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# Entrepreneurship

HANKAMER SCHOOL *of* BUSINESS

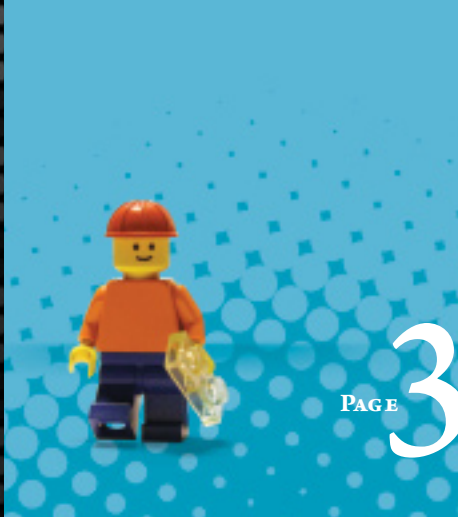


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FALL 2007





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## A 'Class A' investment in Armenia

*"It was an amazing experience taking something that we did in a classroom and seeing how to use it in a real-world situation," Stibbe says. "I don't think that's an experience many college students get."*



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## Tommy G. Salome : A Man of Many Hats

*"Our philosophy is to operate as lean as possible to avoid operating in red ink during a drop. I am proud to say that the company has not painted red ink since 1974."*

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## The Currency of Coconuts



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# Entrepreneurship

HANKAMER SCHOOL of BUSINESS

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FOSTERING LIVES of SIGNIFICANCE IN A WORLD of OPPORTUNITY



## HANKAMER SCHOOL of BUSINESS

*As one of the oldest entrepreneurship programs in the country, the Baylor Entrepreneurship Program has a long and storied history.*

In 1977 the business school offered its first entrepreneurship course as part of the MBA curriculum. In 1979, this was followed by both undergraduate and graduate entrepreneurship majors, and in 1981 an endowed Center for Entrepreneurship was established. Over the past three decades, the Baylor entrepreneurship program has garnered numerous awards and received national recognition for its innovative style and rigorous curriculum. While we are proud of these past accomplishments and very mindful of the legacy they represent, our focus today is on implementing our energizing vision for the future. By enhancing our existing programs and developing new, innovative initiatives, we look forward to expanding our ability to promote the practice and understanding of entrepreneurship. In this issue of *Baylor Entrepreneurship*, we want to share with you just a few of the developments that will take us into the future.

Entrepreneurs are acutely aware of the need for investment to spur innovation. The tremendous support that we have received from Baylor alumni and benefactors attest that they share our enthusiasm for the direction we are going. In the past twelve months, the Baylor Entrepreneurship program has received over 6.4 million dollars in current and deferred gifts. Words cannot express our thanks for those who continue to invest their time and money in our program. Two of our alumni and supporters, Mr. Tommy Salome and Mr. Tyler Self, are profiled in this issue. The support and involvement of friends like Mr. Salome and Mr. Self allow us to realize our vision of developing our dynamic international and technology entrepreneurship programs, adding to the financial support and mentoring opportunities we offer our students, providing additional research support for our faculty, expanding our reach to the business community and other parts of the university, and investing in new people, technologies and facilities. We could not progress without the generous participation of these partners in enterprise.

## From the Director

One of the areas in which we have been increasing our focus is in the area of social entrepreneurship. It has always been a goal of our program to foster in our students the entrepreneurial spirit by providing them the tools and skills necessary to build profitable entrepreneurial companies, while encouraging them to reflect on the core values and ethics that are the building blocks of a meaningful life. We have launched many new initiatives to support this emphasis, several of which are highlighted on the pages that follow. In future issues, we will share additional news on developments in social entrepreneurship, as well as our successes in other core programs in which we are focusing our efforts, such as international and technology entrepreneurship.

Of course, a dynamic program requires a firm foundation, and ours is built on an outstanding faculty and staff. You can read more about one of our colleagues, Ray Bagby, in this issue. Ray has played a vital leadership role in our program, and has made significant contributions to the promotion of entrepreneurship research through his long-time role as editor of one of the premier entrepreneurship journals, *Entrepreneurship Theory and Practice*. As Baylor Entrepreneurship continues its rapid growth, we have been pleased to expand the

## MEASURES OF SUCCESS OVER THE PAST YEAR

Over 6.4 million in current and deferred gifts received

10 new entrepreneurship courses developed (undergraduate & graduate)

Over 25% increase in entrepreneurship majors

Introduction of entrepreneurship minor for non-business majors

Introduction of student business incubator

Baylor team by hiring four outstanding new entrepreneurship faculty over the last two years – Kevin Johnson, Greg Leman, Jamie Collins, and Steven Bradley. In their short time here, they have already made significant contributions to our program, and we look forward to more of the same in the years ahead. I encourage you to introduce yourselves to them the next time you see them at a conference or meeting.

We look forward to a challenging, but exciting year ahead.

Best regards,

**KENDALL ARTZ**

Director, Baylor Entrepreneurship Program







HANKAMER SCHOOL of BUSINESS

*During her summer vacation, May '07 graduate Juli Stibbe worked in a law office, made plans to attend law school in the fall, and helped build two Styrofoam homes in Armenia.*

## A 'Class A' investment in Armenia



**“The Styrofoam blocks are like Legos. The foam is part of the construction so that the house has good insulation and is inexpensive”**

If one were determining which item on the list didn't match the others, the item to omit is obvious. But building homes in the tiny former Soviet-bloc country flowed well into Stibbe's summer plans as a continuation of Kendall Artz's fall 2006 Corporate Entrepreneurship course, where students focus on developing real businesses while addressing social problems in a developing country. "It was an amazing experience taking something that we did in a classroom and seeing how to use it in a real-world situation," Stibbe says. "I don't think that's an experience many college students get."

Thanks to the students' work, Armenians are planning on building 15 more houses before the end of summer.

Social entrepreneurship is part of Baylor's global vision, says Artz, director of the Baylor Entrepreneurship Program. "For entrepreneurship students, the world is our classroom," he says. His students focused on developing entrepreneurial business models with a dual purpose: financial benefits for investors and social benefits for people who most need them. The business students worked with Baylor scientists to develop Homes for the World, a construction company dedicated to providing affordable and durable housing to families in Armenia, parts of which were ravaged in 1988 earthquakes.

Thus Stibbe worked on campus with a team that developed plans and theories. Then she worked on site in Yerevan, the capital city of Armenia, building two energy-efficient and comfortable homes in a country where the need is dire. Half a million Armenians remain homeless as the result of the quakes. Many live in shipping containers or other makeshift housing. With temperatures dropping to minus 30 degrees in the winter and climbing well over 100 in the summer, existing housing provides little protection and is costly to heat and cool.

This makes the idea of simple foam building technology attractive, says Walter Bradley, a Distinguished Professor of Mechanical Engineering. "The Styrofoam blocks are like Legos. The foam is part of the construction so that the house has good insulation and is inexpensive."

The cost of a 640-square-foot home with two bedrooms and one bath is about \$15,000 for materials. Labor and land are extra, but Bradley is confident that both can be obtained cheaply enough to make the homes a less expensive alternative to an apartment, which costs about \$40,000. They will also be more energy-efficient in a country where the typical wage is \$300 a month and many families exist on much less.

The construction plan is simple: workers stack three foam blocks atop each other. Each measures 4 feet long, 1 foot high and 8 inches deep. Rebar goes in holes which are then filled with concrete to tie the pieces together. A fourth foam block, the lintel piece, allows for horizontal concrete support.

## Bradley and his team built two of the homes in just 10 days.

Rebar provides additional horizontal support. Add interior walls, paint, and a galvanized steel roof, and the houses are ready for habitation.

Because of their simple construction, the homes go up quickly even without expert builders. Bradley and his team of three students from Baylor, along with students from other universities, built two of the homes in just 10 days. One is a model home. The other is a kitchen to feed children who attend schools nearby.

The Baylor team worked with the Armenian Relief and Development Association and the Armenian Gospel Ministry, a Christian organization started by Steve and Iris Lazarian in 1991. "The Yerevan television station did on-sight filming of our house as it went up and featured it two nights on the evening news," Bradley says. "This created a tremendous amount of interest in this concept and brought many spectators to the job site to see the house."

Helping the Baylor team organize the trip were George Fermanian and his wife Bernadine from Southern California and founders of the Armenian Center for International Development at Point Loma Nazarene University. Fermanian, American born but ethnic Armenian, wanted to see the model homes erected

in an effort to establish a business around the technology. His idea is that the businesses "would provide jobs, use materials that can be made in country, provide low-cost housing for people who are poor, and provide affordable housing for people who are more middle class," Bradley says.

The Lazarians, successful California building contractors, proved important. Founder and president of the Armenia Relief and Development Association, Lazarian is a permanent presence there. "What we do next will depend on what he thinks," Bradley says. "We're preparing a final engineering report and Juli's revising the business plan, so we will be able to give him very good advice on how to proceed. He is interested in building 100 homes in the next two years and making this a going venture." Bradley learned in early June that workers found a source in Iran to make the foam blocks, creating an immediate plan to

build 15 concrete-foam houses. "The seeds that Juli and her entrepreneurship teammates sowed last fall are already beginning to bear fruit," he says.

The partnership between the engineering and business schools began with a meeting to discuss new ventures that can survive in the marketplace without being donor-driven. "If it can pay its own way, it can be much larger and help more people," Bradley says.

It also broadens student horizons. Stibbe is revising her business plan based on information she collected in Armenia. "We were able to speak with many businessmen who gave us more accurate pricing information than we could get from Waco, determined what the Armenian people may be able to afford and what they would consider acceptable housing." Her next step will be to establish

different pricing formats based on what each family can afford.

Business student Adam Smith, who also worked on the project, liked the idea of developing a project motivated by more than profit. "The investors we were trying to go after were trying to help people of Armenia rather than their investment," he says.

Such beliefs are important for development in countries like tiny Armenia, bordered by Georgia, Turkey, Iran and Azerbaijan. They are also important to Baylor's vision. "Almost all of engineering and business is focused on the wealthiest billion people because that's where the bigger opportunities are if you define your opportunities strictly as the economic bottom line," Bradley says. "But there are plenty of opportunities to make viable businesses in developing parts of the world that will help a lot of poor people and provide a reasonable return on investment."





# The Currency of Coconuts

*You can't slide a coconut into your wallet like folding money or swish it through a debit card machine like plastic. Still, its abundance and versatility could translate into cool cash for people who need it the most.*

Students in Jeff McMullen's Social Entrepreneurship and Economic Development class learned about the profitability of the tropical crop just last spring, expanding the boundaries beyond studies into the science and technology of coconuts in fall 2005, when the class first began. "Each semester builds off the last," McMullen says. "We are picking up where the last class left off and advancing it."

The most recent class mulled the question, "Can you make money from this?" The answer is a resounding yes, McMullen says, if you use all of the coconut. Eventually, he'd like to see the money-making idea transform into life-changing reality for people in impoverished countries.

The assistant professor of Management and Entrepreneurship developed the curriculum for the "coconut class," as students call it, after studying research that the Baylor engineering department had done on the coconut's physical properties. "The coconut can be used in its entirety to create a bundle of value-added products," McMullen says. Furthermore, the coconut fit his



## “The business showed a profit of \$50,000 or \$60,000 a year”

requirements: coconuts are not indigenous to the United States or other developed countries but exist in abundance in poor regions near the equator.

The goal of the Social Entrepreneurship class is to design profitable ventures that lead to sustainable solutions to social problems. But first McMullen had to define social entrepreneurship. To do that, he says, you must first “pick apart capitalism and figure out which institutions are present and which are absent. Capitalism has had difficulty getting traction in the tropics because of a long history of inefficient political structures designed to facilitate survival, as opposed to productivity. These aren’t deal-killers, but you do need to understand the rules of the game if you want to design an organization that will succeed there,” he says.

Further complicating the matter is that the region has only two seasons: rainy and dry. That’s one of the reasons the coconut works so well: it grows year-round. The other reason is that almost none of the coconut is wasted.

For example, coconut oil can be used for cooking as well as for biodiesel fuel. The copra, or meat, feeds cattle, and the husk can be made into an environmentally sound particle board, and parts of the husk can be woven into ropes for

a number of uses. The shell makes both charcoal and a fertilizer for gardening and growing. Once he discovered the coconut’s magic, McMullen says he felt like the professor from Gilligan’s Island, turning coconuts into everything. “What can’t this thing do? I guess that’s why the Filipinos call the coconut tree the tree of life.”

Students, who developed eight business plans, often begin the entrepreneurship class with skepticism and leave “gung-ho,” the professor says. Jamie Bishop, a finance and management double major who graduated in May, said he didn’t know what to expect at first, but discovered a vitality in the coconut research that made it different from other business plans. “Most projects don’t contribute to anything,” he says, noting that students often use made-up companies. “In this one, you felt like you were giving someone information they could use.”

Elizabeth Rios, who will graduate in May 2008, registered almost the same reaction. She felt skepticism about whether she’d like the coconut class, but found herself enjoying it thoroughly. “It’s the first class where I have done a big project and we put a real, live world situation in the mix. I’ve done simulations, but never worked toward coming up with a plan that can be implemented later on for social benefit.”

In research via e-mail, Bishop contacted businesspeople in Papua New Guinea and asked if they could use biodiesel fuel made from coconuts. Yes, said a tourism business in the town of Madang. “They were so excited they wondered when we’d get it over there,” Bishop says. “It’s a big tourist area, but the guys that take people out (on boats) have a hard time getting very far because of the overwhelming fuel costs. They can’t reap the full benefit of their business.”

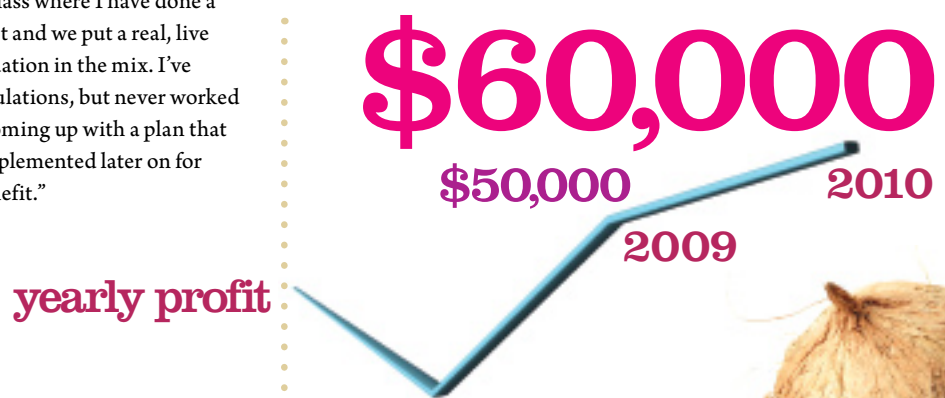
In doing a financial analysis of coconut processing, Bishop also sent e-mails to people requesting the costs of oil presses, dehushing/deshelling machines, sieving and mixing machines and a coconut meat dryer. He also researched how many coconuts make up a ton and how many husks it takes to make certain items. His team then determined miscellaneous expenses and added the cost of a lawyer, an accountant, and workers’ salaries, increasing them every year. They decided to process 840,000 coconuts because the town of Madang alone grows about 18,000 tons a year.

The team created a four-year business projection. “The first year we showed a loss because of land and building expenses,” Bishop says. But the next three years, the business showed a profit of \$50,000 or \$60,000 a year. “If someone actually wanted to do this, I think it would be a venture that would help Papua New Guinea.”

Rios’ emphasis was making plans for future action and finding solutions to problems, such as how to get the project started while bypassing corruption and lack of capital. Her solution was taking the coconut proposal to the World Bank, which is interested in projects that provide social benefit. “The plan was to take the idea to them and get funding. This would also solve the corruption problem because they audit companies every month,” she says.

The class affected both students’ beliefs about how to best extend a helping hand to people in developing countries. “The class would give me an incentive to invest in a venture like this, something that would help someone that would benefit a nation,” Bishop says. “Maybe I will do that someday.”

Those evolving attitudes are what McMullen hoped for and give him fuel for future classes. His idea of social entrepreneurship includes helping to establish a profitable business in Papua New Guinea, thus creating hope for improving lives. “The idea is to set it up so that they are empowered and don’t need us anymore,” he says. “Entrepreneurship equals freedom.”





# Tyler Self : Industrious is His Name

**“For 2007, our goal is that each employee volunteer at least 70 hours of his or her time to some type of charitable work”**

**FOR** Tyler Self, Baylor entrepreneurship graduate (Class of 2001), starting and running his own highly successful company is the fulfillment of a life-long dream. “When I was born in Oklahoma, my parents must have heard from God, because the name they gave me means industrious one and it has always suited me well – I can’t remember a time when I didn’t want to be an entrepreneur,” said Self. Self is the co-founder and chief investment officer of Vision Research Organization, a leading provider of investment advisory services to its institutional investment clients; and Vision Research Capital Management, a Dallas-based hedge fund. He is also an advisor for Evangelism Explosion International, and a volunteer for the Dallas Ramp Project and the Dallas SEALS Homeless Ministry.

Self’s father is a Baptist minister and his family moved frequently when he was growing up. However, when the time came to attend college, his Oklahoma roots proved to be decisive. “At the time of my decision, Baylor’s undergraduate program was highly respected. The only other program that appeared to be close was the University of Texas. However, my mother always told me that good Oklahoma boys don’t attend Texas, so the decision to attend Baylor seemed obvious,” Self said.

His undergraduate experience at Baylor proved key to providing the education and experience necessary to challenge and nurture his passion for entrepreneurship. “Starting my own business while in school, which is a required part of Baylor’s entrepreneurship curriculum, was a one-of-a kind experience and one of the most demanding jobs I’ve ever tackled,” Self stated. According to Self, the high quality of the training and the support he received from faculty in the Entrepreneurship Program at Baylor made the job easier.

In addition, Self’s time at Baylor was instrumental in further shaping his career and humanitarian goals. “Halfway through my sophomore year, two things became very clear to me. The first is that my purpose is to use entrepreneurship to fund ministries and charities. The second is that I should apply to attend a top MBA program,” he said.

After researching many schools that fit with his interest in entrepreneurship, Self applied to two programs. He said, “I was rejected from one and was accepted to the other, which was my first choice – Harvard. I met my wonderful wife Lauren at Baylor, and we married, honeymooned, moved to Boston, and started our new lives all in the course of two weeks.”

At Harvard, Self met his current business partner, Ben Chatraw, and another prominent entrepreneur, and in 2004, the three formed a financial consulting firm serving large mutual funds and hedge funds.

“It really was a phenomenal business that involved some very sophisticated processes aimed at finding stocks at the moment right before they would rise or fall,” said Self. “That business quickly turned profitable, but it didn’t take us long to realize that if other funds were willing to pay us healthy annual

fees to pick our brains, we could better serve our shareholders by instead investing into the same types of stock ideas we were uncovering and researching.” As a result, in 2006, Self and his partners launched Vision Research Capital Management, a hedge fund located in Dallas.

The growth of Self’s business has been exceptional. However, he has not lost sight of the overarching goal for his entrepreneurial endeavors. Self makes many visits to the Baylor campus to speak to and mentor current entrepreneurship students. Moreover, the success of his company has allowed Self and his wife to support many worthwhile projects and ministries, and he is hopeful that the continued success of Vision will allow them to do much more over time. Not content simply to focus on his own endeavors, Self is actively providing support to encourage his employees to expand their own philanthropic pursuits.

“For 2007, our goal is that each employee volunteer at least 70 hours of his or her time to some type of charitable work,” he said. “I am pleased to see that we will most likely exceed this target for the year.”





# Tommy G. Salome : A Man of Many Hats

*Tommy G. Salome is an entrepreneur, business angel, civic leader and a man who loves his family. He is the co-owner and president of M. Lipsitz, Inc., one of the South's largest recycling firms.*

After graduation from Waco high school in 1949, Salome attended Baylor University, studying accounting and economics. Salome served three years in the United States Air Force and then in the U.S. Air Force Reserves.

In 1957, a position with an accounting firm paid about \$300 per month. Salome recalls, "I had a wife and two children to provide for, and going to work for an accounting firm would have resulted in a 50 percent pay cut from the Air Force. But then the Lipsitz family of Waco, who started a recycling company in 1895, offered me a position to possibly manage their company. The starting salary was considerably higher than accounting firms were offering. So we moved back from the Air Force and I began the learning process at Lipsitz."

Given the cyclical nature of the industry, Salome says, "Our philosophy is to operate as lean as possible to avoid operating in red ink during a drop. I am proud to say that the company has not painted red ink since 1974. We know the costs and run accordingly. Others in the industry say we must have the golden touch, because we don't experience difficulty during cycle moves – it is not uncommon for recycling plants to go into bankruptcy during down cycles if they aren't careful and informed with their business and their records."

"I have a group of speakers each semester in my class, and without a doubt, Tom connects very well with the students," says Bill Petty, a professor of finance at Baylor. They know here is a man with a wealth of experience, and they want to hear what he has to say. The difference in age seems to melt away when Tom talks to them." He uses Salome as a guest lecturer in his entrepreneurial finance course. Petty describes Salome as a man of all seasons, who can interact effectively with his peers, but also with a 20-year old who aspires to own a business at some point in time.

Salome believes strongly in the importance of hard work. "There is one common thread with most successful people, which can be described in two words: hard work. Regardless of the endeavor, hard work is more important than anything else." Salome explains.

**"There is one common thread with most successful people, which can be described in two words: hard work"**



Salome also emphasizes the importance of rewarding managers according to what they are willing to do and how much they contribute. "At Lipsitz, management receives a percentage of the firm's profits. As a result, we have minimal turnover, with 25 to 30 managers having 20 years experience."

In addition to building one of the most successful firms in the Southwest, Salome's civic activities are well known. Just to name a few, he has served on the board of Texas First Bank of Waco, past president for the Heart of Texas Fair, the

board of directors for the Waco ISD Education Foundation, the board of development for Hillcrest Hospital, and the past chairman of the Greater Waco Chamber of Commerce.

Baylor University is fortunate to have graduates who have not only been successful in every way the world sees success, but who give back generously to their alma mater and the community.



# When It Comes to Ethics, Entrepreneurs Seem to be Holding Their Own



## HOW

ethical are entrepreneurs? And how do entrepreneurs compare to other business professionals when it comes to ethical standards? According to a team of researchers at Baylor University, the business world is not going the way of Enron – or any other scandal-stained corporation, for that matter. Based on data gathered over 17 years, their research shows that the ethical standards and perceptions of entrepreneurs and other business leaders seem to be improving. In recent years, business owners and managers are making more ethical decisions.

The study was based on responses from more than 5,000 owners and/or managers of both large and small firms in all 50

states. The authors mailed surveys to respondents in 1985, 1993, and 2001 – a time period that spans three separate decades – and asked them to judge the degree to which they found 16 scenarios compatible with their own ethical views. The business situations ranged from the illegal to the debatable. With the exception of the 1993 survey, in which small business respondents showed a tendency to be slightly less ethical, there was no difference between large and small firms. More important, both showed increasingly positive selections over time.

“This is, of course, very good news for entrepreneurship and for business in general,” says Les Palich, the Ben H. Williams Professor of Entrepreneurship, associate director of Entrepreneurship Studies at Baylor

University and a co-author of the article. “It shows that the too-often held notion that business people are becoming more corrupt over time may simply be unfounded.” Owing to its very large sample, its extended time frame, and its ability to compare owners and managers of companies of all sizes, the study opens up a unique window on ethical responses in the world of business. Interest in the findings has been strong, with interview requests coming in from notable publications such as *CFO Magazine*.

The study was published in the 50th Anniversary Special Issue of the *Journal of Small Business Management*, a journal that features articles on small business research from around the world. As the official journal of the International Council for Small Business, this quarterly publication covers many

topics of interest to researchers and educators, as well as entrepreneurs and small business practitioners. The journal article was developed from a paper that was presented in 2005 at the World Conference of the International Council for Small Business, where it received the Editor’s Choice Award as the Best Empirical Paper.

The 50th Anniversary Special Issue was dedicated to Justin G. Longenecker, who passed away in September of 2005. Justin was lead author of the article mentioned above and was very committed to the study of ethics in business. Co-authors of the article include Carlos W. Moore, who passed away in May 2007, J. William Petty, Leslie E. Palich, and Joseph A. McKinney, all faculty at Baylor University.

## Recent Faculty Publications

### KENDALL ARTZ

Does it Pay to be Different? Competitive Non-Conformity under Different Regulatory Regimes, with P. Norman and R. Martinez, *Journal of Business Research* (forthcoming).

An Examination of Firm Slack and Risk Taking in Regulated and De-regulated airlines, with R. Martinez, *Journal of Managerial Issues*, 2006, 18 (1) 11-32

### JAMIE COLLINS

The Strategic Evolution of Large U.S. Law Firms, with M.A. Hitt, and L. Bierman, *Business Horizons*, 2007, 50(1): 17-28.

Leveraging Tacit Knowledge in Alliances: The Importance of Using Relational Capabilities to Build and Leverage Relational Capital, with M.A. Hitt, *Journal of Engineering & Technology Management*, 2006, 23(3): 147-167.

### JEFF MCMULLEN

Central Questions in Entrepreneurial Cognition Research, with R. Mitchell, L. Busenitz, B. Bird, C.M. Gaglio, E. Morse, and B. Smith, *Entrepreneurial Cognition Research: Theory & Practice*, 2007, 31(1): 1-27.

Toward a Theory of Sustainable Entrepreneurship: Reducing Environmental Degradation through Entrepreneurial Action, with T.M. Dean, *Journal of Business Venturing*, 2007, 22(1) 50-76.



# Ray Bagby : Nurturing Entrepreneurship Scholarship

**Ray Bagby has been a vital part of the Baylor University business school for almost 20 years serving in many capacities to help the school grow and remain successful.**

He came to Baylor in 1988 and served as the new director of the John F. Baugh Center for Entrepreneurship until 1994. He continues to play a lead role in the management & development of the Baylor Entrepreneurship program.

Currently, he holds the Robert M. and Louise Rogers Chair of Entrepreneurship at Baylor University and is completing his 23rd year as the executive editor of the scholarly journal, *Entrepreneurship Theory and Practice* (formerly the *American Journal of Small Business*).

"Ray Bagby's contributions to our entrepreneurship program at Baylor, and to the larger academic community through his outstanding editorial leadership at *Entrepreneurship Theory and Practice*, cannot be overestimated," states Kendall Artz, director of the Baylor entrepreneurship program. "His experience and insight, and his dedication to improving

entrepreneurship research and teaching are tremendous assets to us,"

Prior to Baylor, Bagby has his roots in the armed forces with an undergraduate degree from the U.S. Military Academy at West Point. "Serving in the Army taught me both about management and people and allowed me to live in other parts of the world," he said. "These lessons and an appreciation for the rich diversity that exists have been invaluable for my teaching and life."

During his time as director of the John F. Baugh Center for Entrepreneurship, Bagby was also editor of the *Academy of Management Newsletter* and held several positions within the U.S. Association for Small Business and Entrepreneurship, including Program Chair and President. He was also active in the International Council for Small Business and has been honored by both of these latter organizations by being elected as a Fellow.

During 1997-2001 he was privileged to return once a year to Bangkok, Thailand, where he had been stationed during his earlier years in the Army, to teach in the International MBA Program of Kasetsart University

as a Visiting Professor. He was also active from 1992-1997 with the Thai-American Foundation for Education which supported Yonok University in northern Thailand, serving as President of the foundation from 1995-1997.

"Ray Bagby is widely known and respected throughout the community of entrepreneurship scholars," said Duane Ireland, Professor of Management and the Foreman R. and Ruby S. Bennett Chair in Business at Texas A&M. "His tireless mentoring of those wishing to contribute to our understanding of entrepreneurship as an important phenomenon owe a great debt to Ray for his willingness to continuously nurture colleagues located at universities throughout the world." Bagby has an undisputed record as a long-time leader in entrepreneurship education.

One of Bagby's assignments while in the Army, the ROTC detachment at the University of Kentucky, led him to his current profession. Bagby's graduate degrees are from the University of South Carolina, where he remained for two years as a visiting assistant professor. He then moved to the University of Baltimore

where he became involved with the journal and served as interim chair of the Management Department.

It was at the University of Baltimore that Bagby met his wife who was a textbook sales representative and taking graduate courses. Once married, the couple had a son, Nash. Bagby's love of entrepreneurship has carried on to his son.

Throughout his time in Waco, he has been active in the community, graduating from Leadership Waco in 1990, serving on the boards of nonprofit organizations, coaching and managing teams in various sports leagues, holding leadership positions in Boy Scouts and schools, while being extremely active in his local church.



📌 Encouraging Consensus Challenging Research in Universities, with D.A. Shepherd, *Journal of Management Studies*, 2006, 43(8): 1643 – 1669.

📌 Entrepreneurial Action and the Role of Uncertainty in the Theory of the Entrepreneur, with D.A. Shepherd, *Academy of Management Review*, 2006, 31(1): 132-152.

## LES PALICH

📌 Ethical Attitudes in Small Businesses and Large Corporations: Theory and Empirical Findings from a Tracking Study Spanning Three Decades, with J. Longenecker, C. Moore, J. W. Petty, and J. McKinney, *Journal of Small Business Management*, 2006, 44(2): 167-183

## BILL PETTY

📌 Justin G. Longenecker, Carlos W. Moore, J. William Petty, and Leslie E. Palich. (2006). *Small Business Management: An Entrepreneurial Emphasis*. Mason, Ohio: South-Western College Publishing.

## MARLENE REED

📌 Skoda: The Czech Automaker, with R. Brunson, *Strategic Management Cases*, 12th Edition, edited by Fred David. Upper Saddle River, NJ: Prentice Hall Publishing Company.

📌 Aries Catering & Aries Tours of Armenia, with R.R. Brunson, *Strategic Management: Theory and Practice*, 3rd Edition, edited by John A. Parnell. Cincinnati: Ohio: Thomson Learning.

# New Faculty Strengthen the Team

**Kevin LaMont Johnson**  
*is an assistant professor  
of Management &  
Entrepreneurship.*

He received his Ph.D. in Strategy and Entrepreneurship from the Indiana University, Kelley School of Business. Johnson's research interests combine strategy and entrepreneurship, including corporate entrepreneurship and other business innovations. Specifically, Johnson's research focuses on the efforts of established businesses to internally develop new businesses through the pursuit of markets, technologies, products and services that are relatively new to the company.

He has a degree in Engineering Sciences from Dartmouth College, and MBA in Finance and Marketing from Indiana University. A certified engineer in the Fundamentals of Engineering, his work experience includes being the senior business development specialist for Ashland Inc.; a district coordinator and technical sales & marketing representative for a major water management company; and independent venture startup experience.

Johnson has presented his research at the Academy of Management annual conference, the University of Southern California Entrepreneurial Research Consortium Symposium, and has published two entrepreneurship book chapters with SAGE Publications for the Panel Study of Entrepreneurial Dynamics.

**Dr. Gregory Leman**  
*is a clinical professor in  
the Hankamer School  
of Business, serving  
as director, University  
Entrepreneurial  
Initiatives and holds the  
Curtis Hankamer Chair  
in Entrepreneurship.*

Programs under his direction include a technology entrepreneurship course in Shanghai that links cross-disciplinary student teams with innovative companies in China, as well as courses on campus that center on technology-enabled value creation and innovation.

He received his BS in Chemical Engineering Purdue University in 1980. After working in Process Development at the Dow Chemical Company in Midland Michigan, he returned to graduate school at the University of Illinois in 1982, where he was awarded his MS (ChE) in 1983 and Ph.D. (ChE) in 1985.

Greg was a visiting assistant professor in Chemical Engineering at the University of Illinois from 1985 until 1988. He joined the Cabot Corporation as an Engineering Scientist. His roles spanned process research, R&D management, operations management and product line management. For three years he served as managing director of Cabot-Hüls, a joint venture located in Rheinfelden, Germany. He joined Great Lakes Chemical as director of Technology for Fluorine Division in 2000, and was promoted to business director for Fluorine Chemicals.

Dr. Leman served on the Industrial Advisory Board for Chemistry & Chemical Engineering at Tri-State University from 2000 until 2005, is a board member for a number of small-businesses, and has consulted in the field of entrepreneurial business development. His more than 20 years of experience in education, chemicals and other business settings have been focused on creating value from technical innovation.





# Baylor Entrepreneurship Student Advisory Board Starts CEO

**I**n the Fall of 2006, the Baylor Entrepreneurship Student Advisory Board began exploring options to create a university-wide entrepreneurship student organization. The student board made the decision to bring the Collegiate Entrepreneurs' Organization (CEO) to Baylor.

"Baylor CEO will provide students the opportunity to work with successful entrepreneurs, brainstorm innovation creation, participate in national conventions

and competitions, and be mentored by a supportive team of professors, practitioners, and advisors who are interested in helping students with potential or existing entrepreneurial ventures" states Mary Abrahams, associate director John F. Baugh Center for Entrepreneurship and CEO advisor. CEO has been in existence since 1983 and has grown from seven member universities to become a global network of over 500 colleges and universities. CEO is supported nationally by The Coleman Foundation, Inc. and The Ewing Marion Kauffman Foundation."

Baylor CEO will be open to all students. Its formal kickoff is in September 2007, and will be one of the activities planned for Entrepreneurship Week. "We are very enthusiastic about adding CEO to our mix. Its mission and structure seems well-suited to our efforts to inspire all Baylor students to be entrepreneurial in their thinking and opportunity-seeking in their behavior," said Kendall Artz, director of the Baylor Entrepreneurship Program. "It is an important addition to the many programs we provide our students."



## Baylor students receive National Recognition for Promoting Entrepreneurship and Ethics in the Community

**O**n April 4, a nine-person Baylor University's Students in Free Enterprise team competed in the annual SIFE USA Regional Competition in Dallas. The Baylor SIFE organization was recognized with a top-20 finalist's award in a national competition in the specialty area of ethics. In the overall competition their work was assessed in promoting economic opportunity for others in the areas of entrepreneurship, ethics, market economics, and financial literacy. "Our presentation team delivered an outstanding presentation that highlighted the impact of our projects throughout the year," said Dr. Mitchell Neubert. Neubert, Chavanne Chair of Christian Ethics in Business, H.R. Gibson Chair in Management Development, and associate professor, serves as advisor to the Baylor SIFE team. "I am also very proud of our recognition for promoting ethics; it is quite an honor to be among the top 20 schools nationally who won this award."

"Working in partnership with business and higher education, SIFE mobilizes university students around the world to utilize knowledge learned in the classroom to address real world business and economic issues in their communities," according to the organization's Web site. "SIFE students form teams on their university campuses and develop outreach projects that teach entrepreneurship, financial literacy, personal

success skills, and business ethics." SIFE has proven to be very effective in helping our undergraduate students make a difference in their communities today while developing the entrepreneurial skills that can enable them to continue to be leaders in the future" states Dr. Kendall Artz, director of the Baylor Entrepreneurship program.

According to the president of Baylor SIFE, Lauren Epperson, students that participated gained valuable entrepreneurial skills. "This past year many students benefited from wrestling with real problems in the workplace and finding out how to formulate solutions that would be above

reproach," said Epperson. The project presented at the competition was directed toward using entrepreneurial approaches to helping inner-city middle school students improve their earning potential and financial management skills. Other entrepreneurship-oriented SIFE projects this year included working to develop opportunities for the chronically unemployed, developing innovative strategies to promote the benefits of education beyond high school and World Hunger Relief Farm to develop entrepreneurial approaches to economic development.



## 2006-2007 Outstanding Student in Entrepreneurship : Holly Gentry

### 2006-2007 Scholarship Recipients



**1st row-** Lindsay Phillips, Angela Fernandez,  
**2nd row-** Lisa Petrini, Felipe Trevino, Magdalena Gonzalez,  
**3rd row-** Justin Ersch, Brad Doherty, John Justin Griffin,  
and Kimberly Brown.

*Holly Gentry, a senior entrepreneurship and finance student from Allen, Texas, was chosen as the 2006-2007 Outstanding Student in Entrepreneurship.*

Students are selected for this honor based on their academic performance, their character, and their leadership and involvement in the entrepreneurship program.

"I have had the pleasure of working with Holly over the past year, and she is exceptionally bright, highly motivated, and has a passion for entrepreneurship," said Kendall Artz, Director of the Baylor Entrepreneurship Program. As president of the Entrepreneur Advisory Board, Holly was instrumental in starting the Collegiate Entrepreneurs' Organization at Baylor, marketing and promoting entrepreneurship throughout the University, and mentoring other entrepreneurship students. She is the model of the type of student we seek.

While her contributions to entrepreneurship were exceptional, Bill Petty, the W.W. Caruth Chair of Entrepreneurship also notes "While I have great respect and admiration for Holly in all of her accomplishments, I admire her even more for her integrity and values. I would trust her in any situation to do what is right and noble. It has been nothing less than joy to have known and worked with her. I have met few people who are her equal, even at her young age."

In addition to her involvement in the Baylor entrepreneurship program, Holly was also involved with many other organizations on campus including serving as president of Delta Delta Delta sorority, and president of the Financial Management Association. Holly was also a member of the honors program at the Hankamer School of Business. After graduating May 2007, Holly began working at Ernst & Young as a valuation analyst. Her job at Ernst & Young allows her to apply both entrepreneurial and finance skills she gained while at Baylor.





# Baylor Entrepreneurship Faculty & Staff

**KENDALL ARTZ** (Ph.D. – Purdue)

**Director** – Baylor Entrepreneurship Program

**Chairman, Department of Management and Entrepreneurship**  
(corporate entrepreneurship, business planning processes)

**RAY BAGBY** (Ph.D. – South Carolina)

**Robert M. and Louise Rogers Professor of Entrepreneurship**

**Editor** – Entrepreneurship Theory and Practice  
(new venture initiation, family business, business planning processes)

**STEVE BRADLEY** (Ph.D. – Indiana)

**Assistant Professor of Entrepreneurship**

(strategic entrepreneurship, social entrepreneurship)

**JAMIE COLLINS** (Ph.D. – Texas A&M)

**Assistant Professor of Entrepreneurship**

(strategic entrepreneurship)

**KEVIN JOHNSON** (Ph.D. – Indiana)

**Assistant Professor of Entrepreneurship**

(corporate entrepreneurship, strategic entrepreneurship)

**GREG LEMAN** (Ph.D. – Illinois)

**Director** – University Entrepreneurial Initiatives

**Curtis Hankamer Chair in Entrepreneurship**  
(technology entrepreneurship, business incubation)

**JEFF MCMULLEN** (Ph.D. – Colorado)

**Assistant Professor of Entrepreneurship**

(social entrepreneurship, appropriate technologies,  
entrepreneurial decision making)

**LES PALICH** (Ph.D. – Arizona State)

**Associate Director** – Baylor Entrepreneurship Program

**Ben H. Williams Professor in Entrepreneurship**  
(international entrepreneurship, strategic entrepreneurship)

**BILL PETTY** (Ph.D. – Texas)

**Professor of Finance**

**W.W. Caruth Chair of Entrepreneurship**  
(entrepreneurial finance, venture capital, entrepreneurial processes)

**MARLENE REED** (Ph.D. – Louisiana Tech)

**Adjunct Professor**, Entrepreneurship

(small business strategy, venture initiation, international entrepreneurship)

**JIM ROBERTS** (Ph.D. – Nebraska)

**Associate Professor of Marketing**

**W.A. Mays Professor of Entrepreneurship**  
(small business marketing)

**JOHN SCHOEN** (M.B.A. – Arizona State)

**Lecturer** - Entrepreneurship

(family business, small business management)

**ELIZABETH VAUGHN**

**Administrative Associate**, Department of Management and  
Entrepreneurship

## John F. Baugh Center for Entrepreneurship

**J. DAVID ALLEN** (M.B.A – Baylor)

**Director**, John F. Baugh Center for Entrepreneurship  
(entrepreneurial startups, venture capital, business planning processes)

**MARY ABRAHAMS**

**Associate Director**, John F. Baugh Center for Entrepreneurship  
(international entrepreneurship, business planning processes)

**MALINDA GREEN**

**Administrative Associate**, John F. Baugh Center for Entrepreneurship

## Faculty Entrepreneurship Fellows

**WALTER BRADLEY** (Ph.D. – Texas)

**Distinguished Professor of Mechanical Engineering**  
(technology entrepreneurship, social entrepreneurship)

**CYNTHIA FRY** (M.S.- Alabama)

**Senior Lecturer** – Department of Computer Science  
**Assistant Dean of Undergraduate Studies** –  
School of Engineering and Computer Science  
(technology entrepreneurship, international entrepreneurship)



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