Energizing Price College

By Jack Money

The Price College of Business continually seeks to improve the competitive edge its students carry into the real world. One way it is doing this is by emphasizing new energy-related programs throughout the college because of the growing importance of energy world-wide.

In a partnership with Ernst & Young, Price College’s Steed School of Accounting created a Focus on Energy Accounting program that features new undergraduate and graduate courses and internships. Additionally, the Ernst & Young Action Learning Center will support learning opportunities for students on current energy and other accounting-related issues.

A master’s of business administration degree with an energy concentration is now offered as well. This exciting new program augments the traditional MBA course of study with four additional classes designed to enlighten students about energy industry fundamentals. These courses additionally provide potential internship opportunities with energy-related firms.

Price College also is working to create an energy center to offer as a place of study for students and researchers throughout the university as well as outside OU.

Dean Kenneth Evans said the college’s decision to embrace “a broad array” of energy-related issues “will help launch us into a more integrated approach to the business of energy.”

The University of Oklahoma’s unique connections with the energy industry is making it possible for the Price College of Business to offer these enhancements, he added.

“And that gives us a distinction valuable not only to Price College, but to the university at-large,” he said.

These are all good reasons to make these enhancements. There also is one more, analysts and those in the industry often note.

“There is a shortage of people who want to get into the industry, or new recruits are often short on the needed skill sets when they get in,” said Ryan Burke, an Ernst & Young partner who graduated from OU in 1994 with a bachelor’s of accounting degree.

So, openings exist for business students interested in finding jobs within the energy industry.

Frances Ayres, director of Price College’s Steed School of Accounting, said the accounting school is interested in helping its graduates seeking energy-related employment stand apart through the creation of the Ernst & Young Focus on Energy Accounting program and the Ernst & Young Action Learning Center.

New oil and natural gas accounting courses are being offered to the school’s undergraduate and graduate students as part of the new program. Students taking these courses also will be encouraged to intern, either with oil and natural gas production companies or accounting firms that service those companies.

Outside speakers from Ernst & Young, from energy companies and even alternative-energy specialty firms will be involved. Students will take field trips where they can visit Ernst & Young’s Houston offices and some of its clients.

The action learning center complements the added academic courses by featuring lectures, seminars and one-to-one interaction with instructors – a dynamic addition that will help students, Ayres noted.

Terry Crain, associate professor of accounting, said the program has been created through a $500,000 donation provided by the Ernst & Young Foundation – the largest such donation the foundation had granted when
Taking Energy Management Global

Fifteen undergraduates in Price College of Business' Energy Management Program spent two and a half weeks this summer abroad to better understand the energy industry.

Classroom instruction they received in Aberdeen, Scotland, was similar to the petroleum engineering instruction they would have received in Norman if they had taken the class at home.

However, in Scotland, they actually were able to see theoretical lessons applied in a real-world energy environment via corporate site visits to oil field service companies.

Chris Mock, an energy management and finance senior, enjoyed the opportunity.

“We were able to get an international perspective that you don’t see back in Oklahoma,” said Mock. “You realize that oil is not just the West Texas Intermediate that you see the trading price quoted on TV daily.

“The rest of the world also concentrates on Brent crude, which comes out of the North Sea. You learn that oil truly is a world commodity.”

This year’s trip abroad for Mock and the other students was an inaugural event for the energy Management Program, said Steve Long, director of the energy management program.

“Our goal is to open the eyes of our students about the energy issues the global economy is facing,” Long said.

Aberdeen was selected as a good location, he said, because it is Europe’s energy hub.

Students attended morning classes, and then were able to actually see what they had been taught during afternoon visits to various energy operations.

The students started their journey in London, where they were able to visit a major oil and natural gas company to see its commodities trading floor, then met with a University of Oklahoma graduate trying to stake a claim in the North Sea as an independent operator.

“Not only did the students get to see, feel and touch what they were taught in the classroom,” Long said, “but as the industry works in cross-functional teams, the students will be able to relate to the technical members of the team. As interns, they should shine because of what they were exposed to.”

Mock, who interned during the summer with BP after his study-abroad experience, agreed with Long’s assessment.

During his internship, he was tasked to review carbon cap and trade legislation making its way through Congress. On his trip abroad, he was able to see the Europeans’ approach to trading emissions credits, he noted.

“When you touch on these major concepts, they contribute to your overall knowledge of the energy industry,” Mock said. “It made a great contribution in giving me a helpful perspective in my internship with BP.

“The trip made me realize how the world is changing, and as students, it opened our eyes to the various types of career opportunities the industry offers.”

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In the Price College MBA program, the students must acquire knowledge of some aspects of the business that traditional MBA students aren’t asked to learn in four newly offered courses.

It is important for these students, for instance, to understand supply-and-demand principles, commodities’ values, and technology’s impact on the energy industry. These issues are covered by an Introduction to Energy course. As part of the course, students took field trips to a drilling site, a natural gas processing plant and a clean-coal fired furnace.

The Energy Corporate Finance course offers students a chance to learn how energy projects are valued and financed, how energy-related corporate risks are managed, and how the industry handles mergers and acquisition deals. The course also covers innovative risk management and financing arrangements.

Commodities trading and how energy companies hedge their price risks are covered in the Energy Assets and Commodities: Financial Instruments, Pricing and Trading course. Students taking this class visited an Oklahoma company trading commodities to get a first-hand opportunity to see how the business works.

An Energy Regulations and Accounting course provides an overview of federal and state regulatory laws affecting natural gas and oil producers and developers, interstate and intrastate pipeline operators, gas and power marketing companies, and power-generating and transmission companies. Energy industry accounting issues also are studied in depth as part of this course.

Dipankar Ghosh, executive director of Price College’s MBA Program, said, “The University of Oklahoma is known for its academic prowess in petroleum engineering and land management. Why not add the university’s MBA program with an energy twist to that list?”

He added, “When you want to place students in a highly competitive environment with very, very good companies, they must have a differentiating characteristic.”

Many of the new program enhancements for Price College’s MBA and accounting students involve educating students about today’s energy companies and their operations. What about the industry’s future? Students would benefit from understanding the industry is dynamic, constantly changing how it operates as it strives to meet the nation’s increasing energy needs – often while having to overcome greater scrutiny from regulators and local, state and national political leaders.

Also, when considering the nation and its energy supplies, there are security and cost issues, both for consumers and businesses. In addition, there are sustainability and environmental concerns related to the use of fossil fuels. All of these issues and others could impact the energy industry’s future.

These topics and others will be a focus of a new energy center being created within Price College. The center – so new it does not yet have an official name – is envisioned as a place where such issues can be researched and discussed, said Chitru Fernando, Michael F. Price Professor of Finance and director of the Center for Financial Studies.

Fernando, who is spearheading the creation of the energy center, said, “an exchange of ideas is key, the primary role.”

He added that he also hopes the center will bring together students, researchers, industry experts, regulators and lawmakers to work on various energy-related issues.

“What we are certain of is that we want to create a place where an objective discussion can take place,” he said.

Accounting principles. Business trends. Future trends, potential problems and their solutions. When taken together, Price College MBA and accounting students’ knowledge of industry practices, accounting principles, and rules and regulations will prepare them to work in the energy industry more than ever before.

Plus, the University of Oklahoma is poised to reap rewards from these additional offerings as well, Ghosh noted.

“The brand equity for energy at OU is already established” through such other courses of study at the university as petroleum geology and energy management, Ghosh said. “This energy concentration helps put our MBA, accounting and energy center programs on the map.”