GSOM students will now have access to the same Bloomberg data that professional traders use, thanks to the efforts of Visiting Professor Sondra Vitols; Tom Manning ’89, chief investment officer at Silver Bridge Advisors in Boston, and Daniel Pascone, GSOM’s director of budgets and planning.

Bloomberg Professional®, which is now installed on a dozen computers at Carlson Hall, provides students with access to news, analytics, communications, charts, liquidity, functionalities and execution services. Students will also be able to build customized market analyses using Bloomberg’s Launchpad 2010, Bloomberg’s real-time platform.

According to Vitols, GSOM’s purchase of the software resulted from “a happy confluence of two things running parallel and coming together.”

When she began working at GSOM last year, she recognized the need for Bloomberg software, which is commonly used at practically every asset management firm. She contacted Bloomberg to see if a discount rate could be negotiated.

Bloomberg was willing to provide GSOM with 12 Bloomberg licenses for less than a quarter of the cost for the licenses that an asset management firm would pay, according to Vitols.

Another catalyst was Silver Bridge’s ongoing internships with GSOM students, according to Manning, since GSOM interns use Bloomberg analytics to research socially responsible companies for Silver Bridge (see related story, page 4).

MSF students Qiangkang Yan, left, and Taurai Chadyemhunga, right, are researching socially responsible investments for Tom Manning ’89, chief investment officer at Silver Bridge Advisors in Boston.

Pushing It Through

The Bloomberg proposal was well received last year, but put off until this year, when record enrollments in the MSF program allowed for greater justification of the system. With help from a few GSOM students, Pascone worked with Clark’s Information Technology Department to install and test the software in time to make the deadline of Dec. 31.

Manning donated equipment used in the computers that feature Bloomberg Professional® software.

“The top business schools have Bloomberg technology and it makes sense to make it available to GSOM,” Manning added. “The experience gained by using Bloomberg technology will make GSOM graduates more attractive in the job market, whether or not they pursue careers in investment research.”

Franklin “Kofi” Quansah, who will be graduating with an MSF in May, said his experience using Bloomberg analytics gave him confidence during job interviews and helped him get a job with Avid Technology in Burlington.

Quansah, who learned to use Bloomberg analytics while working as an intern at Silver Bridge Advisors, was one of the students who tested the software when it was being installed.

“The top business schools have Bloomberg technology and it makes sense to make it available to GSOM . . . The experience gained by using Bloomberg technology will make GSOM graduates more attractive in the job market . . .”

Franklin “Kofi” Quansah, who will be graduating with an MSF in May, said his experience using Bloomberg analytics gave him confidence during job interviews and helped him get a job with Avid Technology in Burlington.
Collaboration 102 - Community and Regional Collaboration

GSOM is proud to be among only 5% of colleges and universities classified under the Carnegie Foundation “Community Engagement” classification.

As many of us know, officially Clark University is an RU/H university, a research university with a high level of research activity. What is not as well known is that Clark University is also one of only 154 schools – out of more than 3,000 universities and colleges – that have applied for and received the “Community Engagement” classification.

When you read this issue of Connect, you’ll find out why The Carnegie Foundation, which classifies every college in the country, awarded Clark this special classification with GSOM as an exemplary contributor to this classification. You’ll find that:

- Our Small Business Development Center played an integral role in creating the $32 million Hanover Theater for the Performing Arts in downtown Worcester.
- Students of Executive-in-Residence Ted Buswick are working to promote Worcester’s “creative economy.”
- Visiting Assistant Professor Will O’Brien’s students are developing sustainability plans for communities throughout the region.
- Clark grad Tom Manning, chief investment officer at Silver Bridge Advisors, is working with GSOM students on an ongoing basis to research socially responsible companies.
- In collaboration with The Center for International Securities and Derivatives Markets, Rich Spurgin, associate professor of finance, is researching the impact of active management and other weighty financial issues.

These are just a few examples of GSOM’s community engagement and collaboration. There are many others, often involving other local colleges and organizations. Professor Dileep Dhavale, during his sabbatical, developed research streams on how managerial performance measures can predict corporate resiliency with collaborators at Worcester Polytechnic Institute. Associate Professor Keith Coulter has continued his work on marketing and social media with Babson College collaborators. Associate Professor Laura Graves has collaborated with corporations such as Aubuchon Hardware on leadership and pro-environmental behavior. Assistant Professor Shu (Susan) Feng has been working with colleagues at Boston College and Boston University on liquidity risk and mutual fund returns … and the list goes on.

We also have capstone courses that rely heavily on the participation of regional and community organizations. Professor Margaret Arndt has established a capstone course on leadership and decision making in which executives and leaders from the community join in class discussions with our graduate students. Teams of our GSOM students take on projects that address practical and timely concerns facing local organizations. For example, our students are also involved in an on-going official relationship that exists with the Martin Luther King Center on a co-funded internship program.

Under the leadership of new Clark President David Angel, community engagement will only become stronger. In January, he was introduced to the local business community by Advisory Council Member Ralph Crowley Jr. MBA ’79, president and CEO, Polar Beverages, Inc. The purpose of the event was to reinforce Clark’s commitment to collaboration with the local community and, in particular, Worcester’s business community. The President shared information about the other local collaborations related to education and community development, particularly within Clark University’s neighborhood.

The goal of these local collaborations is to have our students, faculty, staff and alumni work in, and exchange knowledge with, the community and to involve the community in programs and projects within GSOM.

In the previous issue of Connect, we highlighted collaborations within Clark University. In our next issue, we will broaden our scope and introduce international collaborations.

GSOM’s students come from dozens of countries throughout the world. International collaborations are vital in today’s global economy. But we must never forget that we are part of a number of communities.

With warm regards,
Joseph Sarkis, Interim Dean

Rainey Chosen to Head MSBDC

John Rainey, the new executive director of the Massachusetts Small Business Development Center (MSBDC), has much in common with his predecessor, Larry Marsh, but that doesn’t mean there won’t be changes under his tenure.

Like Marsh, Rainey came to the MSBDC expecting to stay for a short time. He has been at the center for 15 years, but he worked with Marsh even before that. Rainey was at Wright Line, a Fortune 1000 high-tech company based in Worcester, at the time that Marsh was also there.

“I was going to stay here for two years, then put out my own shingle,” he said. “It may not be financially rewarding, but it’s the best job I’ve ever had.”

One attraction is the variety of businesses he serves. On his first day, his first client wanted to open a pizza shop, while his second client wanted to develop an artificial organ.

Rainey has worked as a business advisor while Marsh was the executive director, but he will now serve as the executive director while Marsh continues for a couple of days a week as an advisor.

“I used to approve his expense reports when we were both at Wright Line,” Rainey said. “Then I came here and he approved my expense reports. Now I will be approving his expense reports again.”

In his former position as senior business advisor and financial specialist, Rainey assisted his clients in developing feasibility studies, business plans, marketing plans and loan proposals. His efforts resulted in more than $150 million in loan approvals and he received the Star Performer Award for the MSBDC Network in 2000, 2001 and 2007. His clients have ranged from mom-and-pop businesses to major businesses, such as The Hanover Theater for the Performing Arts (see page 4).

He was also presented with the ASBDC Distinguished Service Award as a volunteer in Mississippi after Hurricane Katrina. He slept on the floor of a church for two weeks, but felt fortunate compared with others there.

“The people were really decimated,” he said. “Mississippi had substantially more damage than New Orleans. Some people lost everything.”

He helped business owners such as a woman who had just opened a health clinic

continued page 8
Does Worcester’s Creative Economy Create Jobs?

Think of “being creative” and you may think of writing, painting or making music. But a “creative economy” is about creating jobs while creating art.

Theater, concerts and museums bring in visitors who spend money in the city and help enhance the city’s reputation, but how much of an economic impact does the creative economy have?

Finding out is one of the goals Ted Buswick, GSOM executive in residence, had when he created a class called, “Analyzing Worcester’s Creative Economy,” which is jointly sponsored by GSOM and the Mosakowski Institute for Public Enterprise.

Buswick is accustomed to looking at art as a business, having helped write the book, What Poetry Brings to Business. He is also a writer and editor with the Boston Consulting Group, and created a central archive and oral history for the international consulting firm.

Buswick said his new class is part of an ongoing effort to link Clark University with the city of Worcester and the Central Massachusetts region.

The course focuses on production and distribution of cultural goods, services and intellectual property. Students are researching what other regions have done to encourage and evaluate their creative economies in comparison with Worcester, and developing ideas for positioning the creative economy within the city’s overall strategy for growth and development.

The 25 students enrolled in the spring course include both GSOM students and Clark undergraduates.

Research That’s Useful

Jim Gomes, director of the Mosakowski Institute, said the course aligns well with the institute’s mission.

“The course, as Ted has conceived and developed it, really hits a lot of the marks for the Mosakowski Institute,” according to Gomes. “It’s organized around research, so students will learn some things that aren’t known by anybody yet. It puts student hands in to improve society in some way by creating usable knowledge. If it’s successful in that, it will help the community that Clark is a part of, which is part of the Clark mission and ethos.”

It’s also valuable for students, according to Gomes, because it “creates opportunities for students to grow as learners and researchers, and to become effective adults in developing real-world skills they wouldn’t get in a conventional course.”

Erin Williams, Worcester’s cultural development officer, said the class can provide an important contribution to the city by providing a snapshot of what exists and a blueprint for potential changes.

Buswick added that a central goal in creating the course was making it possible for students to reach real conclusions about very specific issues.

“Too much academic research is simply that – academic research,” he said. “This is designed to be research that can immediately be put to use.”

The course will require hands-on involvement in the community through interviews, focus groups, Web surveys and other research. Information on data, goals and attitudes will be gathered and analyzed.

“One project Buswick’s students are taking on is research about the Woo Card, a discount card that students at Worcester-area colleges can use for local museums, theater and other cultural offerings. Students are researching who is using the card and how it can be made more effective.

The Woo Card is sponsored by the Worcester Cultural Coalition. Students will attempt to find out how much the card is being used and what can be done to make it more effective.

Erin Williams, Worcester’s cultural development officer, said the class can provide an important contribution to the city, while helping the students involved recognize that Worcester is an attractive place to live and work after graduation.

Culture At a Discount

One project Buswick’s students are taking on is research about the Woo Card, a discount card that students at Worcester-area colleges can use for local museums, theater and other cultural offerings. Students are researching who is using the card and how it can be made more effective.

The Woo Card is sponsored by the Worcester Cultural Coalition. Students will attempt to find out how much the card is being used and what can be done to make it more effective.

Erin Williams, Worcester’s cultural development officer, said the class can provide an important contribution to the city, while helping the students involved recognize that Worcester is an attractive place to live and work after graduation.

continued page 8
What impact does a college have on the community it serves?
It educates the community and creates jobs, of course, contributing to the local economy. The college campus often contributes to the beauty and vitality of the neighborhood around it. But sometimes a college can play an even bigger role.

In the case of GSOM, efforts are being made to collaborate not only with local businesses, but with the city of Worcester and surrounding communities. GSOM professors and students are studying and helping to promote the “creative economy,” developing sustainability plans and serving in internships that can contribute to society. The Massachusetts Small Business Development Center, which is so important to GSOM, has played a role in the success of hundreds of local businesses, including The Hanover Theater for the Performing Arts.

The regional collaborations highlighted in this issue of Connect are just a few examples of how GSOM gives the region an economic boost.

Hanover Theater Requires Heavy-Duty Crunching

When attorney Paul J. Demoga and Edward P. Madaus, executive director of the Guild of St. Agnes, decided to convert the former Showcase Cinemas in downtown Worcester into The Hanover Theater for the Performing Arts, they contacted John Rainey at the Massachusetts Small Business Development Center (MSBDC) because, “Neither one of us is good with spreadsheets or forecasting figures. We needed John’s business acumen.”

It turned out that they needed him even more than they thought. While they initially projected that their project would cost about $5 million, it turned out costing more than six times as much – $32 million.

Demoga knew Rainey and the SBDC because he had referred many clients to Rainey, ranging from restaurants to machine shops. He knew the SBDC could provide valuable assistance in developing a business plan and helping with financing, so he contacted Rainey when the project was just beginning.

“John started with us almost from the inception,” Demoga said. “Along the way, he crunched the numbers and provided support. We needed his help almost on a monthly basis, because things were constantly changing.”

The architectural firm they hired, Lamoureux-Pagano Associates, Inc. of Worcester, conducted a feasibility study and found that the initial cost estimate for the project was “woefully inadequate.” By the time they hired Whipple Construction of Worcester as general contractor, the costs had soared to $17 million and they soon needed to add Barr & Barr, Inc. of Springfield, Mass., as a second contractor.

Fortunately, funding became available through a variety of sources. State and federal programs accounted for 60% of funding, with private contributions accounting for the remainder. Hanover Insurance Company President Fred Eppinger became involved and purchased the naming rights. Local philanthropist Mary DeFeudis was a major benefactor and her $500,000 contribution also helped attract funding from various foundations. Rainey kept on crunching numbers through it all.

“John provided the backup to take to the funding sources to show them that we could sustain the project,” Demoga explained.

It took 11 years to get where it is today, but the 2,300-seat theater, which is attracting 200,000 people a year, is bringing internationally known artists to Worcester and playing a key role in the city’s creative economy. The Hanover Theater received a 2010 National Preservation Honor Award, and is featuring world-class concerts, plays and comedy acts.

Silver Bridge Sponsoring SRI Interns

Some believe factors such as a company’s environmental efforts should be considered when deciding whether to invest in the company’s stock.

Companies that treat the environment well also tend to treat their employees well, conserve resources and allocate capital wisely, according to R. Thomas Manning, Jr. ’89, chief investment officer at Silver Bridge Advisors in Boston.

That’s the idea behind socially responsible investing (SRI) and the Silver Bridge Sustainable Environment Equity strategy, which Manning
manages with assistance from GSOM students. Manning is using three or four GSOM interns on an ongoing basis to supplement internal research and analyze SRI opportunities.

As a Clark graduate, Manning wanted to help Clark students by giving them experience as stock analysts, but Silver Bridge also benefits from the students’ analytical capabilities. Interns seek to analyze trends over time, such as water consumption per employee or emissions as a percentage of revenue, to determine whether a company’s efficiency is improving.

The internships began last spring and, to date, six students have taken advantage of them.

“This is something we can do long-term,” according to Manning. “We’re collecting qualitative research in all of the companies we invest in and every year there is new data. Someone out of grad school with months of experience doing this kind of work will have a leg up on someone coming out of another institution.”

The CISDM focuses on alternative investments, including not only commodities, but hedge funds, futures, options and private equity. Funding comes primarily from individual and corporate donations, including exchanges involved with alternative investments. CISDM does not do contract work, as it might create a conflict or the appearance of one. Spurgin was attracted to GSOM, because being at a small college “requires you to get out in the world more than you would in a big university.”

So he gets to talk to people in the business world, rather than creating research for other professors. Yet he has access to the resources of the CISDM to pursue the research that interests him.

“The contribution of active management is the central question I’m interested in,” Spurgin said. “I’ve nibbled around the edges of that question. I’ve done more in commodities recently, trying to look at active management of crude oil and copper, which have become a much more important part of investors’ portfolios.”

Big College Plus Small College Yields Perfect Fit For Spurgin

Can a small college do big research? It can when it collaborates with a major university.

Rich Spurgin, associate professor of finance at GSOM, has been an associate director of The Center for International Securities and Derivatives Markets (CISDM) at the University of Massachusetts in Amherst, Mass., since he helped found it in the early 1990s, when he was a graduate student at UMass.

His involvement with CISDM allows him to undertake research that he would otherwise be unable to pursue, such as determining whether active management yields improved performance for investors in commodities.

“Because Clark is a relatively small school, we don’t have the research resources that a large university would have, so we’re encouraged, as faculty members, to go outside and make connections,” Spurgin said. “The center provides me with the research infrastructure of a major university while I’m teaching at Clark.”

Not only commodities, but other alternative investments are morphing into new products that are becoming available to individual investors. While investors have to have a high net worth to invest in hedge funds and some other alternative investments, increasingly, retail versions of the same strategies are becoming available “if you know where to look.”

CISDM also provided capital and the intellectual framework to found the CAIA Association in Amherst, which provides certification for Chartered Alternative Investment Analysts.

“Once it was up and running, we stepped back from it,” Spurgin said. “I still serve on the curriculum committee and wrote one of the textbooks, but we do not have a formal affiliation.”
Spreading Regional Sustainability

Central Massachusetts is getting greener, thanks to the work of Visiting Professor Will O’Brien and his students.

In addition to taking on sustainability projects for area businesses, students in his “Greening the Corporation” course are working with municipalities throughout central Massachusetts to create and help implement sustainability plans.

O’Brien said the projects can have the triple-bottom-line benefit of helping cities and towns operate more efficiently, saving money during today's challenging economic times; helping the environment by conserving energy and other resources, and improving the social well-being of employees and residents.

Among the communities benefiting from the work of O’Brien’s students are the Massachusetts towns of Grafton, Northbridge, Sherborn, Sutton and Stow, where O’Brien resides, plus Woodstock, Conn.

O’Brien and his class are also working with The Sustainable Business Network of Greater Boston to implement its Sustainable Business Leader Program in Worcester. The technical assistance program helps businesses improve their environmental practices and decrease their carbon footprint. The class has also mapped out a couple of hundred potential locations for organic gardens in Worcester, where low-income residents could grow their own food within 10 minutes of where they live.

According to O’Brien, Americans recognize the importance of sustainability, but need a catalyst to act.

“We’re spoiled; we feel no pain,” O’Brien said. “The only time we start becoming more energy efficient is when the price of gas goes up to $4 a gallon.”

Stow Town Administrator Bill Wrigley agreed that a catalyst is needed. While he might encourage department heads and facilities managers to conserve energy and protect the environment, he said O’Brien’s students are more likely to have an impact.

O’Brien’s class recently completed a sustainability plan for Stow, Wrigley said, and “what they did, first and foremost, was bring to our attention, all at one time, comprehensively, common areas across the board that need attention. The report was thoughtful, detailed, clear and coherent. Over time, it will improve our energy usage and I presume that there will be savings.”

Jim O’Connor, acting chair of the Energy Committee in Grafton, said it would have been difficult to create a sustainability plan for his town without student help. The students’ work, though, “put the need to the forefront.”

“It’s too bad our students are not a proxy voting. The firm solicited its clients’ permission to vote on

SRI Is A Growing Field... But What Is It?

If socially responsible management is the future of corporate America, then socially responsible investing (SRI) must be the future of finance.

SRI is a young, but growing industry, as socially responsible investments totaled $3.07 trillion, or 12% of the U.S. marketplace, last year. In response to the growth of SRI, Net Impact, the Finance Association and GSOM Career Services jointly sponsored a recent panel discussion, “Socially Responsible Investing: The Future of Finance?”

One participant, Julie Goodridge, President and Founder, NorthStar Asset Management, Inc. of Boston, was a broker at E.F. Hutton when she decided to start her own SRI firm 20 years ago. At the time, she said, there were about 15 financial advisors in the field. Today, there are “hundreds, maybe even thousands.”

R. Thomas Manning, Jr. ’89, chief investment officer at Silver Bridge Advisors of Boston, said his firm entered the SRI industry 10 years ago, based on the needs of a large foundation that is a client. While Silver Bridge manages a large-cap SRI fund, it is evolving into other areas, such as private equity investments.

Defining SRI

While SRI has grown, no one has yet defined it accurately and it means different things to different people. While many SRI firms use negative screens to prevent investments in companies that may harm the environment or are in the defense industry, for example, they may also use positive screens to identify and invest in companies that focus on green technology or follow fair trade practices.

The roots of SRI go back to efforts to stop apartheid in South Africa, and NorthStar is still very involved with human rights issues, such as ensuring the availability of safe water.

Manning benchmarks and analyzes corporate criteria and tracks improvements to see whether the company is, for example, reducing its use of water or energy (see related article, page 4).

NorthStar manages a global all-cap portfolio, Goodridge said, but “we’re not screening, we’re just looking at industry leaders.”

Beyond Investing

While SRI firms typically focus solely on investing, NorthStar takes a more activist role.

“I decided that avoiding bad companies and investing in good ones was not enough,” she said, so NorthStar became involved in proxy voting. The firm solicited its clients’ permission to vote on
their behalf, so it would have enough votes to make a difference and influence outcomes.

Since a shareholder needs to own only $2,000 worth of company stock to file a shareholder resolution, NorthStar also sometimes files shareholder resolutions, seeking to influence corporate behavior. For example, NorthStar convinced PepsiCo to present a shareholder resolution advocating for safe water globally.

Her company’s activist stand is necessary, she said, because, “There’s not a single company on the globe that’s socially responsible.”

Manning and Goodridge also, of course, have to consider traditional issues, such as risk and return, when making their investment decisions.

To some extent, clients are willing to sacrifice profit for the sake of being socially responsible investors, but at the same time, being socially responsible may also protect shareholders, according to the panelists.

“When Greenpeace shows up at your annual meeting to say you’re dumping hazardous waste, it’s not going to help the price of your stock,” Goodridge said.

A Career in SRI

How should those who are interested in a career in SRI get started?

Maria Arabatzis ’09, MBA ’10, an associate with Reynders, McVeigh Capital Management, LLC, suggested becoming involved with the Boston Area Sustainable Investment Collaboration, which provides a networking opportunity as well as exposure to the industry.

Both R. Thomas Manning, Jr. ’89, chief investment officer at Silver Bridge Advisors, and Julie Goodridge, president and founder of NorthStar Asset Management, Inc., recommended that students seek internships in the field.

Strong math skills are important, they said, as SRI firms typically need analysts.

Manning added that both quantitative and qualitative skills are important and Goodridge suggested that extracurricular social work, such as working for a homeless shelter or for Amnesty International, can also be helpful.

GSOM Adopts Principles for Responsible Management Education

GSOM announced that it has adopted the Principles for Responsible Management Education (PRME).

“Your institution’s engagement contributes to a broader movement which has the potential to generate a wave of positive change, thereby helping to ensure a world where both businesses and societies can flourish,” according to Jonas Haertle, head, PRME secretariat, UN Global Compact Office.

By adopting the principles, GSOM has pledged to engage in a continuous process of improvement in applying the principles, to share information on progress regularly and to contribute to the learning experience of other academic institutions worldwide that are participating in the PRME, Interim Dean Joseph Sarkis said.

The principles are meant to serve as a framework of continuous engagement:

• To develop the capabilities of students to be future generators of sustainable value for business and society at large, and to work for an inclusive and sustainable global economy.

• To incorporate into academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the UN Global Compact.

• To create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

• To engage in conceptual and empirical research that advances understanding about the role, dynamics and impact of corporations in the creation of sustainable social, environmental and economical value.

• To interact with managers of business corporations to extend knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

• To facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

“Our goal, over time, is to fully adhere to these principles,” Sarkis said.
but lost both her business and her home. The result was a fight between insurance companies over whether damages were caused by wind or water. It took a couple of years of litigation to resolve the issue, but "the people of Mississippi were very resilient."

When Rainey came to the SBDC, he was considering teaching full time and consulting part time, as he had taught courses at Northeastern University, Merrimack College and Bentley College. He ended up consulting full time and teaching part time at GSOM.

Previously, in addition to his position at Wright Line, he had worked in financial positions at Associated Testing Labs in Burlington and Fenwal Electronics in Milford.

He has both bachelor's and master's degrees from Babson College, and is a certified management accountant. He serves on the Zoning Board of Appeals in Westborough, Mass., chairs the Westborough Republican Town Committee, is active at the annual town meeting, referees basketball games and runs the "over 50" softball league.

Students will look at other communities where the creative economy plays a vital role, including Seattle, Cambridge and Boston, Gomes said, adding that it's important to look at the creative economy objectively and not assume that it provides the best use of the city's resources.

"Some say the creative economy makes a big difference," Gomes said. "I think that's right, but the unexamined life can lead you down the wrong track. Even if you start with the hypothesis that the creative economy is worthy of support, if it turns out that it isn't, everyone needs to rethink that assumption."

The class on Worcester's creative economy is, Buswick and Gomes hope, just the beginning, although it's too early to tell what will come next. "It's like a video game," according to Gomes. "If you get thorough one level, you get to play at a higher level. Useful knowledge gathered from this class will spawn opportunities for new research and new partnership opportunities."