influence future generations of business leaders.”

With more than a dozen collegewide initiatives to support ethical decision-making already underway, the Tarriff

Scott and Marcy Tarriff want to ensure that ethics and social responsibility continue to be a cornerstone of a Penn State Smeal education. They believe that when students go forth into the world ready to think more ethically and more empathetically toward the people around them, that will help reshape society and have people thinking about doing good things in the world.



Center will offer a permanent, centralized location for Smeal's efforts to support responsible business activity.

Michelle Darnell, who was named Smeal's director of honor and integrity in 2018, will also serve as the inaugural director of the Tarriff Center.

"Ethics and social responsibility are the cornerstones of business education at Smeal. The Tarriffs' commitment will only strengthen our college and our students moving forward," Darnell says.

While Darnell said she is proud of how students already talk about the college's values and the myriad ways those

With nearly three decades of experience in the pharmaceutical industry, Scott Tarriff has seen the pressure to succeed "sometimes lead competitors down a path that Marcy and I prefer not to follow." As founder, CEO, and director of Eagle Pharmaceuticals, he takes great pride in the firm's vision to develop and commercialize drugs with honor and integrity while acting in a socially responsible manner. He wants to see future generations of business leaders follow their example. The Tarriffs' \$5 million commitment to create the Tarriff Center for Business Ethics and Social Responsibility — announced in October 2019 — will help students develop a framework that prepares them to act ethically, socially, and globally to help benefit society.



values influence their collegiate experience, she is quick to point out that ethical development is an ongoing process.

"People need to understand why we have rules in place. They have to be internally motivated to do the right thing just because it is the right thing to do, not because they are afraid to get caught," she says.

The keys to that internal motivation, Darnell says, are education, awareness, engagement, and advocacy.

Since joining Smeal College, Darnell has worked to build its Integrity Advocates, a group of students that connects Smeal's strategic mission to the college community. Advocates work directly with Smeal students at events that include the Honor Code Signing, Kohl's Business with Integrity Case Competition, PSU Business Ethics Case Competition, and the Chamber of Business and Industry of Centre County Business Impact Award nominations. Integrity Advocates also attend public events that increase awareness about Smeal's commitment to honor and integrity.

Increasing the presence of Integrity Advocates will be an immediate priority as the center takes shape.

Another initiative, the Smeal Business Ethics Case Competition Team, is giving students an opportunity to "contribute to ethical debate in a thoughtful and constructive way," says **Anish Ari '22 BS/MBA**. In just its first year, the team was a finalist at the University of Arizona's Eller College of Management's Collegiate Ethics Case Competition in October 2019 and was third at the Inter-Collegiate Business Competition's final weekend in January.

Like the Integrity Advocates, the team is quickly becoming a public face of ethics and social responsibility at Smeal. The team lends its expertise to Smeal College freshmen through its "Ace the Case" workshops, which teach the dynamics of case presentation and delivery of a well-thought-out analysis.

Smeal freshmen take a required first-year seminar course, PSU 006, designed to help them acclimate to the expectations,



workload, and freedoms that are a part of the transition from high school to college. It is here that many students have their first exposure to ethics and ethical leadership.

Scott Tarriff says a focus on social responsibility will be just as critical. He is concerned when he hears students say that they are pursuing a career path simply because they believe that is where they'll earn the most money. Instead, he believes that students who pursue careers that add value to society should be the ones who are rewarded financially. If companies are making socially responsible choices, he believes the monetary rewards will flow naturally. "It's of paramount importance that students understand that," he says.

Thanks to the Tarriffs' generosity, Darnell says Smeal is poised to engage with and impact even more people while becoming a higher education leader in its commitment to ethics and social responsibility.

She is making plans to host a number of focus groups — from students (undergraduate and graduate) to faculty (tenure-track and clinical) to recruiters — in order to identify challenges and opportunities and to consider how the Tarriff Center will bring the most value to stakeholders.

Darnell is also working with the Tarriffs to plan meaningful ways to engage alumni and friends, starting with an advisory board that frames ethical issues in a pragmatic way. She imagines an Executive-in-Residence Program that would strengthen the relationship between business and education by offering exposure to prominent alumni and C-suite executives who champion diversity, ethics, and social responsibility through one-time, multiday engagements, or a series of engagements.

Darnell also envisions what she refers to as faculty affiliates — either research or teaching faculty whose work around ethics and social responsibility is supported by resources from the Tarriffs' endowment. A faculty affiliate would have a finite term before the title rotates to another faculty member.

The Tarriffs recognize the important roles Penn State and Smeal play throughout the Commonwealth and around the globe, and they believe it is critically important that Smeal sends future leaders into the world with strong ethical foundations.

"That's how we start to slowly reshape society," Scott Tarriff says, "and have people thinking about doing good things in the world."

Smeal's long-standing commitment to honor and integrity

The genesis of Smeal's culture of honor and integrity can be traced back to the early 2000s. In the wake of collegiate cheating scandals, Smeal MBA students drafted an honor code in 2006 as a way to hold themselves and one another accountable for their actions. Strongly supported by the Smeal Board of Visitors, it was adopted by the entire college community the following year.

But what began as a method to ensure academic integrity quickly evolved into more.

Former Dean Jim Thomas '74 LIB collaborated with faculty members Jeff Sharp, Gus Colangelo '76 LIB, '09 Ph.D. EDU, Dennis Sheehan, and Linda Treviño to create a new position — leadership integrity director. Renee Flemish '89 MBA was appointed to the position in 2009 and held it for two years.

When Dean Charles H. Whiteman joined the college in 2012, he was approached by faculty and staff members who believed it was vitally important to reintroduce a position that would support Smeal's commitment to honor and integrity.

"At first, I thought they were simply talking about someone who would be a conduit for academic violations," he says. "But I quickly learned that what they meant was so much more. They were not talking about compliance. They were talking about creating a culture."

Whiteman announced the director of honor and integrity position in late 2013. Jennifer Eury '05 COM, '07 M.ED EDU, '14 Ph.D. EDU, now a clinical assistant professor of management and organization, assumed the role in January 2014 and held it for more than three years.

Michelle Darnell, who currently holds the position, was appointed in 2018.



GAINING A GLOBAL PERSPECTIVE

Senior supply chain major Katie Gustas has leveraged multiple study abroad opportunities to enhance her undergraduate experience

BY JEFF RICE '03 JOURN

There is a note on a piece of paper stuck to the mirror in Katie Gustas' room, a reminder the Penn State Smeal College of Business senior knows she will see regularly. "There are so many sights to see in this world. See them!" it reads.

THE SUPPLY CHAIN and information systems major from Hermitage, Pennsylvania, has heeded her own advice well. Since arriving at Penn State in the fall of 2016, Gustas has traveled to six countries and various parts of the United States with the help of philanthropic support and grants from Smeal and the Schreyer Honors College. Those experiences, which represent a sampling of the opportunities that Smeal students are taking advantage of on an increasingly regular basis, have changed the way she thinks about her studies and the way she views the world. "I always love doing something

new and something different, something I've never done before," Gustas says. "I've been waiting for that moment where I stand somewhere and I'm like 'Wow. This is like nothing I've ever done.' And when I get that moment, that's when I'm excited. You meet all these different people with such different perspectives. If you look at my locations, they are literally all over the map."

The Smeal Office of International Programs has offered students a pair of embedded programs (to Panama City, Panama, and Bogota, Colombia); three Maymester (once known as intersession, an abbreviated semester in May that falls between spring semester and the first summer session) programs (Florence, Italy; Pforzheim, Germany; and Barcelona, Spain); and three summer programs (two in Florence and one in Brno, Czech Republic). During the 2018–19 academic year, 478 Smeal students took part in study abroad and international internship opportunities, up from 429 the previous year.

"We want our students to have a global business perspective, because typically in their working life they're going to be working for a company that has some kind of dealings abroad, whether it's customers, whether it's suppliers, or whether they've got offices in other countries," says Maureen Desorcie '81 IC, assistant director of the Office of International Programs. "And so, if they have the beginnings of a global understanding when they graduate, then they're a much more effective employee and have a better understanding of the scope of the business world."



SAFARI TRAVEL

Gustas valued the opportunity to participate in embedded study abroad programs. That didn't mean, however, that she didn't take advantage of some unique opportunities to do some sightseeing.

"Everyone has such a different perspective. And then when you come back, you have a better understanding of people who come from those areas."

"Study abroad is a really fun way to accomplish that, and to see business happening around the world and see that they're only a small cog, but an important cog."

Gustas' desire to see the world stemmed from an initial desire to break out of what she calls her own "little bubble." Before she became a Penn State student, she had only left the country to visit Canada, and she smiles when she admits that geography was her worst class in high school.

During her first year at Penn State, she enrolled in the Honor 493H course that met once a week, on Sundays, and culminated in a spring break trip to Puerto Maldonado, Peru. She and her classmates had planned to do a project on water accessibility but discovered by talking to locals that the more pressing problem in the region was the fact that criminal gangs were running the gold mining trade.

"My takeaway was going there and understanding what the problem is before you try to solve it," Gustas says. "You can't try to solve a problem without going there."

During winter break of her sophomore year, Gustas traveled to Costa Rica as part of the BIOL 499A course, deep-diving around coral reefs and traveling into a tropical forest while doing marine biology work. During the Maymester of that year, she enrolled in the Schreyer Honors College's London Study Tour program, studying theatre in



SAFARI TRAVEL

Gustas said, "My takeaway was going there and understanding what the problem is before you try to solve it. You can't try to solve a problem without going there." She said she learned that from a trip to Peru her first year at Penn State.

London, England, and Edinburgh, Scotland. The highlights were attending a play about the AIDS crisis in New York that was eight hours long — "It was the best thing I've ever seen," she says — and sharing tea and local gossip with residents of Windsor during the wedding of Prince Harry and Meghan Markle.

During the Maymester of her junior year, with assistance from the William C. and Janet P. Lane Global Perspectives Endowment, Gustas traveled with a group of Schreyer Scholars to residential homes for vulnerable girls in both Kenya and Tanzania. She learned about the challenges facing young women who don't have the same rights in those countries that women in the United States enjoy. She also learned about local trade — the Chinese building a major road junction in Tanzania, for example — that provided her with real-life applications of some of the concepts she was studying in her supply chain courses.

"None of these trips were supply chain-themed or business-themed," Gustas says. "But there were always ways to get perspective."

Gustas valued the opportunities to participate in embedded study abroad programs, which freed her up to take on a summer internship with KPMG and a co-op with Johnson & Johnson. She also participated in the National Undergraduate

Supply Chain Case Competition during her sophomore and junior years and the Council of Supply Chain Management Professionals EDGE Conference in Anaheim, California, last spring, which helped her make important connections in her honors thesis work.

She will graduate in May in four years after repeatedly achieving her goal of traveling to new places and learning from each of those experiences in ways that went well beyond the subject material.

"Everyone has such a different perspective. And then when you come back, you have a better understanding of people who come from those areas," Gustas says. "When something

comes up in conversation or something happens in the news, you have that little bit of information to understand the world better."

That understanding will help Gustas, and the hundreds of her Smeal peers who have experiences abroad each year, in their professional and personal lives.

"Our students need to understand there's not just one way to do things, and it's equally valuable to do things in other ways," Desorcie says. "When they study abroad, they start to see some of those differences. We're alike in more ways than we're different, but the differences are important."

Philanthropic gift enables Smeal students to gain a global perspective

PENN STATE ALUMNUS BILL LANE, who earned a bachelor's in business in 1975 and a master of administration in 1979, spent most of his junior year studying abroad at the University of Cologne in Germany, and that experience is still guiding some of his actions.

"The program changed my perspective," he says. "I realized you had to embrace international commerce and not hide from it."

After a nearly 40-year career at Caterpillar, he retired as senior director of global government and corporate affairs in 2016. Lane learned that for U.S. companies to succeed globally, they needed to understand the values and cultures of the countries where they operated. Now, he provides that same understanding for today's business students.

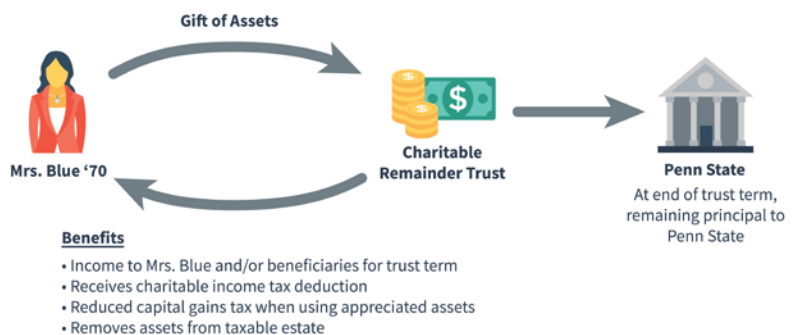
Through the combination of a planned giving vehicle known as a charitable remainder unitrust (CRUT) and

annual cash gifts, he and his wife, Jan, are able to accomplish both a philanthropic goal and a personal financial goal simultaneously.

The CRUT provides the Lanes with a dependable source of income each year for the rest of their lives, plus some support for their heirs. At the end of their lives, the balance in the trust will go to the William C. and Janet P. Lane Global Perspectives Endowment, which supports international experiences in nontraditional destinations. The Lanes have made the decision to early-activate this gift so they can support students during their lifetime.

To learn how a CRUT or other planning giving vehicle can help you achieve your financial and philanthropic goals, please visit <https://pennstate.planmygift.org/charitable-remainder-trusts> or contact Ashley H. Kranich, gift planning officer, at 814-865-9167 or ahk19@psu.edu.

How a CRUT Works



Research for the Real World

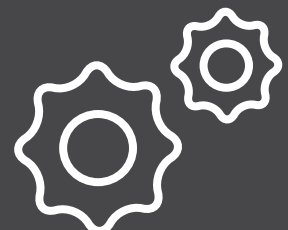
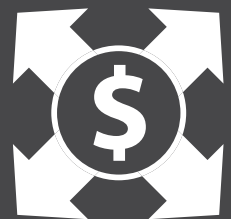
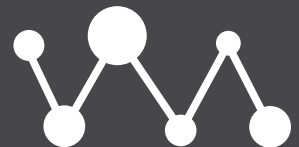
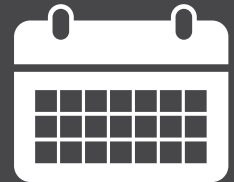
Faculty members in the college are conducting research that impacts the world



TECHNOLOGICAL ADVANCES, global connectivity, and environmental sustainability, among many other factors, are increasingly influencing the business landscape. As a result, competition is intense, workforce dynamics are shifting, and financial risks are high.

Faculty members in the Penn State Smeal College of Business are addressing these real-world challenges through strategic and rigorous research. Ultimately, their goal is to provide companies and business owners with data-supported information with which to make effective business decisions related to productivity, employee relations, communications, and innovations in product and service development.

“Smeal faculty members have long been known for their research acumen,” says Charles H. Whiteman, John and Becky Surma Dean. “These researchers, many of whom are editors of prominent journals and consultants to top companies, serve as a source of knowledge that influences the business practices of tomorrow.” Here, we highlight a few of the many faculty members in the college who are conducting research that has real applications and implications for society.



WRITTEN BY SARA LaJEUNESSE

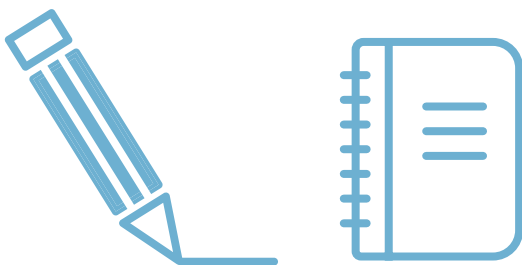


True Grit

The old saying, “When the going gets tough, the tough get going,” applies to college students when it comes to working hard in their classes and, later, to paying off their student loans.

That’s what Alumni Professor of Finance Jess Cornaggia and Associate Professor of Finance Kimberly Cornaggia observed in their recent study of students’ levels of “grit,” or willingness to commit, and their likelihood of defaulting on their student loans when faced with difficult circumstances. Specifically, the team found that students who quit college courses when difficult circumstances present are more than 15 percent more likely to default on their student loans than those who exhibit perseverance.

“This finding is important because there is a debate over the extent to which taxpayers should subsidize college education,” says Jess Cornaggia. “Our results indicate that lenders should consider non-cognitive traits, like grit, when allocating capital.”



Vices & Visualization

Imagine a bar of gourmet chocolate packaged in clear cellophane. Because it is a vice, we may turn away from it and try to resist the temptation. Now imagine the same bar, wrapped in translucent, or slightly opaque, packaging. Do we experience the same inclination to resist, or does the translucent packaging encourage us to imagine what is inside?

Meg Meloy, professor of marketing, Calvin E. and Pamala T. Zimmerman Fellow and chair of the Marketing Department, is investigating the effects of perceptual difficulty — the difficulty with which something can be viewed — on consumers’ consumption of products that are vices.

“Typically, easy-to-process stimuli from things like clear packaging enhance feelings of ease and familiarity, and these feelings, in turn, enhance evaluations of the target stimuli,” says Meloy. “We want to see if this idea would hold up when the products are vices. Vices are often products that we attempt to avoid so this might undermine those product evaluations.”

The research, with former Penn State graduate student Saerom Lee ’14 Ph.D BUS, finds that we want vices more when they are packaged in translucent packaging because we have to use our imaginations; we visualize the chocolate more when we can’t see exactly what is inside the package. This visualization process increases desire. In contrast, we actively attempt to resist the vice when it is plainly obvious that this is a decadent morsel.

Meloy says the research has implications for consumers who are concerned about self-control, as well as marketers who aim to present their products to consumers in ways that increase profits.



I Found it on Craigslist

Maybe you're looking for a bike for your kid, or perhaps you need to get rid of an old sofa. Online markets like Craigslist, Freecycle, and Preloved provide a means to reuse products and, therefore, yield significant environmental benefits, according to research by Suvrat Dhanorkar, Michael and Laura Rothkopf Early Career Professor.

In a paper published in *Management Science*, Dhanorkar reports the results of a study in which he compared changes in municipal solid waste generation in counties where Craigslist had launched a website to other comparable counties where Craigslist had not yet arrived. He found that the volume of municipal solid waste drops by up to 3 to 5 percent when a Craigslist website is launched in the region.

"This research suggests that online reuse markets have the potential to deliver environmental benefits through waste reduction and may even save millions of tax dollars that are typically spent on waste collection, management, and disposal," says Dhanorkar.

Privacy in Medical Genomics

Human genome sequencing offers a more individualized approach to health care, enabling medical professionals to better diagnose, treat, or prevent disease. But the availability of this very personal data also carries privacy and security risks. For example, a person's genetic information reveals many private things, from disease risks to personality traits to paternity truths.

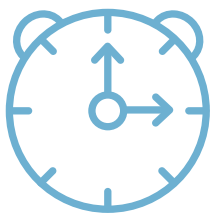
In a recent whitepaper, Forrest Briscoe, professor of management and Frank and Mary Jean Smeal Research Fellow, and Barbara Gray, professor emerita of organizational behavior, summarized the risks associated with medical genomics and suggested some options for mitigating them. Their analysis revealed three fundamental questions that they believe warrant broad societal reflection and deliberation: Who should have the right to make decisions about your genome? How closely should you hold onto your genome? What standards are desirable for securing genomic databases?

"Medical genomics promises to vastly improve health care," says Briscoe. "As a society, we need to thoroughly explore and debate on the best ways to balance privacy concerns with other interests driving this field."



Stocks or Options?

Designing compensation plans that motivate employees to perform is an important goal of every business. In a paper appearing in the *Journal of Behavioral Finance*, Steven Huddart, senior associate dean for research and faculty and Smeal Chair and Professor of Accounting, compares the effectiveness of stocks, which provide ownership in a company, to the effectiveness of options, which enable the purchase or sale of stock at reduced prices, in eliciting employee effort. “We found that both types of contracts elicited lower-than-expected levels of employee effort, but that option contracts induced higher effort levels in men,” says Huddart. “This knowledge can help inform the design of compensation plans.”

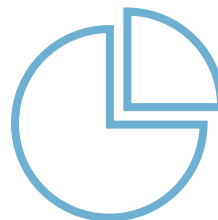


Power Play

Does that political candidate truly wish to improve social welfare, or are they simply endeavoring for power?

Through their “Power Game,” Chloe Tergiman, assistant professor of business economics, and Elena Pikulina, assistant professor of finance at the University of British Columbia, discovered that nearly 30 percent of players were “power hungry.” They were motivated more by the opportunity to wield power over others than to increase other benefits, such as higher pay, to themselves. Additionally, the game revealed that power-hungry subjects chose highly variable salary allocations, whereas other subjects consistently gave the highest salaries allowable.

“How individuals who enjoy power choose to exercise it has important implications for the welfare of others,” says Tergiman. “Our results imply that social welfare is likely to decrease when individuals with power preferences are the one allocating resources.”



Sharing a World View


Five Smeal graduates who have ascended into the leadership roles of companies around the globe offer insights shaped by their experiences abroad

By Anne Louise Cropp '99 MBA/MHA



ILLUSTRATION BY GRACIA LAM

While private schools like Harvard, Penn, and Stanford may come to mind as training grounds for business executives, Penn State is actually the No. 2 school in the country for graduating CEOs, trailing only Stanford University, according to a study published in 2018 by LinkedIn, the professional networking and career development social media network.

 As the Penn State Smeal College of Business considers its own role in how to develop globally minded industry leaders prepared for the challenges of a truly interconnected marketplace, we solicited opinions from five alumni who have achieved high levels of success with some of the world's leading organizations. Their career paths have varied, but they have two things in common: Each lives outside of the United States, and each believes that an international perspective is essential to lead in a world that is so closely connected.



Farid Alias '90 ACCTG

Group President and Chief Executive Officer at Maybank

How important is a global perspective in your day-to-day work?

Everything that we do as a bank, whether it's managing our growth, or risks, depends on not just what's happening within the country, but also what happens globally. No one can manage a bank today without having a global perspective and actively trying to connect the dots.

How have ethics and integrity come into play in your professional life?

A proper ethical framework and integrity help us make the right decision and we need to be able to make the right decision at every juncture of our lives.

What book has most influenced you and why?

One author has influenced me more than others and that is Jim Collins. His books "Built to Last," "Good to Great," and "Great by Choice" have helped me in shaping my views about why I do what I do. There are many others since, but that series was the spark for me.



Tom Buday '80 MKTG

**Global Head of Marketing
and Consumer Communication, Nestlé**

**You've been with Nestlé for more than 35 years.
What's your secret?**

The secret for me has been to move into a different role or find a way to reshape the role I'm in every few years, then embrace the challenges and learning opportunities from each experience.

**Tell me about a time that you failed
at something, and what that taught you.**

When first managing a large team of people, I failed to appreciate how important it was to serve them via coaching, feedback, and career development support. Fortunately, one of my mentors and a couple of courageous direct reports pulled me aside and gave me the feedback I needed, and, over the years, I've worked hard to reshape and enhance my leadership style.

What book has most influenced you and why?

I'm not sure any one book has had overwhelming influence but I read recently and really enjoyed "Factfulness" by the late, great Hans Rosling. It could not be more relevant in today's political and social climate.



Jean Oelwang '87 MKTG

**President and Trustee for Virgin Unite,
and Senior Partner at the B Team**

**What has been the most impactful
experience you've had in your career?**

I've taken a number of "curiosity pivots," from working in a teenage homeless shelter in Chicago, to spending time with wombats in the Foundation for National Parks and Wildlife in Australia. These life-changing detours, combined with years of helping startup mobile phone companies, made me obsessed with the opportunity we have to break down the silos between government, not-for-profits and business to collectively change broken systems and solve unacceptable issues in this world.

**What lessons have you learned from
doing business around the globe?**

The greatest global challenge that is exploding all over the world is the level of inequality, caused in part by a broken way of doing business that does not focus on serving humanity and the planet.

**What's one lesson you learned at
Smeal that you still carry with you?**

Carefully choose the friends you surround yourself with. They will either help you be the very best version of yourself or hold you back from doing something bigger in this world.



Greg Reed '91 FIN

**Chief Executive Officer
at HomeServe UK**

What are you most proud of in your tenure at HomeServe?

In 2014, we established a process called CustomerFirst that allowed our people to speak up about anything they'd do differently for our customers in any given circumstance. At the same time, we established a Hardship Fund to do things for our customers that our people thought should be done when the customer didn't have coverage for that thing, or they just wanted to go above and beyond. We've helped more than 3,000 customers and spent £750k just doing the right thing.

Tell me about a time that you failed at something, and what that taught you.

I fail every day and what I've learned is there is no success without failure. You need to create a culture where failure is not hidden. You only move forward if you try things and quickly understand what hasn't worked and why.

What book has most influenced you and why?

Without a doubt, "The Five Dysfunctions of a Team" by Patrick Lencioni. It gets to the core of leading a group of people, which is trust. Nothing else happens without that.



Lara Warner '88 FIN

**Chief Risk Officer,
Credit Suisse Group AG**

Why are "sponsors" important?

Sponsors are powerful people who have equity in the organization you operate in. And they are willing to spend their equity on your behalf. They're people who are willing to put their reputation on the line for you, who will bring your name up when you are not in the room and share your capabilities and why people should take a risk on you. They can have a powerful effect on your career.

What advice would you share with today's students?

Be a lifelong student. It's easy to fall into the trap of thinking you have to portray yourself as knowing everything, but people who brand themselves that way generally don't go far. Don't be ashamed to learn or to brand yourself as a learner.

What lessons have you learned from doing business around the globe?

To pick yourself up and move to another environment, another culture, another place, and doing business from that perspective is absolutely critical. Other countries have very different ways of thinking about things and that helps educate you and improves your own leadership capabilities. Very few people can get to the top of companies without having global roles first.

Development and Alumni Relations Update

A GREATER PENN STATE FOR 21ST CENTURY EXCELLENCE

Smeal Progress

Last November, the University's Board of Trustees endorsed a one-year extension of "A Greater Penn State for 21st Century Excellence." The campaign will end on June 30, 2022.

"By extending the campaign and raising our goal, we are also extending our impact and raising our sights for the role that the University can play in the lives of our students and in the prosperity and security of the Commonwealth and the world," says Penn State President Eric J. Barron.

Smeal's fundraising goal was increased from \$64.5 million to \$88 million. Since the outset of the campaign through the end of 2019, Smeal has raised nearly \$63 million.

In the first six months of the current fiscal year, Smeal has raised more than \$26 million, eclipsing a long-standing fundraising record that was set in the 12 months of fiscal year 2002, when Smeal raised \$22 million, primarily for construction of the Business Building.

HIGHLIGHTS

71%
of goal
achieved
ahead of
schedule

Gifts under
\$250
account for nearly
80 percent of all
giving in 2019

Nearly
6,700
total donors; over
5,000
alumni donors

11
seven-figure
gifts to the campaign,
including the largest
single gift to Smeal of
\$12 million

70+
six-figure
gifts

Figures through December 2019

John Arnold Receives Penn State Distinguished Alumni Award

Grateful. Honored. Surprised.

John Arnold '87 MBA used those words after receiving the Penn State Distinguished Alumni Award—the University's highest honor—from the Penn State Board of Trustees in June 2019.

Arnold earned an MBA from Penn State before joining Petroleum Products Corporation, a family business founded by his great-grandfather. Arnold is quick to credit Penn State with laying the groundwork for his success.

"The skills I learned, such as commodities trading and managerial accounting, have been important to me and to the success of the company," he says.

A member of Smeal's Board of Visitors, Arnold has also volunteered for three Penn State fundraising campaigns.

"It's important to give back. Whether that's offering advice on new initiatives or giving my time to speak to classes, it's an honor to be an ambassador for the business school," he says.

He funded the Department of Management and Organization Excellence Fund (which includes two

named faculty positions), two MBA scholarships, a faculty chair in finance at Smeal, and a graduate scholarship at Penn State Harrisburg. But his altruism extends far beyond Penn State. He and his wife, Karen, founded the nonprofit Kindness Coalition and are involved with the United Way of Berks County. He also serves on several nonprofit boards.

"I think there's an obligation to pay it forward a little, make it better for people who follow," he says.

Arnold was previously honored with the Penn State Alumni Fellow Award in 2004 and the Smeal Distinguished Achievement Award in 2008.



Every Gift Makes a Difference

**A GREATER
PENN STATE
FOR 21ST
CENTURY
EXCELLENCE**

Every gift to Penn State starts and ends with an individual. Although we measure campaign progress by the dollars raised, we measure impact by the stories, ideas, and possibilities that exist because of giving. As you've seen throughout this publication, our alumni and friends are providing the kinds of transformative experiences that change the lives of our students,

support innovative research, and reaffirm our role as a leading business school.

We welcome the opportunity to partner with you to make A Greater Penn State while meeting your own philanthropic goals.

Contact Michelle K. Houser, senior director of development and alumni relations, at 814-865-7830 or mkb117@psu.edu to explore the myriad ways to give back to Smeal.



PennState

Smeal College of Business

The Pennsylvania State University
Smeal College of Business
Office of Development and Alumni Relations
209 Business Building
University Park, PA 16802-3603

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