April 2011

The opening months of 2011 have provided our Jones School community with good news on several fronts: applications are up over 25% year-to-date, full-time employment offers accepted prior to graduation are up roughly 40%, four faculty members were promoted to full professor, and recognition for excellence continues to improve. And that is only the beginning of a great year as we excel at developing principled, innovative thought leaders in global communities.

For the first time in school history, the Rice MBA Full-Time program has placed in all four of the primary publications that rank business graduate programs. The school has entered into top ranked positions in *BusinessWeek*, the *Economist*, *Financial Times*, and *US News & World Report*. There are thirty-seven schools appearing in all four rankings this year. Based on the cumulative ranking of these schools, the Jones School ranked 23rd—an all time high for the school.

**Faculty Excellence**

In the final quarter of 2011 JGSB Faculty were ranked 10th for Intellectual Capital and “A+” for teaching quality & curriculum by *BusinessWeek* and 6th for “overall quality of faculty” by *Princeton Review*. Behind these statistics are important stories about thought leadership by Jones School faculty. This spring, the Rice Board of Trustees approved promotions to full professor for Utpal Dholakia, Gustavo Grullon, Amit Pazgal and Anthea Zhang. Each of these faculty members passed through a rigorous promotion process including outside review letters from top scholars in their fields. All received high praise for multiple contributions. For example, Professor Grullon was commended for his work revealing that the positive stock price reaction that tends to occur when a firm announces dividend increases or stock repurchases, is driven primarily by a reduction in the firm’s risk. It is not, as previously thought, driven by managers signaling information to investors about the firm’s valuation or its future earnings prospects. Professor Dholakia’s thought leadership was evidenced in his work on the “mere measurement effect” which showed that merely asking consumers to complete a consumer satisfaction survey, led to increased loyalty and purchase behavior, even for consumers who were initially dissatisfied. Professor Zhang found that high levels of information asymmetry at the time of selection of a CEO leads to increased rates of CEO dismissal. Professor Pazgal changed our understanding of optimal pricing strategies. Contrary to common assumptions that internet shopping comparison sites will lower prices, he shows that firms that focus on higher profitability sales to their more loyal customers rather than more price-sensitive customers, see a greater increase in profitability. These and other examples of thought leadership illustrate the value of Jones School faculty as well as the excellent visibility their research produces for our school.

**Student Excellence**

This year students have continued to assert themselves by taking pride in excellence. This pride of excellence covers two dimensions: improving the school internally and representing the school well externally. This fall, the students, in collaboration with the faculty, created a joint student culture committee geared towards institutionalizing a culture of professionalism, respect and excellence that it intended to be the embodiment of a Rice MBA student. With overwhelming support, students in the Full-Time Rice MBA Program ratified a new student statement that articulates the underlying tenants of the desired culture. The committee’s next goal is to seek adoption in the Rice MBA for Executives and Professionals programs. While the student culture initiative is new, the greater sense of ownership has lead to enhancements of traditional Rice institutions such as the Honor Code. Over the last year, not satisfied with the status quo, the JSA made raising the awareness and importance of the Honor Code a major priority. The JSA enacted process changes that gave Jones School students a much more significant and visible role in the process. This visibility has provided a greater level of transparency when it comes to the Honor Code and put the Honor code more at the front of student’s minds. The
results have been significant, with no Honor Code violations this year among Jones School students. The point of the initiative was not just to have better administration of the process, but to create a culture where honor and professional ethics are traits that are refined as students and carried on post business school.

Our students have displayed a great passion to excel when representing the school externally, placing well in several case and academic competitions. Our Wright Fund team won the Texas Regional’s Investment Research Challenge. The group also won the award for Best Return for a Student Managed Growth Fund at the QGAME Investment Conference in New Haven, CT as well as the RISE Investment Conference in Dayton, Ohio.

Our first year students have also enjoyed early case competition success and are also building a strong legacy. Ming Yan placed 4th in the Sony Marketing Strategy Case Competition in which over 30 top schools were represented. Jennifer Neeley, placed 3rd in the IPADE-Deloitte Global Case Competition in Mexico City. Schools from Europe, Asia, North America, and South America were represented at this competition. The more competitive and global the event, the better our students tend to perform.

This month, a group of twelve FTMBA and MBAP students participated in the Duke MBA Games in Durham. I am quite proud to report that this group won the first place trophy for the second consecutive year, Wharton is the only other school to achieve this feat in the history of the Duke MBA Games. The Rice MBA students raised $7,400 for the Special Olympics, setting a new record for the Duke MBA Games.

The class of 2011 is on pace for establishing a new Jones School record. To date their class gift participation rate is on its way to breaking to a new high. The money raised by the FT and Professional MBA classes will be directed to the Jones Fund. The Rice EMBA class gift will be used to purchase and install overhead projectors in the EMBA study rooms. I am deeply grateful to the generosity of this fine group of individuals and look forward to their continued participation to move the Jones School to its next pinnacle.

Recent Events Engaging the Community with Thought Leadership

In January, Jim Hackett, Chairman and CEO of Anadarko, and Bob Hoskisson, Jones Graduate School of Business Professor of Management blended academic and practical perspectives on mergers and acquisitions in the Jones Partner’s Thought Leadership series.

The Career Management Center’s “Career Fair and Rodeo” in early March was one of the most successful produced. The 11th annual event garnered over 35 company representatives. The CMC staff sent resumes of both students and alumni to companies prior to the fair so that representatives could contact candidates of interest ahead of the event. This resulted in a number of companies conducting interviews the day of the career fair.

This past month, the Rice Business Plan Competition awarded over $1.3 million dollars in prize money, superseding its awards in previous years which already defined it as the largest and richest business plan competition in the world. 42 teams from around the world competed in presenting their new technology business plans to more than 250 judges comprising venture capital investors, successful entrepreneurs, and global business leaders. This marked the eleventh installment of the competition hosted by the Rice Alliance for Technology and the Jones School.

Rice Executive Education, partnering with Fulbright and Jaworski L.L.P., hosted the fourth annual Energy Industry Board Conference. Directors serving on boards of energy companies heard corporate governance officials and experts discuss the challenges facing energy boards during this volatile time. Featured speakers were Laurence Cazelot, president and CEO of Marathon Oil Corporation, John Hofmeister, Founder and CEO of Citizens for Affordable Energy and former president of Shell Oil Company, and Lee Boothby, chairman, president, and CEO of Newfield Exploration Company.

The value of leadership and teamwork was expertly conveyed in a panel discussion the Jones School held in concert with Rice Athletics. Rice graduates and former athletes Lynn Elsenhans, President and CEO of Sunoco, Jay Collins, President and CEO of Oceaneering International, and Sam Reed, Chairman and CEO of TreeHouse Foods addressed “Athletics and Business – A Long Term Win.” They each told their personal stories regarding how elements of their success are directly attributable to the skills they learned as student athletes.
More than Financial ROI

The value of the Rice MBA is often measured by the financial rewards it brings our graduates. Though higher salaries and promotions are key indicators of the Rice MBA’s ROI, there are many additional opportunities and benefits that students and alumni gain from their experiences at the Jones School. This past quarter has highlighted extraordinary business leaders that interact with our student community, the increased value of the Rice MBA as it rises in rankings, and the enhancement of our student profiles as we attract top quality MBA and PhD candidates and faculty. The financial ROI is more than enough to justify the investment, but the personal ties, the variety of opportunities, and the new perspectives will pay long-term dividends.

Please keep in touch and let me know what you’re thinking.