



Mid-year 2023 Report

A Thank You from Dean Gropper

Thanks to Bart Madden's generosity and extensive experience as a business leader, we built a thriving University Center dedicated to promoting value creation in both theory and practice. The Center's many activities promote value creation as a foundational guiding principle to achieve widespread prosperity, thereby creating a long-lasting impact for our economic future.

This year's annual report details the Madden Center's research, community engagements, and projects. Over the last year and a half, we've hired two new tenured faculty experts, hosted eight visiting scholars (including two Fulbright scholars), conducted twelve in-person or online seminars on value creation, and hosted a groundbreaking conference on Entrepreneurship, Longevity, and Biotechnology. These new faculty, guests, and events enhance the traditional educational experience for our students and help establish FAU as a leader in building the next generation of value creators.

On behalf of the faculty and students at FAU, I again thank Mr. Bart Madden for his vision and our Madden Leadership team for their implementation.

Go Owls!

Daniel M. Gropper, Ph. D.#

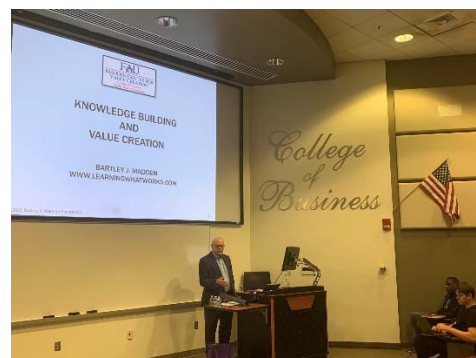
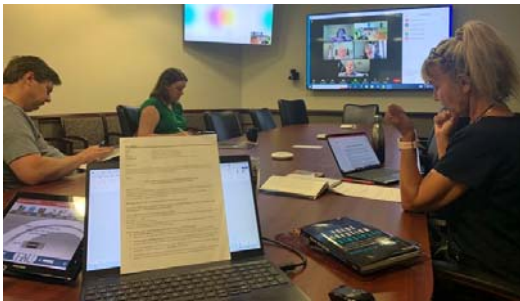
Dean, FAU College of Business

The Madden Center for Value Creation is named in recognition of Bartley J. Madden, an independent researcher, author, and expert in the field of investment research and money management. The Madden family's generous \$3 million gift supports the Center's scholarly and student activities, events, and the promotion of value creation for widespread prosperity.

ABOUT THE MADDEN CENTER

Mission

1. For society in general, promote value creation as a foundational guiding principle to achieve widespread prosperity.
2. Contribute to a worldwide educational platform that provides an intellectual foundation to motivate and assist young people in becoming value creators as a way of living their lives.
3. Focus academic research on the firm as the fundamental unit of analysis for economic progress, giving particular attention to knowledge building, systems thinking, and value creation.



To receive regular updates on the Madden Center, email maddencenter@fau.edu.

About Bartley J. Madden

Bartley J. Madden is currently an independent researcher focused on knowledge building and value creation as opposite sides of the same coin; on promoting research keyed to the firm as the fundamental unit of economic progress; and on restructuring the regulatory process for access to new drugs.

Madden attended California Polytechnic State University in San Luis Obispo as an engineering student and was a member of Cal Poly's 1961 Collegiate Championship boxing team. From 1962 to 1965, he studied at the University of Southern California and graduated with a BS in mechanical engineering. Madden then spent time in the U.S. Army involved with classified weapons development testing. After his Army service, he earned an MBA at UC Berkeley.



In 1969, Madden partnered with Charles G. Callard and started Callard Madden & Associates, where his early research resulted in the CFROI (cash-flow-return-on-investment) valuation model widely used today by investment management firms. *CFROI Valuation: A Total System Approach to Valuing the Firm* was published in 1999.

In 1984, he joined Harbor Capital Advisors as a Senior VP and portfolio manager. In 1992, he became a partner at HOLT Value Associates and continued his research on connecting corporate performance to levels and changes in stock prices over time and advancing a global database for investment decision making. HOLT was acquired by Credit Suisse in 2002 and a year later, Madden retired as a managing director at Credit Suisse/HOLT to do independent research. He has had a long-term interest in the deeper issues concerning how we know what we think we know, which led to his book, *A Foundational Understanding of Human Behavior*.

Through a series of journal articles and a book, *Free to Choose Medicine: Better Drugs Sooner at Lower Cost*, Madden fine-tuned the details of a practical plan to bring consumer choice and competition to the FDA. His "Free to Choose Medicine" proposal to enable patients, advised by their doctors, to access not-yet-FDA-approved drugs has been implemented in Japan.

His latest book is *Value Creation Principles: The Pragmatic Theory of the Firm Begins with Purpose and Ends with Sustainable Capitalism*.

MADDEN CENTER FACULTY AND STAFF



Dr. Siri A. Terjesen is Associate Dean, Research & External Relations, founding Executive Director of the Madden Center for Value Creation, and Phil Smith Professor of Entrepreneurship at FAU, and Professor at the Norwegian School of Economics in Bergen, Norway. Dr. Terjesen is an internationally recognized expert in strategy, entrepreneurship, and corporate governance with over 80 articles, 2 books, many white papers, and manuscripts. She ranks in the world's top 2% most cited scholars with over 16,500 citations. Dr. Terjesen is currently an associate editor of five leading journals including *Academy of Management Perspectives*, *Small Business Economics*, and an editorial review member of six other journals. Her research is published in the world's leading journals and has been featured in international media including *Bloomberg*, *U.S. News & World Report*, and *CNBC*. She has been PI or co-PI on \$7m in research grants and gifts over her career. Dr. Terjesen has received outstanding teaching awards at undergraduate, graduate, and executive education levels. Dr. Terjesen also competed internationally at marathon and ultramarathon distances, including as a member of the United States team to several World Championships, including an individual bronze at the World 50K Championships and a U.S. team 6th place at the World 100K Championships.

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Dr. Susan Dennett is an instructor and Operations Director for the Madden Center for Value Creation with Florida Atlantic University's College of Business. Prior to joining FAU, Dr. Dennett was the Academic Dean for Northwood University, West Palm Beach. Her international industry experience includes providing human resource development leadership for Lionel Trains, ABB, Cummins Engine Company, and QVC. Dr. Dennett has consulted with the hospitality industry, as well as being a thriving entrepreneur creating a successful start-up. Educated both in the UK and the US, Dr. Dennett earned her MS in Adult and Community Educational Leadership and Human Resource Development from Florida State University and her Ph.D. in Educational Leadership and Research Methodology from Florida Atlantic University. She was named Exceptional Faculty for FAU Northern Campuses in 2022 and currently serves as a member on a number of students' dissertation committees. She has published articles in various journals, as well as published book chapters. Dr. Dennett recently led a study abroad and took ten FAU students (doctoral, graduate, and undergraduate) to London where they met with various local leaders and shared best practices on leadership. An avid tennis player, Dr. Dennett represented the Oakland University's Women's tennis team in Michigan. She also serves as the FAU club tennis faculty advisor.



Dr. Mark Packard is an Associate Professor and Director of Research for the Madden Center for Value Creation at Florida Atlantic University. Dr. Packard started his professional career as a computer engineer before returning to school at the University of Missouri to get his Ph.D. in business administration, with a research emphasis in entrepreneurship. Prior to joining FAU, he was a junior faculty member at the University of Nevada, Reno's School of Business for six years, where he was regularly honored as one of the most successful researchers. His research, on the theory of entrepreneurship and its various subprocesses – including empathy, innovation, and judgment – has appeared in many of the world's most prestigious management and entrepreneurship journals, including the *Academy of Management Review*, *Organization Science*, and the *Journal of Business Venturing*. He recently published a new book, *Entrepreneurial Valuation*, which is a distillation of much of his research for a practitioner audience. He also cofounded Praxeo Consulting, which offers research-based services for improving strategic innovation and pivots. He is a family man, with a wife and four young children at home, and enjoys playing sports in his free time.



Dr. Michael Ryall is a Professor of Management and Policy Director for the Madden Center for Value Creation at Florida Atlantic University. As an economist trained in game theory, his best-known research is on the Value Capture Model, a theory that provides a mathematical foundation for business strategy. His research regularly appears in peer-reviewed journals, such as *Management Science*, *Strategic Management Journal*, *Academy of Management Review*, and *Economic Journal*, among others. He has taught at the undergraduate, graduate, Ph.D. and executive levels. His professional service history includes various editorial roles and leading scholarly journals, co-founding two academic associations, and the organization of many scholarly conferences and symposia. He earned his B.S. from North Carolina State University, MBA from the University of Chicago, and his Ph.D. from UCLA. In his spare time, Dr. Ryall enjoys playing video games with his wife Hillary.



Tracy Kidwell is the Coordinator for the Madden Center for Value Creation at Florida Atlantic University. Miss Kidwell graduated from the University of Minnesota – Twin Cities in 2021 with her B.S. in Human Resource Development and minors in Human Resources & Industrial Relations and Leadership. She began her career working as a human resources and talent specialist, specializing in recruitment for accountants in the homebuilding industry. Outside of her work with the Madden Center, Miss Kidwell is an accomplished musician, having performed in several national tours with the Oregon Crusaders Drum and Bugle Corps and in the Super Bowl LII Halftime Show with Justin Timberlake.

VISITING SCHOLARS

The Madden Center for Value Creation hosts visiting scholars from all over the world who are conducting research on relevant topics. Recent visitors include scholars from Spain, Finland, Norway, and Serbia, with upcoming visitors from Belgium, Kyrgyzstan, Grenada, and more.

Upcoming Visiting Scholars



Carlos Albornoz
Faculty,
Entrepreneurship,
Universidad del
Desarrollo,
Santiago, Chile



Mansoor Afzali
Assistant Professor
of Accounting,
Hanken School of
Economics,
Helsinki, Finland



Peter Calcagno
Professor, College
of Charleston, South
Carolina, USA



Bjørn-Tore Flåten
Associate Professor
of Management,
University of
Agder,
Kristiansand,
Norway



**Azamat
Maksudunov**
Professor, Kyrgyz-
Turkish Manas
University, Bishkek,
Kyrgyzstan



Santiago Mejia
Assistant Professor,
Law and Ethics,
Gabelli School of
Business, Fordham
University, Bronx,
USA



Kamil Mroz
Visiting Ph.D.
Student, HEC
uLiege, Liege,
Belgium



Paul Pounder
Professor of
Entrepreneurship,
Director, Graduate
Programs, St.
George's
University,
Grenada, West
Indies

Past Visiting Scholars



**Trine Asheim
Bernhardsen**

Ph.D. Student, Nord
University, Bodo,
Norway



Ricardo Gimeno

Adjunct Professor
at NYU Spain,
Madrid, Spain



Paul Gooderham

Professor,
Norwegian School
of Economics,
Bergen, Norway



**Riikka Harikkala-
Laihin**

Post-doc,
University of
Turku, Turku,
Finland
Fulbright Scholar



**Ruth Mateos de
Cabo**

Professor, CEU
Madrid, Madrid,
Spain



Sølvi Solvoll

Associate Professor,
Business, Nord
University, Bodo,
Norway



**Danijela Stosic
Panic**

Associate Professor,
University of Nis,
Nis, Serbia



Tunde Tatrai

Professor,
Corvinus
University,
Budapest, Hungary
Fulbright Scholar

Advisory Board

The Madden Center for Value Creation is overseen by a wide range of accomplished individuals from diverse working backgrounds. We are truly honored to be advised by these standout individuals.



Susan Beal
Vice President
of Presales at
supply chain
platform Blue
Yonder



**David
Buchsbaum,
J.D.**
Managing
Director of
Investment
Banking at
Dawson James



**Marianna
Davidovich**
Director of
External
Relations for
the
Foundation
for Economic
Education



**Amanda Elam,
Ph.D.**
CEO of Galaxy
Diagnostics
and Adjunct
Professor at
Babson
College



**Manish
Gupta, M.D.**
Orthopedic
Surgeon



Jason Kra
President of Li
& Fung



Tsedale Melaku, Ph.D.
Sociologist and
Management
Researcher at
CUNY Baruch



Richard Ross
Staffing
Industry
Consultant



Brent Segal, Ph.D.
Director of
Collaboration at
Lockheed
Martin



Candace Smith
Etiquette
Coach



Vernon Smith, Ph.D.
Nobel Laureate
in Economics



Ashley Steinhart, J.D.
of Counsel
Lowenstein
Sandler



Yannick Thams, Ph.D.
Strategy and
Corporate
Governance
Researcher at
the FAU College
of Business

CURRENT RESEARCH PROJECTS

Faculty affiliates to the Madden Center for Value Creation engage in a variety of research projects focused on value creation for worldwide prosperity, most of which utilize the firm as the fundamental unit of analyses. Current policy-related projects include:

Value Creation

This body of research examines the pressures for environmental, social, and governance (ESG). Research questions include:

- Is there a moral basis for ESG?
- How does the ESG framework facilitate cronyism and lead to preferential treatment of firms?
- How do oil prices affect entrepreneurship?
- Why do firms with higher levels of corporate citizenship reputation experience significantly less negative market reactions to restatement announcements?
- How do the corporate citizenship and corporate governance aspects of CSR affect market reactions to accounting restatements?

Free to Choose Medicine

Recent bipartisan support for the Promising Pathways Act suggests that we may soon live in a world with dramatically reduced development cost and increased competition. This stream is endorsed by Vernon Smith, Nobel Laureate in Economics and advisory board member for the Madden Center for Value Creation: “It is my pleasure to endorse Bart Madden’s thoughtful support for free to choose medicine and the Promising Pathway Act.” Key research questions are:

- What are new models of competition, pricing, and innovation with free to choose medicine?
- How can AI and other technologies connect the free to choose biopharmaceutical ecosystem?
- How can managers optimize decision-making processes in a dynamic and uncertain world?
- How can free to choose medicine leverage the success of the free market medicine movement?

Regulation and Enterprise

Today's economy is characterized by high inflation, supply chain disruptions, as well as considerable innovation and volatility in the financial sector. Faculty are investigating a range of issues such as:

- How does the push for greater ESG regulation affect business outcomes?
- How can enacted and proposed corporate governance regulation affect firm processes and outcomes?
- When do regulatory agendas risk undermining the rule of law?
- How does the Dodd-Frank Act affect small business lending?
- To what extent do Fed economics' political contributions and assessed ideological diversity affect policies and promotions?
- Do Bitcoin energy costs outweigh the benefits of Bitcoin?
- How does a national political leader's populist discourse influence the allocation of entrepreneurs into productive and unproductive entrepreneurship?
- What is the future of fintech and crowdfunding?
- How do corporate board directors and top management teams assess risk?

Higher Education Accountability, Budgets, and Value Creation

Today's higher education institutions face unprecedented challenges and must operate flexibly and resiliently. Faculty research includes:

- How can universities encourage entrepreneurial practices and reduce bureaucracy?
- What data-driven strategies improve accountability metrics for persistence, completion, and inclusion?

Entrepreneurship and Value Creation

This research examines a variety of topics on growth and public policy including:

- How does new venture team composition change when approaching an initial public offering (IPO)?
- What are the key institutional drivers of high-potential female entrepreneurship that is innovative, market-expanding, and export-oriented?
- Which regulations discourage productive entrepreneurship?

MADDEN CENTER EVENTS

Upcoming Events

- *Academy of Management Perspectives: Special Issue Workshop on “University Innovation”* (May 22, 2023)
- AI Conference in conjunction with the A.P. Sloan Foundation and the Desautels Center for Integrative Thinking at the University of Toronto (December 1-2, 2023)
- Value Creation Certificate Launch (planned Summer 2023)

Past Conferences

- Entrepreneurship, Longevity, and Biotech Conference (March 24, 2023)
- Higher Education and Value Creation (online, six dates over June – August 2022)
- Contemporary Challenges in Corporate Governance (online and in-person, four dates over February – August 2022)
- *Academy of Management Perspectives: Special Issue Workshop on “Countering the Woke Organization: Managerial and Public Policy Implications”* (April 21, 2022)
- *Academy of Management Perspectives: Meet the Editors* (February 5, 2022)

Past Events

- Macro Class “The Real Story of the Bull and Bear Markets: What does it mean for 2022?” (April 26, 2022)
- Micro Class “Finding ‘Da Vinci’ Stocks: How to use Buffett’s Guidance to Beat Buffett’s Own Performance” (May 3, 2022)

Free Speech

The Madden Center is committed to upholding the American value of free speech with regular events. On July 8, 2022, the Center hosted a free speech lecture and luncheon with Seth Dillon, CEO of the Babylon Bee, which was attended by over 100 people. The Center also hosted a lecture on April 3, 2023, by Devon Westhill, proponent of free speech and President of the Center for Equal Opportunity.



Civics Education Program Internship

The Madden Center for Value Creation is partnering with the Civics Education Program, a local initiative which provides instruction to incarcerated persons in South Florida. The program is recognized by the Florida Department of Corrections (FDC) and has operated with great success at South Bay Correctional Facility and Moore Haven Correctional Facility.

Inmates read, study, and discuss basic and advanced materials in civics, ethics, economics, and literature to develop a solid understanding of the principles and practices of American civil life.

For each course, inmates participate in weekly, two-hour, in-person sessions with college-level faculty and adult and student volunteers, utilizing a Socratic, discussion-based format. These incarcerated persons speak highly about the value university students bring to this academic experience and volunteers walk away edified by the inmates' desire to deepen their knowledge base.



Awards

The Madden Center for Value Creation will be officially designated as an American Council of Trustees and Alumni Oasis of Excellence in Summer 2023.



VALUE CREATION, ENTREPRENEURSHIP, AND PUBLIC POLICY

The Madden Center for Value Creation, in partnership with World Scientific, will publish a book entitled *Value Creation, Entrepreneurship, and Public Policy*. Thirteen FAU faculty members collaborated on this project by contributing a chapter linking their major research stream to the principles outlined in Bart Madden's book, *Value Creation Principles*. Topics covered include employee promotion, human capital, reciprocity and relationship management, family firms, health administration, and more. The book will be published open access sometime in 2023.

Research Streams

Value Co-Creation Among Startups: Lean Startup and Effectuation Approaches

Gary Castrogiovanni, Ph.D.

In contrast to traditional views of business startups where value creation was done primarily by the founders, Sarasvathy (2008) emphasized value co-creation among partner businesses. Around the same time, Blank (2006) emphasized value co-creation with customers. Thus, effectuation approaches proposed by Sarasvathy are associated with co-creation that is largely vertical. Here, horizontal and vertical co-creation are distinguished from one another, and the potential benefits of both are considered. Then effectuation and lean startup approaches are summarized and contrasted. The possibilities of integrating the effectuation and lean startup approaches as well as value co-creation that is both horizontal and vertical are considered. In addition, the overall business context and the specific decision context are examined. Propositions and suggestions for future research are offered.

Value Creation Through Entrepreneurship: Theoretical Foundations, Empirical Evidence, and Practical Implications

Kevin Cox, Ph.D.

Entrepreneurial endeavors have perhaps the greatest potential to create immense value. This chapter explains some of the underlying theoretical foundations which support the assertion

and associated explanation about how entrepreneurs and their venture generate value. The chapter also highlights and delineates specific empirical examples and findings which exhibit how and in what ways entrepreneurs and new ventures create value in distinctive ways. Finally, the chapter provides an overview of how the various theories and empirical findings can directly inform and provide practical guidance directly to both operating founders and future entrepreneurs who hope to create genuine value for customers, stakeholders, and society. Therefore, this chapter provides a useful guide for both researchers and practitioners who are interested in learning about, and more fully understanding, the relationship between entrepreneurship and value creation.

The Value of Privacy in the Information Age

Tamara Dinev, Ph.D.

With the ubiquitous collection, storage, analysis, and sharing of digital data through the explosion of information technology (IT), e-commerce, social networks, and government surveillance, privacy has become a pervasive issue. IT analysts warn that, if the privacy needs of the citizens and customers are not met, their willingness to transact online may suddenly topple irreversibly, causing significant negative effect on the technology companies and economic development at large. The society's sentiments regarding privacy as captured in poll after poll shows the paradoxical phenomenon: polls register people's high concerns about their privacy. Yet, they freely submit personal information and accept being monitored, both by businesses and government. To understand this paradox, we first need to understand what privacy is and what the individuals' perceptions regarding privacy are. We will outline the main concepts and models of information privacy and how they relate to businesses, helping practitioners bring different privacy-related aspects to enhance the value of their products.

Informed Consent and Autonomy as Principles of Value Creation

Sam Director, Ph.D.

In this chapter, I plan to survey my work (and that of others) about how a commitment to informed consent and autonomy in medicine and public health functions as a principle for ethical value creation, benefiting individuals, firms, and society. I intend this paper to provide a broad survey of work in bioethics which showcases the economic and moral impacts of informed consent. I will focus on the following areas: (1) the connection between consent and markets in human bodily materials (specifically kidneys and blood/plasma), (2) the connection between consent and medical price transparency, (3) the connection between consent and payment for participation clinical trials, and (4) the connection between consent and public

health during a pandemic. The common theme in each area is that when medical and public health institutions robustly respect the informed consent and autonomy of individuals, value (both moral and economic) is created in numerous ways.

Employee Promotion and Human Capital Associated with Firm's Optimal Value Creation

João Ricardo Faria, Ph.D.

This paper models some of Madden's (2020) Value Creation Principles. A representative firm hires human capital to create innovations that lead to value creation. To innovate, it sets up a system of incentives for workers – a promotion system – that facilitates the genesis and the flow of new ideas through independent decision-making, information sharing and collegiality. The deterministic model shows that value creation grows with human capital, and decreases with the promotion system. The shadow price of value creation decreases with industry competition and interest rates. A greater depreciation of value creation leads to greater human capital and improvement of the promotion system. A general stochastic version of the model yields additional results: the human capital and employee promotion are the same as in the basic deterministic model. Value creation and its shadow price depend on the probability of the firm's and its competitors' failure, industry capital stock, human capital, wages, and interest rate. Entrepreneurial ability depends on value creation, human capital, and the promotion system.

Cocreating Value with Customers

Cheryl Burke Jarvis, Ph.D., and Andrew S. Gallan, Ph.D.

In order for a firm to create value for its shareholders, it first must cocreate value *with* – not for – customers. Therefore, it is critical that a firm understand the process of value cocreation from a customer perspective, including the opportunity for customers to perceive a variety of types of value other than value-in-exchange. This chapter provides an overview of how customers and frontline employees integrate operant resources to cocreate customer value, built on relationship marketing theory and a service-dominant logic framework, in which “Service is a perspective on value creation rather than a category of market offerings,” (Edvardsson, Gustafsson, and Roos 2005, p. 118). In addition, this chapter will address the potential for the destruction and reconstruction of value through service failure and recovery, challenges in measuring the cocreation of value, and how service innovation can be used to cocreate new forms of value with customers. When value is cocreated with customers, it can be captured and

passed along to a firm's other stakeholders in the form of a portfolio of engaged and loyal customers with increased customer lifetime value.

Sustaining Value in the Family Firm Through Generational Life Cycles

Roland Kidwell, Ph.D.

Family firms make up a significant part of national and global economies, accounting for large percentages of GDP and for the employment of much of the private sector workforce. The sustained growth of a family business depends upon several factors that involve creation and transmission of knowledge not only across the firm but across generations as new leaders attempt to ensure firm survival and performance by taking innovative and pragmatic approaches to emerging challenges. This chapter identifies and discusses several elements that are crucial to this process including the use of imprints to help define key coping mechanisms to anticipate and respond to major discontinuities, the importance of developmental engagement of a firm's next generation to build knowledge and commitment of future family firm leaders, the establishment of a successful succession process, and the ability of the firm to identify and cope with potential dysfunctional behavior by family members.

Knowledge, Innovation, and Value Creation: Evidence from Small and Large Corporations

Mingxiang Li, Ph.D.

It is crucial for firms to focus on value creation by delivering short-term and long-term performance. In this chapter, I will use empirical evidence to illustrate the pivotal role played by knowledge and innovation in affecting firm's value creation. I begin by introducing the general relationship between knowledge, innovation, and firm performance. Then I discuss some research that explores knowledge and value creation in entrepreneurial firms. Additionally, I review and summarize some research exploring the relationship between knowledge and value creation in large corporations. Throughout the chapter, I emphasize the role of founders, top managers, and board directors in affecting firms' knowledge building and value creation for small and large enterprises. Because of the ever-changing environment, it is paramount for top managers and board directors to acquire, disseminate, and integrate knowledge such that the firm can adapt to external conditions and achieve sustained competitive advantage.

Understanding the Benefits of Capitalism through the Lens of a New Theory of the Firm

Bartley J. Madden

This chapter utilizes the Pragmatic Theory of the Firm to better understand the process that delivers economic progress reflected in rising living standards. Section One explains how firms build knowledge and create value. Section Two introduces the Knowledge Building Loop to clarify and delineate the knowledge building process. Section Three introduces the Pragmatic Theory of the Firm to provide insights about how knowledge building at the firm level translates into increasing living standards at the macro level, i.e., how capitalism works. Section Four analyzes shortcomings of corporate governance (boards of directors) and proposes a solution. Section Five highlights the main takeaways from this paper.

Value: Historical Review

Mark Packard, Ph.D.

This chapter offers a historical review of the concept of value, outlining three primary theories, i.e., the cost of labor theory of value, marginal utility theory, and the services approach (i.e. subjective value theory), with their underlying assumptions, strengths, and weaknesses. It then reviews the contemporary management literature regarding its use of a value construct in theory and points to various trends and issues in this literature. It observes that traditional management theory is founded implicitly upon a marginal utility theoretical framework but is gradually transitioning to ward a more subjective services logic. In conclusion, it puts forth questions whose answers would strengthen the construct as well as its future usage in theory and application in all areas of social science.

A Framework to Create Value in Healthcare: Integrating Health-Related Social Needs with Medical Care

Neeraj Pujo, Ph.D.

Although public administration deals with how private, non-profit, and public sector organizations operate differently, and the implications they have for provision of public services, the healthcare field has seen blurring of boundaries among different sectors. A public value is generated when public services deliver on a set of social or economic outcomes that aligns with citizen priorities in a cost-effective manner. In healthcare, provision of public services involves addressing non-medical health related social needs (HRSN) of the patients like

transportation, food insecurity, and medico-legal needs along with the medical needs. Addressing HRSN can create both private value for the patient through improved health outcomes, and public value for the society through cost savings resulting from lower utilization of healthcare services (unaddressed HSRN are associated with poor health outcomes leading to high health utilization). This chapter will focus on public value creation in healthcare by discussing integration of social needs into medical care.

The Role of the Information Technology Function in Enabling Value Creation in Service Organizations

Magno Queiroz, Ph.D.

The information technology (IT) function is an important source of value creation in firms. The IT function is the organizational unit or department responsible for IT-related activities, including new technology investments, managing IT infrastructure, and maintaining IT-related relationships with key stakeholders. Traditional product companies have often considered the IT function a source of value creation based on high back-office efficiency and low operating costs. With the growing emphasis on service provision and the migration of traditional product companies from product to service, the role of the IT function has been shifting to enable value creation through service provision and innovation. This chapter examines the role of the IT function in enabling value creation in service organizations. The chapter discusses how the IT function facilitates the cocreation of value with customers and partners and the enduring importance of core components of successful service provision, including IT service orientation, structure, and processes.

A Conversation about U.S. Firms' Pledge to Create Value for All Stakeholders

Yannick Thams, Ph.D.

In 2019, the Business Roundtable, a prominent and prestigious group of CEOs of major US corporations such as Apple, Walmart, or JP Morgan to name a few, issued a statement on the purpose of a corporation that indicates that companies exist to serve the needs and interests of all constituents or stakeholders. This statement contrasts with a previous statement issued by the same group in 1997 stating that companies exist to maximize shareholders' value. In this chapter, we first seek to document this important shift, its historical context, and its implications for theory and practice. What are its ramifications for the notion of value creation? We then examine whether the strategies pursued by these signatory corporations are characterized by a

major commitment to create stakeholder value. Or, on the contrary, do we see evidence of “decoupling”?

Value Creation in Teams: An Examination of Group Emotional Intelligence and its Influence of Team Outcomes

Ethlyn Williams, Ph.D., Stephanie Castro, Ph.D., Steven A. Stewart, Ph.D. (Georgia Southern University)

People, and their ability to work together in teams, are critical to value creation. In particular, group emotional intelligence (GEI) has been found to have positive effects on team performance, thereby creating value (through knowledge and emotion management) in team-based organizations. In two studies we examine the development and influence of group emotional intelligence on team outcomes. Study 1 examines antecedents and outcomes of group emotional intelligence. We found that shared team vision influenced the development of GEI, GEI influenced emotions on a team, and that team vision had indirect effects on experiencing positive and negative emotions on a team through GEI (positive emotion regulation and emotion recognition). Study 2 analyzes the moderating effects of GEI on the association between cohesiveness and outcomes of team-source learning and team performance. Emotion recognition moderated the relationship between cohesiveness and team performance. We discuss the implications for value creation and directions for future research.

MADDEN CENTER

EDUCATIONAL INITIATIVES

Knowledge Repository

The Madden Center for Value Creation will offer an open-access database of knowledge materials. The first value creation materials were fully incorporated into MAN 6721 (Global Strategy) which is offered annually. An initial internal knowledge repository has been created, with continued development of content.

Partner Activity

The Center works collaboratively with partners, including a Liberty Fund, held November 2-4, 2022, with the Property and Environment Research Center (Montana), as well as Common Sense Society civics training for K-12 teachers. Through the Markets and Management program, the Center hosted 15 visiting Ph.D. students for value creation seminars from April 14-16, 2022.

Policy

The Center routinely hosts politicians, most recently Florida CFO Jimmy Patronis (April 2023), US Congressman Cory Mills (February 2023), and many elected Florida senators and representatives to discuss the policy implications of research, and routinely publishes op-eds in outlets including *Newsweek*, *National Review*, *Washington Times*, and *Epoch Times*.

Book Club

The Madden Center sponsors a bi-monthly meetup at a community members home to discuss value creation and free enterprise readings.

Community Presentations

The Madden Center routinely presents to local groups, most recently 200 human resource professionals on Developing Value Creators in the Workplace.

MADDEN CENTER EDUCATIONAL INITIATIVES

Value Creation Certificate

A major initiative (led by the Operations Director) is the development and deployment of a “Certificate in Value Creation” which teaches the foundational guiding principles to achieve widespread prosperity, developed for a remote audience. The Madden Center will make this available for free on Canvas.

Topics include:

- Course Overview, Background, and Introduction to Value Creation
- The Pragmatic Theory of the Firm
- Work, Innovation, and Resource Allocation
- Life-Cycle Performance and Firm Risk
- Intangible Assets, Brands, and Shareholder Returns
- Organizational Structure and Adaptability
- Free-Market Capitalism, Knowledge Building, and Value Creation



ENTREPRENEURSHIP, LONGEVITY, AND BIOTECH CONFERENCE

The pursuit of longevity and age-defying solutions is reaching new heights, most recently with the recent Entrepreneurship, Longevity, and Biotech Conference held on March 24, 2023, at [FAU's College of Business](#). Sponsored by the [Madden Center for Value Creation](#) and in collaboration with [FAU Health](#), experts from all around the country gathered to share their insights and ideas. The lineup of renowned industry leaders include Diane Abbitt, Omar Abudayyeh, Joe Betts-Lacroix, Janice Chen, Nathan Cheng, Allison Duettmann, Chandra Duggirala, Amanda Elam, Agustin Fernandez III, Leonardo Ferreira, Jonathan Gootenberg, Eric Hargan, Bryan Johnson, Bob Langer, Geoffrey Ling, Jeff Madden, Jim O'Neill, James Peyer, Walter Schmidt, Richard Serbin, Alfred Slanetz, Siri Terjesen, and Andre Watson, bringing unique perspectives to the table.

Conference attendees were treated to a range of discussions, from investing in longevity to the science of startups. The speakers shared their expertise and experiences, delving into the latest developments in the industry, including gene therapy, companies that impact longevity research, and treatment delivery through nanosized delivery systems. These discussions explored how to optimize regenerative, personalized, and precision medicine, providing valuable insights into the future of the biotech and longevity industries.

During the conference, [ADvantage Therapeutics, Inc.](#) made an exciting announcement regarding their lead compound AD04™. The MHRA, the UK's equivalent of the FDA, granted the company an Innovation Passport for the treatment of Alzheimer's Disease (AD), providing an accelerated pathway to approval, commercialization, and patient access. The company is eager to begin their Phase 2B clinical trial in the UK and EU, including Germany and France. This breakthrough has the potential to revolutionize the industry, bringing life-changing treatments for AD patients.

Another breakthrough was shared by Walter Schmidt, Director mRNA Division and co-founder of ADvantage Therapeutics Inc., about the incredible potential of protein called soluble Klotho. This protein has the ability to generate new nerve cells, protect the brain's nerve cells, and reduce cellular stress in Alzheimer's patients. Soluble Klotho's

inhibition of glucose uptake into cells is also the primary anti-aging effect of Klotho. With ADvantage Therapeutics' proprietary Klotho mRNAs being more than five times as potent as native Klotho mRNA, this breakthrough may revolutionize treatments for Alzheimer's and promote anti-aging effects.

Aside from the exciting breakthroughs in longevity research, the conference was also an opportunity for people to connect and share their passion for innovation. The sense of community and collaboration was palpable throughout the event, with attendees forging new relationships and partnerships that will shape the future of the industry.

With the development of such exciting breakthroughs, the Madden Center for Value Creation's Entrepreneurship, Longevity, and Biotech Conference has truly paved the way for age-defying solutions. The insights shared at the conference have the potential to shape the future of the biotech and longevity industries, ultimately benefiting the health and well-being of the community. As we continue to push the boundaries of innovation, we are one step closer to achieving a world where people can live longer, healthier lives. We look forward to seeing the continued advancements in the field and to the next Entrepreneurship, Longevity, and Biotech Conference.

