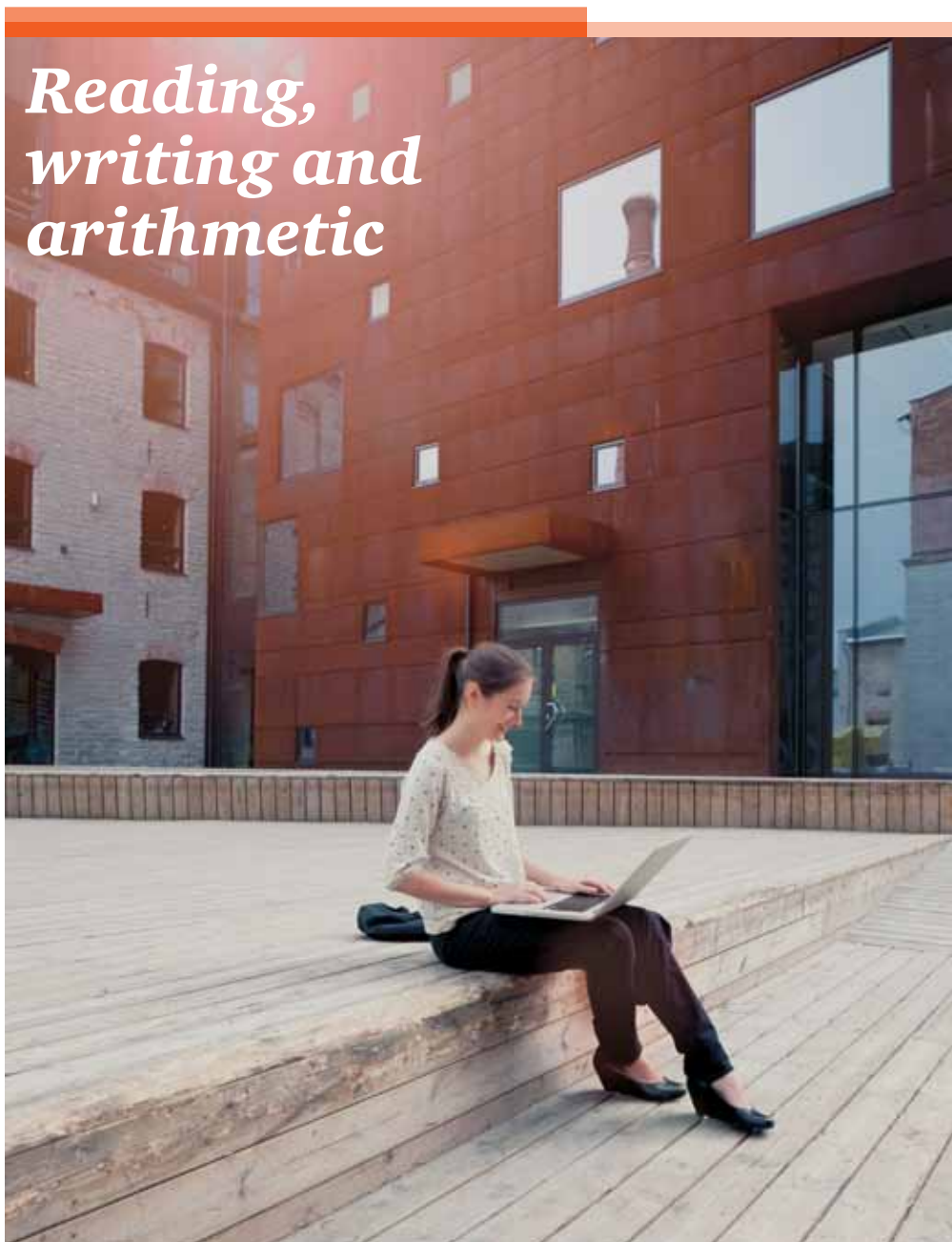


# *Keyword*

*PwC's Alumni Magazine*

Volume 07  
2012

*Reading,  
writing and  
arithmetic*



**pwc**

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***Education is not  
preparation for  
life; education is  
life itself.***

— John Dewey



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**Bob Moritz**

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I'm proud to note that PwC has a long-standing tradition of supporting higher education.

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Over the past several years, *Keyword* magazine has highlighted the successes of our alumni and their contributions to a diverse range of businesses. With the help of our alumni, we've run the bases of professional baseball, taken the temperature of the healthcare industry, listened to the beat of the recording industry and pressed the start button on technology and innovation. In this issue of *Keyword* we are excited to feature the stories of alumni that are critical to the lifeline of our future talent: professors and administrators of academic institutions. It is in these classrooms and corridors where it all begins. Where we connect to ideas bigger than ourselves, discover who we are and take those first big steps toward shaping a future.

From small private colleges to large public universities, these institutions represent constant social and industrial renewal. With each graduating class come young professionals eager to collect valuable experiences, share their perspectives and contribute to the flow of ideas and innovations that move our communities and our country forward. And I'm proud to note that PwC has a long-standing tradition of supporting higher education. Over the past four years alone, PwC has directly provided more than \$30 million in funding to colleges and universities and to the students they educate. The funds have been used for curriculum enrichment initiatives, for activities that enhance diversity and for faculty research support. This is separate from the individual financial contributions our people and alumni put back into our academic system, as well as the time and energy that our people contribute on campuses, which has an even bigger impact on students, academics and the schools they visit.

PwC has also been a leader in the creation of the Accounting Doctoral Scholars program, which was designed to positively influence the pipeline of doctoral candidates to potentially replace accounting faculty expected to retire over the next three to five years. The program is currently funding 120 people with public accounting experience as they make a permanent transition to both teaching and research in accounting at the university level. In addition to providing financial support for the program, PwC has promoted the opportunity internally to all our partners and staff to encourage interested candidates to consider an academic career.

While perhaps not always top of mind, academia represents a large and important part of our economy. Academia is facing some challenges similar to those of other businesses, but also some that are unique. In this issue of *Keyword*, we sit down with CFOs from the University of Oregon, the University of Texas at Austin and Northeastern University to learn how, in a time of fiscal constraint, these schools are balancing a quality education with the pressure to balance the books. Two professors and a PhD student describe their decision to go back into the classroom to help prepare tomorrow's business and accounting professionals. Directors of admissions and career services at Duke University and Brigham Young University tell us what it takes to get into business school and what it takes to land a job after school, while a former PwC partner goes back to Ole Miss to lead the school's foundation. And finally, we tune in to the story of one alumna who found a career in college radio.

It should come as no surprise to learn that many of our best and brightest alumni have decided to return to academia. They have accepted an important responsibility, one that will have a real and positive impact on a generation of leaders whose enthusiasm will drive our businesses into the heart of the new century. I'm happy to share their experiences with you.

Regards,

Robert E. Moritz  
US Chairman and Senior Partner

# Keyword goes back to school with alumni in academia to learn how colleges and universities are making the grade.

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## Giving back to Ole Miss

For retired PwC partner Wendell Weakley, going back to school meant returning to his alma mater and taking on the role of President and CEO of the University of Mississippi Foundation. In our *Keyword* interview Weakley talks about the role charitable giving plays at school and in his personal life.

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## Switching stations

Candy Capel moved up and down the dial before finding a way to combine her passion for education, communication and public service at WVAS, a college radio station licensed to Alabama State University. Today, as station manager, she’s happy to be delivering “Jazz, Blues, News and Views.”

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Bookending your college education are two important steps: selecting and being accepted by the right school, then getting a great job upon graduation. A director of admissions and a director of career services describe the ways they’re helping students prepare for success in and after school.

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## Thought leadership

PwC is focused on bringing value to our clients. One way we do that is by publishing informed research and insights on a wide range of essential business issues. In print, online and now available for your mobile device, review the latest selection of thought leadership topics.

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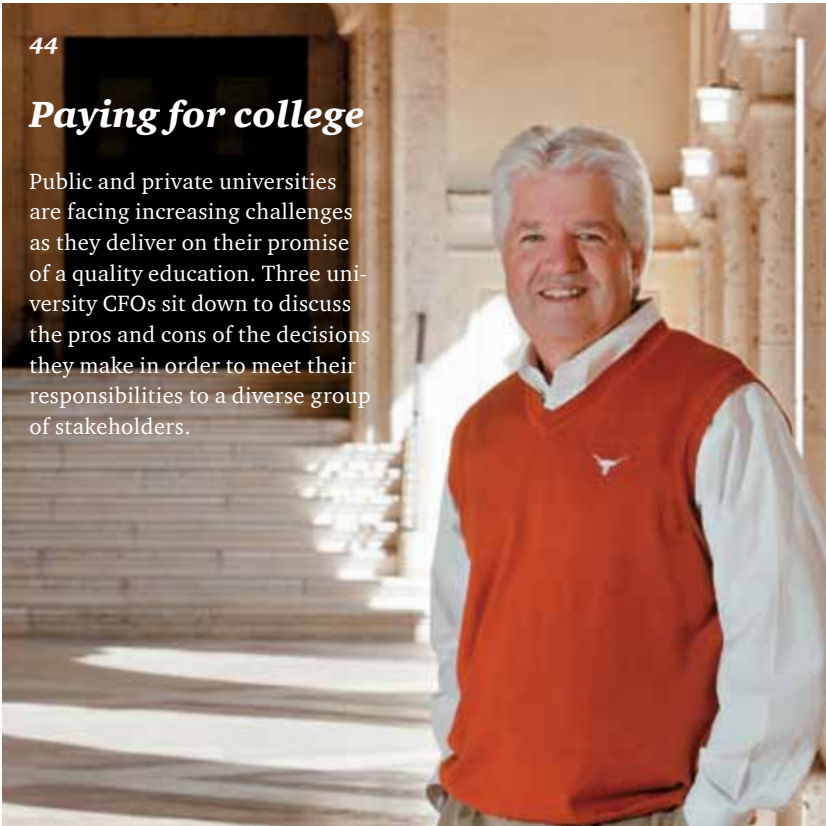
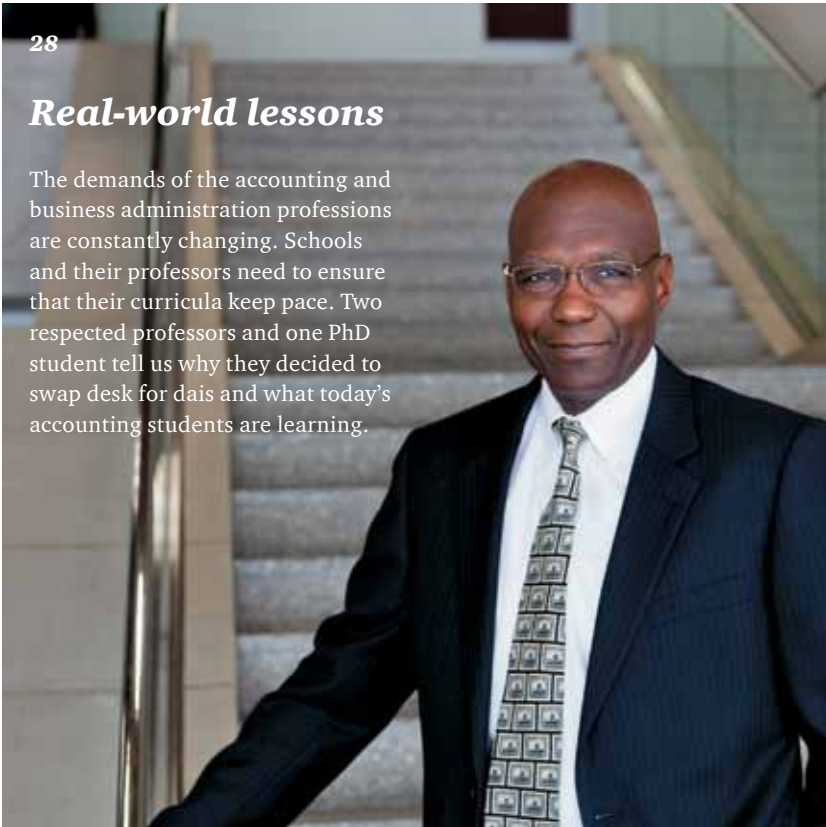
## Real-world lessons

The demands of the accounting and business administration professions are constantly changing. Schools and their professors need to ensure that their curricula keep pace. Two respected professors and one PhD student tell us why they decided to swap desk for dais and what today’s accounting students are learning.

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Public and private universities are facing increasing challenges as they deliver on their promise of a quality education. Three university CFOs sit down to discuss the pros and cons of the decisions they make in order to meet their responsibilities to a diverse group of stakeholders.





# Giving back to Ole Miss

Wendell Weakley makes a generous contribution to his alma mater.

Wendell Weakley’s lifelong relationship with the University of Mississippi began when he was a boy in Memphis, Tennessee. “I was in junior high, and my dad would take me to see the Ole Miss football team play the University of Memphis,” recalls the retired PwC partner. Weakley’s secret dream of playing for the Rebels “didn’t work out so well,” he admits. But he did wind up attending the school, and his strong performance in the accounting program earned him a starting position at the Price Waterhouse office in Memphis.

Weakley worked in Memphis from 1976 to 1996 and made partner in 1989. Over the decade that followed, he moved to Houston, then to Dallas and then to Tampa in support of PwC and its clients. “It was in Tampa that I got the call from Ole Miss,” Weakley says. That was 2006. Weakley had already been serving as chair of the Patterson School of Accountancy’s advisory council. Impressed by his work, the university’s chancellor invited Weakley to assume the position of president and CEO of the University of Mississippi Foundation, the entity with fiduciary responsibility for all private donations to the public institution—\$58.7 million in fiscal year 2009–10. Weakley spoke with *Keyword* about his decision to focus full time on giving back to the university that had given him his start.

**You’ve said, “Ole Miss is where my heart is.” What kind of relationships did you develop there?**

Weakley: Coming here, I didn’t know a lot of other students, but I quickly developed a lot of friends who have remained close over the years. A number of faculty members took an interest in my successes as a student and beyond. I really developed a sense of family relationship and commitment to the university, which seemed to be investing in me and making sure that I had the best experience that I could. Ole Miss isn’t a university where you learn your trade and move on. It’s always been part of me. You never really graduate from Ole Miss.



What led you to join the accounting program?

Weakley: I was a banking and finance major when I was a sophomore, and one of my accounting professors pulled me aside one day after our first test and said, “You need to be an accounting major. You’ve got a lot of potential.” I wasn’t sure what he was talking about. But as I finished my sophomore year, it was pretty clear that I did have some ability, and he and another professor eventually convinced me to change my major. It was a great decision.

Before getting involved with the foundation, you served on the advisory council for the university’s Patterson School of Accountancy. What was your role?

Weakley: The advisory council’s primary responsibility is to help maintain the connection between the industry and the School of Accountancy. When I was asked to chair the council, I was in Dallas, and one of the things I saw in the Dallas marketplace was a very successful internship program at Texas A&M. As you might guess, many of those interns eventually become full-time employees. Ole Miss didn’t have an internship program at the time, so the advisory council worked with the university’s staff and faculty to help them put one in place. Today, we probably put 60 or 70 students in the internship program per year, and it’s something the accounting school points to as one of its great accomplishments.

You had a very successful career at PwC. What motivated you to accept the position as president and CEO of the University of Mississippi Foundation?

Weakley: It was difficult. I was already on the board of the University of Mississippi Foundation when my predecessor announced his upcoming retirement. One day I got a call from the search committee. I was flattered, but initially I wasn’t interested. Even though I knew at some point in time I would like to retire here in Oxford, I was looking at that quite a way down the road. I was very happy with what I was doing at PwC. But I agreed to meet with the chancellor.

What changed your mind?

Weakley: Part of my concern was that I didn’t think fundraising was something I wanted to do. But as we talked about the position, I realized that it really wasn’t about fundraising, but rather donor stewardship. The chancellor described the role in a way that helped me understand how the foundation serves as just that, the university’s “foundation,” helping to make so many things possible. I thought, “I’m pretty sure I can be successful at this.” Still, I had developed a lot of relationships at PwC: I had responsibilities with five SEC clients at the Tampa practice, and I felt a responsibility to the partners and the managers I was working with. So when I decided to take the position, I asked for a year to make the transition.

As I talk to our donors and great alumni, they all want to help. The question is, “What can I do and how can I do it?”

— Wendell Weakley

What opportunity did you see in the position?

Weakley: It was a chance to come back and spend time at this place in a different capacity than the one I expected—that being teaching. I had some skill sets, in terms of working with people and building relationships, that I thought could make me successful at working with our donors. I knew I had a lot to learn, but I felt like I had some abilities to help make this foundation a better place, and that was important to me.

What are your responsibilities on a daily basis?

Weakley: We are the fiduciary of all private support that comes into the university. All contributions, whether for the endowment or for specific funds, come in through us. We acknowledge those gifts, we invest them and then we make sure that we follow the donors’ intent. It’s very important that we earn their trust every day.

How have the difficult economic environment of the past few years and the budget pressures that universities face affected your job?

Weakley: It has been challenging. One thing we see now is that donors who previously felt comfortable from an equity standpoint—that they had enough set aside for retirement and the future needs of their families—are now concerned that their equity is eroding. They feel they need to be a little more frugal in how they allocate their assets, especially for charitable purposes.

How do you deal with that issue?

Weakley: There are a couple of ways. One is that we help donors recognize that we are good stewards and that we will invest their money wisely. The other is that we tell them there are other ways to give. One is deferred and planned giving. We’ve actually grown our Deferred and Planned Giving Society almost two-fold in the last five years. As I talk to our donors and great alumni, they all want to help. The question is, “What can I do and how can I do it?” So part of my job is to educate them. Cash gifts are a wonderful thing. But there are other ways that you can help, such as volunteering, serving on councils and providing job opportunities for students.

Given these economic constraints, has the university had to change its budgetary expectations?

Weakley: There certainly has been some belt tightening from an administrative standpoint, because of the market downturn and because public support for the university, meaning funds from the state, continues to go down each and every year. We’ve been fortunate, however, in that our enrollment has gone up, which really helps offset some of the downturn in private support. We had the largest two freshman classes in our history in the last two years, each up 20% from the year before.





**Left:**  
Weakley’s work directly supports the hiring and retention of outstanding faculty.

**Where are you focusing the foundation’s attention these days?**

Weakley: There are two key areas that are on our radar screen right now. One is the Faculty Support Initiative. The biggest need that we see down the road is making sure that we retain and attract outstanding faculty. Adding professorships, lectureships and chairs is vitally important to make sure our next generation of students has the same opportunity to work with outstanding faculty as previous generations have had. We want to maintain a small class size and full professors teaching in the classroom.

The other area is what we call the Ole Miss Opportunity. This is a program that helps bridge the financial need gap for Mississippi students. Even with scholarships and grants, some students who would like to come to Ole Miss cannot afford to be here. The Ole Miss Opportunity gives them the chance to get an Ole Miss education.

**What role has charitable giving played in your own life?**

Weakley: Being a donor and establishing a scholarship endowment helped lead to my being on the foundation board and, ultimately, I became the CEO of the foundation. So obviously, charitable giving had an impact. In the last two years, I’ve also been successful at getting a number of our alumni currently working at PwC to join me in supporting and establishing a new faculty support endowment for

the Ole Miss accountancy school. We’ve been fortunate to have PwC partners who didn’t even go to Ole Miss provide support to the program.

**It seems that building relationships is a common factor between your work at PwC and your current work at the foundation.**

Weakley: One of the things I learned at PwC, which has been very helpful to me in building relationships, is the ability to see things from other people’s perspectives. It’s important to show empathy, to understand the issue that the person across the table from you is concerned about and to help come up with a solution. I also learned at PwC that you can have difficult times—I certainly did on a number of my engagements—but if you have a strong relationship, you can work through them.



# Switching stations

PwC alumna Candy Capel tunes in to life on campus radio.





# Radio gives you the ability to constantly create and reinvent. That’s what I love about it.

— Candy Capel

Part storyteller, reporter, civic promoter and organizer, Candy Capel buzzes with excitement when she talks about her role as station manager of WVAS. A former customer service manager for the PwC e-commerce venture e.conomy, Capel became a part-time announcer at the launch of WVAS more than 25 years ago. She has returned to the station twice in the course of her varied career, which has also included multiple stints in public service. Her combination of managerial smarts and infectious passion for radio clearly suits the job. “Radio gives you the ability to constantly create and reinvent,” she says. “That’s what I love about it.”

WVAS is, by definition, a college radio station. Licensed to Alabama State University (ASU), the nonprofit broadcaster is housed in one of the oldest buildings on campus—just down the hall from Admissions and Career Services—and receives 70% of its funding from school coffers. But there’s nothing amateur about this 80,000-watt National Public Radio (NPR) affiliate. Listeners to 90.7 in Montgomery hear professionally trained reporters and announcers delivering a signature mix of “Jazz, Blues, News and Views.” Broadcasts flow on a crystal-clear signal, the second-most powerful in the station’s 17-county listening area. In addition to carrying NPR news headlines and producing its own music, talk and legal programs, the station broadcasts eight local newscasts each day, providing the most comprehensive local coverage in the greater Montgomery region.

But the station’s accomplishments and ambitions go beyond daily broadcasts, Capel notes. In addition to covering issues of significance to Alabama’s communities of color—WVAS is designated a certified minority station by the Corporation for Public Broadcasting, and the bulk of its staff is African American—the station serves as an information hub for “Bama State” and a laboratory for students apprenticing in the art of radio broadcasting. A qualitative worth analysis conducted in 2009 showed that WVAS programming provides the university the equivalent of \$1.3 million in public relations services each year.

There’s also Bama State Radio, WVAS’s new secondary channel, programmed and operated entirely by ASU students. There’s the American Graduate program, a nationwide effort by public TV and radio stations, including WVAS, to address the problem of high school dropouts. There are the plans to develop an expanded and updated broadcast facility, in partnership with the university’s communications program, which will train students in both radio and television broadcasting. And Capel and her staff are intent on covering social, political and economic issues in and around Montgomery, ranging from state government to the rash of school closings affecting the public education system.

“We try to be extremely visible in the community,” Capel says. “We make a point of getting out there and supporting other organizations. You’ll see us at the American Red Cross blood drive, at food drives and at local schools covering different issues.”

With such a broad mission and so many constituents to please, it would seem Capel’s biggest challenge would be to find focus. But Capel boils down the complexity of her job to a simple idea: “Everything we do at WVAS is centered on customer service,” she says. “We are customer service.” Capel says her passion for serving customers is rooted in lessons she learned at PwC about the value of building strong relationships across different teams and fulfilling the needs of multiple stakeholders. Today, even though most of Capel’s customers—WVAS’s tens of thousands of listeners—are people she and her staff will never meet, she clearly cares about each one.

**Back on the air**  
Capel’s entry into the radio broadcasting profession was serendipitous. After graduating from Tulane University in 1974, she enrolled in law school. During her first semester, on scholarship at Vanderbilt University in Nashville, Tennessee, Capel recalls, “I did really well, but I was miserable. It wasn’t what I wanted to do.” She returned to Tuskegee, Alabama, where her parents were living, and connected with an engineering professor at Tuskegee University. “He was brilliant, just a genius,” Capel says. “He built an FM radio station, and got all the permits and a license from the FCC.” The station manager, a longtime radio professional named Tracy Larkin, invited Capel to join his staff.

Capel describes Larkin as her radio mentor. “He not only taught me the basics of radio,” she says, “he taught me how to do good radio.” Under his tutelage, Capel did everything from selling ads to serving as

an announcer on her own Sunday afternoon R&B show. She was expecting her first child at the time. “My older daughter loves music, and maybe that’s why, because she certainly heard plenty of it,” Capel remarks. Because the station was new and in the process of creating itself, Capel says she had the opportunity to learn radio from the ground up.

The station was subsequently sold, and in 1984 Capel joined ASU’s newly formed WVAS as an announcer—her first of three stints there. For the next 15 years, her career moved between radio and public service. She worked for various government agencies, managing federal grants and performing other administrative roles in areas such as community development, homeless services and minority business enterprise before returning to WVAS from 1991 to 1995 as the station manager.

By 1998, Capel and her family were living in Los Angeles, where the older of her two daughters was developing a promising career as a child actor. It was there that Capel landed a position with PwC. Capel’s job was to manage the customer service center for e.conomy, a newly launched purchasing consortium serving PwC clients; her staff guided callers through a web portal where they purchased office furniture, supplies and other business necessities. Capel considered it an excellent opportunity to develop her professional skill set and network. “That kind of corporate environment was completely different for me,” she says. “I worked with great people, and I really enjoyed it.”

Capel stayed with PwC for two years before she and her family were pulled back to Alabama—this time to take advantage of a prepaid tuition plan that Capel had established to send her older daughter to the University of Alabama. After the move, Capel signed on to administer housing and urban development grants with the City of Montgomery, but it wasn’t long before she got a call from WVAS. The station needed a new manager, and Capel began her third stint there.

*Stay tuned for the future*

As station manager, Capel is responsible for “everything,” she says with a bemused laugh. A typical day starts with wading through a stack of emails, ranging from announcements of new music releases to reminders from the Federal Emergency Management Agency about an upcoming test of the Emergency Alert System. Then she might move on to paying bills, conducting staff performance appraisals, reviewing FCC licensing paperwork or ensuring her production team has everything lined up to do a live broadcast of an on-campus speech from the governor. “My job is to make sure everything is running 24/7/365,” Capel says. “I carry two phones: a personal cell phone and a work cell phone. They’re never turned off.”

Neither are the phones of her full-time staff, she adds. When tornadoes slammed northern Alabama last spring and when Alabama’s tough immigration laws became a focus of national debate last fall, the WVAS news team provided up-to-the-minute, on-the-scene coverage—and Capel and her production staff made sure they had the support they needed.

“Anything can happen at any time,” Capel says. One such event occurred a few years ago. WVAS convened a student panel at a local church to discuss the issue of school safety and the problem of student bullying. The event turned into a lively debate, with panelists, participants and parents sharing insights and frustrations about everything from teen sexuality to dealing with peer pressure, and WVAS broadcasted the event live. “The kids didn’t want us to shut down the microphone,” Capel recalls. “It showed that our kids know what they’re talking about. They have a voice, and they want to be able to use that voice.”

Another powerful moment: the night of November 2, 2008, when WVAS reported live on the election of Barack Obama as president. Capel recalls it as one of the standout moments in her radio career—one of special significance for WVAS “as a station on a historically black campus, and with the majority of my staff being minorities.” Indeed, WVAS had conducted one of the first radio interviews with Obama at the outset of his candidacy and had followed the campaign as it progressed. The night of the election, Capel says, the mood in the station was electric.

“When they announced the results, we were trying to remain professional and make sure we were giving the numbers and the returns, but at the same time people in the station were laughing and crying. We were calling our families and texting. It was just amazing. To be able to be on the air that night, reporting that as it happened,” Capel marvels, “that was really memorable.”

Of course, magical moments such as that one rest on a lot of hard work and preparation, and today Capel focuses her attention on making sure the station is financially and operationally positioned to continue its mission far into the future. This includes managing risks associated with university budget cuts and ongoing congressional threats to NPR funding. It also includes actively supporting Vision 2020, ASU’s strategic plan—another chance for Capel to use her PwC training, because the university’s objectives include providing customer service training for every employee.

More than anything, Capel is intent on making sure WVAS gets the facilities it needs to fully serve the educational needs and creative aspirations of ASU students. Radio, she says, is one of those Catch-22 professions where you need experience to get a job, and need a job to get experience. Capel describes WVAS as “one of the few places in the country” where young people can get hands-on experience with all aspects of radio production in a professional environment.

“It’s a thrill to train the next generation of broadcasters,” she says. “Their tastes might be different,” she adds, acknowledging with a laugh that students consider WVAS’s jazz format to be hopelessly passé. “But the hunger is still there.”



## Meet the matchmakers

When it comes to helping students navigate the path from school to work, Megan Lynam and Bill Brady say it's all about finding the right fit.



# You really need to think about who you are and the environments in which you flourish.

— Megan Lynam

In today’s challenging economic climate, many college students worry about whether they’ll find a job after graduating. But if anyone is well positioned to step straight from commencement ceremonies into a promising career, it’s business and accounting students. The US Bureau of Labor Statistics predicts that employment of accountants and auditors will grow by 279,000 jobs (an increase of 22%) between 2008 and 2018. The Graduate Management Admission Council 2011 Corporate Recruiters Survey reported that the median starting salary for new MBA hires in 2011 was \$90,000—that’s \$30,000 higher than that of other master’s-level hires. Perhaps that explains why business was the most popular major among bachelor’s degree recipients in 2009.

Other than a steady paycheck, what are today’s business and accounting students hoping to achieve with their degrees—and what opportunities are they finding when they graduate? How are top business schools preparing students for current workforce demands? And given fierce competition for spots in top programs, how are admissions committees deciding who makes the cut?

PwC alumni Megan Lynam and Bill Brady have answers. As director of admissions at the Fuqua School of Business at Duke University, Lynam is responsible for recruiting—one might say curating—the best possible entering class for each of five graduate-level business administration programs operated by the top-ranked business school. Brady, director of career services for the accountancy program at Brigham Young University’s Marriott School

of Management, works with students at the other end of the educational arc, helping future business professionals at both the undergraduate and graduate levels find jobs and internships that will move their careers forward. Lynam and Brady paint a textured portrait of the challenges and opportunities business and accounting students face on their way into, and out of, college.

## ***A career-search case study***

A psychology major at Cornell University in the late 1990s, Lynam knew she wanted to eventually pursue an MBA, but she wasn’t sure what her first step after college would be. Then, in her senior year, she learned that Price Waterhouse was hiring non-technically trained people to do IT consulting for clients. The theory was that while computer programmers couldn’t always be easily taught the art of client interaction, people who had good interpersonal and communication skills—and a propensity for understanding technical problems—could excel in an IT consulting role.

Lynam applied, received an offer and soon found herself racing through a three-month crash course in coding fundamentals. She went on to help a Boston-based consumer products company choose and implement enterprise solution systems to support its global financial operations. The experience made a deep impression on Lynam. “I learned there that if you’re smart and willing to learn, and the people around you are willing to support you and help you grow, then you will be able to try totally new things and still have great opportunities,” she says.

Following a stint in IT consulting with Deloitte & Touche and a brief assignment with a small marketing strategy consulting firm, Lynam enrolled in the Daytime MBA program at Duke’s Fuqua School of Business. After graduating, she tried a couple of roles in corporate branding and management, and then she experienced what she calls “a midlife crisis at the age of 29.”

“I wanted to do something I was passionate about and that truly made a difference,” Lynam says, but she wasn’t sure what it was. Reaching out to friends and former colleagues, she received a piece of helpful advice: Stop thinking about your future career in terms of a specific job or industry, said one friend. Ask yourself how you want to fill your day. What gives you energy? What makes you feel like you’ve really accomplished something?

Lynam knew the answer. Helping people explore their options gave her energy. She explains, “It’s having a personal relationship with someone who says, ‘I wouldn’t have known that was an option for me if I hadn’t met you.’” Lynam called Fuqua’s admissions department to see if the school had an opening.

## ***Know thyself***

Variety is an essential feature of Lynam’s job. Her responsibilities include evaluating applications, counseling prospective students, marketing Fuqua’s programs to groups ranging from college undergrads to CEOs and, of course, meetings with other college

administrators. “I spend a significant amount of time out on the road,” Lynam says, “but I also spend a lot of time at home in my pajamas reading applications.”

Fuqua’s five programs target students and professionals in all phases of career development. The one-year Master of Management Studies program provides recent college graduates the business foundation courses they need to jump-start their careers. Duke’s Global Executive MBA students, on the other hand, are senior executives from all over the world. The program spans seven international locations, where students are immersed in the local culture and business environment. Students focus on cultivating global competency, expanding their personal and professional networks and becoming stronger leaders—all while enabling them to provide immediate value to their companies. Fuqua also offers two more MBA programs designed for midcareer professionals who work while studying, as well as a traditional two-year, full-time MBA. Lynam works with candidates in all of these programs, fielding questions and offering advice via phone and email, through in-person interviews and at events around the country and even in cities abroad.

No matter the applicant, Lynam offers advice garnered from her own journey of professional self-discovery: The road to satisfaction starts with knowing what you want. “You really need to think about who you are and the environments in which you flourish,” Lynam says, “and what you want to get out of it—as well as being really honest with yourself about what you have to contribute.”



**Right:**  
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Megan Lynam knows that the road to satisfaction starts with knowing what you want.

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Next, students need to be aware of their options—and how they’re evolving. “There’s been a pretty big change in the interests of our students and what they want to do when they graduate,” Lynam says. In her own days at Fuqua, she and most of her classmates focused on a few career options: marketing, finance and consulting. “What has been wonderful about the last decade,” Lynam says, “is the social conscience that has come into the field, and the idea that MBA talent is needed in all different areas. In fact, it’s needed more in some of the nontraditional areas.”

These nontraditional areas include nonprofit organizations and other mission-driven endeavors, such as sustainable energy development. Over the past decade, Fuqua has established specialized training programs in each. At Fuqua and elsewhere, business students can also focus on other burgeoning areas, from healthcare administration to information technology. Given this expanding range of opportunities, Lynam urges prospective MBAs to thoroughly research available programs, rather than make the common mistake of submitting applications only to programs with strong name recognition, and those that colleagues and family suggest.

**Making the cut**  
Fuqua’s applicant pool is brimming with people who have stellar academic credentials and ambitious professional goals, Lynam says. What sets successful candidates apart is, in part, an ability to fit in with Fuqua’s distinct campus environment.

“It’s a very collaborative environment,” Lynam says of Fuqua. “We think you need to learn through the diversity of others and capitalize on that strength, and we think people need to be strong leaders as well as team players.” As Lynam learned at PwC, collaboration and versatility are critical not only in school, but also in the professional world. With that in mind, Lynam tries to assemble a diverse group of students—people who bring a broad range of experiences to the classroom and who will push one another to think differently. One of Fuqua’s driving principles is

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“teach as much as you learn,” and Lynam looks for candidates who have the capacity to contribute in multiple arenas, from classroom conversations to clubs and activities.

But Lynam isn’t just looking for a well-rounded group of intelligent team players. She’s looking for people with another quality: “We call them ‘leaders of consequence,’” Lynam explains. “They’re the leaders who are actually going to make a difference in the world. They’re going to seize opportunities to change things.”

Put it all together, and Lynam and her colleagues base a good part of their admission decisions on a few gut-level questions. As Lynam puts it, “How will this person, when they’re here at Fuqua, make this place different? How will they leave their mark? What will their legacy be? What do we think they’re going to do when they graduate, and what will their legacy be there?” When a candidate inspires clear answers to these questions and appears a good fit with Fuqua’s collaborative culture, “then we get really excited about them,” Lynam says.

Applying experience

In one way or another, Bill Brady has spent much of his career helping college students find jobs. Previously chief people officer and vice president of human resources for Park City Solutions, he worked for 12 years for the Bechtel Group in college recruitment and human resources before joining Price Waterhouse in 1985. As manager of administration and college recruiting for the firm’s Management

Consulting Services office in San Francisco, Brady recalls the fast pace and high expectations his employer set. “No one knew how to recruit on college campuses better than the major firms,” Brady says, “and PwC’s attention to the smallest details made it effective.”

Brady returned to Bechtel a few years later, answering a call to manage human resources for one of the company’s many subsidiaries. Six years later, the division had grown into a 50,000-employee, independent company, and Brady was serving as head of human resources. Then his career took a sharp turn. Through his involvement in a family foundation that contributed to the Marriott School of Management, Brady had met the school’s dean, Fred Skousen. “I basically told him that some day, when I retired, I thought it would be fun to come to his college and help out its Career Services Office,” Brady says. Four years later, he was surprised by a phone call from Skousen. “He said, ‘Bill, how serious are you about doing this?’”

Skousen needed to fill the position of director of career services for the college and six months later, Bill and his wife moved to Provo, Utah. Later when roughly 40 people applied for career director of the School of Accountancy, most came from counseling backgrounds, and the school’s director believed that Brady, an experienced professional who’d worked for a major accounting firm, could make an important contribution to the school. Brady agreed and assumed his current position.

Our general rule is that students’ job searches begin the day they’re admitted to our school.

— Bill Brady

Who am I?

When Brady talks about the process he goes through to place students, he, like Lynam, emphasizes that successful outcomes start with a thorough process of self-reflection. “Our general rule is that students’ job searches begin the day they’re admitted to our school,” Brady says. The school’s three-part program, Career Search ABCs, guides students through a series of 10 questions, starting with the basics: Who am I? What do I want to do? How do I focus my interests? Students then identify and research employers that align with their interests—all the while reassessing and prioritizing what’s most important to them in a job, from salary to learning opportunities. “What we’ve found is that ultimately, you may only need to send resumés to 10 employers instead of 1,000,” Brady says.

Finally, students work on making contacts, writing resumés, rehearsing interview techniques—and, of course, applying for actual positions. During this time, each is assigned to a counselor who specializes in his or her area of interest, be it accounting, supply chain management, organizational behavior or something else. Once offers are extended, counselors even help students negotiate the best possible deal. Placement rates for the school’s accountancy graduates in 2011 were an impressively high 96% for master’s students and 81% for undergrads.

Students aren’t the only ones engaged in continuous self-evaluation at the Marriott School of Management, however. So are their instructors and counselors.

Advisory boards representing different industries regularly examine the curriculum and provide recommendations to ensure students’ training is current and cutting edge, and faculty are known for making quick adjustments, Brady says. Brady attends lectures and meets with faculty and department leadership to make sure the information loop between employers, career services and the classroom is closed, and he keeps his eye on broader occupational trends—such as increased demand for IT expertise.

Navigating the network

Students completing their accountancy coursework at Marriott tell Brady they are concerned with finding work that includes certain subjective qualities. They want to be challenged in their jobs, as well as rewarded and appreciated for good performance. They want flexibility, with an opportunity to work with different clients and try out different roles, rather than follow the same routine every day. They want opportunities to travel, to collaborate with engaged colleagues and to feel excited by their work—while also enjoying a sense of stability. And, echoing Lynam’s students at Duke, they increasingly express an interest in joining companies that demonstrate a strong social and environmental conscience.

According to recent placement statistics, the bulk of the Marriott School’s accountancy students land at the Big Four—68% of master’s graduates and 38% of bachelor’s graduates in 2011. Other CPA firms represent the next largest category of employers (hiring 16% of graduates at both the master’s and bachelor’s





**Above and left:**  
Both Lynam and Brady see a bright future for tomorrow’s business and accounting students.

levels), with the remainder of graduates moving on to other private companies, government agencies or further education.

What Brady considers distinct about the current moment is how students are gathering and sharing information as they search for work. “These students are very media savvy,” Brady says. “They’ll go out and surf for information and job opportunities. They’re very involved in social media networking.” The benefits of this increasingly rich and accessible digital sphere are obvious: It’s easier than ever for students to learn about companies, find job openings and even make direct contact with decision makers.

In fact, after PwC’s US chairman visited the campus, a student later sent him an email directly to inquire about working with the firm and eventually landed a job. To that end, Brady urges students to go deeper with their networking. “I’m trying to teach them how to talk to alumni who are working at firms they’re applying to—to not just send a text, but to hold a conversation and communicate verbally.”

**The right fit**  
Whether the goal is to find a spot in the right training program or secure an offer from the perfect firm, both Lynam and Brady are adamant that right and perfect mean something different for every student and job seeker. Now more than ever, with accounting and business training in high demand in a growing number of fields, students have the responsibility—

and the opportunity—to chart their own course toward professional satisfaction, even if it means navigating outside traditional routes.

Fortunately, people like Lynam and Brady are there to help. “I meet a lot of people, and I help them figure out who they are, what they want and if Fuqua’s a good choice for them,” Lynam says, boiling down her job description to a few plain words. “And if it’s not, then hopefully I’m helping them ask the right questions to figure out what school is.”

As for Brady, he’s pretty sure that every accounting student’s job search is based on the same basic desire, whether the end point is a job as CFO of a global corporation or a practice as a small-town CPA: “More than anything, they want a good fit,” he says. And in today’s promising market, if they follow some basic steps, they’re sure to find one.

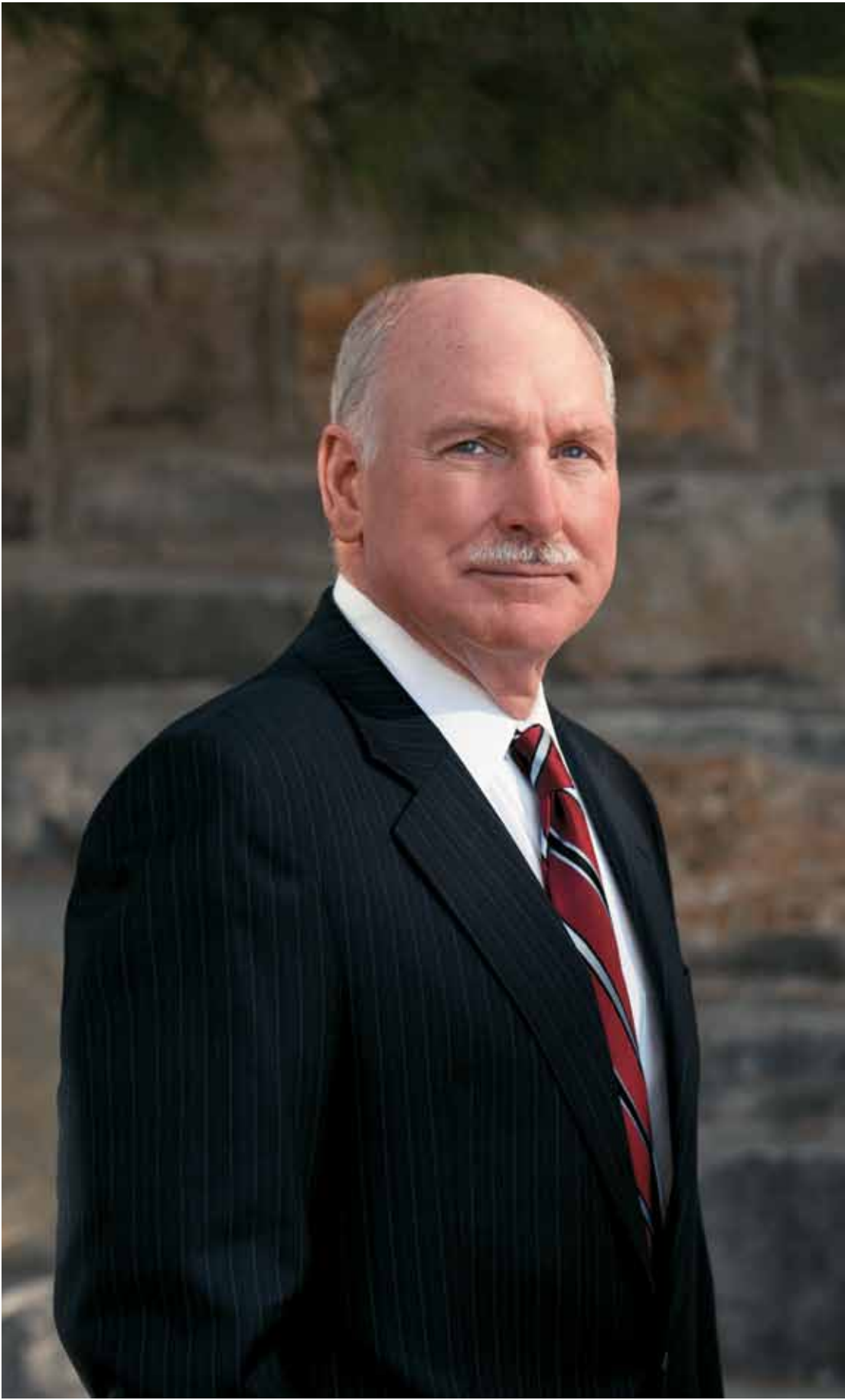


# Real-world lessons

Three PwC alumni prove that those who can *do* can also teach.







**Left:**  
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Joe Dionisio brings a wealth of real-world experience to the classroom.

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James Flagg is a tenured academic with nearly 25 years of experience training aspiring accountants and auditors at Texas A&M University. Denise Hanes is a PhD student and a first-year auditing instructor at Bentley University. Joe Dionisio is a veteran healthcare executive who’s teaching classes at Penn State University as a post-retirement “encore” career. Despite their very different backgrounds, all three share something in common: They’re all PwC alumni, and they’re all committed to using their experience in the corporate world to bring the study of accounting, finance and administration to life.

Here, Flagg, Hanes and Dionisio discuss how they use their business networks—and even stay engaged in professional practice—to keep their curricula on the cutting edge. They also share stories about how they found their paths to the teaching profession, insights about what they love about working in academia and tips for others pondering making the transition from briefcase to backpack.

**The straight talker: Joe Dionisio**  
With 40 years of high-level experience in the field of healthcare finance and management, Joe Dionisio knows exactly what he wants students to get out of his always-full classes in Penn State University’s Health Policy and Administration program. “In every course I teach, I tell the students that my objective is not to teach them how to think outside the box. My objective is to teach them what’s in the box, because they’re raw, and they truthfully don’t know,” Dionisio says.

The industry veteran’s deep knowledge of his subject matter combined with his sense of humor and knack for weaving illuminating anecdotes into his classroom lectures have made him one of the most popular and respected professors in the College of Health and Human Development. Last spring, just a year into his tenure, graduating students invited Dionisio to give the commencement address and recognized him as the faculty member who had most influenced their lives. “It was an emotional moment for me and my wife,” Dionisio recalls, “and it made it all worthwhile.”  
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*I had a wonderful run with PwC and I would not have had the same career opportunities had it not been for my experience there.*

— Joe Dionisio

Dionisio’s career in healthcare—and his working life as a whole—began at Price Waterhouse. He joined the Pittsburgh office after graduating college in 1969, and nine years later he was put on a team charged with “developing a healthcare presence where one didn’t previously exist.” He swiftly cultivated a clientele of community hospitals and advanced academic medical centers, making partner at the age of 31 and going on to lead PwC’s healthcare practice for the entire Ohio Valley region.

“I had a wonderful run with PwC,” Dionisio says, “and I would not have had the same career opportunities had it not been for my experience there.” But in 1989, the Allegheny Health System, based in Pittsburgh, offered Dionisio a position on its executive team. Seeing an opportunity to get off the road and take his career in a promising new direction, Dionisio made the leap. “There was a great deal to learn,” he says. By the time he left Allegheny a decade later, it had grown from a single advanced medical center into a statewide integrated-delivery system including 15 hospitals with 40,000 employees. During his last two years with the system, Dionisio helped lead a major organizational restructure that culminated in a merger with another healthcare organization.

His next stop was helping a distressed healthcare system based at Harvard Medical Center in Boston turn its financial fortunes around. About a year into the job, Dionisio was appointed president and CEO of one of the system’s affiliate hospitals, New England Baptist Hospital. He held the position until his retirement in 2008.

Dionisio grew up in State College, Pennsylvania, home of Penn State, and he knew he wanted to retire there. During his last year with New England Baptist, Dionisio recruited a summer resident from the university’s Master of Health Administration program. “I wanted to mentor the next generation of leaders,” he says. The experience proved satisfying, and upon resettling in State College Dionisio reached out to the university to volunteer his time to the College of Health and Human Development’s Health Administration program. He served as a case competition advisor, a guest lecturer, a graduate course evaluator and an adjunct faculty member. Soon the school hired him as a full-time Professor of Practice, a title bestowed on a rare few faculty members who, though lacking a PhD, bring extraordinary experience to the classroom.

Dionisio teaches finance courses to both undergraduate and graduate students, preparing them for entry into the demanding, growing field of healthcare administration. The program’s broad-based curriculum covers everything from understanding organizational behavior to identifying diseases, and from analyzing healthcare statistics to complying with healthcare law. Graduates qualify for positions as hospital department managers; healthcare industry consultants for firms such as PwC; and managers of private physician practice groups, an area of growing demand. Dionisio’s finance courses are designed to prepare students to manage the financial affairs of medical departments and practices—not to be hospital CFOs, but to work with them effectively to deliver results. “I focus on understanding financial statements, preparing budgets

and strategic plans, evaluating capital expenditures and financial performance and dealing with revenue cycle issues,” he says.

But for healthcare administrators, there’s always more to learn and more challenges to overcome, in part because healthcare is such a highly regulated industry, Dionisio explains. The government requires hospitals to treat patients regardless of their ability to pay, to adopt expensive electronic record-keeping systems and to accept dictated Medicare prices—all of which constrain profitability. “There’s never been an easy time of it,” Dionisio says. “At any one time, half the hospitals in the country lose money.”

That’s why Dionisio makes sure to supplement his students’ textbook readings with examples and case studies that expose them to the types of knotty problems and tough decisions they’ll face on the job. “I’m a storyteller,” he says. “The textbook for my Introductory Healthcare Financial Management class has 12 chapters in it, and I tell real-life stories related to all of them. By the time the course is done, my students have been through a year in the financial life of a hospital.” While instructive, the stories also serve to keep students entertained and engaged. “I like to say that a third of what I do is showmanship, and the other two-thirds is content,” Dionisio says.

Besides earning Dionisio compliments from students for his “street cred,” his tell-it-like-it-is approach to teaching gives future healthcare managers a window on a profession that, while intellectually and ethically

demanding, promises substantial personal rewards. “I tell my students that it’s an industry that needs expertise,” Dionisio says. “There are tremendous opportunities in this field.” With the Penn State program’s job placement rate reaching 100% last year, Dionisio’s credibility got yet another boost.

***The scholar: James Flagg***

“Auditing is where my heart is,” says James Flagg. “I love teaching it.” The Texas A&M University professor has been following his heart for nearly 25 years, educating a small army of CPAs and publishing a long list of scholarly articles on subjects related to auditing, financial accounting, SEC reporting, fraud and bankruptcy. Like Dionisio, he traces his career path to his early experience working for PwC—or, in Flagg’s case, Coopers & Lybrand (C&L).

Flagg joined C&L’s Houston office in 1976, right after earning his MBA at Texas A&M. Four years later, he was transferred to New York to work in the firm’s research office. Before the introduction of the Internet transformed the way people access information, associates would call in from around the country with questions about accounting rules and how to interpret them. “I got to really enjoy doing the research and coming up with, if not the answer to a question, an acceptable answer,” Flagg says. “Because from an accounting and auditing standpoint, it’s never cut and dried.”

In 1984, Flagg came to a career crossroads. He’d accomplished what he wanted to as a manager at C&L and was thirsty for a new challenge. But a chance to



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***James Flagg***

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After receiving his PhD, Flagg remained at his alma mater as a professor.



make partner was still three years away. Reflecting on his love of doing research, he decided to return to school for a PhD. “I’ve never really been a betting man,” Flagg says. “I was thinking, ‘If I wait around, I might be a partner. But three years down the road, I might not want to go back to school.’ It was one of those defining moments.”

Flagg moved back to College Station, Texas, and enrolled in classes at his alma mater, Texas A&M, in September 1985. “Three years later,” he says, “I was walking across the stage getting my PhD.” The chair of the accounting department immediately offered Flagg a job, and he’s been with the department ever since.

The challenge of mastering an ever-evolving subject is, for Flagg, a big part of what he loves about his job. “Auditing is in a constant state of flux,” he says. “You have to keep up with the latest trends and developments, not only to better educate yourself, but also to pass that information along to your students.” In addition to learning—and then imparting—details of new regulatory changes, that means leading class discussions about trends that are shaping the profession and the world, such as technology and globalization.

Sometimes those discussions point toward fascinating what-if scenarios, such as the transition to continuous auditing methods. Long predicted by Flagg and other academics, continuous auditing would give auditors direct, continuous access to companies’ financial

systems, drastically reducing the time and personnel required to complete an audit. Other times, coursework might touch on academic research related to hot current topics, such as the alleged practice by some companies of overvaluing employee stock options. “It’s not like we’re trying to find a cure for cancer,” Flagg says of the role academic research plays in public and commercial life, “but if we don’t do our jobs, it creates a huge impact on the market.”

Flagg also calls on his network of PwC colleagues to bring their real-world expertise to his classroom. “Students really get a lot out of it,” he says. “It’s one thing to have a professor stand up and tell you something. But if you have someone from the field echoing those ideas, they sink in a little bit more.”

Most of Flagg’s students are enrolled in the school’s Professional Program in Accounting, a five-year, all-in-one undergraduate and master’s degree program that readies graduates for Texas’ CPA exam. In addition to technical knowledge, the program focuses on teaching students critical-thinking and communication skills—to such success that it’s one of the largest feeders of student interns to PwC. “We jokingly say, ‘You can’t mess up a good product,’” Flagg says. “They’re good students when they come to us, and we add a few finishing touches.”

It doesn’t hurt, though, that more than two decades after leaving public auditing, Flagg keeps his knowledge of the practice sharp. He reads relentlessly, and he

***Auditing is in a constant state of flux. You have to keep up with the latest trends and developments, not only to better educate yourself, but also to pass that information along to your students.***

— James Flagg

maintains a strong foothold in the corporate world. He chairs the audit committee of a public company—which has given him hands-on experience with current matters such as implementing Sarbanes-Oxley requirements—and he serves as a governor-appointed member of the Texas State Board of Public Accountancy, the agency responsible for licensing Texas CPAs. As chair of the board’s qualifications committee, he advises the state on the types of courses and the number of credit hours students must complete to qualify to take the CPA exam.

Each year, he attends the state board ceremony, where newly minted CPAs receive their certificates. “Other board members always comment on how many former students come up and shake my hand,” he says proudly. “To have a student that I had in class years earlier shake my hand and tell me ‘thank you’—that’s very rewarding.”

***The connector: Denise Hanes***  
Talk to Denise Hanes for five minutes, and it’s clear the self-described “mover and shaker” doesn’t waste time standing still. Indeed, Hanes has been diligently advancing her career since she was 10 years old, when she asked to shadow her aunt, a PwC partner, on Take Your Daughter to Work Day. A business major in college, Hanes, a Philadelphia native, went directly to work for PwC after graduating from Villanova in 2005, working in the assurance practice while spending her summers earning a master’s in accountancy. Three years later, and a senior auditor in the consumer products and

technology sectors, contemplating her next move. “I definitely wanted to change what I was doing—to grow further,” she says.

That’s when Hanes heard about a program offered by the American Institute of Certified Public Accountants. Large and small accounting and auditing firms throughout the country, including PwC, were pooling their resources to provide scholarships for employees who wanted to return to school. Hanes had contemplated getting a PhD in accountancy, and this seemed like the right opportunity. One of 30 applicants awarded a scholarship, Hanes enrolled as a PhD student at Bentley University in Massachusetts in the fall of 2009. Two years into her studies, Hanes’s goal is to complete her PhD by the time she turns 30.

Hanes’s dissertation focuses, in part, on improving auditors’ judgments related to fraud. In particular, Hanes is focusing on ways to improve auditors’ fraud knowledge. “Since actual material financial statement fraud is rare, most auditors do not have direct experience identifying it at their audit clients,” Hanes explains. “I’m looking at ways to supplement auditors’ infrequent experience with real fraud, to build knowledge of fraud and heighten auditors’ awareness. My hope is that this research will improve fraud judgments.” To find out, she researches existing literature and conducts experiments in the field—asking groups of auditors, for instance, to discuss various





***The path forward:***

A student at Texas A&M  
makes her way to class.



*The thing I probably value most in my role now is that I get to stay connected with the firm and the high-performing people there.*

— Denise Hanes

42 auditing scenarios and testing whether different decision aids change the conversation, making the auditors’ job easier or improving their results.

The experience can be nerve-racking. “When you’re collecting data from 100 senior associates at a firm, you’re always thinking, ‘I hope they care about my research!’” Hanes says. But making practical connections between academia and professional practice is the core principle of Hanes’s self-imposed academic mission—both as a researcher and, since she passed her department’s 16-hour qualifying exam last summer, as a teacher.

“Along with my own experiences as an auditor, I had a lot of exposure to the curriculum before I started teaching my own classes,” she says. “In my second year in the program, I sat through another instructor’s auditing course, and I was frequently a guest speaker. I worked closely with the professor to make sure I was comfortable teaching the material, and I was able to teach a few classes as well. That helped prepare me, and my practice experience adds another dimension to what I’m able to do in the classroom. It makes me more relevant to my students.”

To keep her knowledge up to date, she stays in close touch with former PwC colleagues, asking for feedback on theories she’s formulating, listening to what’s on their minds and inviting them to be guest lecturers in her classes. She says these relationships are indispensable. “The thing I probably value most in my role now,” she says, “is that I get to stay connected with the firm and the high-performing people there. A lot of the things I talk about in class are directly related to my experiences at PwC, and I try to bring people to the classroom who can speak in even greater detail about what you face in real-life practice.”

Keyword Her students reap the benefits of Hanes’s drive to connect the dots. Each of her classes is a lively mix of short lectures, discussions and case studies involving current issues; when a student has a question she can’t



**Denise Hanes**

Hanes is on her way to fulfilling her education goals.



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answer in the allotted 75 minutes, she creates a hand-out and posts it to the school’s online information-sharing site. For all the effort she puts in, Hanes gets something in return.

“People who have a lot of business experience might be set in their thinking and the ways they like to do things,” she says. “Students are much more likely to deliberate. They want to discuss the benefits of Method A versus Method B, and explore the consequences. Often, I ask them questions that have no right answer, but that spark a discussion about how they would approach different situations. It’s really interesting, because these students are often very motivated,” Hanes continues. “Everything is in front of them. They’re working so hard to get through the program, and they want to talk about the issues. It’s really rewarding to hear all the conversations that are going on and to be able to help mold their thinking.”

***New career, new challenges***

Dionisio, Flagg and Hanes all say that making the transition from business to academia requires hard work and willingness to adapt to a different way of life. Hanes advises business professionals pondering enrollment in a PhD program to expect a heavy workload—the CPA exam was a piece of cake compared with the 16-hour exam she took last summer, she says. And, as Flagg points out, the high productivity demands persist once you’re a tenured professor. “Contrary to popular belief, there really aren’t any days off from being a professor,” he says. “The days you’re not in the classroom are quickly and easily

filled with either grading papers or conducting research.” Dionisio advises you also have to be prepared to do without perks accorded to corporate executives; without a personal secretary, he says he’s had to become more technologically literate.

But making that transition brings considerable intellectual and emotional rewards. Flagg loves the flexibility he has to schedule his days more or less as he pleases, stopping by the campus rec center at midday to play basketball—and to form mentoring relationships—with students. Now that Dionisio has been anointed one of the most beloved professors on campus thanks to his natural talent for teaching, he gets a kick recalling the doubt he felt standing in front of the blackboard for the first time—“I was as nervous as I’ve ever been,” he chuckles. And though Hanes considers it possible that she might return to auditing practice someday, she’s quite sure it would be only temporary; in academia’s “culture of learning,” she’s found her niche. “A university is such a unique environment,” she says. “As practice continues to get more and more complex, universities have the ability to prepare students to push boundaries and innovate. That can only bode well for the success of students and our profession.”

***Contrary to popular belief, there really aren’t any days off from being a professor. The days you’re not in the classroom are quickly and easily filled with either grading papers or conducting research.***

— James Flagg

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# Paying for college

Rising costs, shrinking public appropriations and booming demand are spurring three university CFOs to find creative pathways to growth.





Kevin Hegarty

At UT Austin, Hegarty is helping keep university finances on track.

Last winter, the University of Texas at Austin athletic department and ESPN announced a deal that grabbed sports headlines. In exchange for broadcast rights to the Texas Longhorns’ football season (along with other university-related events), ESPN agreed to pay UT Austin \$300 million over 20 years—an unprecedented influx of cash and publicity for a college football team. *Bloomberg BusinessWeek* called the deal a “\$300 million promise...that would transform college sports.”

But amid the sports-fan hubbub, scant attention was paid to another outcome of the ESPN deal: a new revenue stream for UT Austin’s academic programs. Roughly 30% of the Longhorn Network’s programming is made up of non-sports-related content, including lectures, performances and other academic events, and UT Austin will use half of the contract’s annual proceeds to support nonathletic initiatives. Specifically, in the immediate future, the funds will go to hire and retain talented academic faculty—a high-priority need that many university systems are struggling, and competing, to fulfill.

The ESPN deal is hardly a game-changer for an institution whose annual budget hovers around \$2.3 billion. But it’s indicative of the creative zeal that today’s universities are bringing to the challenge of sustaining and growing their complex operations in an environment of rising costs, shrinking public appropriations and booming enrollment demand. “Everyone wants high-quality education, but far fewer want to pay the price,” says University of Texas at Austin CFO Kevin Hegarty, an architect of

the ESPN deal and one of three university CFOs—all PwC alums—who spoke with *Keyword* about the strategies they’re pursuing to keep their universities in the black.

To achieve their schools’ ambitious mandates—comprising everything from educating the future workforce to making groundbreaking scientific discoveries—these leaders are aggressively controlling costs, wisely managing assets, assiduously cultivating new revenue sources and continuously adapting to changing public expectations.

Fighting for public dollars

When Hegarty was earning his master’s in public accounting from UT Austin in the late 1970s, the state paid 85 cents out of every dollar of the cost to educate him. By the time he returned to his alma mater in 2001—to assume the post of vice president and CFO—Texas’ investment had paid off handsomely. Hegarty had leapt from a post-college stint at Price Waterhouse’s Dallas office (1979–84) to C-level financial positions with Trammell Crow Company, Associates First Capital and Dell, Inc. At UT Austin, Hegarty’s task was to apply his top-flight experience in corporate management to rethink the university’s financial model in light of precipitously falling public appropriations. UT Austin’s president at the time warned Hegarty of an impending financial “wall,” a boundary point where the state’s long-term disinvestment would halt the university’s ability to function.





Frances Dyke recalls a similar greeting when she joined the University of Oregon a decade earlier. Dyke had been an educational researcher in Rochester, New York, when her husband, a physical chemist, accepted a faculty position at the University of Oregon in Eugene. Dyke took the opportunity to earn her MBA there, and then worked as a staff accountant with Coopers & Lybrand’s Eugene branch before joining the university’s budget office in 1991. Her first day on the job, the university president called an emergency meeting. Voters had just passed Ballot Measure 5, a constitutional amendment that put a permanent cap on property taxes, the state’s major source of education funding. Dyke says she’s been immersed in the challenge of adapting to the new funding environment ever since. By 2005, when she was appointed vice president for finance and administration and CFO of the university, successful recruitment of out-of-state students along with an upswing in federal grants had helped the university gain some financial ground, but there was still much work to be done.

It’s widely known that public universities have sustained deep funding cuts as a consequence of the current recession—*The Chronicle of Higher Education* reports 13 states have cut their higher education budgets by 10% or more in the past two years. However, less attention has been paid to the fact that for many university systems, public support has been falling for decades. Today, the 85 cents on the dollar that Texas paid for Hegarty’s education has dropped to 13 cents. Over the past 40 years in Oregon, the ratio of state support to tuition revenue

has dropped from a dominant two-to-one to less than one-to-three. Today, state support accounts for only 9% of the University of Oregon’s budget.

Hegarty doesn’t envy the tough choices legislators and taxpayers face when it comes to allocating limited dollars to critical public needs. “Politicians have to ask themselves, ‘Do I want to put this dollar toward higher education, or do I want to use this dollar to feed indigent children, or provide medical insurance for Texans who can’t afford coverage?’ That’s a hard tradeoff,” he says.

Those hard tradeoffs are one reason that, like many of their peers, Hegarty and Dyke don’t expect the outgoing tide of public support to turn any time soon. Still, neither of their institutions has given up the fight to win back public dollars. Both universities work on sending strong and consistent messages to lawmakers and citizens about the value they provide to the public—not just in terms of educating citizens, creating a stronger workforce and developing advanced knowledge and technologies, but also, Dyke points out, in terms of the university’s direct economic impact on the state via the turnover on dollars it spends on salaries and local purchases.

**Budget management 101**

In recent years, college tuition has been rising far faster than people’s incomes, such that in 2010, Americans owed more than \$800 billion in college debt, according to the public-service organization FinAid. Public funding cuts aren’t the only factor driving that increase, which has affected private as

**Everyone wants high-quality education, but far fewer want to pay the price.**

— Kevin Hegarty

well as public universities; rising costs also play a role. Colleges compete for students by offering distinctive experiences: Star professors, gleaming research facilities and beautiful grounds are often part of the package. But these things come with a cost, as do more pedestrian expenses ranging from food service to garbage collection. Thus, university financial officers are looking for new ways to do more with less.

PwC alum Tom Nedell was an economics major at Boston College before joining Coopers & Lybrand’s Boston office in 1988. When one of his colleagues took a position as controller at St. John’s University in New York, a private Catholic school, Nedell followed. Working for the university for 18 years, rising from assistant controller to CFO, he guided St. John’s through a complex merger and other challenges, which helped prepare him for his current post as CFO of the private, Boston-based Northeastern University, where he’s been since 2009.

When he arrived at Northeastern, Nedell found an institution engaged in a period of ambitious and strategically sound growth. But on an administrative level, he saw an opportunity to make cost-efficiency improvements that would empower the university to do more with its resources.

Nedell and his staff attacked costs by making common-sense investments in technology—replacing paper expense reports with electronic ones, for instance—and refining the school’s procurement

process. “We buy a very, very wide variety of things, whether it’s beakers and chemicals or hotel lodging and airline flights,” Nedell says. The school’s new procurement system will do away with triplicate paper order forms, enabling staff to order goods and services more efficiently online. More important, Nedell says, “It will allow us to combine our spending and negotiate more favorable contracts.” Working with the Provost and the rest of senior leadership, he’s also implemented what the university calls a “hybrid budget model,” which increases the control that individual colleges within the university have over their budgets, while providing financial incentives for saving money and generating new revenue sources.

Now he’s tackling one of the fastest-growing expenses colleges face: healthcare. “One of the nice things we have here in Boston is the Boston Consortium. It’s 16 schools, Northeastern being among the largest, that come together to improve the way we do things,” Nedell says. Reducing healthcare costs is the group’s current focus. A program some consortium members have already adopted, Healthy You, trims expenses by providing employees incentives to monitor their own health risk factors. The next matter on the table, Nedell says, is “how we can negotiate with providers and bundle our healthcare contracts in a more effective way.”

Hegarty and Dyke faced a different sort of task when they began their tenures as university CFOs. Each recalls the heavy lifting they did early on to bring their respective institutions up to date with essential



**Left:**  
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Frances Dyke, CFO at the University of Oregon, considers herself a lucky duck.

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budget management systems. “I stepped into the university and found what I learned to be a common problem of higher education,” Hegarty says. “There was no forecasting beyond the current year. There was no cash forecasting. There was no capital forecasting.” In the for-profit environment where he came from, solid forecasting is “the Bible by which you live,” he says. “I want to know where cash is, and I want to know where we think we are going.” Hegarty spent his first couple years on the job “installing basic blocking and tackling tools that are common to the for-profit world, but weren’t so common to the higher education world.”

When she assumed her present role back in 2005, Dyke recalls renovating a system that, in the wake of a decade of state disinvestment, lacked the essential administrative and financial management structures befitting a major research university. From creating the school’s first purchasing and contract office to ensuring financial managers of large campus units were properly trained, she and her colleagues focused on improving the ability of the university to manage its finances and “making sure that information was available so that leaders could make the right decisions.” Their hard work has given both Hegarty and Dyke the tools to build out larger strategies for financial sustainability—including maximizing existing revenue sources and tapping new ones.

**Rallying the base**  
Over the past five years, the recession has caused a general drop-off in philanthropic giving. Yet private donations to Northeastern University have doubled, rising from roughly \$25 million to over \$50 million per year. What’s driven this swell of generosity? According to Nedell, it’s excitement. “In general, donors don’t give to fill gaps; they don’t necessarily give to places that have funding shortages,” Nedell says. “They give to successful schools that have a vision.”  
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***Pedal power:***

Traversing Northeastern's campus  
on two wheels.



Northeastern’s period of rapid fundraising corresponds with the implementation of a strategic vision that included expanding the global reach of Northeastern’s signature “experiential learning” program (aka the co-op system, in which students integrate their academic study with full-time employment in positions related to their academic or career interests); hiring 261 new faculty members, so as to reduce class sizes and beef up the school’s academic talent pool; doubling the value of the university’s research awards; and raising debt capital to invest in significant infrastructure improvements. Word of these plans, and their gradual realization, produced a snowball effect: Applicants’ SAT scores rose, Northeastern’s *US News & World Report* rankings jumped from 98 to 62 and demand for enrollment grew. Last year, Northeastern received 43,255 applications, the most of any private university in the country.

The simultaneous uptick in donor contributions is no coincidence, Nedell says. “That \$50 million we’ve received is a result of people being excited about experiential learning, or about our innovative academic programs or the new security research facility on campus. There are some really exciting things that underpin those donations.”

Dyke and Hegarty concur that the revenue-generating power of a strong vision, combined with effective public messaging, can’t be underestimated even in hard times. In 2008, the University of Oregon closed a capital campaign called Campaign Oregon: Transforming Lives, which raised more than \$853

million and funded the creation of more than a million square feet of new space on campus. Hegarty points out that last year, UT Austin raised \$360 million in private contributions—or about \$1 million a day—largely from its alumni base. “We’ve got a compelling story that we tell publicly, and I think we tell it well,” he says. “As a result, even in the midst of the recession, this institution has been able to raise very meaningful amounts of money.”

***Monetizing the brand***

Still, Hegarty says, “Alumni fundraising drives only get you so far.” Today, schools are looking at new types of revenue streams, including for-profit initiatives and corporate partnerships. “We have tried—I think successfully—to be more entrepreneurial in our thinking,” Hegarty says.

This type of thinking is still gaining acceptance in a traditionally nonprofit industry, and Hegarty voices sympathy with students who worry partnerships such as the Longhorn Network will commercialize their alma maters. Similar concerns emerged when the school outsourced its food service to for-profit entities such as Wendy’s and Taco Bell. But in the hunt for scarce dollars to fund education, the UT Austin brand is, in Hegarty’s mind, too valuable a trading card to leave off the table. “What you are going to see us do is monetize the brand and the University of Texas cachet more and more, and in different ways,” he says.



***Thomas Nedell***

Nedell is excited about new visions for Northeastern.



At Northeastern, similar efforts are under way. But rather than corporate partnerships, Northeastern has focused on growing its own profit centers and expanding the Northeastern brand into new markets. “At the graduate level, there has been significant growth in the number of students and also the types of students we serve,” Nedell says. The school’s online executive MBA program is one of the largest in the country without the burden of the fixed costs of brick-and-mortar facilities. In November, Northeastern announced it would open a new campus in Charlotte, North Carolina.

“We’ve done a lot of market research and have found that there are certain metropolitan areas, Charlotte being one of them, that are underserved for certain graduate programs,” Nedell says. “We’re building on all that is unique and distinctive about Northeastern and taking it on the road—not in the traditional undergraduate model where you’d have to build out a whole infrastructure of student services and bricks and mortar, but having it be fairly nimble financially, with leased space in an urban environment, delivering programs that involve a combination of in-person and online instruction.”

Managing the tuition-cost equation

Despite strong cost-control measures and ambitious revenue-producing initiatives, universities have still found it necessary to raise tuition at rates that outpace inflation. Rising demand has helped drive those price increases. According to the National Center for Education Statistics, in the past decade,

the number of college-age Americans grew by 3.7 million, and the proportion of 18- to 24-year-olds enrolled in college rose from 35% to 41%. But it’s widely believed that current rates of tuition increase are not sustainable. In short, as Nedell says, “Tuition can only go up so much.”

The issue isn’t simply economic. Even if the market value of a college degree continues to rise in tandem with its cost, Nedell, Hegarty and Dyke concur that colleges are impelled to keep tuition hikes under control for the purpose of keeping college accessible to those on the lower end of the income scale. Social conscience isn’t the only motivator; affordable tuition boosts academic rankings (the broader the pool of potential applicants, the more academic talent admissions officers have to choose from) and, for many public institutions, it’s mandated by the state.

Schools have two basic ways to control tuition even as operating costs rise. One is to supplement tuition with other revenue sources, including those discussed above. The other is to create a staggered pricing schedule, based on students’ ability and willingness to pay.

At private universities, the staggered-price model is relatively simple. At Northeastern, full-price tuition runs \$38,600 per year including mandatory fees, or \$51,362 including room and board. Students pay full price if they can afford to, covering something approximating the actual cost of their education.

Less well-off students pay less—with financial aid, to the extent it’s available and merited by their academic credentials, making up the difference. Over the past five years, Northeastern has increased its financial aid budget at twice the rate it has increased tuition charges. “That’s a very intentional investment of university resources,” Nedell explains, “which helps us shape our class and attract diverse and highly talented students.”

At public universities, the equation is more complicated. At the University of Texas, tuition was regulated by the state until 2003 and is now set by a board of regents; presently it’s about \$10,000 per year for in-state students. As is the case at many public schools, out-of-state students are charged differently—250% more. But only about half of students, in-state and out-of-state, pay what Hegarty calls “full sticker price.” The other half receive some amount of non-loan financial aid, and a full 25% pay next to nothing.

Under this system, tuition prices bear little relation to the cost to UT Austin of producing a credit hour, which Hegarty views as a problem. He’d like to see the university consider adopting the “Yale model” (which is also the Northeastern model): Ask students at the top of the income scale to pay something closer to the real cost of their education, freeing up subsidies to help those truly in need.

At the University of Oregon, in addition to strong commitments of financial aid, active recruitment of higher-paying out-of-state and international

students has been a key strategy for keeping in-state tuition rates in check. “There is no way,” Dyke says, “given the amount of state support and the amount of tuition that’s charged to in-state residents, that we could provide them an education of this quality without those out-of-state students.” Fees included, nonresidents pay \$20,916, about three times the in-state rate of \$6,804.

The benefits of this strategy go beyond financial returns, Dyke emphasizes. “Oregon has a small population, and it’s not terribly diverse,” she says. Providing in-state students opportunities to meet people from other geographic locations and broader racial and ethnic backgrounds gives them “a lens on the world that they would not normally get.”

Balancing priorities

Of course, there may be no simpler or more ingenious system of paying for college than the one Northeastern established 100 years ago. Today it may be called “experiential learning”—lauded by researchers as a powerful pedagogical model and touted by college officials as a distinguishing mark of the Northeastern brand. But, as Nedell explains, the co-op system “was actually started as a way to help kids pay for school, because they don’t pay tuition while they’re off on their work assignments.”

Informally, that’s a college-funding model that students and their families have followed for as long as memory holds—working, saving and, when necessary, borrowing to pay their tuition bills. And as long as the value of a college education is considered

worth its price, they'll likely continue to do so. At present, from the standpoint of both intellectual enrichment and financial gains, there's little question that it is: On average, within 11 years, higher earnings and lower unemployment rates more than make up the cost of a four-year education, according to a comprehensive 2010 study by the nonprofit organization College Board.

Leaders like Hegarty, Nedell and Dyke are working hard to ensure that equation continues to hold true.

Dyke is confident that creative partnerships with private donors and the state will produce a stable funding model for the University of Oregon, enabling it to "achieve the greatness that the state deserves from this type of university." She foresees better risk management solutions will bring an end to continuous handwringing over unpredictable public funding cycles: "We will be financially solvent and will move into the future into a very different world than existed in the last century."

Nedell emphasizes that to the extent that the higher-education industry provides a product that people value, financial stability will follow. "Academic quality is the main driver of financial health," he says, and Northeastern's steady commitment to enhancing academic excellence, combined with its distinctive job-preparedness program, will prove a winning formula in years to come. "We have a significant value proposition," he asserts. "Our students get jobs."

Hegarty concurs that even if his axiom holds true—that everyone wants high-quality education, but far fewer want to pay the price—top-tier universities like UT Austin will continue to survive and thrive in response to strong and rising demand, which last year amounted to 34,000 applications for 6,000 freshman spots. "There is a high-level delegation on this campus at least once a month, with people coming from both developed and developing nations. They come here wanting to do one thing—study the great Western public research university." Hegarty plans to keep it that way.

# Join your fellow alumni on LinkedIn.

LinkedIn is the largest professional networking site in the US. By using LinkedIn, you can connect with other professionals, including colleagues, classmates and clients. Building stronger relationships with your network could help you uncover new business opportunities. Our LinkedIn group, titled PwC US Alumni, is currently a community of more than 2,600 members and growing. By joining the group, you'll be able to take advantage of opportunities specifically created for our alumni including networking events, social activities, career guidance, and technical training, as well as access to firm publications and other resources.

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## 15th Annual CEO Survey: *Delivering results*

In PwC's 15th Annual Global CEO Survey, we asked CEOs how they see the global economy evolving this year and beyond, and how they expect to deliver business results in this environment. We surveyed 1,258 business leaders in 60 countries from September to December 2011, and conducted further in-depth interviews with 38 CEOs. We found a growing sense of preparedness and a surprising optimism: chief executives were nearly three times as confident of their companies' growth this coming year as they were in the global economy's growth.



## 2012 Guide to Tax & Wealth Management

Fundamental changes in government policies will impact wealth management plans, underscoring the importance for high-net-worth individuals and their families to anticipate how those changes might affect them personally. PwC's *2012 Guide to Tax & Wealth Management* provides a detailed summary of the key concepts and approaches pertaining to trusted advisors relationships, tax planning, investing, charitable giving, estate and gift planning, business succession, risk management and family offices.

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## Navigating global sourcing challenges

Many organizations have realized that global sourcing should be a part of their core strategy to reduce costs, and to introduce strategic flexibility and operational agility. This report, the third in a series of PwC whitepapers, addresses the need-to-know aspects of creating a sound global sourcing model and presents steps and key considerations that companies should bear in mind when developing and executing a global sourcing strategy. We call it the Global Sourcing Lifecycle Roadmap.

## Technology Forecast: Building sustainable companies

This issue of *Technology Forecast* explores how sustainability can become an integral part of doing business and contribute to corporate reputation and financial results. The first article focuses on sustainability as an embedded enterprise process driven by metrics. The second looks at software that can collect and distribute data to help employees make decisions that weigh the environmental, social, and economic impacts of operations. And finally, we examine steps the IT executive can take to move the enterprise forward.

## Millennials at work: Reshaping the workplace

CEOs are becoming increasingly concerned that they will soon be unable to find the talent that they need to succeed, with a shortage of suitably skilled workers their single biggest worry. To provide insight into the minds of new graduates from around the world, PwC commissioned Opinium Research to carry out an online survey of 4,364 graduates across 75 countries. All were aged 31 or under and had graduated between 2008 and 2011. Key findings reveal the hopes and expectations of this generation.

## Customers take control

The 2011 global multichannel retail consumer survey was completed by 7,005 respondents from seven different countries. For PwC, this is our most comprehensive research to date on multichannel retailing. Our first global survey of online shoppers reveals a world rife with online "experts" who shop across all product categories, not just music or books. This online savvy comes with increased demands for faster service, more selection and more transparent information on the shipping and tracking of goods.

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10Minutes on updating flexibility strategies

Newer generations of the workforce perceive their employment and careers differently than previous generations. This means that companies must adjust not only the organization and delivery of work, but the way the work gets done, how the organization collaborates and communicates and, ultimately, the degree to which employees are engaged. Learn how flexible work arrangements (FWAs) can result in employees that are more satisfied, committed and engaged with their jobs, which leads to increased innovation, quality, productivity and growth.

10Minutes on why you want to get into healthcare

Healthcare is expected to reach nearly 20% of the US gross domestic product by 2019. With 76% of the Fortune 50 now in the health industry or with a health division, it is apparent that opportunity abounds. To attain success, businesses will need to find the right niches by building innovative health-care business models. The keys lie in determining where to invest time and resources, how to provide value for consumers and how to avoid fool’s gold.

10Minutes on the boardroom agenda

Board members realize that their company’s competitive position can turn quickly because of the oversight decisions they make. They also recognize the changing governance landscape. New governance regulations, risks associated with emerging technologies and fraud, and the effects of the economic downturn have corporate directors focusing on ways to increase their effectiveness in the boardroom. Executive compensation, risk management and succession planning are three areas of focus discussed in this issue of 10Minutes.

10Minutes on doing deals in China

The rules for acquiring a stake in the world’s fastest-growing economy have changed. China’s 12th Five-Year Plan envisions a more urban, equitable, consumption-driven and cleaner China. Technology, managerial expertise and access to global markets now attract Chinese companies that were once looking for only capital. In this new environment, old approaches may not deliver the desired outcome. Read how alternatives such as collaborative structures and flexible contractual relationships will pay off in China and beyond.

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- 697 lbs of solid waste not generated
- 1,373 lbs of net greenhouse gasses prevented
- 10,508,040 BTUs of energy not consumed

Savings from using emission-free wind-generated electricity

- 2,323 lbs of air emissions not generated
- 2 barrels fuel oil unused

The savings from using wind-generated electricity are equivalent to either not driving 2,299 miles or to planting 158 trees.

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