

Benefactor

CHANGE LIVES • CHANGE ORGANIZATIONS • CHANGE THE WORLD

Progress toward
GSB priorities within
The Stanford Challenge:
as of May 31, 2007

\$320.9 M
RAISED

\$500 M
GOAL

CAMPAIGN STEERING COMMITTEE

Key alumni are playing a major role in guiding the GSB during The Stanford Challenge. The following people serve on the school's campaign steering committee, generously giving their time and financial support to help ensure a bright future for the GSB.

Chair

Robert L. Joss, Sloan '66, MBA '67, PhD '70

Co-Chairs

Robert M. Bass, MBA '74

Mayree C. Clark, MBA '81

James G. Coulter, MBA '86

Michael G. McCaffery, MBA '82

Robert G. Scott, MBA '70

Gene T. Sykes, MBA '84

Members

Rocky Barber, AB '73, MS '73, MBA '75

Jeffrey T. Chambers, MBA '80

Carol F. Dressler, AM '68, SEP '75

Le Roy "Terry" Eakin III, MBA '68

Jerker M. Johansson, MBA '86

Chien Lee, BS '75, MS '75, MBA '79

Hamid R. Moghadam, MBA '80

George G. C. Parker, MBA '62, PhD '67

William J. Patterson, MBA '89

Scott M. Stuart, MBA '86

John A. Svoboda, MBA '83

David L. Kennedy

Associate Dean for Development

Sharon Marine

Director of Campaign Giving



Issue 1 • Volume 1 • Summer 2007

Members of the MBA Class of 2007 look to the future during their commencement ceremony.

The Stanford Challenge: Educating the Next Generation of Leaders at the GSB

With The Stanford Challenge, the university has embarked on a campus-wide campaign aimed at seeking solutions for society's most formidable challenges and educating leaders for the complexities that they will face. As an integral part of the university and its campaign, the Graduate School of Business is seizing this once-in-a-generation opportunity to make dramatic changes that signal nothing less than the reinvention of management education.

We invite you to learn more about our goals and the progress toward our priorities within the campaign through this first issue of the semi-annual GSB edition of the *Stanford Benefactor* for the school's alumni and friends. We want to say thank you to all of you who already have given generously of your time and resources to help make our vision a reality.

INNOVATIONS AT THE GSB

New Curriculum: We are reinventing management education with a bold new MBA curriculum and new programs. With a focus on personalized learning that builds on each individual student's education and experience, the redesigned curriculum emphasizes in-depth and experiential learning, faculty advising, new opportunities for collaboration among Stanford's seven schools, and an enhanced global business perspective.

New Collaborations: The GSB is expanding the many ways in which we foster collaboration throughout the Stanford campus. We offer opportunities for students to work in cross-school teams in courses and pursue joint and dual degrees. We also encourage faculty research and leadership in conjunction with university-wide initiatives.

New Campus: By creating a new, more flexible campus, we will be able to support a wider variety of teaching methods and more easily foster collaboration with faculty and students from Stanford and around the country and the world. We also are committed to taking a leadership role by building a green campus that incorporates environmentally responsible elements.

DELIVERING ON OUR VISION

As Stanford's source of expertise about management, the business school plays a vital role in The Stanford Challenge. Within the campaign, the school has identified funding priorities totaling \$500 million.

Powering Innovation: Annual Giving \$85 million

Annual unrestricted giving provides an opportunity for all alumni and friends to deliver sustained support for today's students and faculty, thus giving us the power to seize new opportunities. Annual giving provides us the foundation for change.

Faculty Support: Cultivating a Community of Excellence \$95 million

The competition for faculty has never been more intense. Support for the recruitment and retention of the best scholars and educators is essential.

Student Financial Aid: Investing in Future Leaders \$30 million

Endowed fellowships and a loan forgiveness program help remove some of the financial barriers that might otherwise prohibit talented students from attending the GSB.

Centers: Transforming the Learning Experience \$40 million

Many real-world learning experiences come through our centers—the Center for Entrepreneurial Studies, the Center for Social Innovation, the Center for Global Business and the Economy, and the Center for Leadership Development and Research—which support our teaching, research, and community-engagement efforts.

New Campus: The Knight Management Center \$250 million

Our new curriculum and collaborations necessitate a campus with more flexible facilities for the 21st century. The campus also will exemplify environmental sustainability.

A ONCE-IN-A-GENERATION OPPORTUNITY

We are poised to redefine the school and reset the standard for excellence in management education. With our financial model, the GSB is more dependent on alumni support than any of our top competitors. Our ambitious goals within the campaign can be reached only with your participation. Every gift to the GSB matters, and every gift counts toward The Stanford Challenge.

ROBERT L. JOSS
Philip H. Knight Professor and Dean
Sloan '66, MBA '67, PhD '70



Photo: L. A. Cicero

**THE
STANFORD
CHALLENGE**

Classmates Establish Fund to Support and Inspire International Students

To reflect the rapidly changing business world, the business school must attract a diverse group of future leaders from around the world. But international students, who make up about one-third of the school's student body, frequently graduate with more debt than their domestic classmates. Due to financial hardship, as well as to some cultural practices, they also are less likely to give back to the school. That places a double hardship on the GSB. Student tuition covers only part of the cost of a GSB education; alumni often pay back the difference with gifts after they are established in their careers.

Two classmates in the MBA Class of 1981 understand this pressing need. In honor of their 25th reunion, Sacha Lainovic and Yasunori Kaneko jointly established a \$1 million fellowship to support international students and inspire them to give back.

"The GSB has opened opportunities for me that I did not even know existed before coming to Stanford," says Lainovic, who was born in Yugoslavia and raised in Ethiopia. "While this is the case with many GSB students, it is especially true for international students. I wanted to help open the door to more foreign students."

Lainovic is founder and managing director of Invus Financial Advisors LLC, an investment firm specializing in alternative assets.

"The school gave so much to me, so I feel it is critical to give back and encourage greater support from international alumni," concurs Kaneko, a native of Japan who is managing director of Skyline Ventures, a venture capital firm that specializes in investing in product-focused health-care companies. "International students are a key part of the school and contribute greatly to the richness of the GSB experience."

By alleviating some of the burden associated with financing a Stanford MBA degree, the KANEKO/LAINOVIC INTERNATIONAL FELLOWSHIP gives recipients the freedom to pursue a broad range of career options upon graduation. The fund also helps the GSB become more competitive relative to other business schools by attracting more applicants, regardless of their financial capacity or country of origin. The school is fortunate to have international alumni like classmates Lainovic and Kaneko who understand the need to reciprocate and invest in an institution that has meant so much to them.



Classmates Yasunori Kaneko (left) and Sacha Lainovic, both MBA '81, provide financial aid for international students.

CHARLES A. HOLLOWAY PROFESSORSHIP FUND DONORS

During his decades at the GSB, Professor Chuck Holloway has touched the lives of countless members of the Stanford community, many of whom banded together to recognize him in one of the most significant ways possible at the school. The following alumni and friends made gifts to the Charles A. Holloway Professorship Fund.

Douglas J. Burgum, MBA '80
 Brook H. Byers, MBA '70
 Jeffrey T. Chambers, MBA '80
 Suzanne and Bruce E. Crocker, MBA '72
 Russell J. Ellis Jr., MBA '93
 Bruce Golden, MBA '85
 H. Irving Grousbeck
 Sally and Steve Herrick
 Betty and Robert L. Joss, Sloan '66,
 MBA '67, PhD '70
 Robert C. Kagle, MBA '80
 Debra and Mark Leslie
 James R. Lussier, MBA '85
 Cynthia and Forrest E. Miller, MBA '81
 Catherine Moley, MBA '92, and
 Andrew Moley, MBA '91
 Tashia and John P. Morgridge, MBA '57
 Donald E. Petersen, MBA '49
 Daniel N. Rudolph, MBA '81
 Sheila and Mark A. Wolfson
 Marcia and Paul M. Wythes, MBA '59
 Geoffrey Y. Yang, MBA '85
 John A. Young, MBA '58



Professor Chuck Holloway (left) and John Morgridge, MBA '57, a GSB lecturer and one of the lead donors to the professorship fund in honor of Holloway.



Annual giving supports a wide range of globally oriented and experientially based programs. MBA students visit with entrepreneurs and representatives of a microfinance institution in Nairobi, Kenya.

Honoring a Legend: Collaboration at Work

Sometimes a single donor is moved to make a generous investment in an endowed professorship. At other times, it takes a village. The CHARLES A. HOLLOWAY PROFESSORSHIP came about after Douglas Burgum and Robert Kagle, both MBA '80, were inspired by their 25th reunion to honor Chuck Holloway, the Kleiner Perkins Caufield & Byers Professor of Management, Emeritus. Burgum and Kagle provided the idea and the seed capital that, in turn, prompted an outpouring of response from more than 25 alumni and friends.

With significant lead gifts from former Cisco Systems CEO and Chairman John Morgridge, MBA '57, and his wife Tashia, and former Ford Motor Co. CEO Donald E. Petersen, MBA '49, the school raised more than \$4 million to honor a professor who has had a profound impact on the lives of numerous students and colleagues.

Given Holloway's long tradition of bringing scholars and business practitioners together in the classroom, it is especially fitting that Morgridge—who co-teaches the popular MBA elective course *Evaluating Entrepreneurial Opportunities* with Holloway—is honoring a man who has strongly shaped his relationship with the school. "Chuck has been instrumental in exposing students to real-world business challenges through his teaching and collaboration with practitioners like me," says Morgridge.

Petersen also was inspired to give generously to the fund. He says, "My exposure to Chuck Holloway these past decades has made me a fan of his—his excellence of thinking and excellence in teaching."

Holloway, a faculty director of the Center for Entrepreneurial Studies at the GSB, helped many Silicon Valley entrepreneurs get their start. His influence on the field of operations, information, and technology will be carried forward by the appointment of Stefanos Zenios as the inaugural chairholder of the CHARLES A. HOLLOWAY PROFESSORSHIP.

Faculty support is a key area of need for the school, which must have the resources to recruit, retain, and recognize its faculty members, particularly as luminaries like Holloway retire. One of the greatest tributes to a professor is having a fund in his or her name that will support the next generation of faculty members and perpetuate the legacy of superior teaching and path-breaking research that makes the GSB the premier school of management.

"I have had the tremendous good fortune to teach great students and associate with world-class colleagues at Stanford," says Holloway. "To have a set of them come together around a chair in my name is an honor beyond my imagination and makes me even more appreciative of the opportunities I have enjoyed at Stanford."

"Chuck has been instrumental in exposing students to real-world business challenges."

JOHN MORGRIDGE, MBA '57



Investing Time and Money: A Young Alumnus Gives Back

The significance of consistent annual and reunion giving to the business school is not lost on Roy Gilbert, MBA '02. After all, in his student days Gilbert co-chaired the Class Gift Committee, where he learned firsthand how broad-based individual giving can make a profound impact on the school. The experience shaped his philosophy and commitment to annual giving as an alumnus.

"Raising money for the GSB opened my eyes to the financial model for the school," says Gilbert, director of online sales and operations for Google India. "I know there were folks in my class who thought that since they weren't receiving fellowships, their education wasn't being subsidized. Everyone who attends the GSB does so with the help and generosity of previous classes, through annual giving and the endowment," he observes. As a dedicated volunteer, Gilbert continues to serve the school, most recently as co-chair of his fifth reunion committee and, since 2004, as a member of the Business School Fund Council.

Gilbert understands that annual giving sustains the GSB's foundation of excellence, providing flexibility for the school to seize opportunities

that power innovation. One of the best examples of recent innovation is the school's redesigned MBA curriculum. Set to launch this coming fall—from faculty concept approval to actual implementation in less than 16 months—it features a more personalized, globally integrated approach to management education that emphasizes leadership development.



Roy Gilbert, MBA '02

Curricular innovations—such as the Service Learning Program, experientially based Leadership Laboratories, cross-disciplinary courses and projects with students from other graduate schools at Stanford, and expanded international internships and study trips—have all been made possible in large part through annual gifts.

In addition to his commitment to ongoing annual support, Gilbert, a former lieutenant commander in the U.S. Navy, and his wife Leigh Anne, have endowed THE ROY AND LEIGH ANNE

GILBERT FELLOWSHIP FUND at the school, which has a preference for students who are former military junior officers. Says Gilbert, "My experiences at the GSB changed my life, and I want to be able to do the same for others."



Julie Fuller, PepsiCo Inc. (second from right), with (from left to right) Darcy Heppenstall, GSB Corporate and Foundation Relations; Joia Pardo, MBA '07, and PepsiCo recruit; and Celia Harms, GSB Career Management Center.



Dean Robert Joss (left), with (from left to right) Joan Parker, Professor George Parker, David deWilde, and Katherine August-deWilde, MBA '75, and member of the GSB Advisory Council, at the 2007 Donor Appreciation Event recognizing annual fund donors.

PepsiCo Supports Diversity Efforts Across the GSB

What started with PepsiCo's interest in recruiting MBA students has grown into a multifaceted relationship that now spans across the GSB, including involvement in the school's Center for Leadership Development and Research, sponsorship of student events, and the creation of a new fellowship fund to support the school's summer program in general management. True to its initial focus, the company recently hired four members of the MBA Class of 2007.

By establishing the PEPSICO DIVERSITY FELLOWSHIP FUND, PepsiCo enables the school to provide tuition for five participants who represent a wide range of backgrounds to attend the Summer Institute for General Management. This four-week residential GSB program offers college juniors, seniors, and recent graduates a unique opportunity to build critical business skills. The program also exposes them to the possibility of becoming MBA students—a plus for the GSB, which is dedicated to cultivating a student body that is both excellent and diverse in terms of culture, socioeconomic status, race, ethnicity, gender, sexual orientation, skills and interests, and work and life experiences.

"These fellowships provide the opportunity for students from a variety of backgrounds to enter a top business program and then to move on to be highly successful professionals in global businesses," says Kathryn Shaw, the Ernest C. Arbuckle Professor of Economics and director of the summer program. "In a time of rapid globalization, it

is more critical than ever that businesses strive to understand different cultures through diversity in the workplace."

This is a concept that many companies, including PepsiCo, embrace as a cornerstone of their operations.

"PepsiCo is focused on generating healthy financial returns while giving back to the communities the company serves," says Tom

Vitro, vice president, executive development & talent management. "This includes supporting our employees through a diverse and inclusive environment that recruits and retains world-class talent. Our focus on people is a key to our success."

Later this year, executives from PepsiCo will be filmed for video cases produced by the Center for Leadership Development and Research. By describing their leadership

challenges, the issues they grappled with, and how they ultimately handled each situation, they will help bring leadership lessons to life. The videos are designed to challenge students to react quickly to a given situation as it unfolds, and they are encouraged to put themselves in the leader's shoes, often through role-playing exercises.

PepsiCo also is a key supporter of the school's diversity efforts with its sponsorship of events held by the Black Business Students Association, the Hispanic Business Students Association, and Women in Management. Thanks to PepsiCo's commitment to the GSB, the school is able to offer opportunities that prepare future business leaders to lead in an increasingly diverse world.

"These fellowships provide the opportunity for students of diverse backgrounds to enter a top business program and then to move on to be highly successful professionals in global businesses."

KATHRYN SHAW
ERNEST C. ARBUCKLE PROFESSOR OF ECONOMICS

"Everyone who attends the GSB does so with the help and generosity of previous classes, through annual giving and the endowment."

ROY GILBERT, MBA '02

BUSINESS SCHOOL FUND COUNCIL MEMBERS

This dedicated group advises the school on key strategies for annual giving. As alumni from a broad range of class years, they support the school in volunteer roles and with their financial investments.

Rocky Barber, MBA '75
Jeffrey P. Barnett, MBA '95
Joshua B. Becker, MBA/JD '98
Atsuko D'Amour, MBA '87
Leslie G. Denend, MBA '73, PhD '73
R. Terry Duryea, MBA '71
Roy R. Gilbert Jr., MBA '02
Shea Harden, MBA '93
Steven L. Klosterman, MBA '77
Wendy Fenton McAdam, MBA '97
John K. McCrea, MBA '93
Richard A. Newman, MBA '84
Yvonne Nomizu, MBA '86
C. Larry O'Rourke, MBA '61
Peter V. Palecek, MBA '71
Bradford D. Peppard, MBA '81
Tamara Ritchey Powers, MBA '83
Jennifer J. Ramberg, MBA '98
Robin B. Reynolds, MBA '01
Thomas M. Shannon, MBA '82
Gary T. Steele, MBA '75
Cortlandt Van Rensselaer, MBA '48

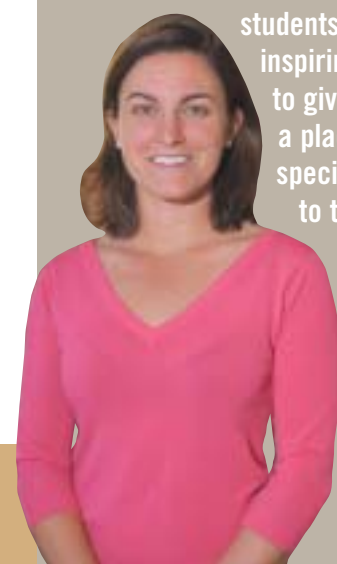
CONGRATULATIONS TO THE MBA AND SLOAN CLASS OF 2007!

It has become a tradition for each MBA and Sloan graduating class to make a gesture of appreciation and a sign of continued commitment through their respective Class Gift funds. This year, for the first time, MBA students chose to keep their gift flexible in keeping with the immediate impact of annual giving. Sloan Fellows contributed to the Sloan Endowment Fund to enhance and improve the Sloan Program.

MBA Class of 2007:
92% participation and \$435,343

Sloan Class of 2007:
100% participation and \$69,800

"To me, financial support is about improving the future of the Stanford GSB for incoming students and inspiring them to give back to a place that has special meaning to them."



Melissa Wilcox,
MBA '07

THE STANFORD CHALLENGE

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- 4 Building for the Future

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THE KNIGHT MANAGEMENT CENTER

LOCATION

The main entrance will be directly across from the school's Schwab Residential Center, near the intersection of Serra Street and Campus Drive and a few blocks east of the existing GSB.

ESTIMATED PROJECT COSTS

\$275 million

FEATURES

- Flexible classroom spaces to support curricular innovations and collaborations
- State-of-the-art auditorium with 600-seat capacity
- Welcoming academic and community spaces with indoor/outdoor integration
- Additional 81,000 square feet than existing facilities, totaling 340,000 square feet
- Leadership in environmental sustainability with the goal of achieving the highest level of LEED® certification

PARKING

Approximately 900 underground parking spaces will replace those lost to the construction of the GSB campus.

TIMELINE

- Trustee design approval: October 2007
- Trustee project approval: February 2008
- Trustee construction approval: June 2008
- Groundbreaking: Summer 2008
- Occupancy: 2010–2011



Artist sketch of the Town Square area of the new GSB campus, the Knight Management Center.



All in the family (left to right): John T. McCoy, MBA '05; John G. McCoy, MBA '37; and John B. McCoy, MBA '67.

Generations of a GSB Family Envision the New Campus

It's a rare distinction for one family to claim three generations of alumni of the Stanford Graduate School of Business. It's rarer still for one family to celebrate that legacy by building an intellectual home for generations of students and scholars to come. For members of the McCoy family, pride in their alma mater—and the value they place on their decades of experiences at the GSB—is reinforced by the confidence they demonstrate in the vision for the school's future.

John G. McCoy, MBA '37, and John B. McCoy, MBA '67, recently committed \$4 million toward the MCCOY FAMILY GSB BUILDING FUND as early investors in the school's efforts to construct new state-of-the-art facilities to replace the current outmoded campus buildings. Representing the third generation of his family, John T. McCoy graduated from the school in 2005.

John B. McCoy says his family's gift is a reflection of its gratitude to the business school. "The GSB has made a meaningful difference to all of the McCoyes. It gave us an education and a perspective on life that has contributed to our success," he says. "Life is all about payback. We believe that this gift is one way to pay back what Stanford gave us."

The McCoyes believed it was important to invest in the future of the school and the many ways the new campus will enhance management education. "Over the 60-plus years that the McCoyes have attended the school, the GSB has gone through many changes. Its success is based on keeping up with the world," John G. McCoy says. "Change is good—we look forward to the new GSB."

The necessity for a new campus is clear—it is a crucial element in enabling the school to move forward with its strategic direction, which demands very different facilities from those that exist today.

The new campus will allow the school to better implement the dramatic changes that are already under way with its curriculum redesign. It will accommodate a greater variety of teaching and learning methods, including more experiential, seminar-based, and team-oriented learning opportunities in addition to traditional amphitheater-style lectures. Thoughtful design also will foster greater collaboration within the GSB, with the global business community, and between the school and other schools and departments at Stanford. It also will demonstrate the school's leadership in building a green campus that exemplifies environmental sustainability.

"The generosity of the McCoyes is a great legacy that honors what the school has meant to them as individuals and as a family," says Dean Robert L. Joss. "It's also a wonderful testament to the excitement at the GSB right now as we build the future of the school, quite literally, and set a new bar for what a business school can and should be doing to educate leaders for this new century."

With the new campus, the school will address a number of current facilities-related challenges that risk putting the GSB at a competitive disadvantage relative to other top business schools—an insufficient number of classrooms, substandard average classroom size, energy inefficiency, a limited-capacity auditorium that cannot hold an entire MBA class, and unrealized potential for indoor/outdoor integration.

Currently in the early design phase, the new campus will be known as the Knight Management Center in recognition of a leadership gift from Philip H. Knight, MBA '62. It will be constructed on the site directly opposite the Schwab Residential Center on Serra Street. Plans call for additional approval phases by the Stanford University Board of Trustees throughout the coming year, culminating in an anticipated groundbreaking in summer 2008.