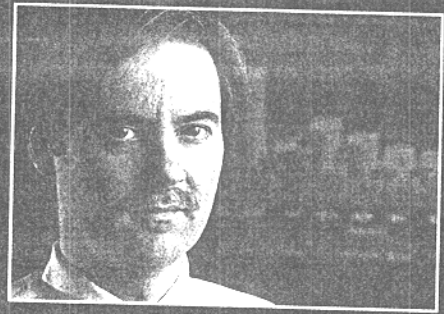


"Our firm has \$72 billion dollars under management, and there is not one nickel that isn't touched by the volatility modeling techniques described by Professors Harvey and Bollerslev," the virtual participant stated.



J. Paul Sticht Professor of International Business Campbell Harvey

Fuqua's Innovative Cyber Class Extends Virtual Classroom

By Laura Ertel

In the midst of a highly technical discussion about volatility modeling, a student in Professor Campbell Harvey's Global Asset Allocation and Stock Selection class challenged: "Is this really used in the practice of asset management?" Harvey could tell that some of his students weren't buying the guest speaker's "yes" answer.

No problem, thought Harvey. In no time, he got one of the professionals watching the class on a live webcast on the speakerphone and asked him to answer the question. "Our firm has \$72 billion dollars under management, and there is not one nickel that isn't touched by the volatility modeling techniques described by Professors Harvey and Bollerslev," the virtual participant stated.

"Let me tell you," Harvey says, "all of the daytime MBA students believed the answer."

For Harvey, a leading financial economist who specializes in portfolio management and global risk management, the ability to draw on the real-world experience of his virtual students was just one of

the many benefits of leading the first live webcast of a regularly scheduled MBA course to students outside a university's campus.

This winter, 45 daytime MBA students actually took their seats in Harvey's classroom on the Fuqua campus for the highly specialized elective course, which met twice a week, two hours at a time, for six weeks. Another 45 from five continents joined over the Internet from as far away as Australia and Shanghai.

"These were mainly working professionals who are too high in their organizations to enroll in an MBA, yet they want the specialized knowledge of this advanced elective," explains Harvey, the J. Paul Sticht Professor in International Business at Fuqua. "Some have MBAs already but never got the type of course that we offer at Duke. One student has a Ph.D. in econometrics and has published numerous articles in top journals. We had a number of Duke alumni. I had one student who took my course in 1997, but by inspecting the reading list saw that the

course had changed substantially." Several were even students enrolled in other MBA programs.

The high-powered group that filled the class's virtual seats represented companies with over \$1.6 trillion under management. The ranks included the chief investment officer of CalPERS, the largest institutional investor in the United States, and investment executives from Fidelity, Vanguard, Mellon Capital, and Goldman Sachs, to name a few. Non-financial corporations such as BP-Amoco, Northrop Grumman, Siemens and Dupont were also well represented. To broaden appeal, Fuqua waived its usual admissions requirements, making the course available for a fee to working professionals and students from rival business schools. Duke alumni got a 50 percent discount. Participants reviewed the syllabus and signed up over the Internet, and those who completed the class's final project received a certificate of completion from Fuqua.

Inside Harvey's classroom, three cameras and a production team captured all the
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action, which was broadcast live over the Internet via video-streaming technology provided by San Francisco-based Digital Island Inc. through its high-bandwidth global network. The classes were also archived at different compressions for students unable to view the live broadcast; the archived course is available online through December 2001.

Fuqua's latest pioneering effort in the world of e-learning drew national media coverage, including a January article in *Business Week*. "Harvey is hoping to entice Duke alumni and professionals back to his lecture hall with a new stab at making business education a career and lifelong process instead of a single stop along the path to upper management," the national newsweekly proclaimed. "The initiative lets people who have never attended a Duke program enroll, and it gives the school's alumni a chance to step back on campus over the Net."

That's true, says Harvey, who sees web-casting as a new vehicle—"neither executive education, nor an MBA, but something in between"—to help alumni continually learn and keep current and to reach business professionals without the time or resources to commit to an on-campus MBA program. "I have a vision of the future where alumni can monitor certain key elective courses that are important for their jobs. The webcast provides a way to do this. It accesses a part of the market that would otherwise be unreachable. This is a perfect opportunity to impact the practice of management."

Coming off the heels of the technology-rich The Duke MBA - Global Executive and The Duke MBA - Cross Continent programs, the innovative webcast is the next logical step in Fuqua's commitment to leadership in the e-learning arena, notes Fuqua Dean Rex D. Adams. "We pioneered the 'place and space' model that blends classroom teaching with Internet-enabled learning, and this is an innovative extension of that model. It allows us to extend our reach outside of our campus, giving these virtual students an opportunity for lifelong learning."

This emphasis on "space" may have larger implications for higher education in the future, Harvey speculates. Someday soon, students might be able to mix and match courses from a variety of schools into a customized degree program. Already, it allows faculty members to increase the number of students in their courses without the constraint of classroom size. And, as Harvey learned during the volatility modeling discussion, the virtual students can enrich the experience of the daytime students. Still, for now, the one-way technology cannot replicate the two-way communication necessary for total learning, he acknowledges.

Matt Hergott, a 1998 Fuqua graduate and vice president in the quantitative group at Zurich Scudder Investments in San Francisco, signed up for the webcast to gain insight to help him build a new global asset allocation model. "While I knew most of the material already, each class usually gave me exposure to a few new ideas. They were often real gems," Hergott says. "The fact that the class sessions were archived was a real plus. It meant that people like me didn't have to match a student's schedule or adjust to East Coast time."

Fuqua leaders consider the first-ever webcast a success, and hope to build a portfolio of webcast classes in the future. "Fuqua's attitude has always been to push the envelope—not be pushed by it," Harvey maintains. "By being the first top school to do a webcast of a live elective, we have established ourselves as leaders."

For more information on the *Global Asset Allocation and Stock Selection Webcast* or to register to view the archived course, visit the site at: http://faculty.fuqua.duke.edu/~charvey/Teaching/BA453_2001/Webcastinfo.htm

