

# **LIBRARY BULLETIN NO. 33**

**January – April, 2007**

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## **ACCOUNTING & BUSINESS APRIL, 2007**

### **001. The hot European: Personal development / Stefan Stern**

It seems to observers that Lynda Gratton of the London Business School (LBS) has been catapulted to the very top of the tree, as far as management gurus are concerned. One of the reasons for this is that, following Ghandi's dictum, Professor Gratton really does walk the talk. Details on pages 18-20.

### **002. How to keep your clients / Catherine Chetwynd**

Advertising on billboards, television and radio suggests that companies are largely focused on attracting new customers. Yet it is six or seven times more expensive to gain a customer than it is to retain one. According to a recent Bain & Company study, a 5% increase in customer retention can increase profits anywhere from 25%-95%. Details on pages 18-20.

### **003. Going it alone: Entrepreneurship / Faith Glasgow**

Without doubt, some corporately inclined workers ascribe such reckless moves as

branching out on one's own as nothing more concrete than mid-life crisis. But it is indisputable that finance professionals are in many respects well placed to become entrepreneurs. Details on pages 18-20.

### **004. The great crash: Stock Exchange / Michael Goddard**

There is danger of another crash and depression of the magnitude experienced in 1929, in the future. We live not only in a world where speculative manias are endemic, but also one in which people are inclined to dismiss the lessons of the past. Unreasoned mass contagion is, and always has been, present in the very air we breathe. Details on pages 18-20.

### **005. Succeeding in strategy / Peter Bebb**

Getting business strategy to work and deliver the results it promises is something that many organizations struggle with. It is the age-old story: a fantastic idea in principle but poorly implemented. The causes are as multiple as the proposed solutions. Details on pages 18-20.

### **006. Finding the badger's stripe:**

## **Entrepreneurship / Sharon Garfinkel**

The badger has metamorphosed into a cash cow. A very likeable cow. At 28 she has achieved the kind of success and probably earned the amount of money that countless others can only dream about. Inevitably, her accomplishments mean that she never fails to bring out the green-eyed monster in many she encounters. Details on pages 18-20.

### **007. A cost effective big bang / Edward Lee**

While advocates of global financial reporting harmonisation remain upbeat about its benefits, and the international accounting community awaits the outcome of the EU experiment, the tangible economic consequences of the mandatory IFRS adoption in Europe may not be observable immediately or uniformly across all companies. Details on pages 18-20.

### **008. Lease accounting / Ian Mackintosh**

The International Accounting Standards Board (IASB), the Financial Accounting Standards Board (FASB) and the US standards setter have started a joint project on leasing; the

ASB is encouraging debate on the issues in the UK and recently held a roundtable with the Finance and Leasing Association (FLA). Details on pages 18-20.

### **009. Auditing compliance and ethics / Dan Swanson**

Compliance with an organization's policies and procedures is an important activity that helps make organizational governance effective. Monitoring and maintaining compliance is not just to keep the regulators happy; compliance with regulatory requirements and the organization's policies and procedures is a critical component of an effective enterprise-wide risk management programme. Details on pages 18-20.



## **ACCOUNTING & BUSINESS VOL. 10 NO. 3 MARCH, 2007**

### **010. Brown's swansong: Taxation / Mike Truman**

How will history judge Gordon Brown's stewardship of the tax system, and what final changes might he want to announce? Details on pages 18-20.

### **011. A wall of money: Private equity market / Richard Young**

The emergence of a private equity industry that could take on almost any company in the world is probably the financial story of the past quarter century. But with historical 'super returns' attracting institutional money in record amounts and doubts emerging over the investment model. Details on pages 18-20.

**012. Is management consultancy at the crossroads? / Wilf Altman**

After the vilification of consultants post-Enron and WorldCom, Accenture has surprisingly re-established itself rapidly and topped the league table in 2005. All the big four accountancy firms (except Deloitte) having hived off their consultancy arms have now largely rebuilt them. Details on pages 18-20.

**013. Balancing on the ceiling: Combining work and domestic roles / Faith Glasgow**

Ultimately, it seems that the road to the top for professional women with families worldwide is paved with domestic support, paid or unpaid. But the signs are that more family friendly arrangements are gaining acceptability, in the UK at any rate. Who knows – in time they might even percolate through to the

boardroom. Details on pages 18-20.

**014. All hail the corporate spelling bee: spelling and business matter / Richard Brass**

If you were asked who the Vice President was in 1991, you might need to think about it for a moment. But if you were asked which Vice President believed the word 'potato' should have an 'e' at the end, you would probably know the answer straightaway. Details on pages 18-20.



**ACCOUNTING & BUSINESS VOL. 10 NO. 2 FEBRUARY, 2007**

**015. London Stock Exchange / Richard Willsher**

The London Stock Exchange has remained attractive partner for a host of reasons, but has so far rejected all offers. But how long it can remain independent is becoming an increasingly urgent question. Details on pages 18-20.

**016. Ambition fulfilled: Investment banking / Colette Steckel**

Ever since his senior year at the State Academy of Management, a prestigious university in Moscow, Vlad Klenikov had wanted to carve a career in investment banking. The difficulty was finding a position to fulfil his ambition in early 1990s Russia. Details on pages 20-22.

**017. Business angels: investment / Faith Glasgow**

What are the pros and cons of using a business angel as opposed to the more conventional channels of investment like venture capital and bank loans? Most entrepreneurs know nothing about business angels, especially if they are operating on their own. Business advisers tend to suggest either bank loans, which are very hard to get, or organic growth as the way forward. Details on pages 24-26.

**018. Sell, sell, sell: Marketing / Doug Smith**

Convention dictates that marketing expenditure appears as an expense in the profit and loss account, and in many organizations the effectiveness of this expenditure is a big unknown. As John Wanamaker once said: "Half the money I spend on advertising is wasted; the

trouble is, I don't know which half". Details on pages 31-32.

**019. Knowing your value: Value creation / Steve Priddy**

This article reflects on the nature of professional accountants in business, and their role in the separate activities of value creation and value management now and into the future. Details on pages 34-36.



**ACCOUNTING & BUSINESS VOL. 10 NO. 1 JANUARY, 2007**

**020. Stern stuff: Financial business / Richard Young**

Sir Nicholas Stern was quite clear: the financial consequences of failing to tackle climate change are far larger than the cost of dealing with it. But what does that mean for business – and for the way we account for its activities? Details on pages 17-19.

**021. The rise and rise of social enterprise / Roger Adams**

You are now very likely to hear of social enterprise sector mentioned in discussions

about small business and entrepreneurship. This goes all the way up to the political level demonstrated by a strong commitment to the sector in the Labour Election Manifesto 2005, and more recently, the Labour's Business Manifesto. Details on pages 20-22.

**022. Press power: Public relations / Faith Glasgow**

As an increasing number of corporations begin to realise the power of media coverage, Faith Glasgow reports on what exactly this means for their PR and marketing departments. Details on page 29.

**023. Where loose lips cost business: Case study / Catherine Chetwynd**

Beware of talking business in public – you never know who is listening in. The consequences of your indiscretion could be huge. Details on pages 31-33.

**024. Governance to the next level / Vijay Mistri**

More has been thought on and written about governance in the past few years than perhaps ever before, yet the basic design of the board's job and the confusion surrounding its role remains. As trusted advisers with direct access to the whole board, accountants

are ideally positioned to help boards explore new frontiers of excellence. Details on pages 33-36.

**025. Financing SMEs: Case studies / Jeremy Woolfe**

When it comes to investment, EU SME's are at a distinct disadvantage when compared to their US counterparts. Details on pages 37-38.



**ADVANCED MANAGEMENT JOURNAL VOL. 72 NO. 1 WINTER, 2007**

**026. Using the balanced scorecard for value congruence in an MBA educational setting / Ralph Drtina**

Business schools have often been criticized for not adopting the "best practices" they teach. Managements, especially in public schools, are sometimes bureaucratic, following non-market directives. This article advocates the use of a well-established management system based on a balanced scorecard in the promotion of continuous quality improvement. Details on pages 4-13.

**027. Improving manufacturing flexibility: the enduring value of JIT and TQM / Robert J. Vokurka**

A key in meeting the demands of today's global customers is flexibility. Based on a study of 325 manufacturing firms, the results show that firms that have invested in Total Quality Management and "just-in-time" approaches exhibit the greatest levels of manufacturing flexibility in terms of product, volume and delivery flexibility. Details on pages 14-21.

**028. Sustaining the competitive edge of project management / Chris J. Brown**

This paper intends to create awareness on project management, which is eminently suitable in implementing new ventures, expansions, or changes in an organization. These are essential for sustaining an organization's competitive edge. Details on page 22.

**029. Metrics for knowledge-based project organizations / John R. Patton**

A properly developed and implemented measurement system promotes productivity

by focusing attention on the most important issues, tasks and objectives of the project. Metrics can be used to justify a project before it is started (planning) as well as evaluate it when completed (performance measurement). Details on page 33.

**030. The offshoring of radiology; myths and realities: International trade / Martin Stack**

Offshoring is a new development, and most markets are still trying to figure out its immediate and longer-term implications. However, projections of, and generalizations about offshoring have proved misleading if not wrong in many instances. Details on page 44.

**031. Where to bury the survivors? Exploring possible ex-post effects of resistance to change / W. Scott Sherman**

This brain teaser illustrates the irony of burying survivors. However, this paper proposes that organizational change agents who have survived change efforts are sometimes figuratively 'buried' or punished after the change is completed, as the result of ex-post effects of resistance to change. Details on page 52.



**BANK DIRECTOR 1<sup>ST</sup> QTR.  
2007, VOL. 17 NO. 1**

**032. 2007: Time for a  
clean sweep / Jay Brew**

The opening of a new year is the perfect time to take stock of what makes your institution valuable. Details on pages 14-16.

**033. Bank Director Board  
Performance Awards 2007**

As a prime example, the Corporate Governance Award is presented to a fiercely independent group of directors at Portland-based West Coast Bancorp, led by Chairman Lloyd D. Ankeny. The board drafted a new CEO six years ago to transform this once-rudderless community bank to the \$2 billion regional powerhouse it is today. In doing so, this group took no shortcuts: the board's blue ribbon standards have earned it one of the highest corporate governance ratings among public banks in the nation. Details on page 19.

**034. The ABCs of board  
education / Becky Bergman**

In the post-Enron era, there was no excuse for bank directors who failed to take

advantage of the many educational resources available on corporate governance. Details on pages 49-50.

**035. Combating fraud /  
Chris Costanzo**

The Independent Community Bankers Association asked 400 community banks a year ago, about the most significant challenges they faced in their signature debit card programs. Overwhelmingly with a 70% response, they pointed to a mitigating fraud. Fraud has always been a bigger problem for signature versus PIN-Based debit cards. Details on pages 56-58.



**THE BANKER VOL. 157 NO.  
974 APRIL, 2007**

**036. Turbo-charged UBS:  
Capital markets**

The beginning of the year is usually quiet for financial institutions group (FIG) hybrid transactions in the international debt markets, not least because many of the institutions are in their closed periods. Which makes the recent scorecard of the UBS hybrid team all the more extraordinary – it is involved with four western European hybrid issues in just three

weeks. Details on pages 30-31.

**037. New investors dive into the loan assets market / Natasha de Teran**

This article explores how the market is developing. The growth of loan issuance has been accompanied by a record increase in secondary market trading and the arrival of derivatives linked to this asset. Details on pages 34-36.

**038. Feeding the flame: Bond issuance / Michael Marray**

The UK has had the fastest growing covered bond market in recent years, with issuers taking the structured route in the absence of any UK covered bond law. 2007 is expected to be another year for new issuance. Details on pages 39-45.

**039. Delay creates breathing space / Frances Maguire**

The delay of the Payment Services Directive means that the Single Euro Payments Area will go live in a phased approach. This article looks at the impact this will have. Details on pages 46-47.

**040. Catalysts for change / Neil Tyler**

As the economic and regulatory landscape across Europe continues to harmonise, business models must change to sustain competitive advantage. Evolving with the new environment has been a key catalyst in Citi's cash management strategy. Details on pages 48-49.

**041. Playing away from home: Nordic banking business model / Brian Caplen**

Nordic banks have traditionally adopted decentralised management structures, incorporating collective business practices while eschewing securitisation. This article explores whether these can be made to work abroad. Details on pages 50-52.

**042. Prospects look rosy for capital market / Geraldine Lambe**

With increasingly vibrant bond markets, healthy M&A and IPO pipelines, the recovery of German real estate and the launch of REITs could be the icing on the cake. Details on pages 59-60.



**THE BANKER VOL. 157 NO. 973 MARCH, 2007**

**043. Good principles are hard to live up to: Investments / Geraldine Lambe**

Cracks are starting to appear in the Equator Principles. While banks may not lend money for non-compliant projects, they are free to invest or to lend export credit agencies that do the financing. This article explores the new reputational risks this throws up. Details on pages 34-37.

**044. JP Morgan gets the casino ball rolling / Kathryn Tully**

JP Morgan's Commercial Mortgage-Backed Securities (CMBS) business is booming, helped by a \$960m property loan for Colony Capital's casino assets. In this article the team discusses on how they pulled off the biggest CMBS deal in the gaming industry. Details on pages 38-39.

**045. African attractions grow / Edward Russell-Walling**

The viability of capital markets in African countries is looking more promising, intensified by a successful bond issue denominated in naira by African Development Bank. Details on page 41.

**046. Gearing up for fresh snow: Lending policies / Karina Robinson**

With company default rate at historical lows, pickings have been thin on the ground for the much-maligned distress debt banker. But lenient lending policies to troubled firms in recent years may mean a bonanza is on its way. Details on pages 42-43.

**047. Supply chain gains: Globalization / Dan Barnes**

Corporations that create supply chains with highly flexible supply routes will find they are part of larger global chains, and at the end of the chains reap the economic advantages. Details on pages 44-45.

**048. Models change shape / Silvia Pavoni**

The offshore and onshore wealth management business models are having to be reshaped in Europe as regulations become more heavy and wealth creation increases in emerging markets. Details on pages 60-61.



**FINANCIAL WORLD APRIL, 2007**

**049. The green light:  
Risk management / Karen  
Wordsworth**

A changing climate presents society and businesses with increasing challenges. How can we best manage the risks posed by the growing frequency and intensity of storms? Details on page 15.

**050. When virtue pays:  
Investments / Phil Davis**

Just ten years ago the only investors in social, environmental and ethical funds were charities and your sandal-shod neighbours who grew their own vegetables and composted household waste. Today, consumers with environmental preservation awareness are warming to the idea, and some of the best known institutional investors have gone green. Details on pages 19-20.

**051. Oh for  
transparency: Eliminating  
risks to financial stability /  
Stewart Fleming**

On Tuesday, 27<sup>th</sup> of February, 2007, investors trembled. It was exactly a month after Jean Claude Trichet, President of the European Central Bank, had warned in Davos of the potentially unstable conditions emerging in global financial

markets. Details on pages 23-24.

**052. Easy targets:  
Banking sector image /  
Angela Knight**

British banks are some of the world's most profitable banks. Their earnings are solid, their management is good, and their breadth of interest range from highly complex wholesale banking, through to the high street. Details on pages 28-29.

**053. To be frank:  
Financial service reform /  
Valerie Duff**

The democrats have taken possession of the larger offices in Congress and set up committees. But what is the Democratic Party's agenda for financial services, and will it have any success in achieving it? Furthermore, has power been vested in trustworthy hands? Details on pages 36-37.

**054. Big but still bad:  
Nigeria's economic reform  
/ Nick Kochan**

Is Africa's sleeping giant waking? The Lagos taxi driver summed up Nigeria's woes in one sentence: "Our problem is leadership – we don't have any." The country is immersed in a presidential election

campaign, the second since the transformation from military government to democracy in 1999. But there is little discussion of policy. Details on pages 38-39.



## **FINANCIAL WORLD MARCH, 2007**

### **055. Debit card blues / Tim Jones**

Withdrawing cash and paying for goods while abroad should really not be this difficult. The debit card industry has made great strides, but it seems that some of the basics have been forgotten. Details on pages 8-9.

### **056. Braking the bank: Bank growth / David Lascelles**

British banks have learnt how to rake in the profits, having joined the rank of some of the world's most profitable banks. It has not always been that way; ten years ago, investors dreaded result seasons because of the terrible scrapes the banks were into, such as Third World debt, Big Bang, or some foreign acquisitions that went horribly wrong. Details on pages 10-11.

### **057. Debt collectors: Private equity / Tony Jackson**

Private equity marches relentlessly on. But its continued growth depends on cheap credit. Details on page 11.

### **058. Automatic money: Electronic trading / Vince Heaney**

This month, Financial World examines electronic trading and the increasingly sophisticated technology being employed in the investment field. In the first part, the article examines hedge funds: do managers earn their keep, or can synthetic funds do just as well – and cheaper? Details on page 16.

### **059. The numbers game: Changing business model / Phil Davis**

Brokers have undergone many waves of restructuring over the years to cope with the advent of electronic trading and its enthusiastic adoption by their customers. Algorithmic trading, less publicly, is heralding yet another shake-up of their business model. Details on pages 20-21.

### **060. Enemy M&A / Morgen Witzel**

Mergers and acquisitions offer opportunities for failure on a grand scale. This article offers advice to those who dare. Details on pages 30-32.



## **FINANCIAL WORLD FEBRUARY, 2007**

### **061. The ABC of identity cards / Tim Jones**

Tim Jones argues that a general-purpose identity service is long overdue, and there is a way to achieve it. Wouldn't it be good to use the same identity in an airport as for logging on to a bank? Details on pages 10-11.

### **062. Wizard of Oz: Banking network / David Lascelles**

Things change so fast in banking that you can return to a country after a short absence and find it unrecognizable. Mergers, new arrivals on the scene and re-branding of existing banks have a dramatic impact on the economy. Details on page 12.

### **063. Crisis, what crisis? (Basel 2) / Stewart Fleming**

Individual branches languish near the bottom of the banking food chain. So the idea that you can stroll down London Wall past a single bank branch

that has been responsible for as much as 480bn pounds of assets is staggering. But this is the reality for Deutsche Bank. "You have put your finger on the one systematically important bank branch in London," says a financial market regulatory policy-maker. Details on pages 20-21.

### **064. Cost of compliance: Financial service regulation / Stewart Fleming**

Estimates have shown that a lot of money is going to be spent as a result of financial services regulation. Details on pages 22-23.

### **065. Capital ideas: Risk-based decision making / Andrea Felsted**

The European Union legislation is set to transform the way insurers manage their capital, but the forthcoming directive being drawn up by the European Commission, known as Solvency 2, is expected to have far wider implications across the insurance industry. Details on pages 24-25.

### **066. Leading lights: Leadership in the financial world / Morgan Witzel**

This article discusses the different approaches to leadership in the financial

world series of guides, which is first. Details on pages 35-36.



## **FINANCIAL WORLD DEC, 2006 / JAN, 2007**

### **067. Unnatural calm: Currency market / Barry Riley**

Currency markets are eerily quiet. But is the status quo sustainable for the major currencies? Details on page 8.

### **068. Neither a borrower: Consumer and financial services / Tim Jones**

The untimely recent death of Richard Duvall from cancer at the age of 44, has robbed the financial world of one of its most exciting and energetic innovators. Richard was the brain behind Zopa, the internet lending and borrowing exchange, and was also a leading light in the team that created "Egg" in the early 1990s. Details on pages 10-11.

### **069. Careful, Goldilocks: Investment**

Investors chose to be optimistic and positive in 2006, but the economic outlook contains a cautionary tale. Details on pages 10-12.

### **070. Sharp practices: Corporate governance / Tony Jackson**

The sheer volume of skulduggery and dodgy dealings in the business world continues to astonish. The big frauds: Enron, WorldCom and the like, have died down for now, but the backdating scandal is still rolling on, with more than 130 US companies being investigated and more than 50 executives and directors fired so far. Details on page 18.

### **071. SEC off the hook / Bob Feinberg**

The historic change of control on Capitol Hill after the US mid-term elections may sidetrack investigations into the enforcement activities of the Security and Exchange Commission (SEC). The regulator, which scrutinises the disclosure and trading practices of public companies and security firms, is itself being investigated by at least three committees of the US Senate. The question, raised by a whistle-blower, is whether the Commission is effectively fulfilling its mission to protect investors. Details on pages 36-37.

### **072. Hedges unbreached: Funds return / Phil Davies**

In years to come, will we look back on 2006 as the year in which the tide turned against the hedge funds? The sector that has grown unabated for the past five years was thrown into disarray in May when stock markets around the world suffered sharp corrections. Details on pages 42-44.



**HARVARD BUSINESS  
REVIEW VOL. 85 NO. 4  
APRIL, 2007**

**073. HBR case study:  
Why didn't we know? /  
Ralph Hasson**

A whistle-blower's lawsuit alerts Galvatrens to deep flaws in its system for uncovering misconduct. How should management and the board respond? Details on pages 33-43.

**074. What your leader  
expects of you / Larry  
Bossidy**

A long-time CEO reveals the behaviours that leaders should look for in their subordinates – behaviours that drive individuals as well as corporate performance and growth, and what those subordinates should expect in return. Details on pages 58-65.

**075. Finding your  
next core business / Chris  
Zook**

It may be hidden right under your nose. Here is how to evaluate business and how to look for a new one. Details on pages 66-75.

**076. Promise-based  
management: The essence  
of execution / Donald N.  
Sull**

The most challenging leadership system stems from broken or poorly crafted commitments between employees and colleagues, customers or other stakeholders. To overcome such problems and foster a productive and reliable workforce, managers must cultivate and coordinate promises in a systematic way. Details on pages 78-86.

**077. The leadership  
team: Complementary  
strengths or conflicting  
agendas? / Stephen A.  
Miles**

Organizations can learn to enjoy the advantages and minimize the risks of complementarities without sowing the seed of disaster during succession. Details on pages 90-98.

**078. Avoiding integrity land mines: Performance and integrity / Ben W. Heineman**

How do you keep thousands of employees, operating in hundreds of countries, as honest as they are competitive? General Electric's long-time Counsel describes the systems the company has put in place to do just that. Details on pages 100-104.

**079. The process audit / Michael Hammer**

A new framework, as comprehensive as it is easy to apply, is helping companies plan and execute process-based transformation. Details on pages 111-123.

**080. Human due diligence / David Harding**

The success of most acquisitions hinges not on dollars but on people. Here's how to analyze potential people problems before a deal is completed. Details on pages 124-131.



**JOURNAL OF APPLIED CORPORATE FINANCE VOL. 19 NO. 1 WINTER, 2007**

**081. The limits of financial globalization / Rene M. Stulz**

Although barriers to international investment have fallen sharply over the last 60 years, the positive impact of financial globalization has been limited. Predictions by economists that cross-country differences in investment and financing would narrow or even disappear have largely failed to materialize; thus, countries still "matter" a great deal. Details on pages 8-15.

**082. Explaining differences in the quality of governance among companies: Evidence from emerging markets / Art Durnev**

The study of 859 companies in 27 countries in Asia, Latin America, and Eastern Europe identified three corporate attributes-profitable investment opportunities, significant capital requirements, and concentrated ownership-which appear to lead companies that adopt governance and disclosure practices that go beyond those stipulated by local law and regulations. What is more, these associations with effective governance are stronger in countries with weaker investor protection. Details on pages 16-24.

**083. The revolution in active investing: Creating wealth and better governance / David Haarmeyer**

Active investors have a long history of mobilizing capital, and of monitoring and disciplining the managements of the businesses they invest in. Aligning management's interest with shareholders' is a critical part of effective governance. Indeed, some would argue that it is a necessary precondition for creating value. Details on pages 25-39.

**084. Investment banking: Past, present and the future / Alan D. Morrison**

Investment banks emerged as intermediaries in sensitive transactions that involve information technology, based on an informal contracting process that could not be adjudicated by the courts. The banks established long-term profitable relationships with key information providers and used this information, together with a valuable reputation for probity, to attract security issuers. Details on pages 42-54.

**085. The evolution of shareholder activism in the**

**United States / Stuart L. Gillan**

Shareholder activism in the U.S. is by no means a new phenomenon. In the early 1900s, American financial institutions such as insurance companies, mutual funds, and banks were active participants in U.S. corporate governance, and in many cases they were representatives of such institutions. A typical example is J.P. Morgan and Associates, whose shareholders served on corporate boards and played major roles in the strategic direction of the firm. Details on pages 55-69.

**086. Cash holdings, divided policy, and corporate governance: A cross-country analysis / Lee Pinkowitz**

In most countries other than the U.S. and U.K., publicly traded companies are usually controlled by large shareholders. When corporate governance in such companies is working well, the primary focus of the controlling shareholders is increasing the wealth of all shareholders. Details on pages 81-87.

**087. For better corporate governance: The shareholder value review / Bartley J. Madden**

In the wake of the financial reporting scandals of Enron, WorldCom, Tyco, and other major firms, corporate governance reforms were initiated in the U.S. with the expressed aim of holding managements and boards more accountable for fulfilling their responsibilities to shareholders. Details on pages 102-114.

**088. Microfinance – on the road to capital market / Ian Callaghan**

Over 2.5 billion people live on less than \$2 a day. This level of poverty, though probably impossible for most readers of this article to comprehend fully, is one that concerns us all. A source of human misfortune, it is also a threat to global and regional peace and economic stability, and a major contributor to the degrading environment. Details on pages 115-123.



**RMA JOURNAL VOL. 89 NO. 6, MARCH 2007**

**089. Counterparty credit risk exposure / Jeremy Taylor**

Jeremy Taylor spent 11 years at Union Bank of California, most recently as Senior Vice President and Manager for

Market Risk Monitoring. He was responsible for the measurement and monitoring of market risks in both the trading and banking books. In this article he writes about counterparty exposure from the perspective of a mid-sized bank. Details on pages 18-21.

**090. A primer on structured products: Securities / Albert Cecchini**

While structured transactions remain a mystery to many, the products are here to stay and are important in risk management, both in their capacity to help shed risk, and in the risks they hold. This article offers a beginner's guide to what they are, how they operate and the risk on these securities. Details on pages 30-33.

**091. Recent environmental regulatory reforms; Clarity or confusion? / Steve Luzkow**

This article covers the legislation affecting due diligence and provides the foundation for understanding the relevance of AAE (All Appropriate Enquiries). Details on pages 36-41.



**RMA JOURNAL VOL. 89 NO. 4, JANUARY 2007**

**092. Bank boards must understand when risk / revenue trade-off don't apply / Howard Stein**

Too many banks leave the critical operational risk issues of Anti-Money-Laundering (AML) and Know-Your-Customer (KYC), to their technical "experts". The centrepiece of Howard Stein's comments is guidance from the Risk management Group of the Basel Committee: "Sound Practices for the Management and Supervision of Operational Risk." Details on pages 16-20.

**093. Preparing for disaster / Kathleen M. Beans**

This article talks about how Gulf Coast financial institutions weathered their storms, and what they are doing differently today. Details on pages 22-27.

**094. Why risk-rating systems stumble / Thomas Day**

Risk-rating systems are not canned products that can be lifted out of a regulatory manual, or co-opted from another bank. The best risk-rating systems are organic creations that reflect the ratings' philosophy and credit-granting culture of a bank. Details on pages 64-69.

**095. The perfect storm? How to avoid acquisition and development lending problems / J. Tol Broome**

Until recently, lending to residential developers for acquisition and development (A&D) has been very lucrative for banks. But lenders who had experienced nothing but smooth sailing in residential lending have landed in muddy waters in 2006. Details on pages 70-77.

**096. Off-balance-sheet financing and operating leases; impact on lease financial ratios / Bob G. Kilpatrick**

A seemingly tiny change in lease terms can have a dramatic effect on a lease's classification and its resulting financial ratios. This article follows up on a 1991 study and shows the effects of "constructive capitalization" of operating leases. Details on pages 80-86.

**097. Economic capital: Using a credit portfolio model to rate securitization: Part 3 / Shahram Elghanayan**

The first article of this series (October) looked at how economic capital addresses banks' strategies, tactics and specialization, and discussed

the challenges they present. The second article (November) explored the use of economic capital to improve the credit approval process. This concluding article shows how banks can use the latest techniques in credit portfolio modelling to estimate more accurately, the risks associated with asset-backed securitizations. Details on pages 93-97.

### **098. Multiple-Account-Based Profit Management Strategies**

The concluding article on multiple-account management discusses some applications of multiple-relationship data, and how this type of business intelligence can reduce expenses, improve returns, and effectively measure and manage customer loyalty. Details on pages 100-103.

### **099. Sales strategy: Telephone skills that get results / Jack Hubbard**

This article is the conclusion of a three part series on coaching. In September, Jack Hubbard talked about making coaching a part of performance culture's DNA; in November he focused on observing and mentoring telephone calls. This month, he offers some creative ideas to help Relationship Managers put

their "feet on the street" much more often. Details on pages 104-105.



## **STRATEGY & LEADERSHIP VOL. 35 NO. 2, 2007**

### **100. Using a lean Six Sigma Approach to drive innovation / George Byrne**

A combination of two time-tested programs for achieving operational excellence in major US companies is helping leaders discover new opportunities, and promoting a company-wide culture with an inclination towards innovation. Called a lean Six Sigma Approach or sometimes just Six Sigma, such a program, if focused not just on efficiency but also on growth, can serve as a foundation for innovation throughout an organization. Details on pages 5-10.

### **101. The surprising rise and fall of Coors Light in Puerto Rico: Marketing strategy and brand management / David J. Allio**

In over 15 years, a beer brand used a local market focus to snatch leadership from global giants, but then it eventually stumbled and lost its dominant position. Though the following story focuses principally on

marketing strategy and brand management, it raises other important strategy issues, including manufacturer /distributor relations and political interference. Details on pages 11-21.

### **102. Discovering new business models for knowledge intensive organizations / Norman T. Sheehan**

Managers of knowledge intensive organizations such as consulting firms, oil and mineral exploration companies, executive talent search firms and the likes, need special tools to discern innovative growth opportunities. Knowledge intensive organizations create an appropriate value in unique ways because the complex, multi-faceted, and competitive landscape that they inhabit is very much unlike that of industrial firms. Details on pages 22-29.

### **103. Winning in your industry: New tools and strategy / Joseph Calandro Jr.**

One of the most versatile tools for summarizing and communicating strategic information is the 2 by 2 matrix, which graphs two variables and defines the four

outputs derived from them. While some may complain that the 2 by 2 matrix oversimplifies issues, it has proven to be an extremely useful business tool. Details on pages 30-38.

### **104. For top insurance companies, customer focus and merger mastery produce superior results / Nick Palmer**

Buffeted by natural disasters, long cyclical troughs, roller-coaster investment returns, and changing regulations, property and casualty underwriters, like all insurance companies, live in a world of risk. To curb those uncertainties, industry executives arm themselves with an arsenal of actuarial tools and arcane financial measurements that keep their exposures and costs under control. But what truly propels property and casualty industry leaders to reach their peak performance? Details on pages 39-45.

### **105. Why is synergy so difficult in matters of related businesses?**

This article considers why mergers and acquisitions between companies that are considered to be in similar but different businesses, are often

surprisingly problematic.  
Details on pages 46-51.



## **STRATEGY & LEADERSHIP VOL. 35 NO.1, 2007**

### **106. Connecting strategy and competitive intelligence: Refocusing intelligence to produce critical strategy inputs / Liam Fahey**

In many companies, it is essential that a more productive dialogue about strategy making occurs between the executive and the team responsible for creating critical market place insights. This article helps to determine whether a firm has this communication problem or not. Details on pages 4-12.

### **107. Intelligence teams: Marketing strategic decisions / Liam Fahey**

Every business confronts some set of crucial business issues and strategic decisions – a unique combination of specific competitive changes that need to be explored and specific choices that must be made. Each business issue or strategic decision must be supported and approved by a vital, forward-looking intelligence team. Details on pages 13-20.

### **108. How strategic innovation really gets started / Robert C. Wood**

This article discusses how strategic innovation- the development of new business models- and the effective introduction of dramatic innovations to the market place, really get started. Details on pages 21-29.

### **109. Reaping value from intellectual: DuPont's strategic approach achieves global growth / John Sterling**

In the years since IBM successfully grew licensing revenue on its patent portfolio from \$30 million in 1990 to over a \$1 billion in 2000, companies with significant R&D budgets and intellectual property portfolios have been searching for strategies for reaping greater value from Intellectual Property (IP) Management. In response to this pursuit, the intellectual property management industry has burgeoned. Details on pages 36-42.

### **110. Outsourcing: Technological outsourcing / Arnold Brown**

Until the advent of outsourcing, business enterprises have always been job-creating institutions. As

history has shown, even when machines displaced people, the effect has been temporary because the ultimate outcome of technology has been more jobs. Details on pages 36-42.



**TRAINING VOL. 44 NO. 4  
APRIL, 2007**

**111. Virtually integrated  
/ Margery Weinstein**

Top-notch technology takes IBM another step up the ladder of learning excellence, the integrated way. Details on pages 11-14.

**112. Winning games /  
Margery Weinstein**

When your latest product launch is around the corner, and you have no idea how to get your sales representative up to speed in time let alone make the learning palatable enough to sink in, games and simulations are tempting options. Board games, video-rich online simulations, and everything in between, are so engaging that your employees will be glad to play or learn. Details on pages 16-18.

**113. Software selections  
/ Margery Weinstein**

It may be time to commit to that e-learning program you've

been eyeing for months. To help you make this crucial decision, *Training* asked seven vendors to share the packages they're most excited about this spring. Details on pages 20-21.

**114. Subject matter  
expert trouble / Sarah  
Boehle**

This article offers seven solutions to entice subject matter experts to deliver training at their organizations. Details on pages 28-30.



**TRAINING VOL. 44 NO. 3  
MARCH, 2007**

**115. Redefining  
elegance: Corporate culture  
/ Jack Gordon**

A genuinely strong culture can change with time, and genuinely great training can tackle awfully ambitious changes. Details on pages 15-20.

**116. Balancing Act:  
Keeping employees skilled  
/ Margery Weinstein**

Hard work and opportunities for growth are given at New York-based accounting firm PricewaterhouseCoopers (PwC). The company's learning team uses targeted

programming to keep an eye on its driven work force, coupling skill development with an emphasis on staying well rounded. Details on pages 22-28.

**117. Core alignment: Training success / Sarah Boehle**

When your industry is characterized by stiff competition and explosive growth, you need a learning organization that's aligned to the business and nimble enough to tackle any challenge that comes its way. Details on pages 30-38.

**118. Business driven: Business goals / Margery Weinstein**

Learning is big business for Verizon Wireless. Trainers at the Basking Ridge, NJ-based communications company are expected to tie instructions directly to company objectives. This approach ensures executive buy-in, provides concrete benchmarks by which to measure success, and helps the company serve its growing customer base better. Details on pages 40-46.



**TRAINING VOL. 44 NO. 1&2, JAN / FEB, 2007**

**119. Building brand champions / Jack Gordon**

This article discusses how training helps drive a core business at General Mills Incorporated. Details on pages 14-17.

**120. Got high potentials? (Leadership training) / Holly Dolezalek**

Your leadership pipeline has to start with people who aren't leaders yet. Are you developing the employees who could lead the company someday? Details on pages 18-22.

**121. Assessment acumen / Margery Weinstein**

After taking a year to assemble a well-crafted learning program, and recruiting instructors and subject matter experts (SMEs) competent enough to deliver it, you suddenly realize you don't know whether it's working. What you need is an assessment plan. Details on pages 33-35.

**122. Satellite success: Interactive distance learning / Margery Weinstein**

Interactive distance learning (IDL)-satellite can be cost effective and interactive, too.

So, should you transmit training via satellite? Details on pages 36-38.



## **US BANKER VOL. 117 NO. 4 APRIL, 2007**

### **123. Mobile phone texting rings true for HSBC / Karen Krebsbach**

Need pinpoint accurate marketing, particularly to reach generation Y? Banks are tiptoeing into the mobile phone marketing waters, and soon, they will be diving more deeply. Details on page 30.

### **124. Trading places: Financial market / Karen Krebsbach**

Americans are used to a very structured system of regulation; that is not the case in China. It's the wild, wild West, Chinese style. You've got to be flexible, always improvising. Details on pages 37-39.

### **125. To win client lauds, think free space, not free breakfast: SMEs / Lee Conrad**

Community banks can no longer live off small-business customers' goodwill. They need to get creative, like lending space for client

meetings and acting as a networking planner. But is this enough? Details on page 44.

### **126. Landing the unbanked with lure aiming to build credit / Lee Conrad**

The unbanked market spends about \$1 trillion a year, and banks are making a beehive for that business, particularly with prepaid cards. There are only a finite number of people after all. Details on page 47.

### **127. Competition heats up for retirement accounts: SMEs / Lee Conrad**

The 401(k) market at large companies has become saturated. But now, small businesses are more interested than ever in beefing up their retirement plans, providing banks with fertile new grounds to thread. Details on page 48.

### **128. Credit data on the fly: SMEs / Lee Conrad**

For bankers with trouble luring small-business prospects into the office, BizGo's credit data via cell phone or PDA helps them make more of their field visits. Details on page 55.