Leveraging Social Networks

Gatton College explores the effects of social networks on business.
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Working on this inaugural issue of Transform was a social network experiment. To get the job done, I called on people I have worked with for years: A graphic designer who moved to Kentucky to work for me a couple of years ago; two writers I’ve known and worked with since my previous job; and a photographer who went to college with me.

With the newly created LINKS International Center for the Study of Social Networks in Business at the Gatton College, our faculty are researching the effects of social networks in business. They’re finding that social networks go well beyond the teenage Facebook and MySpace phenomena. According Dr. Dan Brass, the Center’s director, “The research shows that networks can be very instrumental in terms of finding jobs, performing well and getting promoted.” To this list I’d like to add, “getting a magazine published.”

We’re pleased to be offering to you this first issue of Transform. Published twice a year, Transform will highlight key alumni and friends, top-notch faculty and exciting College news to help you stay connected with the Gatton College of Business and Economics. By highlighting these things, we hope you will be proud to be associated with us.

—Michele Gaither Sparks, Editor
DEAR FRIENDS,

It gives me great pleasure to write this introduction to the first edition of TRANSFORM. As the name suggests, the magazine is intended to convey the spirit of transformation and progress at your College. Through this magazine we want to keep you connected so that you can see, first hand, the commitment we’ve made to preparing world-ready men and women. We hope you will enjoy the magazine.

I also want to take this time to look back at the road we’ve traveled. Over the last three years we have been on a long journey together. In this time, we have

- launched a truly innovative 11-month MBA program. The first class graduated with an excellent placement record and feedback from these graduates has been great;
- initiated the Project Destiny program by bringing enrichment activities to our undergraduate students. We have enhanced the broadening of their perspectives and are making them world ready;
- hired several new faculty members in every one of our units, in spite of significant budget cuts;
- laid the foundation for the College’s Advancement/Development and Communications departments. As a result, our annual fund numbers have gone up, a capital campaign is underway, and our new branding efforts are beginning to have impact;
- cultivated close relationships with our Business Partnership Foundation Board and have members who are committed to helping us improve with advice, hard work and dollars;
- received a commitment from the Office of the President that affirms the College’s new building plans as a top academic building priority for the University (along with the College of Law). This was made a part of the 2008-2010 requests to the Council on Post-Secondary Education (CPE) and the legislature.
- worked with the University to charge differential fees for our undergraduate classes. We have used these to retain faculty, provide summer funds and other enhancements, develop enrichment programs for our undergraduates, partly fund our advancement and communications work. Without these efforts, the budget cuts in 2003 would have had a significantly negative impact on us.

At Gatton we take seriously our mandate as educators to innovate in our teaching and in our research. Innovation is the hallmark of progress and success.
• received funding from the University for the Gatton Chair in Economics and the Chellgren Chair in Management. We have also obtained funding for a tenure track position in accountancy and two lecturer positions—one for accountancy and the other for economics.
• seen our students participate and excel in competitions and our faculty honored and recognized nationally as well as internationally.

As we are poised to take our next steps, I want to reaffirm our common goals and desires. In my interactions with you, our alumni, friends and colleagues, I am convinced that we share a common set of values that should continue to guide us. These include pursuing and achieving excellence in learning and discovery both within the classroom and outside the classroom.

At Gatton we take seriously our mandate as educators to innovate in our teaching and in our research. Innovation is the hallmark of progress and success. We also recognize that we must be resourceful. We have to exercise the responsibility given to us by the tax payers of the Commonwealth of Kentucky. It is their hope that our efforts will educate Kentucky’s children, solve its problems, create wealth and jobs, and stand as a shining beacon to which its children will aspire to come, to learn, to grow, to share, to be leaders and, above all, to be good citizens.

You play a critical role in our achieving our mission and shaping our destiny. You are our ambassadors, the success of our actions and bearers of knowledge and friendships developed at the Gatton College. In your success, please associate with us. Please help our students find internships and jobs and mentor them when asked. Please provide interesting questions and ideas to our faculty. These may result in outstanding research or other impactful collaborations.

You are our generous benefactors. Without the generosity of our alumni we could not dream of the possibilities before us. Because of you we have endowed chairs and professorships, scholarships and the ability to provide support for our initiatives.

But there is still more to do: A new building to be built; new faculty to be added; more students to be educated and scholarships provided to them; and new innovations to be brought into the classroom. It can only be accomplished with your great assistance. So, please be generous with your ambassadorship, ideas, time and money.

Let us live our professional hopes and dreams and together build a place of learning where discovery guides us, sharing empowers us, resourcefulness enables us and a common purpose of excellence motivates us.

D. Sudhanshan
Dean, Gatton College of Business and Economics
Social Networks at Work

By John Michael De Marco

In today’s business world, the cliche is true: it’s not just what you know, it’s also who you know. With its newly created LINKS Center, Gatton College is poised to be the leader in connecting cutting-edge research on social networks with real-world business problems. LINKS fosters the study of social networks—a popular and seemingly simple concept that is actually a powerful tool for complex analysis of the inner workings of businesses.
The study of social and organizational networks—known as social network analysis—has seen spectacular growth during the past decade. In a nutshell, its premise is that much of what drives human behaviors and attitudes is tied to the relationships people possess or fail to possess. In some cases, such as meeting new people for business contacts, “networking” those relationships seems straightforward. However, in many cases, especially in the workplace, various relationships may not be so obvious, and can affect power bases, work flow, sales opportunities, and satisfaction, as well as other major aspects of being a successful employee, department, or organization.

LINKS, the International Center for the Study of Social Networks in Business, was established to “build links between researchers from diverse academic backgrounds who have a common interest in studying social networks, and between the researchers and business people who face the real challenges and opportunities in today’s global organizations,” describes Dr. Daniel J. Brass, the Center’s director and a Gatton professor since 2000.

Dr. Brass continues, “The Center is bringing together faculty from across UK and around the world—from management, information systems, marketing, policy analysis, and supply chain management, for example—to help create and disseminate knowledge on social networks. We want to work with companies to help translate this research into practice.”

In addition to the obvious organizational chart, social network analysis helps find the hidden patterns of relationships in businesses or across businesses in an industry. One of the significant aspects of social networks analysis is its versatility. It can be used across many disciplines and with any type of organization. It uncovers a web of relationships within an organization or among organizations.

Dr. Brass is a pioneer in the study of social networks in organizations. He has done extensive research and taught classes and seminars at top universities across the globe. He also has received more than 1,000 citations to his published research. Two new Gatton faculty members—Drs. Joe Labianca and Ajay Mehra—also have earned international reputations for their research in social networks and are key players in the emergence of LINKS.

LINKS’ main research focus is on social networks in business, both within and between organizations. It helps researchers wrestle with questions such as

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**Dr. Daniel J. Brass**

Dr. Brass, director of the LINKS: International Center for the Study of Social Networks in Business, brings a high profile to Gatton College’s emerging effort to be a key leader in social network analysis.

A well-established pioneer in the study of social networks in organizations, Dr. Brass is extensively cited in publications related to this field and has taught as a visiting professor at universities in France, Singapore, New Zealand, Greece, Spain, Australia and China. As Gatton’s J. Hennings Hilliard Chair in Innovation Management, Dr. Brass has served as a University of Kentucky professor since 2000, and also holds the post of associate editor of the *Administrative Science Quarterly* based at Cornell University. He earned his Ph.D. from the University of Illinois.

“I enjoy the research and the teaching,” tells Dr. Brass. “I enjoy answering the questions and finding out things that I’m curious about. That’s the motivation. Research and teaching are very complimentary; what I learn in the research, I use in the classroom.”

The professor’s teaching in various international settings also has been an enriching aspect of his career.

“I’ve been traveling quite a bit in the last seven or eight years. I try to learn about the networks in the different countries. Most of them involve some research projects, many of which are still underway in terms of collaboration with scholars from all over the world.”

Such travels have pointed out some key social networking distinctions among cultures. “In China, referrals are really important. You need someone to introduce you to someone. In Spain, referrals aren’t paid any attention to; you’d better have a face-to-face with a contact if you want to get anything done.”

Having done social network research since about 1980, it’s been gratifying for Dr. Brass to see awareness of its value take root during the past decade. “Now all of a sudden it’s a hot area. I get a lot of invitations to go around the U.S. and world. People want to know about social networks.”
what type of "social capital" leaders possess; which configuration of people leads to ideal team performance; which position in an organization’s social network is the most powerful; how social networks affect interpersonal conflict; how interorganizational networks affect organizational learning and change; and how strategic alliances affect organizational innovation.

The professors note that the study of social networks is truly an interdisciplinary effort these days, with cutting-edge work being published in fields as distinct as anthropology, business and physics.

“There are faculty in different areas of Gatton, and across the campus, who have been interested in doing social network research,” Dr. Labianca says. “One great aspect of LINKS is that we can bring these people together and give them the opportunity to develop their ideas and launch research projects in collaboration with each other and with business firms.”

According to Dr. Labianca, creating a research center like LINKS helps attract faculty, as well as doctoral students. It also allows the department to get the undergrads and MBA students up to speed on some of the most cutting-edge topics and tools out there to become better managers.

“It’s gotten to the point now where it’s tough to open up a newspaper and not run into something that’s social networking oriented, and yet, very few business schools really teach anything about this.”

Dr. Brass echoes Labianca’s latter point, “It’s a lot more complex than simply building a large network, joining the Chamber of Commerce, or playing golf with the boss. It’s not simply a matter of joining an on-line community such as MySpace or Facebook.”

The research shows that networks can be very instrumental in terms of finding jobs, performing well and getting promoted.

The professors strive to distinguish the study of social networks as a scientific endeavor from the common sense notion of social networking. The latter, they say, usually gets at advice on “how to win friends and influence people.”

The whole idea of LINKS is linking scholars with businesses… We’d like to be the link between the academic world and the business world.
A distinctive idea at the heart of social network research is that the relationships within which people (or organizations) are embedded can have important consequences for how they act and think, and, ultimately, how they perform. Social ties, the professors assert, are important conduits for valuable resources such as information, advice and sponsorship.

Contemporary social network analysis takes this basic insight and wedds it with sophisticated quantitative and mathematical techniques to examine a range of outcomes of interest to individuals and organizations.

For example, social network research is being used to predict, among other things, the spread of innovations within organizations; turnover; job satisfaction; conflict; leadership; and individual and team performance. As organizations have become flatter and have peeled back layers of bureaucracy, informal social networks within companies have become especially important mechanisms for work accomplishment.

The research offers powerful tools for helping companies, teams and individuals visualize and leverage their social networks, Dr. Brass says. “What is different today is that we can move beyond the metaphorical recognition that social ties matter, to a very precise, mathematical appreciation of precisely what kinds of social network structures have precisely what kinds of effects,” Dr. Mehra describes. "Although social network analysis can trace its roots back at least 60 years, it is only in the last two decades that it has really taken off, thanks to the availability of cheap computing power. We now have the ability to study in great detail the structural characteristics of very large and complex networks; this was simply not possible 20 years ago."

As the business environment has become more complex, turbulent and global, businesses have been forced to decentralize their decision-making and place more responsibility on lower-level employees to innovate and accomplish their tasks. Whereas in the past companies could rely on a few specialized employees to interact with people outside of the firm—and then bring the information into the organization—the pace of change today is such that most employees, regardless of function, must develop both internal and external networks.
The impact of viewing organizations from a social network perspective has had a pronounced effect in the corridors of corporate America. One prominent example of this phenomenon is Procter & Gamble.

"Previously, P&G could rely on its internal research and development department to develop new products," Dr. Labianca reports. "But as P&G has gone global, it is in a faster-moving and more competitive environment, and their internal R&D just can't innovate fast enough. So they've created a new program, called 'Connect and Develop,' that encourages—really, demands—that people reach out to outsiders to help speed their time to market. They get their researchers out there connecting to external social networks such as other companies and educational and research institutions—all sorts of different arenas in which new ideas can come and then be brought into products."

Dr. Labianca describes Visible Path as utilizing social networking to influence the way business is conducted. Visible Path catalogues employees' social networks by tracking their email patterns to help sales forces figure out how to make contact with people in other organizations to sell more effectively.

It’s gotten to the point now where it’s tough to open up a newspaper and not run into something that’s social networking oriented. And yet, very few business schools really teach anything about this.

The professors point out that "guerrilla marketing" is based entirely on the social networking phenomenon, as is any type of viral marketing. And Dr. Labianca also cites a powerful potential value of social network analysis in helping businesses that have chosen to merge—a trend growing more prevalent each day.

"Often, when two companies merge, there is a tendency for people not to interact across the old boundaries," he explains. "Social network analysis is used to track the extent to which each employee is interacting with others on the other side of the firm. This provides a map of the extent to which the two companies are becoming integrated. Post-merger integration holds great promise for using social network analysis, allowing managers to intervene to speed up the integration process."

It can be challenging for the average business manager to know how to leverage social network analysis, the professors agree.

"Social network analysis is a difficult tool to explain," Dr. Labianca says. "I've found that the best way to explain it to managers is to ask, 'What keeps you up at night?' and once we start talking about that, I can apply the tool to their problem—and then they can see how you use it. For most people, it's the visual aspect of social network analysis that grabs them—you often have to see a network map to grasp its possibilities." (See the graph on page 10.)

Dr. Mehra points out that many companies are falling prey to generalist consultants who make promises and often lack expertise in how to collect and make sense of network data. In the long run,
this can create a negative buzz about social network analysis.

“All three of us are very much research-oriented faculty,” Dr. Mehra says. “We collect our data by working with companies. We have for some time been very much aware of the potential of social networks for solving real company problems. We have a good sense of both the promise and the limitations of the social network perspective.”

With the Center just having been created this past fall, LINKS is seeking sponsors and donors to help support its research and fully unleash its potential to be a conduit between the academic and business arenas for the good of students and industry. The intangible support already has swift momentum.

“The response [from UK] has been great,” says Dr. Brass. “We’ve gotten a lot of encouragement.” For more information on the LINKS Center contact Dr. Daniel Brass at dbrass@uky.edu.

Social Network in Action

As an example of the work done in LINKS, the above network diagram shows an entire division of a Fortune 500 financial services company. Each dot represents a person, and the lines between them show the required workflow interactions. The size of the dot shows how important that individual is to the overall workflow in the division.

LINKS examined where the greatest conflict was in this division. Persons A and B generated 10 times more conflict than the average person in this division. Using the network analysis, LINKS suggested to the organization that they prioritize dealing with the conflict surrounding Person A first, because it has far more consequences for the overall functioning of the entire organization than does the conflict surrounding Person B, who is more peripheral to the divisions of workflow. These types of analyses can be done on any types of organizations and relationships.
Dr. Nancy Johnson, Gatton College’s new associate dean for undergraduate affairs, is developing the center and points to Gatton’s Global Scholars Program—launched this past fall—as social networking in action.

“The Global Scholars Program is comprised of 31 top-notch students,” Dr. Johnson explains. “They’re strong students who want to be successful. We’ve put them in classes together to build a nice cohort. They are an elite group who need to shine.”

The Global Scholars embrace additional activities and deeper responsibilities compared with their Gatton peers. These activities are designed to enhance their leadership capabilities and experiences and include spending a day at a ropes course designed to foster an atmosphere of teamwork, as well as mandatory attendance at lectures such as Gatton’s “Coffeetalk” where successful alumni return to campus to share their business experiences.

“Our hope is that they will network to raise the standard in the college and become role models for other students,” Dr. Johnson describes.

Another example is UK 101, a freshman course designed to help new students understand the type of survival skills that are needed for college. Class members recently competed to come up with ideas of enrichment activities they could do within Gatton, and proposed a mentoring project called “B&E Buddy.” The project calls for juniors and seniors to mentor three or four freshmen. Students already are busy at work recruiting such mentors.

“Social networking, in my mind, is building connections among people,” Dr. Johnson emphasizes. “Our goal is to build positive connections and to help students feel connected to the College.”

Retention is a crucial factor at play here, the professor adds.

“Research shows that if you feel a connection to the college or university, you’re going to be much more likely to stay. The students who volunteer are the ones who are going to model positive behaviors. They can help other students get connected to resources they need to be successful. They might encourage a student who is struggling by letting them know about our tutoring services. They can become their connection with any number of groups.”

Dr. Johnson hopes to build more enrichment programs related to social networking, such as one planned for the next school year that will bring together business and engineering students. Plans also call for an “etiquette banquet,” where students will meet with alumni to practice and hone their social networking skills—in the same spirit as the “Coffeetalk” that requires business casual dress for student attendees.

“We’re trying to help them become comfortable in a variety of settings,” Dr. Johnson adds. “If you have grown up without these skill sets you have to learn them from experience. We’re trying to accelerate that for them.”

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And these are the two primary reasons Angie, a current Gatton MBA student, loves to call Kentucky home.

“My dad recognized that Lexington is a growing city with lots of opportunities,” she explains. “I now enjoy living in downtown Lexington, but still being able to go out into the country.”

And the country is where she often retreats. Most mornings from the time she arrived in Lexington as a freshman college student until now, Angie can be found grooming and caring for horses in a tucked away farm on the outskirts of downtown. This is where she is most at home.

From the age of 5, this West Virginia native has been riding horses. And it’s easy to see her love of horses as she brings Mr. Honor out of his stable. When she’s near this chestnut-colored thoroughbred, she exudes a calmness and kindness towards him that only comes with spending many one-on-one hours.

“I love the independence of working with horses,” Angie eagerly reveals. “When you get a green (inexperienced) horse and train with them, you establish a bond with them. And there’s a real sense of accomplishment when you look out into a field and realize you’re responsible for having trained them.”

This love of horses is what motivated her to study business.

When Angie first arrived at the University of Kentucky her ambitions were quite different than they are now. Knowing that UK offered a top notch architecture program, she set her sights on it. But an encounter with an old family friend changed her degree aspirations.

After Angie’s second year in college studying architecture, this friend asked, “Angie, do you really love architecture?” It was a profound question coming from a person who was retired and had spent his life working at a job he didn’t love. It caused Angie to rethink some things.

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“I knew that there were so many options in business,” Angie tells. “I wanted to see if I could combine what I loved with business.”

And what she loves is horses.

That next year, Angie switched majors and started studying at the Gatton College where she received her BBA in marketing.

Armed with her undergraduate degree, Angie began working at a Lexington-owned Bloodstock horse

Kentucky’s “Unbridled Spirit” is precisely what brought Angie Walters here. The new state tagline touts not only Kentucky’s penchant for horses, but suggests that the state is “a place where people can visit, prosper and live out their dreams.”
agency. There she helped manage stallions in New York and Lexington. She also helped a friend get a New York horse farm up and running.

“Our first sale was huge,” she quips. “It’s been good for me to see a different side to the horse industry.”

But even in the midst of doing something she loved, she knew she needed to do more. She needed to have an edge that would help her stand out. An MBA seemed like a logical choice.

“I was at a turning point,” she describes. “I felt like if I was going to move on in the business world I needed an MBA degree.”

But she was hoping that moving on didn’t mean moving away. “I love Lexington and I want to become a more involved member of the community,” she explains.

Gatton’s one year MBA program seemed to be the perfect fit. With its shortened timeframe, Angie was ready for the challenge.

But she was most ready for the program’s unique “Project Connect” component. A key part of Gatton’s MBA program, Project Connect groups students into work teams and partners them with major corporations. In this context students not only learn how to build a team, they become proficient in business language, decision-making, leadership, and original and vital thinking skills. They also assess themselves in how they think, what they believe, how they work with people and create a self-improvement plan.

As they collaborate, the students take their teams and work with a professional mentor on three projects at a particular business. The chance to work with her fellow students and get real-world training is one of the main reasons Angie enrolled in the second class of 11-month students.

“There is such a wide array of companies to work with. From Valvoline to Buggies Unlimited, we have the opportunity to work with some high ranking leaders,” she describes.

And even outside the team work, Project Connect works to join MBA students with potential employers. This past holiday break, Angie had the opportunity to work with the World Equestrian Games. The games will be held in Lexington in 2010 and will bring a half million people to the horse capital of the nation.

Due of this MBA connection, Angie is hoping to continue working with the games once they arrive in the area.

“I feel like I am preparing well for the real world,” she reports. “Project Connect is huge. I have a friend studying for an MBA at another major university. He hasn’t had the opportunities I have had to meet the types of people I have gotten to meet.”

And in the midst of meeting all these people and earning her MBA, the horses are waiting to be trained—and loved.
As a graduate of the University of Kentucky with a degree in business administration, Mr. Gatton knows first-hand the value of a UK business education. Coupling his business degree and keen business knowledge, Mr. Gatton has seen a successful career in automobile dealerships, banking and real estate. His success has become our success.
How did you get your start in business?

From age 8-16, I raised an acre of watermelon on my father’s farm every year and sold them on the side of state route 81 between Bremen and Sacramento, Ky. My two older brothers were farming with my father, and so early on I decided I should do something other than farm.

During my last two years at UK, I sold Chevrolets at the only Chevrolet agency in Lexington. As a part-time sales person I was paid only on a commission basis. During my first three weeks as a part-time sales representative, I had not made my first sale, when the owner’s son-in-law offered to put me in the parts department where I could be paid $.75 per hour. I told him I preferred to continue in sales and over the next six days I sold several new cars and trucks and earned more than $700, which would be equivalent to $6,000 to $7,000 today. I thought I had hit the bottom of Ft. Knox. My first sale of a new car was to Joe Kennedy, the owner of Kennedy Bookstore on campus.

After UK and two years served in the Army, with the GI bill and borrowed funds, I attended the Wharton School of Business. When I graduated, I had prestigious job offers in New York, Philadelphia, etc. For fear I would become hooked on big corporation fringe benefits and knowing I had a strong entrepreneurial interest, I turned them all down and came back to Lexington and accepted employment at Lexington’s Security Trust Bank for $300 per month.

But I was still interested in the car business. I borrowed $25,000 from my dad and opened a Volkswagen agency in Owensboro, Ky. This was the third agency in Kentucky selling those funny-look VW beetles, and I was the youngest VW dealer in the country at that time. My dad told my two older brothers, “He’ll be broke in six months and back on the farm where he belongs.” Six years later I sold the dealership to purchase a Chevy dealership in Bristol, Tenn., where I live today.
What's the best lesson you've learned from your business experience?

Honesty is an absolute prerequisite for business. It doesn't matter how many fine qualities you have—unless you're honest and have the trust of your associates, you will never succeed. I could not have accomplished the things I have been able to without the trust of regional bankers who were willing to lend me more money than my financial statement would have justified. The trust of these bankers as well as the trust of customers and other associates has been essential to any success I have had.

Why did you invest in the business school at UK?

Education is critical to the success of the citizens of Kentucky. Education can give a person the self-confidence he or she might not otherwise have. Likewise, during the educational process, one makes friends with other motivated students. These associations may become friends and business friends and business associates for life. I truly believe education expands one's vision and self-confidence.

It has been my hope that my gift will enable the College of Business to offer its students a better learning experience and encourage giving by other graduates of the College.

I'd rather give money away for worthwhile endeavors than to throw money away. I feel fortunate to have been in a position to give to the business school. I love the idea of helping people in Kentucky for future generations.

What business project are you working on now?

In 2004 I purchased 380 acres in Murfreesboro, Tenn., just outside Nashville on I-24. The land was a Hereford cattle farm where they raised the same type of cattle we raised on my family's farm when I was a child. I recently sold 100 acres of the land to a developer for a lifestyle shopping center, and an additional 15 acres for a hotel/convention center. About two-thirds of the upscale shopping center is expected to open by the fall 2007, and will probably be the leading shopping center in middle Tennessee.

What other philanthropic endeavors have you invested in?

I have also given to the Mayo Clinic and other educational institutions, including my other alma mater, Wharton. I have also given to my school in Sacramento, Ky., as well as college scholarships to McLean and Muhlenberg County.

When I was 30, I thought I just might retire at 40. When I was 40, I decided I'd wait to 50. When I reached 50, I decided to delay retirement until I was 60. At 60, I realized I would never retire. I am often asked, “Why do you continue to work and not retire?” There are two basic reasons: I do not want more money for myself, but I do desire to continue to work so as to earn money to support worthwhile endeavors and I believe active people live longer.
One Man’s Trash, Another Man’s Treasure

You remember him. A Native-American man sitting stately atop a sturdy horse. Or standing by the side of the litter clad highway. Maybe paddling down a murky river. All the while, a trademark tear running down his cheek. The “Crying Indian” as he came to be known, was the face of “Keep America Beautiful”—arguably the nation’s most successful anti-litter public service announcement campaign to date. But that was the early 1970s. More than 30 years later, the Center for Sustainable Aluminum Industry (CSAI) is hoping to effect similar change in recycling behavior.
The Center, one of 11 research centers within the Gatton College of Business and Economics, is studying the impact of various media messages and incentives on recycling behavior in Fayette County. Their aim is to learn "what works" to increase recycling rates, replicate their success statewide, ultimately affecting lasting economic and environmental change throughout the Commonwealth.

“Our goal is to produce academically rigorous work that will benefit the aluminum industry as a whole—to focus on areas where everyone benefits," says Dr. Paul Jarley, the Center's Director and Senior Associate Dean of the Gatton College.

And it's clear that aluminum especially benefits Kentuckians. Kentucky produces aluminum sheet which goes into the making of aluminum cans. Two out of every six aluminum beverage cans are produced with aluminum sheet made here in Kentucky, with the aluminum industry ranking as the fifth largest private sector employer in the state, adding $741 million in value to the state’s economy in 2000 alone. The sustainable nature of aluminum only serves to augment these economic benefits. A can may be recycled, made into a new can, and back on a store shelf in 60 days. From a manufacturing standpoint, secondary (recycled) aluminum is a less expensive alternative to primary aluminum, using only 5 percent of the energy in production. In 2003, 54 billion cans were recycled, an energy savings amounting to an equivalent 15 million barrels of crude oil.

The environmental impact of recycling aluminum is equally undeniable. An aluminum can has the ability to be recycled multiple times, saving precious natural resources that would otherwise be expended in the production of primary aluminum. In 1999, the Environmental Protection Agency estimated that recycling and composting prevented almost 65 million tons of material from ending up in landfills and incinerators. The list goes on.

CSAI is in good company—it is one of only 26 Sloan Industry Centers at 19 Universities nationwide. Dr. Jarley sees the Center as having the capability to become the leading source of business knowledge for the aluminum industry. "We crafted the Center's research agenda in a way to make it most relevant, taking our cues from industry itself," specifically from a vision statement they put forth in Aluminum Industry Vision 2001. The Center's research focus areas include recycling programs, workforce development and deployment, and supply chain management.

"Findings like those from the current recycling study are then disseminated through industry trade journals, corporate and civic presentations, and to the Center’s Steering Committee,” notes Dr. Jarley. The 12-member committee is made up of key leaders in the aluminum industry who help identify research topics and help facilitate access to industry facilities and data. The public-private partnership forged at the Center is perhaps best embodied in the Center’s Executive Director, Dr. Subodh Das. Das is also the president and chief executive officer of Secat, Inc., which includes a metallurgical research laboratory specializing in aluminum technology. Das’s extensive experience in both the public and private sectors positions him as a key liaison between the industry and the Center.

With 10 faculty members collaborating on various research projects, doctoral students are given the opportunity to gain experience at the Center. "We love to see students get interested in doing observation-based business research,” notes Dr. Jarley. "It gets them talking to people in the industry, and producing results that are both academically rigorous and relevant.”

Two out of every six aluminum beverage cans are produced with aluminum sheet made here in Kentucky, with the aluminum industry ranking as the fifth largest private sector employer in the state, adding $741 million in value to the state’s economy in 2000 alone.

Students involved in the current recycling study in Fayette County can add community kudos to their future resumes as well. In part because of the Center’s work in assisting the city of Lexington with its recycling campaign, the city was recognized by the Council of U.S. Mayors. "The City of Lexington has been a wonderful partner for the Center,” notes Dr. Jarley. Recycling also has the potential to earn funds for community charitable organizations and groups—each year aluminum companies pay upwards of $800 million for empty aluminum cans.

Empty cans, like the one, perhaps, on your desk as you read this?

If so, Dr. Jarley hopes you’ll recycle it. “Recycling helps Kentucky’s economy—plain and simple.” He also hopes Gatton alumni will find pride in their alma mater's forays into this type of critical research—research that benefits not only the business community, but the state of Kentucky and its environment. "Recycling is a win-win.” And what Wildcat would want to argue with that?

B. Lackey, The Aluminum Industry in Kentucky (Frankfort, KY: Division of Research, Kentucky Cabinet for Economic Development, 2002).
www.epa.gov, Environmental Protection Agency
www.earth911.org, The Aluminum Association
Hands on.
sharing knowledge

Real world.
launching innovative programs
At the Gatton College of Business and Economics we boldly dare to push the boundaries of knowledge beyond the cutting-edge. We intend to enhance the lives of people in Kentucky and the world through creating and sharing knowledge and launching innovative programs.

With President Todd’s top 20 business plan moving forward, we recognize that in order for the University to be in the top 20, the business school must also rise to top 20 status. Because of this, it is imperative for the Gatton College of Business & Economics to expand into a new, cutting-edge facility.

Our dream is to build a vibrant learning community dedicated to expanding opportunities for Gatton graduates and making critical intellectual contributions to Kentucky, the United States, and beyond.

The new Gatton College campus, comprised of four state-of-the-art buildings, will provide the environment and the facilities that will encourage learning and expand visions. It will provide exciting new opportunities for a dedicated and outstanding assembly of faculty, staff, and students to pursue and achieve greater professional and personal goals.

As we continue preparing savvy, top-notch professionals, we recognize that our efforts will only be enhanced with a state-of-the-art facility. But in order for this dream to be achieved, $30 million in private support must be raised (of which $7 million in commitments have already been raised).

As we move forward with our “Campaign Gatton: A World-Ready Future,” we will be calling on our alumni and corporate partners to continue helping us prepare world-ready business leaders.

ECONOMICS RESEARCH CITED IN NEW YORK TIMES

A study conducted by the Center for Business and Economic Research (CBER) at the Gatton College was recently quoted in a New York Times’ article concerning the effects of sprawl on metropolitan areas, both within city neighborhoods and outlying communities.

The citation by the Times quoted work done previously by Gatton Endowed Associate Professor of Economics Chris Bollinger, together with the late UK professor Mark Berger, then director of CBER, and former UK faculty member Eric Thompson.

The Times highlighted the portion of the UK study that found that the cost of government services, such as police, schools and sewers, was much higher in counties with low-density sprawl.

GATTON COLLEGE PROFESSOR HONORED BY TEXAS A&M UNIVERSITY

Krish Muralidhar, Gatton Endowed Professor in the School of Management in the University of Kentucky’s Gatton College of Business and Economics, recently was awarded a 2006 Distinguished Doctoral Alumni Award from Texas A&M University’s Mays Business School.

Muralidhar, who has taught in the Gatton College in the Department of Decision Science and Information Systems since 1998, is a 1986 business analysis Ph.D. graduate of Texas A&M, located in College Station, Texas. At UK, Muralidhar researches database security, bootstrapping, and applications of statistical techniques in such functional areas as information systems and operations management.

Muralidhar was recognized in a special ceremony at Texas A&M and also participated in a panel discussion with students and faculty of the Mays Business School.

GATTON COLLEGE LAUNCHES GLOBAL SCHOLARS PROGRAM

For young people interested in pursuing a career in business, it’s no longer a choice as to whether you choose to compete in a global environment, it’s a must. With this in mind, the University of Kentucky’s Gatton College of Business and Economics welcomed its first class of Global Scholars this past fall.

A part of Gatton’s Project Destiny initiative, this first class of Global Scholars is comprised of 31 exceptional first-year students who are seeking to develop their professional acumen and leadership skills. The selective admission criteria utilized in the program includes an ACT score of 28 or higher (or SAT score of 1240 or higher) and an un-weighted high school grade point average of 3.6 or above.

Thanks to a recent, generous $250,000 commitment by Rodney BE’81, ’82 and Kathy BE’82 McMullen, for the next five years all classes of Global Scholars will be named the McMullen Scholars. This gift will support the Scholars in their study abroad semester overseas and programmatically throughout their four years.

At the Kickoff event held this past fall, Gretchen Price, a 1976 Gatton College graduate and member of the school’s alumni hall of fame, addressed the scholars, together with parents, faculty, and staff at a reception to launch the program. Price has enjoyed a distinguished career with Procter & Gamble.

In addition to special courses each Scholar is required to enroll in, each must also spend one semester abroad during their junior year studying with students from one of a growing list of UK’s partner universities.

If you know of a student who fits the criteria for this program, please contact Suzanne Waldrop, director of Project Destiny, at 859.257.0043.
GATTON MBA TEAM EARN TOP WORLDWIDE RANKING IN GLOBAL STRATEGY SIMULATION

Competing head-to-head against not only their classmates, but also against nearly 1,100 MBA teams worldwide, a team of MBA students in the Gatton College’s new 11-Month Immersive MBA Program earned a “Worldwide First Place” ranking in the Glo-Bus global strategy simulation used in the Business Simulation course (MBA 606) taught by management faculty member, Walter Ferrier. This simulation-based course caps off the six-week HiDef Business Fundamentals module and serves as a dynamic, immersive, and fun way for students to explore the essential concepts and processes associated with strategic management, functional integration, and team-based decision-making. The winning team was comprised of MBA students Kelly Anne Beile, Baptiste Isambert, Tom Masthay, Julie Powell and Aaron Rothke.

GATTON PROFESSIONAL DEVELOPMENT CERTIFICATION

The University of Kentucky Gatton College of Business and Economics is launching a new professional development program called “Certificate in Business Administration” specifically geared to individuals without business backgrounds. The Certificate in Business Administration (CBA) is a 10-week course that will meet beginning Feb. 1, 2007.

“The course is designed to provide an understanding of business terms, practices, and tools to make informed business decisions,” said Merl Hackbart, associate dean for administration and academic affairs.

For more information on the new Certificate in Business Administration program, call (859) 257-8747.

GATTON COLLEGE RANKED AMONG NATION’S AND WORLD’S BEST

A recent study published by the Association for Information Systems (AIS) ranks the School of Management in the University of Kentucky’s Gatton College of Business and Economics fifth in the nation in an information systems (IS) research productivity measure. UK is one of the top five along with two of its benchmark universities, the University of Minnesota and UCLA, in the highest output-per-researcher published in leading IS journals during the five-year period from 2001-05.

Among the study’s other findings, the Gatton College ranks among the Top 20 institutions worldwide (tied with the Harvard Business School and the University of Southern California) for doctoral programs supplying the most graduates who published in leading IS journals during the same period (2001-05). In addition, Gatton ranks among the Top 20 U.S. doctoral degree-granting universities which have produced the most research in leading IS journals over that same period, even though the college has a small number of IS researchers relative to other Top 20 faculties.

As part of the School of Management’s Decision Science and Information Systems unit, the information systems faculty is comprised of seven professors.

GATTON PROFESSOR'S SUPPLY CHAIN RESEARCH GAINS NATIONAL ATTENTION

An article co-authored by the University of Kentucky's Thomas J. Goldsby was highlighted in a major trade publication, Supply Chain Digest, earlier this fall.

The article originally appeared in a recent edition of the peer-reviewed Journal of Supply Chain Management, published by the Council of Supply Chain Management Professionals. Goldsby, an associate professor of supply chain management in UK’s Gatton College of Business and Economics, compares the strategies of Lean, Agile, and “Leagile,” a hybrid of lean and agile supply chain systems.

GATTON COLLEGE TO OFFER NEW PROFESSIONAL DEVELOPMENT CERTIFICATION

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MANAGEMENT PROFESSOR’S RESEARCH ARTICLE RECEIVES HIGH HONOR

Gatton College of Business and Economics Management area professor Walter Ferrier was recently recognized as having published one of the “most interesting” management research articles in the last century.

In a 2004 survey, members of the editorial board of the Academy of Management Journal were asked to nominate up to three empirical articles related to management research published in any academic journal over the past 100 years that they regarded as particularly interesting. The results of the survey were published in a recent Academy of Management Journal editors’ forum, “What Makes Management Research Interesting, and Why Does It Matter?”

Ferrier is the Gatton Endowed Associate Professor of Strategic Management at UK. His 1999 article, “The Role of Competitive Action in Market Share Erosion and Industry Dethronement: A Study of Industry Leaders and Challengers,” also published in the Academy of Management Journal, was identified as one of the top 20 most interesting articles.

DR. NANCY JOHNSON NAMED ASSOCIATE DEAN

Dr. Nancy Johnson has a heart for helping students experience a small college-feel within the context of a large university environment.

“We’re working on revising the undergraduate curriculum to that end,” says Dr. Johnson, the Gatton College of Business and Economics’ new associate dean for undergraduate affairs.

A recent recipient of the University’s Sarah Bennett Holmes Award which is granted annually to women working at the University who promote the growth and well-being of other women at UK and across the Commonwealth, Dr. Johnson’s new position will involve her stepping away from the classroom for a couple of years to focus on developing the College’s redesigned Undergraduate Resource Center.

“We’re wanting to help enrich the students’ lives,” she says. “We are looking at ways to help students connect with the community, have leadership experience, and to find ways to help them enrich all aspects—not just their classroom experience. It’s really exciting times for the center.”

At the University of Kentucky’s Gatton College of Business and Economics, Dean Devanathan Sudharshan has charged his faculty and staff to improve the quality of undergraduate education. Sudharshan wants Gatton graduates to be “world ready—able to compete and collaborate with anyone, any time, anywhere,” according to the school’s marketing brochures.

The person leading the college’s efforts to meet Sudharshan’s goal is Nancy Johnson, appointed in August as associate dean of undergraduate affairs. Johnson said the changes affecting the education of the college’s 2,300 undergraduate students fall into three areas: advising, academic support and enrichment.

The new advising process saves students time and encourages them to take responsibility for their own educations. Johnson explained that Gatton “instituted fully” UK’s APEX system, giving students the tools to select their own courses. She compared the process to accessing one’s bank account online. Students who have questions can drop in to see the two advisers on staff, or e-mail them for information.

Gatton students also have electronic access at
any time to their academic records, allowing them to monitor progress toward their degrees.

Freshmen meet in group advising sessions, part of UK 101, which teaches students how to manage college life.

“We’re working to make the students self-sufficient,” Johnson said. “When we do advising now we can talk more about career decisions, rather than just the courses to take.”

Students who have flunked out or are on academic probation are required to meet with advisers, and Johnson keeps tabs on them as well. The advisers encourage these students to take tutorial sessions for required courses in accounting, economics, and statistics. If they need additional help in study skills, the advisers send them to university resources, such as the writing center or classes at the W.T. Young Library.

Johnson also heads the curriculum committee, which is meeting weekly this semester.

“We looked at our own student body, at what their needs were,” she said. The committee “read what employers said they needed from our students.”

Gatton received help from its Business-Partnership Foundation, a group of about 30 alumni and others concerned about the success of the college.

The new curriculum will help round out our students’ educations, Johnson explained.

“We’re working to connect them to UK, to each other, to business people,” she said. “We want them to be able to build their own networks.”

Gatton’s leadership coordinator will find ways to connect visitors’ lectures, presentations and other events to the students’ academic classes. The college also employs a career adviser who arranges internships and other career-connected opportunities.

The enrichment changes, Johnson said, are “programs that enhance the academic experiences of the student,” with the overall goal of providing leadership opportunities.

The star of the college’s enrichment efforts is its Global Scholars program. The first 31 members are now enrolled as freshmen. They meet together for at least one class each semester and will spend their junior year abroad, at one of three internationally renowned business schools.

“We hope they will become leaders in the college and that they will help us with recruiting,” Johnson said.

Another enrichment program is the Gatton Ambassadors, a group of students who help with recruiting, marketing and events for the college.

Coffee talks allow all students to meet informally with noteworthy alumni, and a series of lectures by professionals teaches them how to present themselves well in interviews and other business situations.

We’re working to connect them to UK, to each other, to business people.
We want them to be able to build their own networks.

Gatton has added staff to ensure that these initiatives succeed. New staff members include another adviser, an information technology specialist, a leadership director, an overseer of the Global Scholars and other enrichment programs, and a recruiter to attract highly qualified students who are interested in business careers.

What changes will the students like most?
“The enrichment part,” Johnson said. “The curriculum will become more interactive.”

What will they like least?
“More will be expected of them,” Johnson continued. “We’ll hold them accountable for getting their educations.”

classes at the W.T. Young Library.

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This past year the Gatton College of Business and Economics held several alumni events across the country. A special thanks to our alumni hosts in each city:

**Louisville, Kentucky**  
*hosted by James W. Stuckert ’60,’61*

**Houston, Texas**  
*hosted by Creed Smith ’62*

**Atlanta, Georgia**  
*hosted by Carson “Mike” Harreld ’66*

**New York, New York**  
*hosted by the Kentuckians of New York*

Look for more alumni events in 2007. To help plan an event or for more information, contact the Development and Advancement office at 859-257-2767.

### Your Giving

- $202,837 was raised from alumni and friends in Fiscal year 06 for the New Initiatives Fund – The Gatton College’s Annual Fund. This is a 74% increase from last year.

- All gifts to the College are counted in the University’s $1 Billion campaign.

To date the University has raised over $980 million towards the $1 Billion goal.

- The Gatton College has raised more than $61 million since the University’s campaign began.

### Important Dates:

- Economic Outlook 2007, January 30, 2007, Lexington Convention Center. For more information visit [www.gattonibmc.org](http://www.gattonibmc.org)
- Hall of Fame Induction, February 9, 2007 10:00 am, Atrium, Gatton College of Business & Economics
- Graduation, Sunday, May 6, Rupp Arena
GATTON COLLEGE BUSINESS PARTNERSHIP FOUNDATION

The purpose of the University of Kentucky Business Partnership Foundation, Inc., is to assist the Dean in advancing the Gatton College of Business and Economics of the University of Kentucky in its mission to provide the very best business education and research in the Commonwealth, the nation and the world.

The Board of Directors of the Foundation includes leading business executives from throughout the Commonwealth and successful College alumni at major corporations outside Kentucky. Board members provide advice and counsel to the dean and assist in fund-raising activities.

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Gerry Benjamin ’79, Senior Managing Director
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Wax Works - Videoworks
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world-ready in 11 months

With an MBA from the University of Kentucky’s Gatton College of Business and Economics you’ll be world-ready in 11 months—ready to be recruited by major corporations, ready to become an entrepreneur, and ready to meet the challenges of the ever-changing international business landscape.

For 11 months you’ll be embedded and engaged in an educational environment rich in projects, real-world skill development, and cross-disciplinary thinking designed to accelerate your career path. In less than one year you will have the comprehensive knowledge, hands-on business experience and emergent leadership skills that employers worldwide seek.

For more information on how you can become world-ready in 11 months, visit us online at gattonmba.uky.edu or contact us at 800-581-8786.