Message From the MBA Director

It was great seeing you at our January TGIF and we hope that you found our very first networking event useful. As always, we welcome your feedback on these events. In case you were not able to make it to these events, please read on to learn more and do take a look at pictures from these events. You can catch up with the latest on your fellow alumni in the class notes section as well.

In this issue, Full-Time Lecturer Jeff Dean gives his take on Limited Liability Companies. Please read on to learn more about Associate Professor Zoe Barsness, MBA alumni Kristie Putnam and Jon Ragan and current MBA students, David Sloan and Michael Hurst. Also featured is our winter quarter executive speaker Hans van Someren Gréve’s perspective on corporate social responsibility. We would appreciate your recommending qualified students to our MBA Program. Our priority deadline is May 1 and we have a second deadline of July 1. We look forward to seeing you at our next TGIF get together. Please stay in touch.

Best wishes,
Eugene Sivadas
MBA Director

Class Notes for Winter 2011

We would love to hear from you. Submit your professional and personal updates for the Spring Quarter MBA Newsletter to aubreer@uw.edu. Please send pictures; too.

Class of 2004
Mike Slevin served two combat tours, and was deployed three of the last six years. He currently serves as Assistant Director of Public Works for the City of Tacoma.

Class of 2008
John O’Loughlin is working as an asset manager for water and surface water utility for the City of Tacoma.

Class of 2009
It’s been a busy year for Erik Holme! Erik and wife, Callie, bought their first home on Chamber’s Creek in Lakewood last May. They had their first child, a baby girl named Lucia, on July 25, 2010. Erik received a promotion within the Franciscan Health System and is working with the Franciscan Medical Group as Clinic Manager of the University Place Medical Clinic.
Morgan (McGovern) Matthaei

Class of 2010
Keegan Hall, Co-founder of start-up Emergent Detection, was recently awarded a $10,000 Milestone Achievement Award from the Herbert B. Jones Foundation.
Joel Gjuka will present a paper co-authored with Dr. Altaf Merchant and Dr. Greg Rose, at the Academy of Marketing Science 2011 Conference in Florida in May.
Arif Jamal reports that he is working as Performance Analyst at BNY Mellon.

Class of 2011
Congratulations to Jessica Cromheecke and her team, Sycamore Partners, who tied for first place at the Venture Capital Investment Competition hosted by the Foster School of Business’ Center for Innovation & Entrepreneurship.

Save the Date: Spring Quarter TGIF, May 6, 5-8pm at The Swiss
GMAT Training—Milgard School is offering free GMAT training on Saturday, March 12, 2011 (8:30-4:00 pm in Dougan 160). Pass the word along to anyone who is thinking about pursuing an MBA. Email uwtmba@uw.edu to register.

Alumni/Notes—send your updates to Aubree by May 20 at aubreer@uw.edu
Pictures from the January 28th TGIF Event

Adam Small '10, Dr. Tracy Thompson, Keegan Hall '10

Laraine Quail '04, John Harrison '03, Mike Slevin '04, Arif Jamal '10

Steve Yamamoto '12, Anne Reedy '10, Joel Gjuka '10, Dr. Zoe Barsness, Keegan Hall '10

Dean Shahrokh Saudaguaran, Eric Wymore '09, Jake Matthaei '09

Lita Monaghan '12, Brittany Ellsworth '11, Dave Sloan '11, Stan Sexton '11
In my law practice, I am often asked by small and medium sized business owners if the Limited Liability Company, usually called an "LLC," is the best ownership form for their business. My answer is almost always, "it depends." Let us take some time to examine only this specific form of ownership. In doing so, I expect to dispel the many myths surrounding LLCs which seem to emanate from water cooler and cocktail party discussions.

The LLC is a creature of state legislatures starting in Wyoming in 1977. Washington State has authorized the existence of LLCs since the early 1980s. When compared to corporations as business entities, the LLC is a new arrival. As such, there has been relatively little litigation in Washington, or elsewhere for that matter, for the courts to define in greater detail the rights and duties respecting this form of business ownership. Before examining the mechanics of structuring, or re-structuring, the business entity to an LLC, the first question to ask is: "what are the business risks?" The requisite answer to reduce or mitigate those risks may be more appropriately, insurance coverage, or more insurance coverage. If insurance coverage alone is insufficient to manage risk, then structuring, or re-structuring, the legal entity to an LLC may be suitable.

Members, not partners and not shareholders, are the owners of the LLC. The members have a defined membership interest in the LLC usually denoted by percentage ownership in the LLC. Although members are the LLC owners, members are legally separate from the LLC entity. This is one of the primary advantages residing with an LLC business form; the LLC is a separate legal entity from the members. Liability for errors or omissions or negligence remains with the LLC. It does not flow through to the members except in extraordinary circumstances. Foreigners can be members; in Washington State, there are single member LLCs, and a husband and wife can be a single-member LLC.

Management of the affairs of the LLC can be either by a member, who is designated Managing Member, or by all the members. I urge caution if all members of a multi-member LLC manage the affairs of the LLC. Decision making for routine matters often becomes cumbersome if everyone must vote on all management decisions, or there must be a unanimous member vote on decisions. Management can be delegated to a designated non-member entity. This entity can be a natural person or another company. Unless the multi-member LLC has a large number of members, management typically resides in one managing member.

Once members agree to the LLC management, the LLC must file a Certificate of Formation with the Secretary of State, Corporations Division, in Olympia. This Certificate defines the rights and duties between the entity itself and its members. A Certificate of Formation can be as few as three or four pages for a single member LLC to thirty pages for a more complex, multi-member LLC. Minimal items for inclusion in the Certificate are: name; principal business address; principal business operations; membership list; management of the LLC; and a registered agent. Registered agent designation is required should the LLC be involved in litigation. I need to pause in discussion to reiterate the need to be precise, yet expansive in the LLC's principal business operations. If the designated business operations in which the LLC will be engaged are too narrow and the business expands into other, yet related areas of business, an additional LLC or a restructuring of the current LLC is needed for that business expansion. Such a result can be costly. The Secretary of State examines business expansions beyond the original designated business operations within the current LLC structure very carefully and often disapprovingly.

Once the Certificate of Formation is filed and approved by the Secretary of State, the LLC exists as a separate legal entity and is ready to do business as such. As a practical matter, I urge business people to draft an Operating Agreement alongside the Certificate of Formation. The Operating Agreement is an internal document which defines the rights and duties between the members and the LLC Manager. There are no clear guidelines as to what should be included in the Operating Agreement. Items for consideration are: individual member investment in the LLC and how those investments are to be treated; member meetings and voting rights; delineation of Manager Duties to the entity itself and its members; and taxation. Taxation is another major advantage of the LLC form of business. The LLC can be taxed as a partnership: with profits and losses flowing through to the members based on their percentage ownership interest. Or, the entity can be taxed as a corporation: with the profits either flowing through to the members in the form of dividends, or not. Or, the entity can be included in a sub-chapter S corporation: with profits and losses flowing similar to a partnership. Clearly, the LLC creates great flexibility with respect to taxation.

I would be remiss not to discuss some disadvantages of the LLC business structure. Again, I ask: "what are the risks to the business?" and "does the LLC structure really eliminate or mitigate those risks?" The LLC is new compared to the corporation form of business ownership. There is little case law to support decision making within the context of the LLC structure. However, decision making within the entity which is reckless or results in a reckless disregard for others is not saved by the LLC business structure. In such cases, the courts have decreed to "pierce the LLC veil" and hold individual members liable for such recklessness. In theory, members are limited in liability to the amount of their investment, be it money or property. In practice, courts look with a very dim view on LLC managers or members who are reckless in their business practices to the injury of third parties. Also, LLC are a creature of state legislatures. Each state has different requirements as to its LLCs. There is no uniformity of requirements or documentation. Should a business person expand business outside of Washington State, that person needs to examine and comply with individual state law respecting LLCs. Although the LLC is a good form of ownership, it is simply not the right form for each and every business. Business owners need to consider several factors when deciding to form, or restructure to, a Limited Liability Company.
On Monday, February 28 the Milgard School of Business hosted its first inaugural MBA Networking Event. The idea for this event came from feedback Dr. Sivadas received last summer during phone calls with recent graduates, some of whom suggested the program offer formal networking opportunities in addition to the informal networking presented through class, quarterly TGIFs and other school events. Our first networking event brought together a group of 23: 8 current students, 9 alumni, and 4 guests.

Our networking event started off with an interactive presentation from Cheryl Bourn, Director of Human Resources for Weyerhaeuser’s manufacturing and distribution business. Cheryl’s talk was about Managing your career and gave tips for effective networking. She has been with Weyerhaeuser for nearly 23 years and had great insights to share with the group. To highlight the importance of networking Cheryl started the presentation by asking how many of the people in the room learned about their current position through a referral from a contact. Most people raised their hands, whereas only four had their job because they responded to a job posting. This mirrors the Department of Labor statistics showing that 48% of employees have their job due to contact referral.

Some of the points of her talk:

- If you start networking when you are looking for a job, you are starting too late.
- To be effective networking needs to be genuine and not just about collecting business cards.
- Networking is relationship building; it takes time and attention.
- Approach networking as a learning process. Listen more, sell less.

After the presentation the group was given an opportunity to network with other participants through a speed networking event. Pairs were given five minutes to talk, and then one member of the pair bumped to their next Speed Networking partner. This activity allowed everyone to meet at least 7 people in 45 minutes. The room was full of energy and participants happily reported they met people they never had the chance to meet before.

We look forward to making this an annual event and welcome your ideas.
Meet MBA Candidate: MICHAEL HURST

Michael Hurst is currently a full-time student at the University of Washington, Tacoma Milgard School of Business. In addition to his status as an MBA candidate, Michael is enrolled in the non-matriculated accounting program in order to concentrate his MBA in accounting. He is on track to graduate this summer, when he will begin the CPA examination before starting at Moss Adams, LLP in the fall as a staff accountant.

Michael grew up in Lake Bluff, Illinois and graduated in 2002 from The Citadel, The Military College of South Carolina, with a Bachelor of Science in Business Administration. Immediately after graduation, he was commissioned as an infantry officer in the United States Army. During his years of service he was stationed at Fort Campbell, Kentucky with the 101st Airborne Division and at Fort Lewis, Washington with 2nd Ranger Battalion. During his service, Michael conducted five combat deployments to both Iraq and Afghanistan.

After his five and a half years of military service, Michael knew that he wanted to return to school. "With the amazing experience and training I received in the military I felt that I had the discipline and work ethic needed for success. I did, however, want to reinvent myself professionally."

It did not take Michael long to find the Milgard School of Business. "I compared several schools and realized that everything I wanted from an MBA program was right here in Tacoma."

Besides his focus in accounting, Michael has enjoyed his exposure to all the MBA disciplines, especially economics and finance, but credits the majority of his learning to his classmates. "I feel lucky to have a great cohort of classmates who bring their work experience into the classroom and contribute to the material our professors are teaching us. It is fun to go to class and be challenged by not only the professors, but also the people next to you." Michael feels that the Milgard MBA program, through its unique curriculum and class size, dedicated professors, and MBA mentorship program, has provided him the skills to succeed as both an accountant and a future leader in the business community.

Outside of the classroom Michael enjoys spending as much time as possible with his beautiful wife Maygan, who is a Tacoma native and a local attorney. "I am truly grateful for my wife's support and patience for two years while I returned to school full-time. I could not have accomplished this goal without her." Michael and Maygan love traveling, concerts, and wine tasting, and look forward to keeping in touch with the friends they have made through the MBA program.

Meet MBA Candidate: DAVE SLOAN

Dave Sloan is Supply Chain Analyst at The Boeing Company. Stationed in Kent, Dave develops and integrates supply chain systems for Boeing’s defense programs nationwide. His job revolves primarily around integration of new software into current business systems to improve functionality. A major challenge is testing and troubleshooting new software to minimize production delays. A company the size of Boeing offers unique supply chain problems, keeping Dave challenged and engaged.

Prior to working at Boeing, Dave was a buyer for Jabil Circuit in Auburn Hills, Michigan. At this fast-paced contract electronics company, Dave purchased custom mechanical components, developed quotes for new business, and regularly audited suppliers.

Dave earned his Bachelor of Arts degree in Supply Chain Management from Michigan State University in 2003. While at Michigan State, Dave was a member of the swimming and diving program for four years. Much of his time at Michigan State was spent balancing academic and athletic responsibilities. Dave has a loving and understanding wife who has been unwavering in her support of Dave pursuing his MBA at the Milgard School of Business. She looks forward to seeing and spending some time with her husband once he finishes the MBA program. In his spare time, Dave enjoys spending time outdoors and enjoying all the sights that Washington has to offer.

The Milgard School of Business MBA program offers Dave a more diverse understanding of the overall business environment. While initially Dave hoped to gain perspective and skills on how disciplines like accounting work in business, the MBA program at the Milgard School of Business has offered so much more. The curriculum offers a good balance between the hard skills like finance and statistics and the softer skills like group dynamics. Additionally, the smaller class sizes at Milgard and close interaction with his fellow students create a very positive atmosphere for learning.

Dave believes that the MBA program at the Milgard School of Business is providing him with the knowledge, skills, and tools today to be a business leader tomorrow.
Alumni Profile: KRISTIE PUTNAM, MBA 2008
Vice President, Regional Strategy and Business Development, Providence Health & Services

Currently the Vice President of Regional Strategy and Business Development for Providence Health & Services, Kristie Putnam earned a Bachelor of Science in Psychology at Grand Canyon University in Phoenix, Arizona with intentions to pursue a master’s degree in counseling. After a couple of internships in crisis intervention counseling and mentoring at-risk youth, she recognized that the intense nature of the work wasn’t the right fit for her. She continues to admire and respect those who fill these demanding roles each day.

Shortly after graduating from college, Kristie began her career in health care as an executive assistant in the purchasing and materials management department with a hospital system in Arizona. She was immediately drawn to the business side of health care, recognizing she could make a difference for people in her community even if she wasn’t the person directly delivering care. Kristie quickly advanced to a supervisory role in operations and soon entered health care strategy as a business analyst. “My first job in health care strategy was eye-opening. It wasn’t just about assessing market share growth or analyzing competitor strategies. It was about meeting the needs of the community by developing health care services close to their homes. I had found a way to bridge my analytical skills with my desire to help improve the lives of others,” Kristie recognized.

As she became immersed in health care strategy, she realized that through career advancement she could make an even greater impact. Kristie had always known she would return to school one day to complete her graduate degree. In 2004, Kristie moved to Olympia, Washington to begin a job with Providence Health & Services as a health care strategic planner. Before making the decision to accept the position, she visited University of Washington in Tacoma and was immediately drawn to the MBA program at the Milgard School of Business. Among the reasons she selected it were the friendly learning environment, the flexible class schedules which allowed her to continue working full-time while pursuing her MBA, and the program’s emphasis on change management.

Recognizing health care as a rapidly evolving industry, Kristie knew that leaders skilled in leading organizational change would be highly valued in health care. One year into the MBA program, Kristie was promoted to Senior Director of Regional Strategy at Providence Health & Services where she oversaw strategic planning and analysis while facilitating decisions around expanding, closing or replacing health-care facilities and services. Utilizing her MBA coursework in managing organizational change, she led the development of a regionally unifying transformational vision that has since established a foundation from which to convert a $2.9 billion hospital system into an integrated healthcare system.

Kristie completed her Milgard School of Business MBA in 2008. A year after graduation she was promoted to Vice President of Regional Strategy and Business Development at Providence Health & Services. In her current role, she is responsible for developing new business, establishing strategic direction and determining strategic policies for long-term financial growth. Whether the task at hand involves directing multidisciplinary teams to a shared outcome, analyzing the best strategic response for a competitive market situation, or developing a business plan for a new program, she continually relies on the skills she learned at the Milgard School of Business. “It’s amazing how often I refer back to what I learned in the MBA program,” Kristie reflects. “And knowing that I’m using my education to bring new health care services to our communities in Washington and Montana makes it completely worthwhile.”

Alumni Profile: Jon Ragan, MBA 2006
Director of Distribution Operations, Western U.S., Weyerhaeuser

Jon grew up in Kentucky. After graduating from the University of Kentucky with a Bachelor of Arts in Economics, he spent five years on active duty with the US Army, serving in a variety of duty stations around the world. Since leaving the military, Jon has held a number of sales, operations, and general management roles with General Electric, W.W. Grainger, and, for the past seven years, Weyerhaeuser. For the past two years, Jon has been Director of Distribution Operations for the Western US.

Since joining Weyerhaeuser in 2004, the one constant in Jon’s career has been change. The booming times of the housing bubble are a distant memory, and the reality of continually adjusting the footprint of the distribution network and service offerings to align with an ever-changing market demand is a daily challenge. When selecting an MBA program, Jon had several options, but ultimately chose UWT because it allowed him to continue to pursue his career full-time. Another benefit Jon saw with UW Tacoma is that he could immediately apply the lessons and observations of the classroom to the real world situations and challenges he faces every day. The skills Jon learned as a part of the UW Tacoma’s MBA program have helped him be more effective at leading a geographically dispersed team of managers and ensuring that they feel engaged and empowered during what have clearly not been the best of economic times.

As Jon’s career has progressed, he has been afforded the opportunity to engage in strategic planning and special project work outside the scope of his daily role. Again, his UW Tacoma MBA has proven invaluable in understanding the criteria important to making almost any business decision. Whether it is working through an NPV analysis or evaluating a lease versus buy decision on a fixed asset, Jon credits his MBA with giving him the skills necessary to succeed.

While Jon certainly appreciates the skills and knowledge he obtained as a part of the MBA program, he views the friendships and connections he made at UW Tacoma as perhaps the greatest benefit of his time in the program. Jon regularly stays in contact with several members of his class and finds it a great way to stay in tune with what is happening in other industries and areas of business.
MBA Executive Speaker Series: Hans van Someren Gréve
By Chris Inverso, 2011 MBA Candidate

Despite the fact that they are based in the Northwest, Stemilt Growers, LLC is hardly a household name for Washington residents. However, if you are a produce retailer that either operates domestically or internationally you know the name well. Stemilt Growers, which specializes in apple, pears, cherries, and other stone fruits, is the largest organic fruit shipper in the world. Within the United States they are a chief supplier to the country’s largest retailers including Kroger, Safeway, Costco, and Walmart. Internationally, Stemilt ships fruit to countries in almost every continent with large volumes going to Europe, Asia, and Central and South America.

Stemilt Growers, LLC was founded more than fifty years ago in Wenatchee, WA by Tom Mathison with a single fruit packing house on Stemilt Hill. From these humble beginnings the business quickly grew to become an industry leader. By the late 1990’s the company, still under Tom Mathison’s leadership, faced two big challenges. First, in the midst of the megatrends of globalization and the rise of the information society, Stemilt needed to make the move to enterprise level solutions in many areas of its business including information technology and resource management. Second, Stemilt had to navigate the transition of passing the leadership of the company from Tom Mathison to his grandson, West Mathison.

To address these challenges, Hans van Someren Gréve, a veteran executive of Royal Dutch Shell, Avery Dennison, and Nilfisk, was appointed as General Manager of Stemilt Growers in 1997. Under Gréve’s leadership, Stemilt not only made the necessary enterprise level upgrades to its infrastructure, including the adoption of a cutting-edge ERP system, but oversaw the official passing of the company’s presidency to West Mathison in 2005. Although he retired in December of 2010, Gréve continues as an active member of Stemilt’s Board of Directors.

In his presentation on Wednesday, February 16th at 6:30pm at Dougan Hall, Mr. Gréve addressed MBA students from the Milgard School of Business with a message that provided an overview of Stemilt’s business and highlighted his experiences as General Manager. From a marketing perspective, Gréve outlined a strategy for differentiation achieved through a product mix containing a balance of commodity fruit varieties and exclusive fruit varieties. Moving to operations management, Gréve discussed the advantages and disadvantages of vendor managed inventory. In addition, Gréve offered details from an attempted organization of the company’s labor by the International Brotherhood of Teamsters. In doing so he explored the ethical relevance of decisions relating to employee relations and working conditions.

The lessons learned offered by Gréve included the importance of have a clear competitive strategy and reinforcing it with the appropriate business decisions and infrastructure. He also underscored the importance of creating a performance based culture that is transparent and that is focused on developing people. Gréve concluded by exhorting Milgard MBA students to treat employees with respect and he emphasized that, regardless of one’s title or specialty, the responsibility for personnel management is shared by managers at all levels.

Q&A—Faculty Profile with Zoe Barsness, Ph.D., Associate Professor; Graduate Faculty
By Levi Botkin, Milgard Scholar, MBA Marketing Intern

Q: Dr. Barsness, when did you arrive at the University of Washington Tacoma, Milgard School of Business?
A: Autumn Quarter 2000

Q: Being that the Milgard School of Business is rather new (est. 1994), what drew you to the business school?
A: My first academic job after graduate school was at Texas A&M University, which at the time was the largest undergraduate business school in the country. What drew me to the University of Washington’s Milgard School of Business was the opportunity to come to a small school that was growing and have an impact on designing a program. My undergraduate degree was in comparative history, a Liberal Arts degree. It was appealing to help develop an undergraduate business program that focused on some of the fundamentals that you would receive in a liberal arts program and help to build something that is a little different. In addition, the fact that the University of Washington is in the northwest was appealing. I always knew I ultimately wanted to get to this part of the country.

Q: What do you like about the MBA students at the University of Washington Tacoma?
A: I like the diversity of backgrounds and I feel that we have really good representation of the private sector and the nonprofit and government sectors in the program. For example, most of the students at Texas A&M were from the private sector and I feel that the diversity adds a certain dimension to the classroom.

We have diversity in terms of industries and students in the MSB program are motivated and excited about the program. The students seem to like that fact that it’s a smaller program and therefore there is a sense of common endeavor that can be lost when you get into bigger programs. It’s great that everyone is building something together. I’ve taught at the Kellogg School of Management and the Mays School of Business at Texas A&M. There can be a sense of entitlement among some students who are involved in an MBA program at a top-tier school. It’s nice not to have that attitude here at the MSB; I appreciate the down-to-earth attitude of the students in this program.
Faculty Profile with Zoe Barsness, continued from page 7

Q: Why did you choose academia?
A: When working in consulting, it frustrated me that we worked with very smart people and focused on interesting and relevant problems but often didn’t explore those problems fully or follow that exploration through to its logical conclusion. Because the client was paying, we would only pursue problems until the client stopped paying or the project was finished to the specifications of the client. It frustrated me that we didn’t drive through to find the big answers and we seemed to only focus on the very specific, immediate needs of that one client. I was interested in being able to explore more fully and understand more deeply why things unfolded the way they did in large and small organizations. I like to translate this into the classroom and really challenge students to identify and articulate problems in ways that facilitate their ability to explore and address the problem. I believe that is one of the most important skills, being able to ask good questions and then figure out how to answer them effectively.

Q: Tell us about your professional experience.
A: Before I went back to graduate school, I worked in consulting and the high tech sector. I first did a stint as an associate consultant in the strategy practice at what was then Arthur Andersen Consulting and which is now Accenture. I then worked for a startup software company where I did technical sales, applications consulting, product documentation, and training and development with the clients.

Q: What are you researching now?
A: In general, my research focuses primarily on negotiation and the impact of recent developments in communications technology, organization structure, and flexible work arrangements on individuals and groups in organizations. Past research projects have examined cross-cultural negotiation processes, the influence of technologically mediated communication on negotiation, the strategies adopted by remote workers to manage their workplace performance more effectively and the effects of formal and emergent leadership on intragroup conflict.

My current research projects include:
- Explorations of demographic and social network effects on workplace discrimination and also team processes and effectiveness.
- An examination of geographically distributed work and patient care team effectiveness.
- A study of the effects of different communication strategies and remote work on the formation of supportive relationships in the workplace such as trust, advice seeking and perceived co-worker support.
- An examination of the role that social network position plays on the likelihood of promotion.
- A field study that explores how different sources of power influence cognitive perceptions of trust in dyadic ties

Q: Can you tell us about your professional service?
- Program Chair, International Association for Conflict Management (2004)
- Member, Academy of Management Local Arrangements Committee (2003)
- Representative-at-large, Conflict Management Division, Academy of Management (2001 - 2002)

Q: What business awards or honors do you hold?
- Nominee for Distinguished Teaching Award, University of Washington, Tacoma (2002).
- Named One of Top 25% Most Effective Teachers on Campus, Texas A&M University (2000).
- Second Place, Best Article Award, CPR Institute for Dispute Resolution, New York, NY (1996).
- Doctoral Teaching Award, Kellogg School of Management, Northwestern University (1995).

Q: Dr. Barsness, are you currently affiliated with any organizations?
- Program Chair for the Conflict Management Division, Academy of Management
- Interdisciplinary Network for Research on Groups and Teams
- International Association of Conflict Management
- Human Resources Network (Seattle, WA)