Faculty advance proposals that would add to their ranks

Dan Treadaway
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The combination of an increas-ingly competitive job market and the impending integration of some of the Georgia Tech Athletic Association’s (GTAA) operations into the Institute has resulted in an admi-ttedly awkward compromise by the General Faculty and Academic Senate.

In a joint meeting of the two groups on Feb. 6, the members heard a request from President Wayne Clough and Associate Vice President for Human Resources Chuck Donbaugh to refer to the General Faculty’s Statutes Committee a pro-posal to grant general faculty status to approximately 50 GTAA administra-tive staff and coaches. The Institute will absorb some of GTAA’s adminis-trative operations during 2007 in order to increase operational efficien-cy and strengthen GTAA’s financial position.

Donbaugh had previously announced at a Feb. 1 meeting of the Human Resources Representatives Network that while GTAA will remain an independent 501(c)(3) corpora-tion, their workforce of 150 employ-ees will be incorporated into the Georgia Tech system. As a result, all employees of GTAA will lose access to their current retirement program, a plan similar to the Optional Retirement Program (ORP) offered to Institute employees with faculty status in that it features immediate vesting. Without faculty status, the 50 admin-istrators and coaches would be forced to enroll in the Teachers Retirement System (TRS), which has a 10-year vesting requirement.

Clough said that the tenures for the coaching positions in particular are typically brief, from three to four years. If the only retirement option for coaches were TRS, he said, they would leave Georgia Tech only with the contributions they made to the program and be forced to forfeit employer contributions. In order to compete effectively in the job market for coaches and upper-level athletic staff and coaches, the Institute has resulted in an admit-tedly awkward compromise by the General Faculty and Academic Senate.

Athletics Association announces TECH Fund priority seating plan

Last week, Director of Athletics Dan Radakovich announced that Georgia Tech athletics will institute a new donation program for priority seat locations in Tech’s football and basketball venues.

The program, known as the TECH Fund, will begin in 2007, establishing per-seat donation levels for approxi-mately one-third of the seats in Bobby Dodd Stadium and one-half the seats in Alexander Memorial Coliseum.

Gifts to the TECH Fund will be used to support the annual opera-tional costs—scholarships, facility maintenance, team travel and aca-demic support programs—associ-ated with sustaining a competitive ath-letics program. TECH Fund donations replace any current annual giving obligations to the Alexander-Tracker Fund and are 80-percent tax deductible.

“One of the great things about intercollegiate athletics is how they add value to the schools that they represent,” he said. “In order to remain a financially viable part of the Institute, the Georgia Tech Athletic Association must create sustainable streams of revenue to solidify the financial future of its athletics pro-gram.”

The Fund is one component of a multipronged strategy for shoring up the Athletic Association’s financial sit-uation. A student advisory committee recently voted in favor of raising the mandatory student athletic fee by 75 percent, or $112 per year. Faculty and staff will continue to receive a discount on season tickets, but participate fully in the TECH Fund.

“Our goal is two-fold: create financi-ally stable for Georgia Tech athlet-ics and thus achieve excellence in the programs and services we offer,” Radakovich said. “This type of seat donation program is not unique in intercollegiate athletics, and it is nec-essary for Georgia Tech to remain competitive at the highest level.

“The TECH Fund is the result of many months of research. We looked very closely at the donation patterns of current ticket holders who occupy the various TECH Fund sections.”

Contribution levels for Bobby Dodd Stadium will range from $150 to $450, and $125 to $500 at Alexander Memorial Coliseum.

Season ticket holders have the option to keep their current seats, request to move to areas with higher or lower contribution levels, or move to areas that require no contribution at all.

Vice Provost Liotta to resign duties, return to research

Michael Hagerty
Institute Communications and Public Affairs

After nine years as vice provost for Research and dean of Graduate Studies, Regents’ Professor Charles Liotta has announced his intention to step away from his administrative duties and devote his full attention to teaching and research.

Liotta, who joined the faculty in 1965 and maintains a joint appoint-ment in the School of Chemistry and Biomolecular Engineering, plans to focus on his role within the Institute for Sustainable Technology and Development, where he heads the campus-wide organization that serves as the advocate for sustainability and guides the implementation of a 20-year strategy for institutional transfor-mation in education, research and campus management practices.

In an e-mail to senior administra-tion last week, Provost Gary Schuster wrote, “Charlie Liotta has been a strong advocate, an informed and enthusiastic voice, and a catalyst for collaboration during a period of robust growth of our research pro-grams. Georgia Tech owes him a debt of gratitude for his energy, commit-ment and leadership as vice provost.”

The Office of Research and Graduate Studies oversees the admin-istration of a research enterprise that expend more than $425 million annually, supports interdisciplinary program development and invests in world-class research facilities. The Office also oversees the Georgia Tech Research Corporation, the Office of Research Compliance, the Office of Sponsored Programs and more than 100 interdisciplinary centers at Georgia Tech.

“Over nine years, Georgia Tech has experienced marked growth in its funded research programs. I am proud to have been a steward of this office and privileged to have had the opportunity to work with so many tal-ented researchers,” Liotta said. “At this point in my career, I am interested in narrowing my focus in order to...”

Liotta continued, page 2
Women’s tennis team claims championship, number one ranking

Earlier this month, undergraduates Kirsten Flower, Christy Striplin and Amanda Craddock won singles matches and the Yellow Jackets took two of three doubles matches to give Georgia Tech its first USTA/ITA National Team Indoor Championship in the history of the program.

Then, two days later, the women’s tennis team achieved another first: the eight-member team, coached by former Tech All-American Bryan Shelton, became the first women’s team in the history of Georgia Tech to hold a No. 1 national ranking. The Jackets are just the seventh program to hold the sport’s No. 1 ranking in the last 20 years.

The Intercollegiate Tennis Association (ITA) polls placed the Yellow Jackets in the top spot, with all 10 first-place votes, ahead of No. 2 Stanford and third-ranked Notre Dame. The Yellow Jackets ended an NCAA-record 89-match winning streak when they defeated three-time defending champion Stanford University in the semifinals Feb. 3 before posting a 4-2 victory over Notre Dame in the championship match the following day.

"I think that our program is very deserving of the No. 1 national ranking at this point in time," Shelton said. "However, I think that this will be a long road for us. Our focus is to continue to improve as the season goes along, as the competition will get better and we know that people will be gunning for us."

The USTA/ITA National Team Indoor Championship is the sport’s premier indoor team tournament and the second of three ITA national collegiate championships of the season. The other two are the Riviera/ITA All-American Championship in November and the NCAA Championship in May.

Profits crash when firms fail to launch products on time

As Microsoft recently demonstrated with its belated Office 2007 software package and Vista operating system, postponing new product launches can take a heavy toll on the bottom line.

“We find that product introduction delays have a statistically significant negative effect on profitability,” says Vinod Singhal, a professor in the College of Management. “The effect of the delay is negative regardless of when it occurred in the product development process or the time of year of the announcement.”

Companies in the pharmaceutical, hardware and software industries are particularly susceptible to negative fallout from delayed launches because their products tend to be more highly anticipated than, say, a new brand of soda.

“Software and hardware firms operate in a highly dynamic environment, characterized by short product life cycles, intense competition, rapid changes in product and process technology and high growth rates in demand,” Singhal says. “Although product life cycles in the pharmaceutical industry are longer, delays in product introductions shorten the period of exclusivity granted by patent protection. In the meantime, doctors start prescribing other drugs.”

In the study, “The Effect of Product Introduction Delays on Operating Performances,” Singhal notes little previous research has attempted to estimate the economic consequences of postponed product launches on these industries.

In the recent case of Microsoft, the company lost 10 percent of expected sales from June to December 2006 because of delays getting Vista and Office 2007 into the marketplace. Sony also suffered last year when design issues kept its highly anticipated PlayStation 3 videogame machines off store shelves for months longer than originally planned.

Product introduction delays can have a number of negative consequences on revenues. "In a competitive industry, customers may not be willing to wait, choosing to buy a competitor’s product instead," Singhal says. "When product life cycles are short, delays reduce the window of opportunity to generate revenues. Delays can also cause the product to become obsolete faster.”

Singhal and his collaborators analyzed the financial performance of a diverse set of more than 450 publicly traded firms that experienced product introduction delays from 1987 to 2003. In the study, the researchers used operating income to measure profitability. They consider operating income — sales minus the cost of goods sold, as well as general, administrative and selling expenses — the best measure because tax considerations or interest expenses do not obscure it.

Examining operating performance both before and after product delay announcements, the researchers found that the median decline in return on assets ranged from 2.7 to 3.4 percent (mean decline of 6.0 to 7.7 percent) over a three-year period around the year of the delay announcement. The median decline in return on sales ranged from 1.5 to 5.1 percent (mean decline of 12.6 to 19.6 percent), while the median decline in sales over assets ranged from 5.9 to 11.0 percent (mean decline of 9.3 to 11.5 percent).

Announcements of product delays decreased average shareholder value by about 12 percent, according to the researchers. "Our results suggest that negative stock market reaction to product introduction delays is actually quite rational, given the impact of delays on profitability,” they write.

Reasons for delayed product launches vary, including poor management of the development process, lack of coordination among different functional areas and shortages of resources. "Our results underscore the importance of planning and executing the launch of new products," Singhal says. “More attention should be paid to product development and innovation issues.”
these employees a retirement plan with immedi-
ate vesting. Under the current state benefits sys-
tem, institute employees must have general facul-
ty or academic faculty status to have access to ORP.

"The state of Georgia has a system that denies ORP access to non-faculty employees," said Closs. "We believe all salaried employees should have access to ORP, but that's not how things are in this state at the moment. We are hoping that by some time next year, some of these rules will go away and we will be able to offer ORP access to new (non-faculty) employees without having to add them to the General Faculty. We know that there are many candidates for key positions who would not accept them because of the 10-year vesting rule with TRS. If the rules on ORP access change, then we can take another look at this issue to make sure that what we're doing makes parliamentary sense."

Donbaugh said that the Institute has asked University System Chancellor Erroll Davis to con-
sider carrying forth a proposal that would open ORP access to all new salaried employees.
(Because enrollment in TRS is a lifetime election, employees already enrolled in the plan would not have the option of switching to ORP.) Donbaugh said, 'In the early days of the enterprise, the faculty would create the position of Athletic Affairs Professional with General Faculty Status. Of the 50 GTA employees who would receive this designation, 38 are coaches and the remainder are upper-level admin-
istrators. They constitute one-third of GTA's total workforce of 150. While GTA will retain its status as a separate entity, the staff will be considered Georgia Tech employees.'

Several faculty members expressed concern about the proposal, mostly having to do with the proposal before the faculty would create the option of participating in ORP. Donbaugh said that if the state opens ORP access to all salaried employees in the near future, the General Faculty can always vote to grandfather in existing Athletic Affairs Professionals while restricting general faculty status to those who are newly hired. Closs also reminded the group that, unlike Academic Faculty, General Faculty are not permitted to vote on academic matters such as curriculum and tenure. General Faculty members vote only on institute-wide matters such as faculty benefits, campus security and academic support services.

In the end, the faculty voted in favor, with a handful of nays, of sending the proposal to the General Faculty's Statutes Committee for consider-
ation. A companion proposal was also brought to the faculty calling for addition of postdoctoral fellows to the General Faculty. Closs and Donbaugh again cited a competitive marketplace and brief job tenures (usually two years) as the rationale for the proposal.

One faculty member opposed the plan because of a belief that postdoctoral fellows are essentially advanced students whose limited body of work does not warrant faculty status. Other members disagreed, saying that postdoctoral fel-

lores have earned their Ph.D.s and carry teaching loads similar to those of permanent faculty. A specific concern was raised about postdoctoral fellows, currently automatically enrolled in TRS, who are ultimately hired as permanent faculty members. Because TRS membership is a lifetime election, such faculty members would never have the option of participating in ORP.

Again, the faculty voted in favor of sending the proposal to the Statutes Committee for consider-
ation, with only a handful of nay votes.

In other business, the faculty approved propos-
als from the Undergraduate Curriculum Committee to add a minor in Film and Media Studies in the School of Literature, Communication and Culture (LCC); to add LCC to the programs participating in the Undergraduate Research Option; and to change the name of the undesignated Bachelor of Science degree in the College of Architecture to Bachelor of Science in Architecture.

for more information

Faculty governance
www.facultysenate.gatech.edu

Awards & Honors

A presentation by Regents' Professor Z.L. Wang (Materials Science and Engineering) on "Nanoengines: Working Principle and Potential Applications" was cited by the Materials Research Society for research that translates to general public interest or application.

Assistant Professor Lena Ting (Biomedical Engineering) has been selected to receive a 2007 Arthur C. Guyton Award for Excellence in Integrative Physiology from the American Physiological Society, in recognition of her research program in feedback control systems, quantitative modeling and integrative physiology.

Assistant Professor Benjamin Flowers (Architecture) was awarded the Society of Architectural Historians' Scott Opler Fellowship for Emerging Scholars.

In recognition of his contributions to physics, Professor P.K. Young (Aerospace Engineering) has been elected as a fellow in the American Physical Society.

Assistant Professor Hang Lu (Chemical and Biomolecular Engineering) has been selected for a Young Faculty Award by the DARPA Microsystems Technology Office.

Professor Hanchoa Lu (History, Technology and Society) has received the Cecil B. Currey Award of the Association for Third World Studies for his book, "Street Criers: A Cultural History of Chinese Beggars." Lu has also received the Distinguished Service Award from the Chinese Historians in the United States, recognizing his contributions as editor of The Chinese Historical Review.

IN BRIEF:

Astronaut foundation offers scholarship opportunity

The Astronaut Scholarship Foundation will award a $10,000 scholarship for the 2007-2008 academic year to a Georgia Tech student.

The Foundation is a non-profit organization established by members of America's original Mercury astronauts. Its goal is to aid the United States in retaining its world leadership in sci-

ence and technology, and seeks the most cre-
ative and innovative candidates with the drive and ability to move into unknown territory.

The first deadline for submission of nomina-
tion materials to the campus committee is Feb. 26. For more information, visit www.psp.gatech.edu/astro.

Travel reimbursement changes

Effective Feb. 1, the mileage reimbursement rate for the use of private vehicles while on state business was increased to 48.5 cents per mile. Travel completed before that date will use the old rate of 44.5 cents per mile. The Accounts Payable travel team will correct any Travel Expense Statements to reflect the correct mileage rate for those Travel Expense Statements completed prior to this notification.

The Travel Expense Statement form has been revised to reflect calculation of the new rate. All travel forms can be found on the Procurement Services Web site at www.procurement.gatech.edu/mm_forms.html. For more information, e-mail travel.ask@business.gatech.edu.

IRS announces EITC online tool

The Earned Income Tax Credit (EITC) is a credit for people who work but do not earn high incomes. The EITC is a valuable tool helping eli-

gible taxpayers to lower their taxes or to claim a refund. The IRS wants all eligible taxpayers to take this credit.

To qualify, taxpayers must meet certain requirements and file a U.S. Individual Income Tax Return. Some rules apply to everyone, but there are also special rules for people who have children and for those who do not. Individuals and families must meet certain general require-
ments. To review the qualifications, visit www.irs.gov/individuals.

Pi Mile Road Race

The date is set — Saturday, April 14 — for the 55th annual Pi Mile 5k Road Race, starting at 8 a.m. on the Tech Tower Lawn. Five dollars of each entry fee will go towards Georgia Tech through Roll Call, the Institute’s unrestricted annual fund that provides funding for areas such as student scholarships, faculty recruitment and retention, and cutting-edge facilities.

For more information and to register, visit www.gtalumni.org/PiMile.