

freedom to SUCCEED

Mention Iowa State University and most alumni will immediately imagine the familiar symbols of campus: a mix of historic and modern buildings linked by scenic pathways across expanses of green.

For College of Business alumni, the Gerdin Business Building, in the shadow of the Campanile on the edge of central campus, has become one of those symbols. Yet what happens within that building is what really makes the college special. Ideas and innovations flourish. Knowledge and growth are cultivated. Insightful research expands understanding.

And the world becomes a better place.

ENDOWMENTS SUPPORT THE PEOPLE WHO MAKE THE PLACE

At the heart of the college are the faculty, who teach, research, mentor, advise, and lead—daily fulfilling the mission of higher education. Their role is vital, and it is not an easy one to fill.

In an ideal world, funding considerations would be the least of their concerns. Yet in the College of Business, faculty face the distinct challenge of carrying a full

teaching load while trying to conduct groundbreaking research. They also strive to provide funding and research opportunities for students. And they experience the same market dynamic that affects any talented employee: the opportunity to advance, which may include moving to another employer.

Addressing all of these factors within a state-funded

budget can be daunting, but College of Business Dean Labh Hira recognizes that faculty are his most important resource. He has established faculty development, especially through retention and recruitment, as a top priority in *Campaign Iowa State*.

“Experienced donors understand the importance of people,” Hira said. “Our alumni in the business world understand the importance of having top players on their team.”

Endowments made possible by donors are powerful tools for faculty recruitment and retention, yet they are not always as visible or well-understood as more traditional fund-raising targets, such as new buildings and equipment. Endowments are not merely salary supplements. Instead, they initiate a cause-and-effect dynamic

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DEAN LABH HIRA

by allowing faculty to deploy an array of teaching and research strategies, all to the benefit of students and the college. Endowments are also valued symbols of prestige and accomplishment.

“Just like a person in corporate America going for that year-end bonus as a sign of achievement in their field, professors strive for endowed positions,” said Jeremy Galvin, director of devel-

opment in the College of Business. And just like corporate America, Galvin said, there is competition among schools and private industry for the best people available. The loss of a key professor can have far-reaching effects.

“A student told me about a marvelous marketing professor she had, but the professor left for another school,” Galvin said, “and that set the student back. We’re working to make sure our alumni realize the impact that our faculty are having on students.”

The professor left, as it turns out, because the competing university offered an endowed faculty position—an offer the College of Business could not match. The episode demonstrates how other institutions are using endowments, and it stresses the importance of increasing the

number of endowed positions at Iowa State.

Also important is the role faculty play in enhancing the reputation of the College of Business. Through their research, new ideas are adopted in the business world. When research findings are published, cited, and otherwise featured in the public eye, the college also receives recognition.

That’s why top researchers command top salaries and the competition for them is so intense. It’s an ongoing challenge for any dean, and Hira knows that private support is an effective way to find and keep the best.

“Endowments are going to play a role in helping us attract those researchers doing cutting-edge research,” Hira said. ■

Michael Crum John and Ruth DeVries Endowed Chair in Business At Iowa State since 1980



As an associate dean and the beneficiary of an endowed chair position, Michael Crum knows firsthand about the benefits such a position can bring to faculty, including the freedom to conduct research, support students, purchase data, and travel to conferences.

“Endowments allow our faculty to create more value,” Crum said. “They free up our time to do the big-impact things. The bottom line for me is that I can be a better faculty member by being a better educator and a better researcher. The endowment helps me to touch more lives.”

In turn, students experience the benefits of quality instruction and more numerous research opportunities. “The students understand clearly the importance of faculty to a university and to their education,” Crum said. “But



For many recipients of endowments, there is far more to the story than simply an infusion of funds. A personal connection is also established. Just ask Paula Morrow, University Professor of management.

"The professorship that I hold is a really special one because it is named after one of our former faculty members," Morrow said of Max Wortman, a beloved professor who passed away unexpectedly in 2005, hours after teaching a course on negotiation and conflict resolution. "He truly was a well-respected, well-known figure in his field."

Wortman also had many "academic grandchildren"—doctoral students who became professors themselves. The endowment resulted from the desire of Wortman's family to memorialize his role in the college and in shaping the lives of students.

"Max was also very active in promoting the professional advancement of women," Morrow said, "so this position is especially meaningful to me. I think Max would be very pleased to see that a woman was the first recipient."

Morrow puts the endowment to work by advancing her research, with benefits accruing to students and the college.

"What the endowment really does is allow me to focus on maintaining my research productivity," she said. "Time is a limited commodity for faculty. This allows me to focus my energy on long-term projects and take on some additional graduate students."

The alternative, Morrow points out, can be explained by opportunity cost: without the endowment, her attention would be diverted to taking on summer classes or finding consulting projects.

"Quality, cutting-edge research requires big blocks of time, which are hard to come by during the school year," she said.

But with summers free, that time is available, and Morrow has put it to good use. She consistently publishes research results and was recently named the college's winner of the 2007 Senior Faculty Research Award.

Morrow also devotes time to mentoring students in research. Several of her publications also bear the names of students, and some of those students have gone on to earn Ph.D.s, thus perpetuating the spirit of Max Wortman's legacy.

I don't think that most of them would think about the need for private funds to be invested in faculty."

As state funding for universities gradually declines, as it has been across the nation, the investment of those private funds becomes even more crucial.

"We always have faculty who are approached by other universities," Crum said. "That's a good sign because it means we have good faculty. But a lot of other schools use endowments to lure faculty away, so we need endowments to retain them."

Beyond the financial benefits, though, is another important quality: prestige.

"I think that gets overlooked," Crum said. "Being selected by your college to receive one of these endowments is

a huge accolade for a faculty member. It really says 'I'm highly respected, I'm valued, and my work is valued.' That's extremely important."

Educating donors about the importance of named positions has become a priority for many universities. Those efforts are paying dividends: named positions are becoming more prevalent as donors realize the impact they have on faculty.

"Endowments have a long-lasting impact, and it's a significant impact," Crum said. "And there is visibility that goes far beyond a name on a placard. When I publish a paper, I put my title on it, and colleagues always ask about the title and the people named in it. As I look out in my field, I see more and more named positions."

Dermot Hayes

Pioneer Hi-Bred International Agribusiness Chair
At Iowa State since 1986



With appointments in finance and economics, Dermot Hayes takes a truly businesslike approach to the funding that comes to him through a corporate gift.

He solves problems. He increases productivity. He believes in the market.

"The chair has allowed me to stay in Ames rather than search for a similar position

at another university," Hayes said. "I don't have to move my family to find the best opportunity because that opportunity is here."

The chair has also created research opportunities and access to people and data in the seed industry. Hayes credits Pioneer Hi-Bred International, Inc., with opening its doors when he seeks an agribusiness insight.

"I've been able to publish about six papers that would have been impossible without that," he said.

Certainly the College of Business benefits from Hayes' high-profile publishing on seed company profits and sales, but graduate students have experienced even more direct benefits from his use of funding as a problem-solving tool.

As Hayes points out, there's often a disconnect in the university environment in terms of support for graduate students.

"You see these great students who are broke," he said, "and you see grant-related funding opportunities for these students a year after you've met them. There's a real crunch for people like me who try to resolve that problem. The students can't wait three months for a grant proposal to get funded."

Hayes makes sure they don't. He uses endowment funding to create short-term opportunities for students until long-term funding can be identified. "I've had five or six students who have gone through that," he said, "and in every case it worked out well."

One example is a graduate student in accounting who worked for Hayes on a summer research project that was directly related to the student's thesis. "Had I not been able to fund her," he said, "she would have had to get a summer job, and she wouldn't have been able to work on her thesis."

Naming a Faculty Position

There are two types of funding available to naming a faculty position in the College of Business:

1 Endowment gifts are established to benefit the intended purpose in perpetuity. The ISU Foundation invests private resources and provides a portion of the annual investment return for the intended purpose set forth by the donor. The remaining investment return is added to the principal for growth and protection against inflation. The portion of the investment return provided for the intended purpose (i.e. faculty endowment) is currently 4.25 percent of the balance in the endowed account.

2 Expendable gifts are outright gifts or pledges that are given by the donor with the intention that the gifts will be used immediately for the designated purpose. This type of gift is placed into an account which does not earn interest. Therefore, when the money in the account is fully dispersed to its designated purpose and the donor has completed his or her pledge, the gift is complete.

RECOGNITION	DEFINITION	FUNDING REQUIRED ^a	
		ENDOWED	EXPENDABLE ^b
Dean's Chair	A deanship is one of the most visible and influential positions at Iowa State. It provides the dean with additional funds to launch his or her vision for the college. It also allows for supplemental recruitment and retention packages to assemble a strong faculty team.	\$3,000,000	\$150,000
Faculty Chair	Faculty who perform at the highest level are heavily recruited by other institutions and private industry. Faculty chairs are the most esteemed positions in academia and allow the college to supplement and enhance faculty compensation packages.	\$1,500,000	\$75,000
Professorship	Professorships are highly regarded positions that recognize outstanding faculty. Similar to faculty chairs, professorships supplement and enhance faculty compensation packages.	\$500,000	\$25,000
Faculty Fellowship	Fellowships are often awarded to young faculty members Iowa State hopes to retain. Through a fellowship, faculty flourish and their professional loyalty to Iowa State is nourished by providing them with enhanced compensation packages or professional development opportunities through the named faculty position.	\$300,000	\$15,000

a. All gifts received by the ISU Foundation are assessed a gift fee of five percent, which recovers the costs associated with fundraising at Iowa State University.

b. These figures represent annual minimums for expendable named faculty positions, which require a commitment of three to five years.



Endowments give options to faculty, and professor of accounting Sue Ravenscroft has chosen one that addresses a perceived need in the college.

Ravenscroft allocates funds to support her conviction that a communications center would be an asset to the College of Business.

“Accountants in corporations spend a lot of time talking to non-accountants, so communicating clearly is crucial,” Ravenscroft said. “It’s tempting as a professor to worry just about the technical material, but I think people understand the technical better if they know it well enough to communicate it clearly. To communicate clearly, you have to think clearly.”

Ravenscroft traces her passion for a communication center to a serendipitous moment. As the beneficiary of a Miller Faculty Fellowship, she had been working with

a Ph.D. student on developing communication skills for a governmental nonprofit accounting course. The idea of expanding that approach collegewide arose at about the same time that the Murphy professorship was awarded.

“The publicity attached to that was a springboard that allowed me to talk about the communications center,” Ravenscroft said. As a result, the idea has gained support, and today two graduate students are developing writing assignments and presentations that can be used by business faculty.

The center itself is still just a concept, but Ravenscroft encourages potential donors to consider an endowment as a way to express personal interests. After all, she notes, the Murphy professorship is based on the support of undergraduate education, so that’s where she focuses her energy.

By advocating for a communications center, “I’m just narrowing that down a bit,” Ravenscroft said.

“You can promote whatever you believe in by giving an endowed professorship.”

COLLEGE OF BUSINESS FACULTY CHAIRS, PROFESSORSHIPS, AND FELLOWSHIPS

NAMED POSITION

Accenture Faculty Fellowship
 Bob and Kay Smith Entrepreneurship Fellowship
 Dean’s Faculty Fellowship in Management Information Systems
 Dean’s Faculty Fellowship in Marketing
 Dean’s Professorship in Finance
 Dean’s Professorship in Finance
 Eucher Faculty Fellowship in Business
 Heggen Faculty Fellowship
 Heggen Faculty Fellowship
 Heggen Faculty Fellowship
 Iowa Bankers Association Fellowship
 Jacobson Companies Faculty Fellowship
 Jacobson Companies Fellowship
 John and Ruth DeVries Endowed Chair in Business
 Mark and Pam Fisher Faculty Fellowship in Business
 Max S. Wortman, Jr. Professorship
 Pioneer Hi-Bred International Agribusiness Endowment Chair
 Principal Financial Group Fellowship in Finance
 Roger P. Murphy Professorship in Accounting
 Union Pacific Professorship for Information Systems
 Union Pacific/Charles B. Handy Professorship
 Wells Fargo Professorship in Finance
 William and Elizabeth Goodwin Fellowship
 William and Elizabeth Goodwin Fellowship

FACULTY HOLDER

Anthony Townsend, associate professor of MIS
 Howard Van Auken, professor of management
 Dan Zhu, associate professor of MIS
 Stephen Kim, associate professor of marketing
 Richard Carter, professor of finance
 Frederick Dark, associate professor of finance
 C. Bradley Shrader, University Professor of management
 Russell Lacznia, professor of marketing
 Sridhar Ramaswami, professor of marketing
 Roy Teas, Distinguished Professor of marketing
 Roger Stover, professor of finance
 Richard Poist, chair, department of logistics, operations, and MIS; professor of logistics and supply chain management
 Yoshinori Suzuki, associate professor of logistics and supply chain management
 Michael Crum, associate dean and professor of logistics and supply chain management
 Marvin Bouillon, chair, departments of accounting and finance; associate professor of accounting
 Paula Morrow, University Professor of management
 Dermot Hayes, professor of finance and economics
 Mark Power, University Professor of finance
 Sue Ravenscroft, professor of accounting
 G. Premkumar, professor of MIS
 William Dilla, associate professor of accounting
 Arnold Cowan, professor of finance
 James McElroy, University Professor of management
 James Werbel, professor of management