

August 2011

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Babson Faculty Research Fund

## Changes on BFRF

### Outgoing

**Michael Levy**, Marketing, serviced on the BFRF as a replacement for Elaine Allen who was on sabbatical last year. Elected to back-to-back terms, **Joseph Weintraub**, Management, gave four years of service to the BFRF. Michael and Joe, Thank You for your dedication and contributions to the BFRF and your faculty colleagues.

### Incoming

This fall, the BFRF welcomes **John Edmunds**, Finance, and **Dhruv Grewal**, Marketing; both John and Dhruv are experienced members who have served on the BFRF/BoR in the past.. Continuing members are **Kandice Hauf**, History and Society, **Bala Iyer**, TOIM, and **Joel Shulman**, Entrepreneurship. If you have questions about the BFRF, contact any of the members or [Susan Chern](#), coordinator.

### BFRF Chair

**Joel Shulman** has been re- elected BFRF Chair for the 2011-2012 academic year.

## Upcoming Research Chat Programs

Noon to 1:15 PM – Needham Room, Olin Hall

### Thursday, September 8

**Nestor Azcona** – Economics

“Price-Level Targeting and Exchange-Rate Volatility”

**G. Shankaranarayanan** – TOIM, “Social Media Data and Data Quality”

### Wednesday, September 21

**Kevin Bruyneel**, History and Society

“Martin Luther King’s Legacy in the Streets and in the Stone: The Paradox of Memorializing Change in American Race Politics”

**Sinan Erzurumlu**, TOIM, “Operational Hedging Strategies to Overcome Financial Constraints for Clean Technology Startups”

### Tuesday, September 27

**Anne Roggeveen**, Marketing,

**Janice Yellin**, Arts and Humanities

## Faculty News

**Nestor Azcona**, Economics, presented “Price-Level Targeting and Exchange-Rate Volatility” at the 86th annual conference of the Western Economic Association International (WEAI) in San Diego, CA (June 29- July 3).

In September, **Kevin Bruyneel**, History and Society, will attend the American Political Science Conference, in Seattle. As part of a panel on “Remembering Racial Violence, Recovering Democratic Politics,” Kevin will present “U.S. Race Politics and the ‘King’s Two Bodies’: The Paradox of Memorializing Change in American Culture and Institutions.”



*Advanced Analytics for Green and Sustainable Economic Development: Supply Chain Models and Financial Technologies*, edited by Z. Luo, includes a chapter, “Operational Hedging Strategies to Overcome Financial Constraints for Clean Technology Startups,” written by **Sinan Erzurumlu**, TOIM. The book, published by IGI Global, is a valuable resource for professionals, researchers, and policymakers concerned with the development of green business.

“OLIVE: A Simple Method for Estimating Betas When Factors Are Measured with Error” by **Gang Hu**, Finance, has been published in *Journal of Financial Research* 34, 2011, 27-60.

Each of these research projects was supported with a course release from the Babson Faculty Research Fund.

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## BFRF Final Products Accepted

**Ryan Davies**, Finance, “Pink Pills for Pale People: A Snapshot of Entrepreneurship, Patent Medicine, and Finance in 1905”

Senator George T. Fulford (1852-1905) made a large personal fortune selling patent medicine. His company, Dr. Williams’ Medicine Co., sold “*Pink Pills for Pale People*” in 82 countries using an aggressive testimonial-based ad campaign. In this project, I document why its marketing and global distribution strategies were so successful. Using newly discovered estate records, I analyze the degree of diversification (in light of modern portfolio theory) of his investments in municipal debentures, corporate bonds, and stocks. I contrast these investments with those subsequently made by his estate, particularly in light of several unusual features of his will. I investigate whether the debentures purchased by the estate correctly priced the credit risk of newly formed Canadian municipalities. Finally, I examine the management of Dr. Williams’ Medicine during the decline of patent medicine in the 1900s.

**Gang Hu**, Finance, “OLIVE: A Simple Method for Estimating Betas When Factors Are Measured with Error”

We propose a simple and intuitive method for estimating betas when factors are measured with error: ordinary least squares instrumental variable estimator (OLIVE). OLIVE performs well when the number of instruments becomes large, while the performance of conventional instrumental variable methods becomes poor or even infeasible. In an empirical application, OLIVE beta estimates improve R-squared significantly. More importantly, our results help resolve two puzzling findings in the prior literature: first, the sign of average risk premium on the beta for market return changes from negative to positive; second, the estimated value of average zero-beta rate is no longer too high.

**Marjorie Feld**, History and Society, *American Jews and the Struggle Over Apartheid*

*American Jews and the Struggle Over Apartheid* chronicles American Jewish involvement in a transnational movement to end the system of racial injustice in South Africa. It explores the complex relationships among Jews’ diasporic identity, the contested legacies of the Nazi Holocaust, and Jewish commitments to the principles of liberation. Many American Jews saw the fight against apartheid as a natural extension of their American Civil Rights activism; others worried that critiques of South African apartheid would threaten the pursuit of post-World War II global Jewish unity. Examining the years between the World War and the 1967 War in Israel, these first chapters argue that American Jews’ commitments to global justice reflect conflicting definitions of Jewishness itself—and that as American Jews worked through their attitudes toward South Africa, they also began the contested work of defining their positions on Israel.

**Jay Rao**, TOIM, “The True Grit of Innovators: Pixar’s Perilous Innovation Journey”

This book traces the history of Pixar from the time of its founding till the release and success of their first movie – *The Toy Story*. This book highlights the unpredictable dynamics of innovation: (1) the vicissitudes and vagaries of how innovation happens, (2) the inter-play between technology geeks, dreamers, artists, and investors, (3) the cat-and-mouse game that ensues between start-ups, SMBs and large firms, (4) the centrality of failure in innovation, (5) the progression and confluence of several technologies, and (6) the courage and fortitude of the dreamers and believers of computer animation.

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## External Funding

### Corporate, Foundation, and Government Relations Office (CFGR)

*Wendy Silverman, Director, CFGR*

The Office of Corporate, Foundation and Government Relations (CFGR) within Development and Alumni Relations at Babson College provides guidance and assistance to faculty and staff seeking funding from corporations, foundations, and government agencies to support their research and curricular development initiatives. Among the services provided are pre-award activities such as identifying and researching possible funding sources, assisting with cultivation of funding prospects and with proposal development and writing, particularly in the final draft stage, and ultimately with the submission of proposals. Post-award assistance is provided by both the CFGR and the Business Office.

If you would like to explore the possibility of external funding or examine your research agenda please contact me at x5993 or [silverman@babson.edu](mailto:silverman@babson.edu).

### Call for Proposals

#### Calvin K. Kazanjian Economics Foundation

The Calvin K. Kazanjian Economics Foundation is dedicated to the goal of increasing economic literacy throughout the United States. The Foundation provides grants to programs with national impact that address the following issues: raising the public’s participation in economic education and creating a demand for greater economic literacy; encouraging measurement of economic understanding; developing the application of new strategies for teaching economics, including online instruction; and helping disenfranchised youth or young adults with children learn to participate in the economic system.

Requests are reviewed two times per year – September 15 and February 15. Visit the [Foundation’s website](#) to review the application guidelines.

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