A Center update from Ted Schroeder

An absolutely phenomenal journey are the best words I can think of to describe the development of the Center for Risk Management Education and Research.

What started as an idea to enhance risk management educational opportunities for Kansas State University students three years ago, today has developed into a Center that is becoming recognized as the place to go to find the most talented and best prepared graduates with a broad understanding and appreciation for risk management.

Our first class of student fellows has graduated and launched productive and lucrative career paths. Our second class is finishing this next spring, many having already accepted jobs well in advance of graduation. Our third class of student fellows begins the program in January. Indeed, we are already enjoying the fruits of visionary leadership and valuable investments of industry supporters, the K-State Foundation, academic and administrative leadership, and the student fellows who have taken ownership of the Center to help foster the successes we are enjoying today and will well into the future.

It has been nothing short of amazing to see how everyone involved with the Center from industry leaders and friends, faculty members, university administration, the K-State Foundation, and most importantly, the student fellows, have stepped up to help champion, engage with and support the Center.

The student fellows have been very busy immersed in a wide array of hands-on practical educational experiences including participating in several company visits across the country and numerous guest lectures from risk management experts. Students have been exposed to risk management across a wide array of industries spanning branded food companies, industrial products and energy companies, primary producers and manufacturers, financial institutions, market exchanges, government regulatory agencies, risk consultants, and commodity trading companies. Emphasis has been on learning about how companies with varied risk exposures identify, characterize, measure, pursue, avoid, optimize, and manage risk. As one of our major financial supporters put it, we are “turbo charging” student knowledge in integrated risk management.

Indeed the future of the Center shines brightly. In what started as an agricultural economics, finance, and industrial and manufacturing systems engineering joint initiative, we are now attracting student fellows from majors that span several colleges and academic majors across campus in what is truly a model program for interdisciplinary education.

Thank you for all of your support of our program. Please let me know if we can be of any assistance. We look forward to continuing to work with each of you as we build a world class Center for Risk Management Education and Research.

I wish you all the very best for the Christmas and New Year season!

Sincerely,

Ted Schroeder, Director
Center for Risk Management Education and Research
785.532.4488 | tcs@ksu.edu
Being a student fellow of the Center for Risk Management Education and Research has an exciting sense of unpredictability. We are never quite sure what kind of an experience to expect, but we know that each time we have an event we will certainly come away with a new insight and perspective on risks.

Student fellows are regularly gaining exposure to a wide range of risks in many different industries, as well as various methods of managing those risks. Through customized visits with various companies, we have engaged in conversations about government regulations, globalization and population growth, market trends, personal development, management techniques, market volatility, and many more topics related to how a business manages risk.

This fall, student fellows met with several companies who came to campus and also traveled to Omaha, Nebraska and Chicago, Illinois to meet with partners. Below is a brief summary of each visit, you can learn more about each visit on our blog at crmerstudents.wordpress.com.

**Monsanto Company** – Senior Science Fellow Kevin C. Glenn discussed challenges and opportunities with respect to a host of topics including population increase, global food security, scientific discovery and product development, regulatory process, managing relationships, transparency in product development, and education about technologies in agriculture.

**Frahm Farmland, Inc.** – Chief Executive Officer Lon Frahm, shared his philosophy on working capital and his experiences managing a host of risks on a large farming operation including insurance coverage, grain marketing, logistics, machinery, storage facilities, managing people as part of the business structure, and social expectations.

**Hershey Company** – Chief Global Knowledge Information Officer Bob Goodpaster, and fellows engaged in dialogue on consumer choices, manufacturing, transparency, millennials, the aging population, globalization, technology, and government regulations.

**Aon Risk Solutions** – Managing Director of Sales Ann Gariti, led us through a simulation of what Aon Risk Solutions brokers do, how they look at risk costs, insurance programs, and other methods of uniquely serving each customer. Ann took us around the 80th floor of their building and showed us the Chicago sights. Four additional employees at various stages of their career with Aon shared advice on what to expect and how to move forward at different times in your career.

**Chicago Mercantile Exchange (CME) Group** – Senior Director of Commodity Research and Product Development Fred Seamon, and Matt Herrington, a K-State alumnus and Manager of Commodity Research and Product Development at the CME Group gave us a tour of facilities at the Chicago Board of Trade, showed us where commodities were traded and took us down to the trading floor. We heard from Fred and Matt, as well as the Director of Market Surveillance, a representative from Global Account Management, and a personal trader. These experts discussed commodity research, market surveillance, regulations and oversight, understanding the role of different market players, economic impacts, and dealing with risks as technologies change over time.

**Commodity Futures Trading Commission (CFTC)** – Hannah Ropp, an analyst in the surveillance unit of the CFTC discussed market oversight, surveillance, and regulations of the financial derivative markets.

**Gavilon, LLC** – Ed Prosser, a CRMER advisory council member and Vice President of Agricultural Trading at Gavilon, and Ankush Bhandari, Director of Economic Research, shared emerging trends in agriculture and energy and discussed world population, government regulations, prices, and supply and demand forecasting. Student fellows also heard from Robert Wagner, Chief Risk Officer, and the Risk Management Team on the company’s risk preferences and the software and models they use to analyze the company’s position in the market.

Constant collaboration amongst student fellows and industry partners encourages us to develop a multi-disciplinary mindset surrounding the idea of risk. In addition to learning through these company visits, student fellows have also been put into four teams, each with their own research project. Different companies have identified risk-related issues within their organization and have asked the student fellows to find feasible solutions. These research projects allow us to gain a more in depth understanding of a company’s risks and challenge us to use our multidisciplinary mindsets to evaluate risk.

The various activities of the Center not only provide student fellows with real experience engaging in risk-related issues, additionally they provide opportunities for sharing ideas amongst peers and colleagues, networking, and learning about internships and full time positions with industry partners. As we continue to identify and measure risks through experiential learning activities, the Center for Risk Management Education and Research is maximizing opportunities for its student fellows.

Written by Kassie Curran, Student Fellow  |  Earned B.S. in Food Science  |  Earning M.S. in Agricultural Economics
Student Fellow spotlight: Gerald Mashange

What is your major?
Finance, minor in economics

What year are you?
Senior.

Where are you from?
I am from Bulawayo, Zimbabwe.

What do you enjoy about being a CRMER student fellow?
I personally appreciate the opportunity we receive in meeting with top-level executives from reputable companies and insight on risk management best practices.

What have you gained or learned from this experience?
I have developed an appreciation for the field of risk management and have gained the ability to assess risk inherent in different industries.

What do you hope to learn from this experience?
Continued exposure to more industries so I may increase my knowledge in fields outside of finance and economics.

How do you think this experience will help your career and skill set?
It will allow me to adequately plan and develop strong risk management frameworks, better assess and measure opportunities and events, and thoroughly articulate the impact they might have on any project that I will work on.

Please include anything else you think readers may want to know about you, as it relates to CRMER and your student life at K-State.
The CRMER exposes students to many activities and experiences not afforded in the classroom. I have learned a vast amount from the program. It helped me tackle and solve the business-related problems that I encountered while interning at JPMorgan.
When did you graduate and with what degree(s)?
I graduated from K-State in May of 2014 with a master's degree in agricultural economics. I received my bachelor's degree from Texas A&M University in 2012, also in agricultural economics.

Where are you from?
La Vernia, Texas

Where are you living now?
I am living in a small town outside of Omaha, Nebraska.

What is your job title, company, and what do you actually do?
I work for Cargill as the Feed Demand Analyst in their Corn Milling business unit. We sell branded feed products to feedlots and dairies across the Central and Southern Plains. My job is to predict our customers’ future feed usage so that we always have enough feed in the right place at the right time. It requires extensive statistical analysis, frequent communication with our sales and operations teams, and knowledge of current trends in the cattle industry.

What did you enjoy about being a CRMER student fellow?
I enjoyed meeting with companies and hearing about their approaches to risk management. The businesses that we visited had varying degrees of risk tolerance and all faced different types of risk. These meetings were fun and interesting because we never knew what new things we would learn.

What have you gained or learned from this experience?
The CRMER fellow experience was like an internship in many ways. I learned about different aspects of businesses that I would not have been exposed to otherwise. Since we visited a diverse group of companies, I was also able to determine which industries and careers I was most interested in pursuing.

You are now serving on the advisory council as the first “alumni” member. How will this benefit your relationship with the Center?
Serving on the advisory council has kept me informed and excited about the direction that the Center is headed. Visiting with the other enthusiastic advisory council members also reinforces my pride to be a CRMER fellow alum.

How do you think your advisory council contributions will benefit the Center?
I think that I have a unique perspective since I have been through the program, and I am new to the working world. My goal is to provide insight to the other council members through honest feedback regarding the benefits of the student fellow experience and the challenges of entering the workforce. Hopefully, my perspective will help the staff and council members mold the CRMER going forward.

How has the student fellow experience played a role in obtaining your job and in your every-day work activities?
The CRMER fellowship gave me an advantage in the job market. The networking opportunity alone has been invaluable, and I think the connections that I have made with both industry leaders and my Risk Fellow peers will be very helpful throughout my career. The CRMER also opened my eyes to the importance of recognizing risks. My job helps to mitigate our risk at Cargill. From ensuring that Operations is aware of how much inventory we need to store in case of a transportation or weather delay to communicating with Sales so that they don't oversell in the event of a seasonal boost in feedlot inventories, my team deals with risk on a daily basis.

What growth and improvements have you noticed in the Center during the past years?
It seems as though the student fellows’ group projects have evolved from basic research studies to in-depth projects that will actually add value to the sponsor companies. I think these projects and experiential opportunities will continue to improve as the Center develops and gains more support.
Tell us about your job with Gavilon.

My title is Vice President and General Manager of Agricultural Trading for Gavilon. What that really means is that I lead a team of traders that use analytic and subjective models along with trade flow analysis to trade commodities on the world’s organized exchanges. We are part of an agricultural supply chain management company that handles corn, wheat, beans, livestock, and fertilizer.

What was your major at K-State?

I received a B.S. in agricultural economics at K-State in May of 1985. It was my major from the beginning. I wanted to be a farmer and I figured I knew how to grow stuff so I better learn how to market stuff.

Why did you decide to become a part of the Center’s advisory council?

I was looking for a way for Gavilon and myself to re-engage with the University. We hire our share of K-Staters and being involved with the University makes access to those graduates easier. I wanted to support something that could support students that would become potential leaders at Gavilon. About that time I had the great fortune of meeting Emilie Fink. Emilie told me she had a booster that had a similar idea. That is when she got Lee Borck and I together and the framework for the center was started. With the hard work of Ted Schroeder, the Center was running in about a year.

How does your role in the advisory council benefit you?

Being involved with a board like the one Ted put together is rewarding in many ways. First I get connected with the best and brightest alumni in my industry. Every time we have a meeting I meet new people and gain new contacts. Second, and most selfishly, I get to know personally some of the finest students the University has to offer. I get to tell Gavilon’s story and hopefully interest them in considering Gavilon as a career. Lastly, I get to play a small part in directing the instruction of the graduates making sure there education is of the greatest benefit to them and their future employers.

What do you think your biggest impact to the Center is, as a member?

I think my biggest impact can be made by opening doors of my professional peers to Ted and Emilie to tell CRMER’s story. When I provide the story and they provide the pitch we are a hard team to say no to.

What should Center stakeholders (others that aren’t on the advisory council) expect from the council and its members?

I think that foremost they should expect a clear accounting of what our goals are, the resources needed to achieve those goals, and where we are at on our journey to meet those needs.

What growth and improvements have you noticed in the Center during the past years?

Given the age of the program you would expect the growth curve to be steep. And it certainly has been. The last year has seen the first class out in the world and the third class is recruited. Most notably we have expanded our council to include new founding members and welcomed new donors to the Center. It is very gratifying to look back after two years and take in what the CRMER has become, but it is also terrifying. Now that we build it, we have to sustain it, and that may be the biggest job we have yet to tackle.
Pictured above: Advisory Council members and student fellows took time to take a group picture before the luncheon during the fall 2014 advisory council meeting. Below: Students and council members discuss their projects before lunch.

Pictured at right: The first class of student fellows take a break during tours in Chicago.

At right: Ted Schroeder, Ed Prosser and Sean Fox stop for a picture with students at Gavilon.
I find myself doing a lot of reflecting this time of year. When I think about the progress the Center for Risk Management Education and Research (CRMER) has made in the past few years, I am reminded of all the wonderful people who have made this program possible. As we enter into 2015 and year four of this concept, I would like to express my personal thanks to each and every one of you for the role you have played.

My job at the Kansas State University Foundation is most often to unite the University’s priorities and greatest needs with donors’ passions. The CRMER presented a unique opportunity to reverse that common practice, and bring to our campus leadership an idea industry partners were telling me they were willing to invest in with their time, talent and treasure. I have been amazed by all of your dedication to the development, launch and successful implementation of the CRMER. Because of you, we continue to look for ways to grow the program and develop new partnerships. As an example, just last week Ted Schroeder and I met with some campus colleagues to discuss a collaborative effort that would generate a new pipeline for student talent, which in turn we anticipate would create a future for funding the student fellow experience.

As 2014 comes to a close, I know many of you are considering some year-end charitable contributions. I would welcome the opportunity to discuss ways your gifts would make an impact on the CRMER and Kansas State University. You may also make a gift online to the Risk Management fund which supports both the people and programmatic costs of the Center. Again, my most sincere thanks for your interest and investment in the CRMER and I hope you all have a blessed Christmas and New Year, including a win down in San Antonio for our beloved Cats on January 2nd!

Sincerely,

Emilie Fink

Development Officer
KSU Foundation
emilief@found.ksu.edu | 785.532.7571

Click here to make a gift online via the Kansas State University Foundation. For more information about ways to support the Center, contact Emilie Fink at emilief@found.ksu.edu or 785.532.7571.

For information about this e-newsletter and other communications for the Center, contact Amanda Erichsen at aerichsen@ksu.edu or 785.532.6994.