



The BENCHMARK



SCOTT SUCHMAN

Blending Medicine and Management

By the time David Bostwick enrolled in Loyola's Executive MBA program in 1989, he had already established himself as a leading physician. Chief of Pathology at Baltimore's Mercy Medical Center and a professor at several area universities, he wanted to gain knowledge and skills that would allow him to lobby the hospital's business leaders in their own language for needed medical investments. That business education fueled an entrepreneurial spirit in Bostwick that found its mission years later when he launched his own specialty pathology company, Bostwick Laboratories. Today, Bostwick is preparing to take his \$170 million company public. Inside, he explains how he has managed the company's extraordinary growth while maintaining its focus on patient service.

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DEAN'S NOTE

Building an entrepreneurial mindset – one student at a time

First, I should begin with a bit of an introduction. I am Karyl B. Leggio, and I joined The Sellinger School as Dean this past July. Previously, I served as Associate Dean for Academic Programs at the Henry W. Bloch School of Business and Public Administration at the University of

Missouri at Kansas City. As a finance professor, my research interests lie in the areas of deregulating industries and risk management, ranging from managing risk for the individual investor on up to managing enterprise-wide risk.

I want to take just a moment to express my thanks for the warm welcome I have received since coming to Loyola. My family and I find Baltimore to be a very embracing community, and my experiences at Loyola, and The Sellinger School in particular, have been just terrific. This is an extraordinary place blessed with talented students and accomplished faculty, and I am very proud to be a member of this remarkable team.

These first few months have also brought a great deal of hard work as my colleagues throughout The Sellinger School and I begin to shape our vision for the School's future. We are fortunate to have faculty who are excellent teachers, who are conducting relevant research, and who are creative and entrepreneurial as they consider the programs, courses and opportunities we offer our students. What will our current students need to be successful in their careers 10 years from now? Preparing students to succeed in a changing environment is a question we grapple with constantly as we continue to review and revise our program curricula.

We do know that we need to help students learn to be creative; to respond to changing business conditions; to engage with an increasingly global community; to learn to work effectively in, and to lead, teams; and to adapt to changing technologies. In short, we need to educate students on the art and science of the entrepreneurial mindset, regardless of whether our students ever intend to own their own businesses.

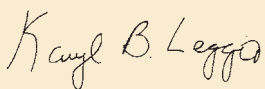
Entrepreneurial thinking is clearly a message that David Bostwick learned during his years in Sellinger's EMBA program. Not only did David create a multi-million dollar business, but he created one that focuses on quality, on serving the individual and on continuous improvement. Bostwick Laboratories' greatest competitor is itself, as it strives to exceed expectations and raise the bar year after year. What a terrific example for our current students. You'll learn more about David, his company and their exciting future in this issue of *The Benchmark*.

This year, our MBA Common Text project focuses on former Federal Reserve Board Chairman Alan Greenspan's *The Age of Turbulence*. Greenspan's book spans 20 years of upheaval in the financial markets as we moved to an increasingly global economy. In various courses, students will trace the roots of current fiscal policy and consider the individual's means of adapting to a new world and preparing for an uncertain future. The Common Text is a great way for our faculty to integrate our curriculum and for students to make the connections between the various academic disciplines.

This commitment to the integration of academic disciplines and the application of business principles to the local, regional and global worlds we and our students inhabit is a critical part of The Sellinger School's approach to education. At a recent faculty retreat, we developed the following statement about Sellinger:

Our people create value with a sense of integrity and inner purpose while serving the community by embracing change, risk and innovation and have a good time doing it.

"Our people" refers to our faculty and staff, students and alums, civic and corporate communities. We have a busy year ahead of us; we hope you actively participate in the Sellinger community this year as we, collectively, embrace change—and perhaps even have a little fun along the way.



Karyl B. Leggio, Ph.D.

CALENDAR OF EVENTS

Executive Speaker: Alice Rivlin

WEDNESDAY, OCTOBER 29

Alice Rivlin, Vice Chair of the Federal Reserve Board from 1996 – 99, will discuss the state of the economy in relation to the upcoming Presidential election. Her remarks will build upon the concepts raised in Alan Greenspan's *The Age of Turbulence*, this year's MBA common text.

Evergreen Campus
McGuire Hall
6:30 p.m.

Reception to follow. For more information, call the Graduate Business Office at 410-617-7745 or e-mail Ann Attanasio at attanasio@loyola.edu.

Information Sessions: MBA/MSF

Learn more about all Graduate Business programs, meet the program directors, discuss your future plans or refer a colleague at one of the following sessions:

October 18	Timonium	10:30 a.m. – noon
October 24	Timonium	5:30 – 7 p.m.
November 8	Columbia	10:30 a.m. – noon

Individuals interested in beginning a Graduate Program are encouraged to contact the Executive and Graduate Business Programs Office at 410-617-5067 or graduate@loyola.edu.

Lattanze Center Fall Symposium

FRIDAY, NOVEMBER 14

Please join us for our fall symposium, featuring three research presentations focused on the role of online and virtual communities in learning and commerce.

"Transform, Enhance and Motivate Information Technologists"
John T. Nosek, Temple University

"The Good, the Bad and the Uncertain: Understanding Consumers' Perception of Customer Product Ratings Online"
Jason Q. Zhang and Georgiana Craciun, Loyola College in Maryland
Rex Yuxin Du, University of Georgia

"Business Involvement in 3-D Virtual Worlds"
Fiona Fui-Hoon Nah, So Ra Park, David De Wester and Sunran Jeon, University of Nebraska, Lincoln

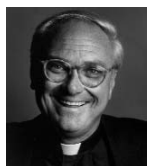
For more information, contact Ellen Hoadley at ehoadley@loyola.edu; to register contact Audra Brown at anbrown@loyola.edu or 410-617-1516.

Alumni Events

EMBA/MBA Case Club
Thursday, November 6
6 – 8 p.m.
Timonium Graduate Center

Sellinger School welcomes new faculty

This year, The Sellinger School welcomed six new full-time, tenure-track faculty. Their range of academic, professional and service commitments will greatly augment the educational experience the School is able to offer its students.



THE REVEREND TIMOTHY BROWN, S.J.
Associate Professor
Law and Social Responsibility

Education: Undergraduate, Georgetown University; M.Div., Fordham University; M.Div., Weston School of Theology; J.D., Georgetown University.
Other information: Former Provincial of the Maryland Province of the Society of Jesus; Co-founded Loyola's Center for Community Service and Justice in 1993



ELIZABETH KENNEDY
Assistant Professor
Law and Social Responsibility

Education: Undergraduate, Smith College; J.D., University of California, Berkeley (Boalt Hall)
Other information: Practiced corporate law at Fried, Frank, Harris, Shriver and Jacobsen, LLP; completed Legal Aid Society externship



GAURI KULKARNI
Assistant Professor
Marketing

Education: Undergraduate, Pennsylvania State University; Ph.D. candidate, University of Maryland, College Park.
Other information: Research focuses on consumer online search behavior



JONATHAN RAE LIN
Assistant Professor
Management and International Business

Education: Undergraduate, Boston College; Ph.D., George Washington University
Other information: Research focuses on resistance to change



ANDREW SAMUEL
Assistant Professor
Economics

Education: Undergraduate, Calvin College; master's degree and Ph.D., Boston College
Other information: Research focuses on the relationship between economics and corruption



PAUL TALLON
Associate Professor
Information Systems and Operations Management

Education: Undergraduate and master's degrees, University College Dublin; Ph.D., University of California Irvine
Other information: Research interests include the role of information technology (IT) in adaptive corporations and IT governance, alignment between IT and business strategy, organizational and economic impacts of information technology and the economics of data management

Faculty Commentary

Bostwick Laboratories' extraordinary growth provides compelling evidence of how successful new product development (NPD) can serve as a critical driver of corporate success. New product development is risky, however; estimates of failure rates range from 40 percent to 90 percent. Underlying these high failure rates is the inability of new products to provide "value." In contrast, Bostwick Laboratories' success stems from a superior offering, i.e., a reduction in the time required to obtain biopsy results, from two weeks to 24 hours.

David's NPD strategy underscores two critical and related ingredients for new product success: developing customer empathy and solving customer frustrations. According to IDEO, a leading product development firm, developing "empathy" for customers' needs is critical for successful NPD. While traditional market research techniques like surveys and focus groups are useful starting points, a preferred approach is to spend time in your customers' environment. To illustrate, David's extensive experience in pathology has led to a rich understanding of his customers' world. As he notes, "we provide straightforward reports, with very informative images," and "every sample we work with represents someone's

husband, father, brother or son. We've got to get it right every time and we've got to do it quickly."

One important consequence of customer empathy is recognizing their frustrations. Addressing these frustrations is another essential ingredient for new product success. Witness, for example, Dyson's success with the bagless vacuum cleaner, an innovation that resulted from founder James Dyson's frustration with the poor suction of existing bagged vacuum cleaners. Similarly, David's frustration that "every day that passes before (biopsy) results come back means another sleepless night, another delay before treatment can begin" provided critical impetus for his initial innovation.

Despite his company's extraordinary success, David notes that he is continually "looking for ways we can make ourselves better." Starting with urologic biopsies, the company has expanded to colorectal, gynecologic, and skin cancers. In the face of increasing competition, this commitment to innovation/new product development bodes well for Bostwick Laboratories' continued success.

Gerard Athaide is a Professor of Marketing at The Sellinger School.

ONLINE COMMUNITY TO KEEP ALUMS CONNECTED

Loyola will soon launch one of its most powerful online ventures yet—a social networking community offering Loyola alums (and current Sellinger School graduate students) a forum where they can connect, build networks, create personalized profiles, explore career resources and learn about Loyola news and events. In the coming months, alumni will receive additional announcements on the online community's complete features, launch date and registration process. Until then, alumni can make sure their contact information is up-to-date by visiting www.loyola.edu/linkup.

JOHNSON & JOHNSON'S COUNCIL NAMED IT EXECUTIVE OF THE YEAR

The Lattanze Center @ Loyola College named LaVerne Council, Corporate Vice President and Chief Information Officer at Johnson & Johnson, its 2008 IT Executive of the Year. Council accepted the award at a Tuesday, Sept. 23 executive briefing at Loyola's Columbia Graduate Center.

Council, who joined the health care products and services giant in 2006, oversees its global information technology group and is responsible for managing information technology and related systems for the Johnson & Johnson worldwide enterprise. Throughout her career, she has built a track record of achievement that includes a wealth of global experience in information technology, supply chain management and business operations.

Prior to joining Johnson & Johnson, Council was Global Vice President for Information Technology, Global Business Solutions and Development Services for Dell, Inc., where she focused on optimizing global product delivery capability. In that role, she developed and implemented business growth solutions, created a global development model, and managed the global quality process through the implementation of Capability Maturity Model strategies. During her tenure at Dell, Council was also the global leader for infrastructure engineering, networking, security, enterprise application interfaces and the Global Supply Chain Technology in Dell's core operations.

Earlier in her career, Council was a partner with Ernst and Young LLP, where she led the Global Supply Chain Practice, focusing on Life Sciences accounts. She was responsible for Ernst and Young's Supply Chain Strategy Team for all markets.

A member of numerous non-profit and IT industry association boards, including that of the March of Dimes, Council has received many professional honors, including a nomination to the CIO Hall of Fame, selection by



the Global CIO Executive Summit as a 2008 Top Ten Leader and Innovator, and inclusion in *Forbes* magazine's 2007 listing of Technology Power Women.

Council holds a bachelor's degree in business from Western Illinois University, where she graduated with highest honors. She also has an MBA in Operations Management from Illinois State University.

Established in 1991, the IT Executive of the Year is a national award that recognizes leaders who have made outstanding contributions to advancing the strategic application of information technology to achieve organizational objectives.

The Lattanze Center @ Loyola College was formed in 1989 to create a partnership between the Information Technology community and Loyola's Sellinger School of Business and Management. Its mission is to offer relevant executive education on planning, building and managing IS systems for enterprise success and to facilitate information sharing among the communities of IS executives, academics and students.

MBA Students Consider Greenspan's Age of Turbulence

Once again, The Sellinger School's MBA faculty have selected a Common Text for use in all 700-level classes. The book, Alan Greenspan's *Age of Turbulence*, provides an analysis of the contemporary financial world based on the former Federal Reserve Board chairman's unique perspective as the individual who worked in the command room of the global economy longer and with greater impact than any other person living today.

"Alan Greenspan is one of the most important and influential figures of the past 50 years," said Finance Chair Lisa Fairchild, who recommended the book. "His book provides important insights into his role as an economic policymaker throughout the years and the impact he has had on the business world. With the recent problems within the housing sector, Greenspan's policies have been criticized and alleged to have heavily contributed to the housing sector problems. Hence, the *Age of Turbulence* is a timely and thought-provoking book that encourages students to consider the role that economic policy and, in particular, that of the Federal Reserve, has in impacting the business world and everyone's lives."

Different professors will use the lengthy book's various chapters throughout their courses and apply them in assignments of their choosing. The Sellinger School is planning two additional related events. The first is set for 6:30 p.m. on Wednesday, Oct. 29, and will feature a presentation on the state of the economy in relation to the upcoming Presidential election by Alice Rivlin, Vice Chair of the Federal Reserve Board from 1996-99. Another event will be scheduled in the spring.

Faculty Research

John Burger (Economics) and **Stephen J.K. Walters** (Economics), "The Existence and Persistence of a Winner's Curse: New Evidence from the (Baseball) Field," *Southern Economic Journal*, Vol. 75, No. 1, pp. 232-45, July 2008.

Peter Lorenzi (Management and International Business), "Affluenza: Addiction, affluence and the American lifestyle," *Society*, Vol. 45, No. 2, pp. 107-111, March/April 2008.

Octavian Ionici (Finance), **Hong Zhu** (Accounting) and Kenneth Small, "Size does matter: An examination of the economic impact of Sarbanes-Oxley," *Review of Business*, Vol.27, No. 3, pp. 47-55, Summer 2008.

Doris Van Doren (Marketing) and **Hope Corrigan** (Marketing), "Designing a Marketing Course and Field Site Visits," *The Journal of Marketing Education*, Vol. 20, No. 20, December 2008.

Stephen J.K. Walters (Economics) and Louis Miserendino, "Baltimore's Flawed Renaissance: The Failure of Plan-Control-Subsidize Redevelopment," Institute for Justice, June 2008.

Gloria Phillips-Wren (Information Systems and Operations Management), **Stephen Kramer** (Information Systems and Operations Management) and **Phoebe Sharkey** (Information Systems and Operations Management), "Strategic Decision Making under Conditions of Complex Demand and Market Risks," *International Journal of Applied Decision Sciences*, Fall 2008.

a closer look

David Bostwick, M.D.,
EMBA '91

For a patient awaiting biopsy results, every hour, every minute, is excruciating. Every day that passes before results come back means another sleepless night, another delay before treatment can begin. For all too many patients, that wait can take up to two weeks, a window of uncertainty pathologist David Bostwick, Chairman, President and CEO of Bostwick Laboratories, finds unacceptable.

Bostwick, EMBA '91 and former Chief of Pathology at Mercy Medical Center and later a professor at Minnesota's famed Mayo Clinic, founded the company in 1999. The married father of three poured his life savings into a business—one he proposed in an EMBA marketing course—focused on a very specific goal: biopsy results delivered within 24 hours. Because Bostwick's specialty is pathology of the prostate, the company specializes primarily in urologic biopsies. It has more recently added smaller divisions focused on diagnosing colorectal, gynecologic and skin cancers.

"The master I serve is the patient," he says. "It's critical to me that all of our employees understand that every sample we work with represents someone's husband, father, brother or son. We've got to get it right every time, and we've got to do it quickly."

Based in Glen Allen, a suburb of Richmond, Va., Bostwick Laboratories also has locations in Arizona, Florida, New York, Tennessee and London, and employs about 900 people. Its labs receive thousands of samples each day from medical practices and diagnostic centers all over the world.

Revenues are expected to exceed \$170 million this year, an increase of 67 percent over 2007. Not bad for a company that launched less than a decade ago with just its founding pathologist, who relied on friends in the field to direct their biopsies to him. In fact, Bostwick's success led Ernst & Young to name him its Health Sciences Entrepreneur of the Year for the Greater Washington region in 2008. Bostwick expects the company's double-digit revenue growth to continue for several years.

According to Bostwick, the key to his company's success is its unrelenting focus on its specialties, compared with laboratory giants like Quest Diagnostics, which handle dozens of different biopsy types. "We're a niche player," he says. "We don't try to be all things to all people. Sticking to our specialties allows

us to be more closely aligned with the needs of our physicians and their patients."

In his labs, Bostwick has incorporated a number of strategies designed to encourage efficiency without compromising the accuracy of his results. He maintains a high-tech assembly line that keeps his custom-designed, standardized biopsy kits moving through the diagnostic process from the moment the UPS truck drops them off. Using microwave ovens to prepare slides buys precious time as well. Bostwick is also in the process of adding Radio Frequency Identification (RFID) technology to the biopsy kits to monitor and track the movement of each kit through the system. With RFID tags, laboratory personnel will be able to quickly locate any kit from their desktop computers, identify bottlenecks and immediately implement changes to improve throughput.

In addition to recruiting highly qualified employees from the nation's few specialized histotechnology programs, Bostwick holds them to strict quality control standards. His technicians prepare 12 prostate tissue samples for review, while most labs take only three.

The focus on quality extends to the reports he generates for his physician clients. "We provide straightforward reports, with very informative images," says Bostwick, who still keeps a microscope on his desk to personally review about 30 biopsies per day. "Most other labs don't do that, but recently, some of our competitors have been adopting our approach."

His challenges, he says, stem not from his competition but arise within the company itself. "We watch the environment, but our strategies are essentially operations-focused, looking for ways we can make ourselves better," he says. "That doesn't mean we haven't made mistakes along the way. Most of them have had to do with staff. I tend to



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assume that everyone we hire has that 'patient first' mentality, and that's not always the case. At orientation, we now emphasize our core values—the patient above all else; people are our strength; absolute integrity; and the constant pursuit of excellence, and that's made a big difference."

Now, Bostwick Laboratories stands on the brink of its next leap forward. Its CEO plans to take the company, which has grown via a classic reinvestment strategy since its inception, public next year. Of course, some of the motivation for this move stems from a desire to raise additional capital to fund growth, but it also allows Bostwick to make good on a longstanding promise to his employees to turn their company stock—they are all eligible to own shares—into a liquid investment.

Bostwick didn't set out to earn his MBA to end up the leader of a multi-million dollar international company. He merely wanted to become a more knowledgeable and influential hospital physician. But his experiences in the Loyola Executive MBA program played a major role in his decision to take his career, and his life, in an all-new direction.

"What's happened in the past 10 years has been beyond my wildest dreams, and the things I learned at Loyola helped me immeasurably," he says. "The Loyola MBA gave me confidence and an understanding of what I wanted to do with my future, it reinforced my strengths and revealed my weaknesses, and gave me practical knowledge and formal tools that I still use every day."

THE BENCHMARK ONLINE

The Benchmark is now available online at www.loyola.edu/benchmark. The newsletter contains links to faculty research publications and additional resources to enhance your reading experience. You can also send the newsletter to a friend and peruse back issues.

ALGECO SCOTSMAN'S HOLTHAUS NAMED BUSINESS LEADER OF THE YEAR

Gerard E. Holthaus, Chairman and Chief Executive Officer of Algeco Scotsman, a leading global business services provider and expert in modular space and storage solutions, has been named Loyola's 2008 Business Leader of the Year. He will accept the award on Wednesday, Nov. 19 at the Renaissance Harborplace Hotel. Dinner begins at 7 p.m., and is preceded by a cocktail reception that begins at 5:45 p.m.

Holthaus joined what was then Williams-Scotsman in 1994 as Executive Vice President and Chief Financial Officer, later serving as President and Chief Operating Officer before becoming Chairman in 1999. The Baltimore-based company, which operates mobile offices, classrooms and storage units, merged with Algeco, Europe's leading space rental company, in 2007. Holthaus is now responsible for all operations of the combined company, which maintains a fleet of more than 343,000 units in 20 countries.

Holthaus' previous honors include Ernst & Young's Entrepreneur of the Year and a World Trade Center Institute International Business Leadership award.

Loyola has honored a Business Leader of the Year since 1983, and the Award Dinner has grown to become Baltimore's premier business event, attracting more than 1,100 guests each year representing the region's leading companies.

For additional information on the event or to register, please visit www.loyola.edu/businessleader or phone Allison Rubin, Director of Advancement Events, at 410-617-2973.

Remembering Professor Ray Jones

Ray Jones, professor of Management & International Business, passed away on Saturday, June 21. He was 65.

"Ray was the ultimate colleague," said Roger Kashlak, chair of the Management and International Business Department. "He was truly a man for others. He had a deep understanding of the Jesuit mission and lived it every day of his life. We're much better off because he was a part of our lives. Ray's family, colleagues, students and all those who knew him will miss his wisdom, compassion, leadership and friendship."

Jones graduated from the United States Military Academy in 1964 and went on to serve for five years as an officer in the U.S. Army. After leaving active service, he earned an MBA from Harvard University in 1971 and a J.D. from the University of Texas in 1973. While in law school, he taught at Saint Edward's University in Austin. From 1973 – 1981, he was an executive for Occidental Petroleum Corporation, an international oil and gas exploration and production company. Jones completed his Ph.D. at the University of Maryland, College Park in 1993 and taught there for a number of years before joining the Loyola faculty in 1999.

Memorial contributions may be made to: St. Joseph Preparatory School in Philadelphia or Cristo Rey Jesuit High School in Baltimore.

Jones is survived by his wife, Bobbie, and two daughters, Audra and Andrea.



A Publication of The Sellinger School of Business and Management
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