Message from The Director
It is the beginning of March, and, for the Class of 2003, graduation is just around the corner (less than 2 months away). This month, after Mardi Gras, Carol Calkins will be our distinguished speaker and we will enjoy the annual Wine and Cheese party. And, don’t forget about the MBAA Golf Tournament in early April.

All of your job searches (fulltime and intern) should be in full swing. Thanks to Wendy Luedtke, and to a great group of MBA students (that’s you), we expect to have another outstanding placement year. Please, if you have not met with Wendy regarding job placement, arrange to do so, unless you already have a job.

In late April and early May, Wendy and I will begin our annual exit surveys of MBA graduates. We do individual interviews with each graduate, to determine what went well and what we should improve about the program.

We have decided to cancel the MBA trip to Lyon this May. With the international uncertainty, only 8 students signed up to go, and we need around 20 to make the trip work. However, we expect to offer the trip in 2004. In the meantime, good luck with your classes and your job interviews.

David Shields

Calendar of Upcoming Events
March 3-5 – Mardi Gras Holiday
March 7 – Distinguished Speaker Series – Carol Calkins
National Partner in Charge
PricewaterhouseCoopers Transaction tax group
March 7 – MBA Annual Wine & Cheese Party
March 11 – JD/MBA Information Session

Message from the MBAA
Greg Determann
MBAA President
MBAA officers have been working diligently on many tasks throughout the semester. Everything we as officers are working on will benefit both the association itself and the students’ experience in the program. As president, my main goal has been defining what the future MBAA of LSU needs to looks like. While this association has many benefits for its members, many more opportunities exist that can, and will, make it an integral part of the MBA program itself. We are going to involve more alumni and corporate involvement, new recruiting functions and strategies, and a restructuring of our purpose as an association. Annessa Oufnac, our vice president, has been assiduously working on the mentor program. All first years should be able to benefit from the experiences of second year students! And the program should be used to encourage more interaction between classes. Ashley Mendoza has been busy working on many projects, including redesigning our bulletin boards and securing corporate involvement in the charity golf tournament. Nicole Achee is also working to identify more effective uses of the MBAA money and is restructuring our budget. Stacey Holcomb is working with Jennifer Templet as golf tournament coordinator and has been working very hard in preparation for this huge event. She is also organizing all the MBAA philanthropy events for the rest of the semester. Justin Guidroz has been putting together our intramural teams and hopefully can lead us to a successful softball campaign (it can’t be much worse than football). Alan Gutierrez has been involved in the planning of the annual Wine and Cheese party, which will be held on March 7th. Andrew Brennan has been working keeping Blackboard and the MBA website updated and has helped facilitate all the online votes for the “Faculty of the Year” award. Overall, the MBAA officers have been working hard trying to improve each student’s time here at LSU. While we are off to a great start, we need your help: if you have any comments, suggestions, or criticisms, please feel free to let your cohort leader or one of the officers know. If the MBAA officers and cohort leaders work hard, we can make an impact. If all 165 MBA students are involved and dedicated, we can make this association amazing.
Message from the MBA Advisory Team

This semester four small businesses owners from the Baton Rouge area have been selected to receive assistance from the MBAAT. These are Harrison Fitness, Pelican Nest, Society of Saint Vincent De Paul and First Presbyterian Church.

MBAAT consultants will be providing them with a wide range of services including financial analysis, business plan reviews, operations assessments, marketing plans and feasibility studies.

During the preparation process, a list of useful websites has been identified. We have listed them below, as they will be useful resources to any MBA student.

Useful Resources

www.sba.gov
Small Business Administration Website. Contains a wealth of materials relevant to entrepreneurship.

http://www.entreworld.org
Great resources and links on business plans, marketing plans, etc.

http://www.businesstown.com
Collection of articles for the small business owner from time management to accounting basics.

http://www.bplans.com/
Great resources and links on business plans, marketing plans, etc. It also includes specific samples of different plans.

American Express’ website has resources and articles for the Small Business Owner. Click on Small Businesses.

The MBA Newsletter needs a name and a logo!!!

Dear faculty members and students,

We would like you to submit ideas and suggestions about a name and a logo for the newsletter. This is your time to be creative and inventive. Both name and logo will have to reflect your idea of the MBA newsletter. Don’t refrain your imagination, this is your chance to leave something behind for the MBA students to come. The name should be short and meaningful; and the logo would have to be eye-catching and readable even with a reduced size.

Please send your submissions to Frederic Nave, fnave1@lsu.edu, by March 19th. A committee of MBAA officers and MBA administration will select the best name and logo. The winner will be granted a wonderful prize. (I heard it was something between a polo shirt and a dinner for two at a very classy restaurant)

International Franchise Association Award

The International Franchise Association has awarded the 2002 Free Enterprise Award to Robert T. Justis, Louisiana State University Professor of Management and Director of International Franchise Forum.

Dr. Justis specializes in the development and start-up of franchising and entrepreneurial organizations. Dr. Justis currently teaches and conducts research in franchising, entrepreneurship, international businesses and strategic business practices at LSU. He is also a visiting professor at Kingston University in London.

Dr. Justis is the first academician to receive the Free Enterprise Award. Prior recipients have included organizations/individuals such as Students in Free Enterprise, McDonald’s Corporation, and Maurice H. Stans, former U.S. Secretary of Commerce.

Congratulations Dr. Justis.

For more information about Dr. Justis please follow this link: http://www.bus.lsu.edu/about/news/justis_ifa.html.
Alumni interview of the month: Bryan Troegel, The Shaw Group

Bryan Troegel graduated with a Master of Finance from LSU in 1998. He is Director of Planning & Analysis for the Business Development group of Shaw Group. Mr. Troegel is involved in the Kappa Alpha Alumni organization at LSU, and enjoys cooking, deep sea fishing, and traveling. He gladly agreed to answer a few questions for the MBA newsletter.

Bryan, could you describe your educational background, and why you chose to earn your graduate degree at LSU?

I received my undergraduate degree from LSU in Finance. Realizing this isn’t the most politically correct response, I entered the program for the same reason many of my contemporaries did – I had no idea what I wanted to do with my life and believed the program would increase my knowledge base and give me more time to decide.

How did your graduate degree help you achieve your goals?

Combined with my internship at Flores & Rucks, the graduate program allowed me to interview with American Airlines. American was expanding its recruiting efforts at the time and chose LSU as a new target school. American would not have interviewed or hired me had it not been for the internship and graduate degree.

Could you tell us about your career path?

I joined American Airlines in May 1998 in the Operations Finance Division. My assignment was to a five person team consisting of MBAs that conducted financial analyses on initiatives impacting the entire American system (airports). The team was also responsible for the Operations Update to the Board of Directors, which occurred eight times a year. I view the 1 ½ years I spent in that division as “Financial Analyst boot camp”. The hours we kept were insane but it was some of the most fun and rewarding work I have done to date. In February 1999 I accepted a Planning & Analysis position at American’s Airlines Advantage Frequent Flyer Division. American had just signed a joint venture with AOL, “AOLAAdvantage.com”. It was touted the world’s largest on-line rewards program with projections of revenue and earnings in line with every other dot-com. My business plan for the venture showed it to be uneconomic for the foreseeable future. The program was terminated one year after I left the company. I knew I could use my experience with the airline to command a higher salary elsewhere. I joined Dynegy’s Marketing & Trading division as a manager in Strategic Market Analysis in February, 2001. In this role I managed 10 analysts tasked to delivering “tradable” information to the energy traders. It was an absolute blast until the merchant energy sector imploded.

What is your current position, and with which company do you work for? Tell us about your daily experience at work.

I recently joined Shaw Environmental & Infrastructure as director of planning & analysis for business development. My assignment is to provide business planning and budgeting expertise, market analysis, and financial analysis to George Bevan, executive vice president for business development. As the position is new to Shaw, the challenges are huge, but so are the rewards.

Are you still in touch with your fellow classmates? How would you rate the importance of networking in your career?

I stay in touch with Jay Harpole, who is a director at Tractebel (Retail Power) in Houston. I consider networking as very important. Jay got me an interview at Dynegy. Of course, the company is on the brink of failure so you never really can tell!

What advice would you offer MBA students graduating this semester?

You are every bit as smart as the next person; your work ethic is what separates you. For those that know what they want – go after it (even if it means taking
a longer, harder road). For those that don’t know specifically what they want, do not worry. Smart, hard working people always find their way. However, when you do land somewhere, work like hell. You will be amazed at the doors that open up for people that have passion for their work.

To first-year MBA students leaving for summer internship?

Too many times I have seen interns underutilized because they are just that – an intern. To overcome this, (politely) demand more work from your boss. At some point your supervisor will begin giving his work to you.

What else would you like to share with us?

To every extent possible, I make myself available to the betterment of LSU and, more specifically, its students.

Bryan, thank you very much for your time, students are always looking for obtaining feedback from LSU alumni. It is often difficult to foresee the outcome of a degree. I am sure they will greatly appreciate your insightful thoughts and advices.

Lara Carter, MBA 2003, has been doing a remarkable job assisting the Audubon Council Girls Scout. Sheila Ryan, the new executive director, is praising the fantastic work Lara has accomplished. Mrs. Ryan felt that working for the Girls Scouts Council would provide an excellent learning experience for an MBA student, as it provides a medium to apply scholastic knowledge to a real-life situation, where tangible and positive results could be ascertained. Her connection to the MBA program, through husband Dr. Chip Ryan, allowed her to identify a student with the necessary skill and desire to clean up their books and offer her time to the community.

Lara was a girl scout for six years, and both she and her mother were very involved in the organization. Lara says, “The organization did a great deal to me in terms of developing confidence and socialization skills growing up, and I felt very lucky when the opportunity presented itself to use my skills to help the organization.”

Lara is helping them in several ways. Having never worked for a non-profit organization, the first step for her was to gain an understanding of the processes and issues specific to this segment. She has also been working with the staff to identify current issues in their business and develop workable solutions. The staff at the Audubon Council does a great job of supporting the girls and the community, and their work keeps them very busy. Her job is to help alleviate some of their workload by instituting more efficient processes and effective solutions.

Lara’s biggest reward is seeing the benefits of her efforts almost immediately, and knowing that in the big picture, she is helping people help people. She also has benefited from working with Sheila Ryan. When asked about Sheila, Lara says: “she is incredibly sharp, and working with a woman with such rich experiences and who has been so successful in life has been very inspiring”. She is a great mentor.

Knowledge isn't really powerful until you use it. Testing out the classroom skills she acquired in the MBA program in a real-world situation helped her in specifically two ways.

First, using her skills in real situations and seeing tangible results has given her confidence in her abilities. Entering a new and unknown working environment is always challenging, but with every experience it enhances one’s ability to meet such challenges with success.

Second, having the opportunity to use knowledge is a good way to identify skills that still need development. Having an MBA degree doesn't necessarily equip one for success: trying out your
skill set in an actual business environment is imperative for testing the limits of your knowledge and learning your strengths and weaknesses.

“Get to know your Faculty: Dr. Don Finn”

Dr. Don W. Finn
Accounting - Professor & Department Chair
Flores MBA Program

About the author:

Dr. Don W. Finn has been teaching in the MBA program at LSU for five years. Prior to teaching, Dr. Finn served in the U.S. Navy as a naval aviator and naval officer. In addition, he also worked in the retail sales and was a veteran counselor for the Veterans Administration.

His research interests are related to professional ethics in the accounting domain, specifically as it relates to the way that individuals make ethical decisions. This research has never been more important, especially in the shadow of post-Enron, WorldCom era.

Dr. Finn believes that in the future, the business sector, as well as the Congress, will demand greater transparency from corporate entities—especially for elements of financial statements that potentially can be subject to accounting interpretation regarding generally accepted accounting principles.

Emphasized publication:


The use of special purpose entities (SPEs) by Enron has become a well-known and publicized accounting catastrophe in the accounting and finance community. The use of SPEs are intended to allow a company a mechanism to fund growth initiatives without the burden of using market loan rates to finance that growth. Companies use their own assets to “guarantee” the SPE or loan, much like consumers frequently do to acquire loans from financial institutions by providing “collateral assets as guarantees” for loans. Unfortunately, when accounting standards were developed, it was never intended for SPEs to be used in the manner in which Enron used them and they certainly never intended for an accounting firm to “sign-off” on the use of SPEs as applied by Enron.

With respect to Enron, a greater issue in this tragedy is the degree of collusion by management, as opposed to potential mistakes and inept reviews or misapplication of accounting methods that sometimes occur. Collusion among upper level managers enabled Enron to structure and implement improper SPEs with little chance of detection, as long as the Enron stock that guaranteed the SPEs remained stable. Audit procedures, as they should have been followed, may have prevented the use of SPEs, as used, at Enron. From the perspective of the accounting profession, accounting rules did not fail—misapplication of accounting rules, collusion of senior management, and failure of the audit process caused the failure.

As members of our accounting profession, we must examine the cause of such failures and provide safeguards to help detect wrongdoing. Increased reporting rules may help to avoid future failures like this one. However, when individuals conspire, as they did at Enron, detection can only follow wrongdoing (similar to arresting criminals only after they have committed a crime). The profession will be better able to prevent this kind of wrongdoing if it develops an increased awareness of auditor/client relationships and the factors that affect decision-making. Furthermore, the profession will also benefit by considering factors that influence those relationships such as tone at the top, industry culture, risk, client fee structure, project commitment, and the ethical decision process, which will provide a means for prevention or early detection of wrongdoing and thereby improve financial report quality.

Don W. Finn
Robert Theriot, Managing Director of Merrill Lynch Private Client Group, visited full-time MBA students at the Lod Cook Alumni Center, on February 21. Mr. Theriot graduated from LSU in 1963 with a general business degree. He was serving as an U.S. air force pilot for five years prior to beginning his financial career with Merrill Lynch in 1968. Mr. Theriot conveyed to the students his vision of leadership using his career path to demonstrate to the students the challenges he faced and the lessons he learned.

His first bit of advice was to learn from your failures. Only after a careful analysis of your mistakes and wrong approaches will you know how to behave and respond better as a manager. Mr. Theriot next explained that while a solution might work in one specific work environment, you should always be cautious when trying to implement your model or vision somewhere else. Since people have different perceptions, the same actions in different environments might not always lead to the same results.

With regard to his experience as a pilot in the US Air Force, Mr. Theriot emphasized the importance of time management and discipline in your life.

Those are two required skills he believes a leader needs to have in order to succeed. When asked by Helena Voyiadjis “How to deal with the personal/professional issue of management,” Mr. Theriot replied, “fairness and consistency are the most important”.

Mr. Theriot concluded his speech with his view on how to motivate people. He listed five key elements to consider when dealing with this issue: environment; employees’ needs for a dream; integrity; self-responsibility; and commitment. Like Jack Welch would say, “you need the right people to succeed.”

“Got the Soul of a broker? …Experience SMART Lab”

On Monday, February 10, current first-year MBA students became the first group to engage in simulated trading in the SMART lab (other groups have and continue to use the SMART Lab for other purposes). Students were assigned two securities to analyze and were given information about payoffs and the uncertainty surrounding those payoffs. The students then traded these securities in a simulated economy. When trading began students received an additional piece of ‘private’ information, which forced him or her to recalculate their security values. One simulation consists of two five-minute trading sessions. At the end of the simulation students receive payoffs (they either make or lose ‘computer money’) and a computer-generated assessment of their trading accomplishments. The students completed three simulations for a total of six trading sessions.

Chip Ryan discusses the exercise…

I think that students were amazed at the speed of trading and at how fast traders must make decisions. As a teacher, I describe this process, students read about it, and some have even observed it. However, there is nothing like experiencing something, even a simulation of the real thing, to drive the point home.

From a learning standpoint, I think students walked away with an appreciation of the importance of liquidity in the financial markets. In our simulation, we required some students to serve as ‘market makers,’ the traders who provide liquidity to the market. However, we lacked the depth of liquidity that is generally present in the US stock markets, and as a result many students tried to buy at a reasonable price but had their trade executed at a much higher price. I think this was quite an eye opener for them. I also think that some of them were very glad that they were not trading with real money.

Another valuable aspect of using the SMART Lab is that it energizes both the students and the professor. Much of our
traditional education involves lecture, note-taking, and individual study. Although these activities are still necessary and useful, becoming actively involved in a process energizes the mind and provides a heightened focus to the learning process. That is where the SMART Lab is invaluable.

Tish O’Connor, Assistant Director of the SMART Lab

The students traded, learned and had fun. The SMART Lab is here to facilitate learning and to bring a real-world element to the classroom. These students now have a feel for how the markets work (and sometimes do not work), and I would bet they have an appreciation for market makers and the speed at which they have to move.

Gary Sanger, Director of the SMART Lab

We were excited to have Dr. Ryan’s classes visit the SMART lab. The simulated trading experience the students participated in is a tremendous enhancement of the classic textbook/classroom discussion of how financial markets function. As we develop the capabilities of the lab, Ourso College students will gain valuable knowledge and professional skills that will translate directly to the financial marketplace.

Students’ impressions:

Eren Acar:

“The SMART Lab is a very beneficial research and learning center for LSU. The use of virtual trading simulations provides students with a glimpse of a broker’s job. I think Professors should use the Lab more to offer lab-involved courses that would enhance students’ learning process and interest.”

Fernando Vilas:

“I was really impressed with the simulation's speed. It seemed like there wasn't enough time to react, so I just started making a market, instead of trying to profit and I made more money. I came out a little ahead the first time around, but when I didn't try to think, and I just reacted to the market, I made a lot of profit. I really learned a lot from the simulation, so I guess the SMART lab made me smarter.”

“The True Cost of Credit”

Julie Madere  
MBA Class 2003

“Buy now, pay later” – that is the beauty of credit cards. Over 80% of American households have at least one credit card, and the average household has about eight. But many of us don’t realize exactly how much credit can really cost.

For example, if you have a $1,000 balance and pay only $25 per month (approximately the minimum payment), it will take you about 62 months to pay it off at an 18% interest rate. And you will pay an incredible $539 in interest charges along the way. Try out the Motley Fool’s credit card calculator (www.fool.com) using your own balances to see how much your credit will cost you.

Two simple strategies to help you pay off your credit card debt are: (1) pay more than the minimum payment due, and (2) snowballing.

(1) Your credit card company would love for you to make only the minimum payment each month. As demonstrated in the above example, that could cost you loads in interest charges. Increasing your monthly payments can greatly reduce the time and money you spend paying off your debt. Continuing with the above example, if you pay $50 per
month instead of $25, it will take about 24 months to pay off the balance and you will pay $198 in interest charges. That’s almost one-third of the time and interest charges!

(2) Snowballing involves focusing your attention (and money) on the credit card with the highest interest rate. Pay at least the minimum payment on all of your other cards, but put the bulk of your repayments toward the highest interest card. When the highest interest card is paid off, repeat the strategy with the next highest interest card.

Click here for the Motley Fool’s complete list of recommended strategies.

Source: The Motley Fool at http://www.fool.com

Recruiting Updates

Thank you to the following students for attending the February 26 MBAA Information Reception to recruit prospective full-time students:

Eren Acar, Nicole Achee, Andrew Brennan, Trey Daniel, Greg Determann, Alyssa Gautreaux, Justin Guidroz, Stacey Holcomb, Annessa Oufnac, Silvy Triana, and Jensen Young.

The reception was a great success, despite the poor weather. Recruiting season is not over yet though, and we need you to continue to help us promote the MBA Programs.

Our next reception will be on Tuesday, April 1. Hope to see you there!

Missy Tregre
MBA Office Assistant

Cohorts’ Corner

Red Cohort Class of 2004

This past Friday (2/24/03), Greg Determann proposed to his girlfriend Courtney Valenzuela. No date has been set for the wedding. Congratulations Greg!

Roberts Eats 17 Waffles; Wins Bet

First year MBA Chad Roberts won a friendly bet last week in which he successfully consumed 17 Eggo Waffles within one sitting. The bet was a result of an unsatisfied appetite after a 6-piece chicken nugget dinner at a local Wendy's. Roberts was still hungry and proceeded to his house for more food. Upon arrival, he found 2 Eggo waffles in his freezer and ate them, but remarked he could probably eat an entire box if presented with one. The bet was then made and the waffles purchased. After time allowed for cooking and cooling, Roberts proceeded to eat all 10 and received his prize. "I was really hungry, but I only put syrup on the first half" remarked the victorious Roberts.

Congratulations to Alyssa Gautreaux who was offered an internship with SSA Consulting for this summer.

Blue Cohort Class of 2004

Congratulations to the following students who were offered internship positions for this summer:

Silvy Triana, Entergy, New Orleans
Keith Crews, Deloitte & Touche, Dallas TX

Purple Cohort Class of 2004

Congratulations to the following students who were offered internship positions for this summer:

Thomas Brouillard, Schering-Plough, Madison, NJ
Stacey Holcomb, Entergy, New Orleans LA
Eleanor Spires, Entergy, New Orleans

Green Cohort Class of 2004

Jill Dawson got engaged on Feb 15, 2003 to her boyfriend of 6 years, Joel Bercegeay. Best wishes, Jill. Moreover, Jill was also offered an internship with HCA in Nashville, TN. Way to go Jill, that’s your month!