



It might be said that as a national leader in business education, Bentley has long been too modest — a rare quality in academic circles. Here, old and new come together to inform teaching and practice in the context of a business school. And business, writ large, is exemplified by research. This issue puts a spotlight on some of the innovative research underway at Bentley.

You will read about a marketing professor who believes the ideal of “corporate greatness” is attainable. His research with two colleagues led to a new book, *Firms of Endearment*, which identifies 30 companies that hit the mark.

Meanwhile, research by a computer information systems professor explores the viability of “telemedicine.” She looks not just at the technology, but also at its effects on people and organizations. Read on for a discussion of how physicians, technicians, nurses and patients adapt to these emerging software tools.

Equally notable are faculty whose research exemplifies the role of arts and sciences at Bentley. A professor of political science examines the relationship between the U.S. and China, noting how economic ties and the desire to avoid war are catalysts for dealing with opposing ideologies, social values and views on civil liberties.

On the European front, French architecture and history come to life as a professor of modern languages speaks out for reconstructing the Tuileries Palace. He also reveals the reasons for the long neglect of the historic property.

This issue of the *Agenda* highlights how Bentley faculty are changing the way we educate future business leaders to enter a multi-disciplinary world. Our students learn from a diverse group of individuals who work together to integrate business, technology and liberal arts. That’s a core mission we are proud to share — all modesty aside.



As always, I welcome your comments and communication.

*Robert D. Galliers*  
Provost and Vice President for  
Academic Affairs

## Companies with Heart

In a perfect corporate world, everyone wins. Customers get superior products at low prices. Employees and suppliers are paid well and on time. There is generous support for the local community and, for investors, a tidy profit.

The ideal of “corporate greatness” is attainable, according to Professor of Marketing Raj Sisodia. He and two colleagues identified 30 such companies, including household names like Southwest Airlines, the Container Store, Honda and Whole Foods Market. The researchers’ term for the group — *Firms of Endearment* — is also the title of their book (Wharton Publishing, November 2006).

“Most studies of corporate greatness start with financial performance and work backward,” says Sisodia. “We started with human performance and worked forward.”

### Aligning Interests

The firms of endearment (“FoEs” in the study team’s parlance) hail from different industries but have many common characteristics. “They have a high share of heart,” says Sisodia. “They’ve formed emotional bonds with everyone in the so-called SPICE equation: society, partners, investors, customers and employees.”

High profitability is another shared attribute. “As a group, these firms returned an average of 1001 percent over the past 10 years, compared to only 139 percent for the S&P 500,” says Sisodia, while noting that rewarding investors was not a primary focus for any of the FoEs.

With co-authors David Wolfe and Jagdish Sheth, Sisodia spent two years researching firms. Bentley MBA students also figured prominently in the process that would eventually yield the 30 companies profiled in the book.

“Each semester, I asked my marketing management students to research a company they felt was truly outstanding,” explains Sisodia. “As an assignment, they investigated how that company satisfied SPICE stakeholders.”

The roots of satisfaction were in the companies’ work to *align*, not just balance, the interests of all stakeholders. “Instead of trading off the interests of one group for another

*(Continued inside)*

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**Raj Sisodia**

— higher employee wages versus higher profits for investors — FoEs devised business models where each stakeholder’s objectives are met simultaneously and, in fact, are strengthened by other stakeholders,” he says.

Aligning stakeholder interests enables FoEs to do seemingly contradictory things, like pay high wages, charge low prices, and achieve higher profitability.

“Employee compensation and benefits at FoEs are significantly greater than the standard for the company’s category, while executive salaries are relatively modest,” Sisodia adds. For example, in 2004, Costco CEO Jim Senegal earned \$350,000 in salary, plus a \$200,000 bonus; the average CEO of a major company received \$9.84 million.

### Hiring Passion

Making a conscious effort to hire people who are passionate about the company and its products is another FoE hallmark. The companies devote considerably more time to training employees, and as a result, their turnover is far lower than industry average. Their marketing costs, too, are well below those of industry peers, while customer satisfaction and retention are much higher.

A disproportionate number of FoEs are privately held. “There’s tremendous pressure by Wall Street to turn a quarterly profit. Public companies often become captive to this pressure, and as a result, focus on short-term, self-serving actions,” says Sisodia, observing that many FoEs refuse to go public to avoid these very pitfalls.

“This book’s message is clear: Endearing companies are enduring companies,” he concludes. “It’s an especially important message today, when the image of big business is at an all-time low. Only 4 percent of Americans polled said they would trust the CEO of a large corporation to do the right thing. *Firms of Endearment* shows that it’s possible to build a better business model, one that values the humanness of all stakeholders, and ultimately succeed.”

## Different Paths, Common Goals

A 30-year native of China who is now a U.S. citizen, Shiping Zheng has keen insight into the complicated relationship between those two countries. Research by the associate professor of political science centers on what he calls the “fundamental and sentimental” differences between the post-Cold War era superpowers.

“To put it simply, the U.S. and China can’t afford to have conflict with each other, nor can they afford to fall in love with each other,” says Zheng, who has lived and worked in the United States for the past decade. “It’s a no-war, no-love relationship.”

### Vested Interests

The modern-day tie between the U.S. and China dates to the 1970s, when the two made a marriage of convenience in hopes of containing Soviet expansionism. When the Cold War ended in the 1990s, the strategic rationale that had



Shiping Zheng

sustained U.S.-China relations disappeared, and the two countries began to pay more attention to their opposing ideologies, social values, and views on civil liberties. At the same time, China was building its economy at an astonishing 9 percent per year and becoming an increasingly important trade partner of the U.S.

Currently, each country is the third-largest trading partner of the other. Hence, the vested interest in maintaining a good relationship despite divergent philosophies.

“The Chinese cannot afford to see the U.S. economy slow down because there will be less demand for Chinese goods and services, and thus less money to make,” Zheng explains. “And the U.S. cannot afford to have the Chinese econ-

“In the next 20 to 40 years, this is going to be the most important bilateral relationship for China and for the United States.”

omy collapse because U.S. companies would lose money and investments, including lots of mutual funds and retirement money.”

So how to manage their differences without doing irreparable harm to the relationship? One strategy, says Zheng, is to better understand those differences and how attitudes have formed over time.

“As an older civilization, the Chinese believe that their past offers a lot of wisdom and guidance for today, so by default they are backward looking,” explains Zheng. “The U.S. is a young country that is forward looking and all about exploring new frontiers, being creative, unique and different. That concept is totally alien to the Chinese.”

### Ritual Critique

It is this cultural diversity that often leads to “sentimental” arguments on issues such as individual civil liberties. For instance, the U.S. and China routinely publish harsh laundry lists of the other’s human rights violations, with no resolution.

“This has become an annual ritual,” says Zheng. “It won’t necessarily bring the relationship to its lowest point, however, because we are accustomed to this critique of each other.”

It is the “fundamental” issues in the relationship — namely, economics and a desire to avoid war — that are the catalyst for maintaining open dialogue. There is tough talk about U.S. jobs going overseas, devalued Chinese currency, and the competition for oil, but the basic fact is that the two economies need each other to survive and thrive in the new age of globalization.

“In the next 20 to 40 years, this is going to be the most important bilateral relationship for China and for the U.S.,” predicts Zheng. “Leaders, intellectuals, and the public in both countries have to work harder to really understand each other, work together and manage the relationship.”

## High-Tech Housecalls

Imagine you live six hours from the nearest hospital. You've developed a terrible rash that's stumped the internist at the local clinic. So you make the journey, staying overnight, to consult with a dermatologist who quickly diagnoses the condition, prescribes medication, and says she wants to see you again in two weeks.

Do you really need to make the 12-hour trek for a re-check?

The situation is customized for telemedicine, according to Assistant Professor of Computer Information Systems Monica Garfield. "With real-time telemedicine," she explains, "you could be at the local clinic with the internist and be linked, via video conferencing, to the specialist at the other end."



Monica Garfield

### People Matters

Garfield has studied telemedicine for the past decade, looking at not only the technology, but also its effect on people and organizations. Telemedicine covers a range of initiatives, she explains, including online training of medical personnel and remote use of diagnostic tests.

"What I'm interested in is real-time telemedicine and how physicians, technicians, nurses and patients adapt to its use in direct patient care."

For example, her work examines critical quality issues that need attention in developing telemedicine programs, how telemedicine affects doctors and hospital work processes, and how key supporters within the organization are important to success.

"If you just put in telemedicine and walk away, it will fail," says Garfield, whose research has been featured in the

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*International Journal of Healthcare Technology and Management, Communications of the Association for Information Systems, and Telemedicine and e-Health.* "You need to consider the holistic impact across the organization."

First and foremost, success relies on creating "champions" to shepherd telemedicine from idea stage through implementation.

"Champions need both the technical capability and political power to get it done," Garfield points out. "For example, is there a video-conference room readily available near doctors' offices? Are telemedicine appointments stacked so physicians don't have to go back and forth? Is there someone on site to handle the technology?"

In addition, health-care professionals need training to ensure "telepresence," she notes. "Doctors should look at the camera rather than the computer screen to create 'eye contact' with the patient."

### Going Public

On a macro level, telemedicine is a vital weapon against public health threats like the bird flu or SARS, according to Garfield. For example, if a doctor in Boston suspected that a patient had bird flu, he could consult virtually with a colleague in New York City who had already diagnosed several cases.

"If doctors had real-time information exchange," she says, "we could more readily identify these diseases and prevent them from spreading."

However promising, telemedicine has been slow to gain steam: It has been around since the 1960s, but not widely adopted. That will change, Garfield predicts, as governments, businesses, hospitals and consumers stagger under rapidly rising health-care costs. "Telemedicine is a strategic technology that can both improve care and reduce costs."

Society's growing comfort with technology will also fuel acceptance, she notes. "Many more people use technology as part of their everyday lives, and the medical community is now more accepting of technology

as a mode of interaction. Telemedicine will continue to evolve as technology evolves.

"But," she adds, "it will never overtake the need for human touch."

## Restoring an Icon

The French love their language and their culture. There's even a government ministry dedicated to the preservation and propagation of both. Given this level of national pride, how did an architectural marvel — the Tuileries Palace — fall to ruin? It's a question that intrigued Associate Professor of Modern Languages Louis Iandoli, a scholar of 19th-century France.

The Tuileries Palace was built in 1564 at the directive of Catherine de Medici, then queen of France. After the French Revolution, a succession of autocratic monarchs and emperors, including Napoleon, took up residence.

"The Tuileries became the center of political power for governments that oppressed working people and broke their promises," explains

Iandoli, who has studied French for most of his life. "It was torched by a group of rebels in 1871 during what was known as the Commune of Paris. I had always thought that the fire destroyed the Tuileries. This is what most of the French think as well."



Louis Iandoli

### Rewriting History

Iandoli learned otherwise in the late 1990s, when he attended an exhibit at the Musée d'Orsay. There, among a collection of photographs from the late 1800s, he was stunned to see images of a relatively intact Tuileries Palace.

"From the pictures, you could see that the palace was clearly damaged," he recalls, "but it was repairable."

Curious about why the Tuileries Palace wasn't restored, Iandoli combed the

archives at the Louvre Museum. He discovered that the building had been left to rot between the time of the 1871 fire and 1883, when it was razed and salvageable artifacts auctioned off. He chronicles the research in an article for the April 2006 edition of the journal *The French Review*. In the piece, the first on the topic published in North America, he posits a theory for the seemingly uncharacteristic French neglect of a historic property — and for why the topic is glossed over in the country's history.

“You have to think of the Tuileries in the light of its metaphorical power. For 81 years, from the Revolution to the Third Republic, each time a republican government came forth, it was crushed by empire or monarchy — and each of the autocratic rulers reigned from the Tuileries Palace. On a larger scale, the Tuileries came to signify periods of oppressive rule and particular betrayal.”

### Building Phase

Now, 123 years later, there's a move to reconstruct the Tuileries Palace. A well-known French businessman aims to raise 300 million euros to rebuild the palace, and the campaign is gaining traction.

In September 2005, the French Senate hosted a colloquium, “Reconstruction of the Tuileries Palace: Thousands of Jobs for a Great Monument to World Heritage.” The speaking program featured one foreigner: Louis Iandoli. The Bentley professor argued for reconstruction and described the palace's contribution to French culture and history.

“The idea is to make the Tuileries into a Francophone center,” Iandoli explains. “It will be built with private money but maintained by the government. I hope the campaign is successful — and it looks as though it will be. The Tuileries Palace is extremely important as an architectural and historical site, and is a great symbol of French culture.”

## NSF Awards Bentley \$450,000

### Grant fuels research to bolster public safety, homeland security

A grant of more than \$450,000 from the National Science Foundation (NSF) will aid efforts to improve public safety and homeland security. A four-member research team is poised to study an enhanced systems design that supports information sharing and IT-enabled collaborations among public and private organizations.

Jane Fedorowicz, the Rae D. Anderson Professor of Accounting and Information Systems at Bentley, is leading the work. The co-investigators are Christine Williams, professor of government; M. Lynne Markus, the John W. Poduska Sr. Professor of Information Management; and a third colleague from Pennsylvania State University.

“Government is just beginning to discover ways in which technology can be used effectively to coordinate among agencies that have operated independently,” says principal investigator Fedorowicz. “Recent events, both pre-

and post-9/11, show the importance of communications and data sharing. The challenges of crossing boundaries in federal and state agencies clearly involve more than technology, and are quite different from those in the private sector.”

The study, “Design Principles for Effective Interorganizational Public Safety Response Infrastructures,” will collect data about several collaborative projects that cut across multiple levels, jurisdictions and functions of government. Initiatives to be studied include the Capital Wireless Integrated Network, Automated Regional Justice Information System, and Pennsylvania's Justice Network.

“It will involve the combination of in-depth case studies and the creation of a broad database describing collaborations in 50 states, and perhaps internationally,” Fedorowicz notes.

One research goal is to identify best practices in the design and use of public safety collaborations, and to link design principles to particular characteristics, objectives or constraints of the participating organizations.

“By taking a holistic approach that encompasses political, technical, organizational and financial issues,” says Fedorowicz, “we'll be able to provide guidance on a wide variety of the relevant challenges, such as governance, funding, legacy systems, data standards and process redesign.”

The new research builds on the work of the Bentley Invision Project, a three-year program funded by the college to support the study of interorganizational information sharing collaborations in e-government, and health care and supply chains.



10M8/06AP.AA9603