

Best of Mizzou Alumni

Rewriting the Rules

Entrepreneurs see the world just a little differently than other people. Where some people see a risk to be avoided, an entrepreneur sees a reward to be reaped. An entrepreneur focuses on the opportunities where others see only daunting challenges.

Entrepreneurs play a key role in our economy. According to the Ewing Marion Kauffman Foundation, a Kansas City-based organization that promotes entrepreneurship, firms with fewer than 20 employees generate the majority of the net job growth in the United States. Economists suggest that these small firms provide the new ideas and innovation that help the economy renew itself.

Mizzou graduates have a long track record as entrepreneurs. Sam Walton, AB '40, went against conventional wisdom when he turned a few small-town Arkansas dime stores into Wal-Mart Stores, now the world's largest retail chain. James Ferguson of Menlo Park, Calif., graduated from MU with a physics degree in 1956 and went to work for Westinghouse. After just one year, Ferguson developed the first practical use of liquid crystals, an invention that led to the development of the quartz watch, liquid crystal display technology and hundreds of other products.

Read about a few more self-starters from MU.

Bond trading used to be dominated by the traders who could yell the loudest. Now, thanks in part to Stuart Fraser and the electronic marketplace, traders need a strong grasp on technology more than strong vocal cords.

Stuart Fraser used to have trouble explaining exactly what he did as head of the government securities division for Wall Street financial services firm Cantor Fitzgerald. "I would tell people that I sat in the dark and yelled," says Fraser, BA '83.

That's because when he joined the company 20 years ago, investment firms bought and sold government bonds through a system called "open outcry." Bond brokers gathered for daily sessions of controlled pandemonium, much like the frantic bidding wars over commodity futures that go on in the pit of the Chicago Board of Trade.

Instead of pork bellies and frozen orange juice, these traders haggled over the price of hundreds of billions of dollars in government securities every day. "It was almost like being an athlete. You had to try to yell louder than 70 other people at the same time you were talking to a customer on the phone," Fraser says.

All that yelling and what he describes as the other "rules of combat" are becoming as outdated as silver dollars. He and his



PHOTO BY JEAN CHUNG

STORIES BY
JOHN BEAHLER



of Combat

company have plugged technology into the trading equation to create an electronic marketplace that's revolutionized global bond markets. Fraser received a patent in 1999 for his "automated auction protocol processor," and Cantor Fitzgerald spun off the new technology into a separate subsidiary called eSpeed.

The new system provides instant trades and reduces the chance for errors in a market where "careers are made or crushed in a single judgment," Fraser says. "eSpeed helps create liquidity and brings people and prices together."

Fraser and his ideas about electronic bond markets were way ahead of the curve when Cantor Fitzgerald first launched eSpeed. In fact, he had to battle his company's own technical experts, who worried that this new way of doing business would bring down the existing system.

It took a cataclysmic tragedy to demonstrate just how effective that new system is. Cantor Fitzgerald's main offices were in One World Trade Center on the day that terrorists turned two jetliners into a pair of guided missiles. When the planes slammed into the towers, bond trades on eSpeed switched automatically to a backup system in New Jersey and then to Cantor Fitzgerald's London office.

Fraser's own life was spared because he was home that morning, getting ready for a business meeting. As he grimly watched the television coverage of the twin towers, Fraser's phone message alert beeped. Then he heard a desperate recorded message from his secretary pleading for help and telling him their office was filling with smoke. None of his return calls got through to that office on the 105th floor. Cantor Fitzgerald lost 658 employees on that awful morning — nearly two-thirds of the company's workforce.

The next few weeks were a blur, as Fraser and other Cantor Fitzgerald survivors struggled to keep the business running and plan for the financial security of families of colleagues who weren't as lucky. International bond markets stumbled but were back on track within days. Through it all, the eSpeed system proved its worth, Fraser says. "When the planes hit, it showed us in a terrible way that we were on the right track."

The Corporate Landscape

If you've ever remodeled your own home, you probably know how exasperating it can be. Refurbishing just a few hundred square feet of space can involve a few hundred mind-numbing decisions.

Now consider a day in the life of **Wendy Gray**, CEO and founder of the Gray Design Group in St. Louis. She and her employees are responsible for planning more than 5 million square feet of commercial space each year.

Gray, BS HES '78, started her architectural, interior design, graphics and planning firm in 1982. Since then it's grown into the largest in St. Louis. Her company has changed the Gateway City's corporate landscape with its work for Nestle Purina Petcare, Rawlings, Boeing, Commerce Banks, State Farm Insurance, Sara Lee Bakery and other area business giants.

The challenge always is to finish projects on time and within budget. Interior design can improve employee morale and productivity, and it sets the tone for a corporate image, Gray says. "When you walk into a company's offices, you get an immediate impression about that firm."

Fresh out of Mizou's interior design program, Gray's first project was working for a St. Louis architectural firm to design the Westport Playhouse, a 1,000-seat theater-in-the-round in St. Louis County. Over the years, her firm has planned projects including aeronautical flight-simulator training centers nationally and the St. Louis Symphony's Powell Club.

During the heady days of the go-go '90s, the Gray Group opened new offices in Denver, Colorado Springs and Fort Myers, Fla. When the dot.coms turned into dot.bombs, Gray had to downsize and close her Colorado offices.

"Expanding was easy; the contraction has been difficult," she says. "However, I really do see that turning around, so you always have to be flexible." Does Gray have any advice for up-and-coming designers? "To passionately pursue design solutions beyond the ordinary."

If you walk into a major business building in St. Louis, there's a good chance you'll see the work of Wendy Gray and the Gray Design Group.



PHOTO BY BOB HILL



Keeping a Ham in the House

Morris Burger, BS Ag '57, helped turn a family tradition into a thriving business that serves up a taste of Missouri to customers all around the world. Burgers' Smokehouse produces more country hams and specialty smoked meats than any other company in the nation.

Each year, nearly three-quarter million country hams take the cure at Burgers' ultramodern production plant a few miles south of California, Mo. For some folks it just wouldn't be Christmas without a country ham from Burgers' on the holiday dinner table.

These aren't your average "city" hams, injected with brine and flavorings, that packing houses mass-produce by the millions. Every one of Burgers' country beauties gets the personal touch. It's trimmed by hand, rubbed down with a mixture of salt, sugar and pepper, bagged, and then hung up to cure from four months to a year or more.

In the days before refrigeration, salt-curing was one of the few ways to preserve meat. Early Missouri settlers brought the tradition with them from Virginia, Kentucky and Tennessee. "In this part of the country, people would butcher hogs in the late fall when temperatures at night would get down pretty close to freezing, so nature gave you the refrigeration to cure with," Burger explains.

He's been around old-time ham curing as long as he can remember. One of his first jobs as a youngster during hog-butcher days was to dice up fatback and trimmings to cook down into lard.

"This method of dry-curing pork probably goes back 4,000 years. The earliest recorded mention of it is in Gaul," Burger says. "The dry-curing technology, the science of it, is the same whether it's a prosciutto ham from Italy, a serrano ham from Spain or one of Germany's Black Forest hams."

His father, E.M. Burger, started the company in 1952 with the help of family members; they sold 1,000 hams that first

year. Burger's dad probably wouldn't recognize the place today. The company's original one-room "ham house" has grown into a sprawling plant that covers six acres.

Burger has introduced a world of innovations over the years. His company was one of the first to develop environmentally controlled curing rooms that mirror the weather conditions of the seasons. "That way we can cure year-round, moving the hams from season to season rather than putting them in one room and letting the seasons change around them," he says.

Today, giant air-handling machines filter harmful bacteria out of the areas where cooked products are produced. A high-pressure robotic water knife trims and slices hams into precise portions, and an automated shipping system labels and speeds orders to customers. A third generation of Burger's family, all Mizzou graduates, has taken over day-to-day operations and is building new traditions at the family business.



PHOTO BY BOB HILL

Started as a way to preserve meat, salt-curing is now a way for Morris Burger to make a tasty treat and a buck at Burgers' Smokehouse, his family business.

Home Schooling

After 50 years in the mortgage banking business, **Jim Nutter Sr.** doesn't blink an eye when he's asked to name the biggest mistake most homeowners make when they take out a mortgage.

"Closing costs," says Nutter, BS BA '49. "They should be more careful and compare closing costs from one company to another. Too many people think all companies are about the same. Well, they're not. Sometimes there can be thousands and thousands of dollars difference."

What seems like an attractive interest rate can get ugly by the time lenders tack on points, fees and special charges. Nutter's Kansas City-based mortgage firm, James B. Nutter & Co., is on a crusade to wise up borrowers to these so-called "junk fees." By looking out for his customers' best interests and holding finance rates as low as possible, Nutter has grown his company into one of the largest independently owned mortgage lenders in the country.

Nutter started the business in 1951 in his Kansas City, Mo., home with help from family members. After a few years Nutter & Co. put down roots in the city's historic Westport neighborhood. As the company grew, Nutter acquired properties in Westport, restored the old homes and added extensive gardens. Locals call the area "Nutterville."

Nutter & Co. is now a player on the national scene, and 80 percent of its loans go to clients outside the Kansas City area. Some things don't change, Nutter says. "I've tried to build the business on the basis of having customers who are satisfied enough to come back to us."

Jim Nutter Sr. has been talking homeowners through the complicated and sometimes frustrating world of mortgages for 50 years. Nutter & Co. serves clients in Kansas City and nationally.

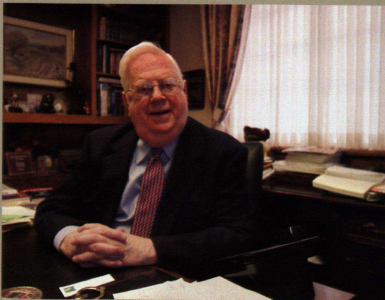


PHOTO BY BOB HILL



MISSOURI MEDICAL REVIEW PHOTO BY ANTHONY PADILLA

Cancer patients may get the drugs they need faster thanks to Fred Hausheer. Hausheer's company, BioNumerik, can cut years off of drug trials by using supercomputers to predict drugs' effects.

Getting New Drugs Faster

The future has never been more promising for the millions of Americans who are treated for cancer each year. Thanks to new drugs and therapies, survival rates are rising steadily. But even the most promising experimental drugs can take years to work their way through animal studies and clinical trials before they're added to the treatment arsenal. That's precious time that many cancer patients don't have.

Since 1992, **Fred Hausheer**, MD '82, has been a pioneer in taking a different approach to developing cancer drugs. He is founder, chair and CEO of BioNumerik Pharmaceuticals Inc., a San Antonio-based company that uses supercomputers to crunch the trillions of calculations that help scientists predict how a new drug will react in the human body. That high-tech approach lets Hausheer and his team at BioNumerik select and study the most promising new drugs in some cases and work to cut the average preclinical development time from six years to as little as 18 months.

This approach is called "mechanism-based" drug discovery because it uses chemistry, biology, quantum physics and computer technology to understand how these drugs and their target molecules work.

The son of a small-town doctor in Missouri and Iowa, Hausheer finished his medical degree at MU in just three years, then moved on to an oncology fellowship at Johns Hopkins University. During this time he also worked at the National Cancer Institute when it opened the world's first supercomputer center for biomedical research. Now, some of BioNumerik's drugs are in late-stage clinical trials, and the company is in the vanguard of medical research searching for ways to make the future even more hopeful for cancer patients.

A Nose for Innovation

As a doctor, Hana Solomon, MD '86, knows the medicines she prescribes can help people feel better. She also knows that prescription drugs all too often are overused. That's why this Columbia pediatrician turned to a simple, time-tested remedy to help keep her patients healthy.

Back in medical school at Mizzou, one of Solomon's professors told his students about rinsing out nasal passages with a saline solution. Maybe you remember your grandparents sniffing or gargling salt water as a home remedy for congestion. Or maybe you can recall getting salt water up your nose when you were swimming in the ocean. "It burns at first, but it's refreshing," she says.

There's a reason for that: A saline rinse moisturizes nasal passages, removes irritants and thins the secretions that build up. It also can reduce the amount of medication asthma patients have to use. "This is an old-fashioned remedy; Buddhist monks have used it for centuries," Solomon says.

She started recommending the rinse to patients with chronic nasal problems but found that some turned up their noses at the idea. "Lots of folks would get grossed

Dr. Hana's Nasopure is a kit for making a salt rinse to keep nasal passages healthy. It's like brushing your teeth, only for your nose.



Raking in the Dough

Alvin Rohrs, JD '82, describes his tenure as president of Students in Free Enterprise as a "20-year overnight success story." The international organization, based in Springfield, Mo., helps college students develop outreach programs to teach others in their communities about the value of free enterprise.

For example, one California chapter created a coloring book for schoolchildren that taught them the importance of saving money. Some chapters pay for their projects with moneymaking operations, such as consulting for small businesses or running a dry-cleaning business. Other chapter projects have focused on the economic impacts of illiteracy, deficit spending and government regulations.

When Rohrs took over Students in Free Enterprise in 1983, just a handful of colleges were involved. Today the organization has chapters at more than 1,400 colleges and universities in 33 countries. His goal is to have a chapter on every college campus.

Why is it important to get out the message of free enterprise and entrepreneurship? "I think the free enterprise system is a little like television," Rohrs says. "We all experience it, but we're not quite sure how that image appears on the tube. We need to understand free enterprise so we can be better consumers, better workers and better entrepreneurs."

out and say, 'You want me to do what?' But when they kept getting sick over and over again, I would convince them to try it," she says. "Some of them quit coming to see me as much, and I thought, 'This is what my job is supposed to be. I've succeeded.'"

Some patients balked at mixing up the solution from scratch, so Solomon began selling kits with everything they needed to mix with purified water to produce a batch. She calls her product Dr. Hana's Nasopure.

Launching her own business required a new set of skills. Solomon wrote a detailed business plan, researched the medical literature, trademarked the product name, and held focus groups to learn what customers liked and didn't like. She designed a plastic bottle that was just the right size and shape, and then she had to search out a manufacturer. Now Solomon is looking at pitching Nasopure to some of the giant drugstore chains and is considering producing a commercial to reach wider audiences.

Sales of Nasopure jumped this year, and Solomon's goal is to reach a national market, even though she hasn't spent a penny on advertising yet, she says. "My dream is to get on *Oprah* or the *Today* show someday."

Dr. Hana's Nasopure is available through the Web at <http://www.nasopure.com> and at a number of mid-Missouri drugstores.

Take Five for Jazz

Jazz is a uniquely American invention, but all too often it's been an economic afterthought in this country's dollar-driven music industry.

Jon Poses wants to change that old tune.

Over the last decade, he's helped Columbia become an unlikely outpost for live jazz in the Midwest. He's built a reputation along the way as a savvy producer of concert tours that showcase some of jazz's hottest talents and biggest names. Poses, MA '80, is executive director of the "We Always Swing" Jazz Series, a nonprofit venture that has brought dozens of well-known jazz acts to Columbia.

As a student, Poses hosted jazz programs on public radio. Later, as a free-lance writer, he focused on major-league baseball and jazz. Then, friends who own Murry's, a local restaurant and jazz nightclub, suggested that Poses ask the musicians he interviewed if they'd like to play in Columbia. After Poses helped book James Williams for a show at Murry's, the jazz pianist returned to New York and spread the word to other musicians. Poses' business has grown from there. "I never hung my shingle out," he says. "It was certainly not anything I had mapped out as a business plan."

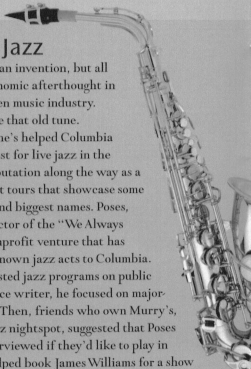


Photo © Getty Images/PhotoDisc



Asian Cuisine Goes Mainstream

Some people might think that **Peggy and Andrew Cherng** have unlikely credentials for the couple who founded Panda Express, the country's largest chain of Chinese restaurants.

Andrew earned a master's degree in applied mathematics at Mizzou in 1972. Peggy has two degrees from MU: a master's in computer science in 1971 and a doctorate in electrical engineering in 1974.

However, Peggy doesn't see anything unusual about the couple bringing its science background into the business world. An education in engineering or math, she says, "is mostly training you how to think logically. You can apply that logic anywhere."

The Cherngs applied that rational point of view to the restaurant business. Over three decades they grew a single family-owned Chinese restaurant called the Panda Inn in Pasadena, Calif., into a chain of more than 600 eateries that includes the Panda Express, Panda Inn and Hibachi-San brands.

It's still a family-owned enterprise. Andrew is chairman of Panda Restaurant Group, and Peggy is president and CEO. The couple met in 1967, when they attended the same college in Kansas. Andrew was born in China and lived in Taiwan and Japan before coming to the United States to attend college. Peggy is a native of Burma who was raised in Hong Kong.

In 1973, just after he graduated from Mizzou, Andrew opened the Panda Inn with his father, Ming-Tsai Cherng, a master chef who had trained and worked in China. Ten years later, they opened the first Panda Express with the idea of providing gourmet-quality Chinese fare to diners in a hurry.

The success of Panda Express, Peggy says, relies on strict adherence to fresh, high-quality ingredients that are prepared daily at each location.

The Cherngs went outside the mainstream in choosing locations for their restaurants. Panda Express was one of the first chains to set up shop in malls, supermarkets, casinos, libraries and universities.

"Americans are very open to trying new things," Peggy says. But it wasn't simply culinary novelty that propelled Chinese food into the mainstream of American cuisine, she says. More and more, Americans demand freshness and nutritional balance in their food — and both have long been hallmarks of Chinese cooking.

And in case the Cherngs make it look easy to build an

empire in the restaurant industry, Peggy cautions that it took years of hard work to promote consistent quality across the chain, to recruit and train the right staff, and then to motivate them to pull together.

She acknowledges that the couple made a few mistakes along the way and passes on a tip: "Don't grow ahead of yourself."

Like many successful entrepreneurs, Peggy and Andrew Cherng started small, with one restaurant in Pasadena, Calif., and became huge, with the country's largest chain of Chinese restaurants.



PHOTO COURTESY OF PANDA RESTAURANT GROUP



Selling 'A Way Life Was' in Branson

Peter Herschend, BS BA '58, was barely a teen-ager when he and his older brother, Jack, started making an annual vacation pilgrimage with their parents, Hugo and Mary, from the Chicago suburbs to the Ozark hills near Branson, Mo.

Back in Winnetka, Ill., they lived a comfortable, middle-class life in a neighborhood with paved streets, electricity and running water. "When we came down here to Branson, we only had one of those — electricity, and that had arrived only two years earlier," Herschend recalls. Anyone who has driven Branson's neon-bathed boulevards in recent years can testify that electricity no longer is in short supply.

Now, millions of tourists make the pilgrimage to Branson. They are drawn by the area's scenic beauty as well as its star-studded country music shows, theme parks and outlet malls. The jewel in Branson's rhinestone crown is still one of its oldest attractions: Silver Dollar City, the family-oriented theme park Herschend's family started in 1960.

The theme park is no Johnny Paycheck-come-lately in Branson, and the reason for its four decades of success is not rocket science, Herschend says. "I think what we sell at Silver Dollar City is a way life was. Is it tongue-in-cheek? Absolutely. But I think we all, young or old, have to have a sense of where we came from and who we are."

Silver Dollar City got its start when Hugo and Mary Herschend leased a down-at-the-heels tourist attraction called Marvel Cave. Even as youngsters, Herschend and his brother, Jack, helped at the family business when they weren't exploring the Ozark hills and hollows or rafting, like modern-day Tom Sawyers, through underground lakes in their very own cave.

After graduating from Mizzou and a hitch in the service, Herschend was back in Branson and ready to help his family launch a new enterprise. At first, the reconstructed frontier settlement they built at the mouth of the cave was intended to be a distraction for tourists who were waiting for cave tours.

Nowadays, Silver Dollar City's rides, restaurants, country music and old-timey crafts take center stage. In the early days, everyone pitched in to guide cave tours, clerk in the general store and add their voices to the songs and schmaltz of hillbilly street shows.

"We learned through that experience the value of building a culture together," Herschend says. "It's a culture of family pride, and that's not the Herschend family; that's the Silver Dollar City family."

Now called Herschend Family Entertainment, the company has grown from a mom-pop-and-the-kids tourist cave at the end

of a gravel road into a sprawling, high-tech entertainment empire that includes the White Water water park, Silver Dollar City Campground, Showboat Branson Belle and the just-opened Celebration City theme park, all in Branson. The company also operates Stone Mountain Park near Atlanta and is an operating partner with Dolly Parton in her Dollywood theme park and Dolly's Splash Country water park, both in Pigeon Forge, Tenn., and Dixie Stampede dinner theaters.

"We all did it together," Herschend says. "I think Silver Dollar City has been successful because it's a product of people's hearts and not a product of stone and wire and wood."

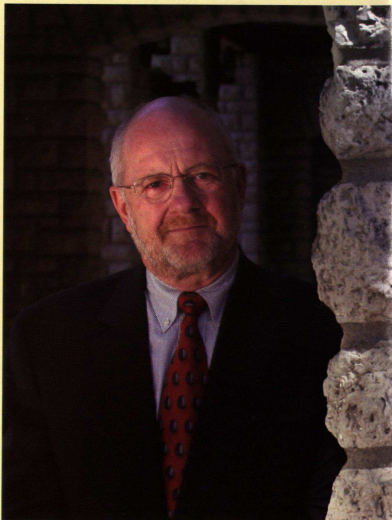


PHOTO BY BOB HELL

When a yearly family vacation turned into a family business, Peter Herschend's career path was set. His family owns Silver Dollar City, a theme park that has drawn people to Branson, Mo., for four decades.

Got Doggie Breath?

A pooch by the name of Ivan inspired **Joe Roetheli**, BS Ag '70, PhD '79, to create a new doggie treat that has the canine world sitting up and begging for more.

Ivan, you see, was a good dog with a bad halitosis problem. How bad? "He could stink you right out of town," Roetheli says. "My wife kept urging me to do something about that dog. She'd say, 'Surely you can come up with something.'"

Roetheli had worked in alternative agriculture research and commercialization programs for nearly 20 years. It took him only six weeks to develop a doggie chew treat called Greenies. The product prevents tartar buildup on dogs' teeth, reduces oral bacteria and cuts bad breath. These dog biscuits are selling like hot cakes. "It's been kind of an amazing ride, considering we didn't sell our first product until 1998," he says.

Because the Roethelis didn't know anything about marketing their brainchild, they made the mistake of selling the marketing rights. Early sales figures were in the doghouse, with only \$800 in sales over the first 30 months, so they took over the marketing.

"We knew the product was good. We figured that if they couldn't do it, we would do it ourselves," Roetheli says. Since then he and his wife, Judy, have sold 120 million of the doggie treats, and sales are still growing.

The Roethelis are running with the big dogs now. They landed contracts to sell their product through such national retail giants as Petco and PetsMart. Their company has five manufacturing plants in Missouri and Kansas. A survey in *Pet Age* magazine called Greenies the top dog treat for 2003, and the Roethelis' company is developing nearly two dozen other new products.

"When we first came out with Greenies, people in the industry were laughing about it," Roetheli says. Their bankers had a good chuckle, too. Loan money to a couple with no business or marketing experience who had a business plan that predicted 25 percent annual growth for a new, unproven product?

"When banks asked us what we had for collateral, we told them that we had a beat-up 1988 Honda that was paid for and that was about it," he says. "We had to rely on money from family, friends and fools. We went without an income for three years."

Getting their product to market took "passion, persistence and preparedness," he says. "Entrepreneurs never take no for an answer. When people tell them something can't be done, they go out and do it anyway."

For the dog with such foul breath even his best friend can't stand it, Joe Roetheli invented Greenies, a chew treat that makes a dog's breath face-licking good.



Ask Him Anything

Ask **Jim Spencer** to describe an entrepreneur and he points to film producer Robert Evans' definition of luck: "It's where preparation meets opportunity."

That definition fits him to a T. Since he graduated from the School of Journalism, Spencer's career has been at the intersection of technology and new media. If he's been a trailblazer, says Spencer, MA '91, it's because the field is so new there were no old trails to follow.

Spencer, a Kansas City, Mo., native who now lives in San Francisco, can't talk much about his latest high-tech venture. That's because it's still in what he calls "stealth mode," awaiting trademark approvals. But he can share some of his experiences in the high-flying world of dot.coms.

Not long after he graduated from the J-School, Spencer landed a job as the liaison for a joint venture between Microsoft and NBC to develop the news Web site that became MSNBC. Spencer describes his role as "shuttle diplomacy" between Seattle and New York. Later he worked for America Online, where he ran the company's news and information channels.

His entrepreneurial outlook was evident to journalism classmates and faculty while he was at Mizzou. Some of them remember Spencer best for one of his earliest business ventures — selling T-shirts emblazoned with the J-School logo from the trunk of his car or anywhere he could make a sale.

"When I got to MU, I was walking around campus and I saw all the kids in Greek T-shirts," he says. "I thought, 'Oh my god, where are the J-School shirts?'" He had some shirts made up, and it turned into a business that paid for his graduate school.

More recently, Spencer helped launch the Ask Jeeves Web site, a search engine that lets people use everyday language to ask a question. Instead of writing out cryptic search terms or deciphering Boolean mumbo jumbo, users can simply put a question to Ask Jeeves in the same way they would ask a next-door neighbor: "Why is the sky blue?" or "Who was Teddy Roosevelt's vice president?"

"The goal was to make technology understandable and easy to use," Spencer says. "By letting people use their own language, they feel much more at ease, much more comfortable with the technology." The payoff for that approach was huge. In one year Ask Jeeves went from being the 250th most popular Web site in the country to the 14th. "It was a rocket ship ride," Spencer recalls.

When the dot.com bubble burst, it may have tarnished the image of high-tech ventures, but there are still opportunities galore for those willing to take the risk of creating something on their own, Spencer says. "The opportunities for entrepreneurs in Silicon Valley are simply enormous. I just see gold in these hills." ❁