

BUSINESS MATTERS

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Fredonia State University of New York

Department of Business Administration

Notes from the Chair

• I am very happy to inform you that we have received communication from the Association to Advance Collegiate Schools of Business (AACSB), the premier accreditation organization for business and accounting programs, that our “progress report”, submitted in January, has been accepted. We have prepared a self-study report in preparation of a campus visit by an AACSB team in fall of 2015. If everything goes well, you will soon be able to boast that you graduated from an AACSB-accredited university.



• There is now one more student group for you to join -- the Fredonia Chapter of the American Society for Quality. ASQ was organized last fall semester by a group of students in Dr. Lisa Walters’ Operations Management course. Under Dr. Walters’ tutelage, ASQ has been having a very eventful academic year. Of course, if “quality management” is not of interest to you, I strongly advise your joining any of our other student groups: Accounting Society, Business Club, American Marketing Association, Financial Management Association, or Enactus.

• Congratulations to our Class of 2015 graduates! This year is a special one because it is the 40th anniversary of Fredonia’s 1st class majoring in a Business program. To mark this milestone, we are organizing a special alumni reunion to be held at Homecoming, October 23-25.

• Unfortunately, Dr. Sehan Kim, one of our Accounting professors, has resigned his position as of August 2015. A search committee will soon be organized to fill the vacan-

cy in time for the beginning of fall classes.

-Dr. Moj Seyedian

Student Scholars

“Using Experiential Learning to Improve Disability Services on a College Campus,” a paper written last year by three Fredonia students, will be published in the spring edition of The Undergraduate Business and Economics Research Journal.



Alison Scaringi

The author trio includes Alison Scaringi, a senior Business Administration major with a concentration in Management, and two 2014 graduates, Amanda Swan and Brandon Napieralski, who also majored in Business Administration with a concentration in Management.

The paper was assigned to the three students in spring 2014 in an upper-level course, Production and Operations Management II, taught by Dr. Lisa Walters, who also assisted with formatting the document as well as revisions and the resubmission process.

Management of disability services in institutions of higher learning -- specifically Fredonia -- is explored in the paper that utilized Six Sigma methodology to improve the process of providing accommodations for students with disability. The trio also provided recommendations to the Director of Disability Services Support to achieve improvements based on their findings. Scaringi, who also has a minor in Criminal Justice, will graduate in May.

The Undergraduate Business and Economics Research Journal, based in Berry College in Georgia, is positioned to become a nationally known source of high quality undergraduate research in business and economics compiled by students from across the country.

Alumni Spotlight



Paul Baddeley, '99, works as a Delivery Manager with the Commercial Effectiveness Services group, focused on leading client engagements in the Sales Force Effectiveness Center of Excellence, at ImsHealth -- a leading global information and technology services company providing clients in the healthcare industry with solutions to improve their performance. Paul has 15 years of experience on both the manufacturer and consulting side of the Life Sciences industry.

Prior to joining IMS, Paul worked in various roles in Sales Strategy and Operations. He was responsible for the development and rollout of systems, processes, and insights that improved the effectiveness of field sales and led significant evolution in sales force structure to optimize investment. Paul has experience in the chronic pain, migraine, osteoarthritis, and testosterone replacement markets and has supported primary care, pain specialty, urology, and endocrinology sales forces.

At IMS, Paul has supported clients in various projects including:

- Physician targeting based on chronic pain patient data analysis
- Utilizing multiple physician and patient-level data assets to segment and target physicians for a new launch in the migraine market
- Early Adoption Segmentation in several markets
- Incentive compensation contests and proof of concept leveraging patient level source of business data
- Call Planning and Territory Alignment projects that incorporate Nexxus Sales applications

Paul earned a B.S. in Business Administration (Summa Cum Laude) with a concentration in Finance

from the State University of New York at Fredonia.

Meet Professor Plucinski

1. **What courses do you teach?**

Managerial Accounting, Intermediate Accounting I and Auditing.

2. **If you could teach a new course, what would it be?**

I would like to teach Intermediate Accounting II.

3. **What suggestions do you have for students in school?**

Do the work; don't coast. I've seen that students who succeed don't coast.

4. **What advice do you have for graduating seniors?**

People are watching. I mean that you should work hard, keep your head down, be honest, be serious – your good deeds will be noticed. People are watching you even if you don't realize it.

5. **What are your pet peeves in the classroom?**

My pet peeves are talking to the person next to you instead of asking the professor for help, eating in the classroom, and texting.

6. **How long have you worked at Fredonia?**

Over thirty years.

7. **What do you like about Fredonia?**

Good students, good colleagues, and the nice facility.

8. **Why did you go into teaching?**

In the early 1980's, I was a practicing CPA at one of the "Big Eight" firms in Pittsburgh. After staying the usual three years, I decided to move on. I could have gone into corporate accounting, but I wanted to try teaching. So, I went to work at a small private university in downtown Pittsburgh.

9. **Why did you come to Fredonia?**

I grew up in a small town. After 8 years of going to college and working in an urban area, I was looking to step up to a higher-quality, larger institution, but one in a small-town setting. Fredonia fit the bill.



Prof. Kenneth Plucinski

-Marc Braghirol

The Impact of Directors' External Connections on Firm Performance: An Empirical Analysis

Social connections among board of directors have recently received much attention in academic researchers and practitioners. These studies fall into two research streams. The first stream focuses on the relationship between CEO's personal connections to his or her own board members and firm performance, earning management, executive compensations, and corporate governance issues (Hwang and Kim 2009; Dey and Liu 2010).



Another stream of research studies CEO's connections to other directors and executives of public companies (Geletkanycz and Hambrick 1997; Engelberg, Gao, and Parsons 2012, 2013). A recent study by Engelberg, Gao, and Parsons (2013) investigate the value of CEO external networks in the CEO labor market. They find CEOs with large network earn more than those with smaller network and provide evidence that supports the argument that executive external networks are strategically valuable to firms, thus, executives should be paid for it.

The motivation of my study comes from the question: Do directors and executives' network really accrue benefit to the firm? Is it worth for the premium in the compensation of the board of directors? In this study, I focus on board relational capital, captured in directors' external connections and explore how the external connections of directors and executives affect the operating performance of the firm for which they serve as board members.

Using a large sample of 393,481 directors and executives from 7,627 companies over the time period from 2000 to 2010, I map the social network of directors and executives, and construct a measure of directors' external connections. The measure captures how connected an individual director is to other directors and executives in the network of firms.

I find a positive association between changes in di-

rectors' external connections and changes in the firm's sales revenue. This association holds after controlling for governance attributes, directors' human capital, and other related firm characteristics. This suggests that, on average, the revenue of a firm increases after the firm brings well-connected individuals to the board. This is consistent with the view that relational capital is positively associated with the provision of resources by the board, which, in turn, is positively associated with firm performance.

I also examine the impact of directors' external connections on profitability. I find a positive association between changes in directors' external connections and changes in firm profitability. This suggests that the ROA of a firm increases after the firm appoints well-connected directors.

I then examine whether firms experience efficiency gains through cost reductions in the presence of well-connected directors. I find that the extent of directors' external connections is negatively associated with cost of goods sold. Firms experience efficiency gains through production cost reductions after the firm appoints well-connected directors.

Overall, my findings suggest that companies with well-connected boards have better operating performance than companies whose boards are less well-connected, thus directors' external connections provide economic benefits to firms by helping to increase sales growth, improve profitability, and lower production costs.

- Dr. Sehan Kim

Senior wins award at business plan competition

Chris Hy, a senior in Business Administration-Management, won the Up and Coming Award for Products and Services at a recent student business plan competition at Hilbert College.



Chris Hy with Dr. McNamara

The WNY Student 2 Biz Challenge pitted over 20 student teams from seven Western New York academic institutions pitching business start-ups to panels of investors and business leaders. Mr. Hy represented Fredonia with his pitch

for investment in WiseFork, an on-line food ordering business, with a twist. WiseFork signs up local restaurants to put their menus online. What makes WiseFork different is that it breaks the menus down along dietary lines so that when a consumer wants to order food, they can pick the menu item based on nutrition or dietary preferences. Hy included in his pitch WiseFork's partnership with Jawbone, an activity tracker similar to Fitbit, where the data from Jawbone can be synced with a customer's account on WiseFork. WiseFork now has signed up over 10 restaurants in Western New York. The success at the competition has helped WiseFork become part of Launch NY and potentially a member of Z80, an incubator in Buffalo.

Hy won the opportunity to compete against doctoral, masters and undergrad students from the University at Buffalo, Canisius and Daemen colleges, and Niagara University, by winning the Fredonia Entrepreneurship Fair in December. The Fredonia Entrepreneurship competition highlighted elevator pitches and table top displays from seven teams who created businesses in Fredonia's Entrepreneurship course taught by Dr. Sue McNamara of the School of Business. Local community and business leaders, including alumni from previous competitions, judged the pitches and awarded Hy top honors. Building upon his business concept, Hy did a student research project to determine market feasibility of an online food ordering business on an academic campus. Data supported his vision and WiseFork was expanded into Western New York. The student research project was recently included in the Fredonia Student Research and Creativity Exposition held on campus at the end of April. WiseFork continues to grow and Hy has also begun a career in real estate, he plans to graduate from Fredonia in December 2015. For more information about student entrepreneurship contact Dr. McNamara at susan.mcnamara@fredonia.edu, and for more information about WiseFork, contact Hy at chy@fredonia.edu.

Honoring Excellence

Congratulations to the following students for being the recipients of the awards and scholarships sponsored by the Business Administration department. Nominated by the faculty for their outstanding scholastic and extra-curricular accomplishments, they were honored at the department's annual Awards Dinner, held on May 1:

Katlynn Cole (Alumni Junior Achievement Award),



Gathering for a group photo following the conclusion of the Department of Business Administration's awards program are new members of Delta Mu Delta

Sarah Smith (Alumni Senior Achievement Award), **Jonathan Sloan** (Donald C. Brandt Memorial Scholarship), **Shauna McGuay** (M.R. Poummit Achievement Award), **Justin Cunningham** and **Ryan Holt** (Enactus Business Award), **Jessica Bolsei** (Stephen and Carol Ward Scholarship), **Kaitlyn Hayes** (Dr. Franklin Krohn Memorial Scholarship), **Katlynn Cole** (Tracy Bennett Accounting Scholarship), **Alexis Swope** (Morris and Marian Poummit Scholarship), **Philip Lavin** (Gary M. Tripp Memorial Scholarship), **Evan Carmello** (Mancuso Family Scholarship), **Jessica Tamol** (Business Club Scholarship), **Cody Oakes** and **Melissa Travis** (New York State Society of CPA Excellence in Accounting Award), **John Morgante** (New York State Society of CPA John T. Kennedy Memorial Award), **Melissa Travis** and **Mary Villa** (New York State Society of CPA Award of Honor), **Jami Barber**, **Katlynn Cole**, **Hannah Gilray**, **Adrian Hernandez**, **Jennifer Herrman**, **Bobbi Hopkins**, **Kimberly Hull**, **Phillip Lavin**, **Samuel Pavlovich**, **Christopher Querrieo**, **Tamara Schweigart**, **Sarah Smith**, **Amy Walters**, and **Brenton Wilcox** (Delta Mu Delta National Honor Society in Business Administration), **Craig McGowan**, **Travis Mowbray**, **Heather Pandich**, **Sarah Smith**, and **Jessica Tamol** (Financial Management Association National Honor Society).

Business Matters is a student-run online publication of the Department of Business Administration Chair's Student Advisory Council, established in Spring 2007. For story ideas and comments, contact the Editor:

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