

Foundation for Enterprise Development

1992 Annual Report

FOUNDER'S MESSAGE

Corporations today are undergoing comprehensive restructuring efforts in order to respond to a changing economic environment. Rapid technological development, increased global competition and the growing complexity of human resource management are forcing corporations to develop new strategies to accommodate these changes. Many companies, both public and private, are placing stock in employees' hands in an effort to motivate employees to meet these challenges.

The F.E.D.'s work in the area of employee ownership and participation is meant to help corporations adjust to these new competitive realities. A key goal of the F.E.D. is to communicate strategies for developing flexible, performance-based compensation systems that involve equity sharing, coupled with efforts to flatten corporate hierarchies, improve employee communications and facilitate employee empowerment.

Our three national conferences in fiscal year '92 explored some rather unique and powerful approaches being utilized by employee-owned firms that are also industry leaders. We appreciate their frankness in sharing the details of their experiences. Our conferences also featured presentations by legal, financial and employee ownership professionals, who discussed the latest laws, regulations, tax codes, research and trends regarding employee ownership. The information presented at these conferences is invaluable, offering lessons to those in the initial stages of employee ownership, as well as new ideas and approaches to those of us who are looking to make our employee ownership plans more effective. I know that I leave each conference with a list of ideas for us to explore at SAIC.

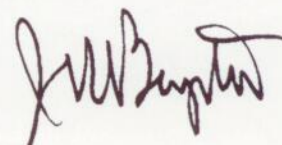
Companies today must strike a balance between meeting the demands of a competitive market and addressing the concerns of employees, shareholders, communities and other corporate stakeholders. Each year, the F.E.D. sponsors a seminar in conjunction with the Aspen Institute that brings together national leaders to explore critical issues facing corporations. These seminars keep us abreast of important changes affecting U.S. corporations, so that we can understand how employee ownership can best respond to these trends.

Another important part of our F.E.D. activities is informing people about employee ownership through publications, speaking engagements and free advisory services to interested companies. In fiscal year '92, we worked with more than 30 firms interested in setting up employee ownership plans, providing liquidity to employee shareholders, or enhancing existing employee ownership and participation methods.

The F.E.D. is at the forefront of efforts to expand the boundaries of employee ownership. Over the past year, we have been quite active in promoting the use of employee ownership as a privatization strategy in Russia, and have met with representatives of other countries making the transition to a market-based economy.

Employee ownership promotes fairness, efficiency, and a participatory corporate culture that helps companies make the best use of their financial and human capital. As domestic and global markets continue to change, only by creating responsive and responsible organizations that reward employees fairly can we maximize the talents of our employees and effectively develop our enterprises to meet future challenges. We at the F.E.D. continue to offer our support in developing and improving these types of organizations.

"Employee ownership promotes fairness, efficiency, and a participatory culture that helps companies make the best use of their financial and human capital."



Founder



**FOUNDATION
FOR
ENTERPRISE
DEVELOPMENT**

1993
Annual Report

FOUNDER'S MESSAGE

An eventful year in the world of business, 1993 brought us a tepid economic recovery that allowed some companies to breathe a sigh of relief and continue with business as usual. For most, however, continuing pressures from international competition and rapidly changing markets required continual reassessment of the very basics of business, including ownership, governance and organizational structure. Growing numbers of companies found themselves in the double bind of having to reduce costs through layoffs in order to meet fierce price competition, while at the same time having to attract, retain and motivate the people they need to survive and grow. This ongoing process goes to the heart of the challenges facing corporations today.

We at the Foundation for Enterprise Development were gratified to see more companies respond by turning to shared ownership, employee participation and other practices that empower employees by giving them a real stake in the future of their companies. We consulted with a number of U.S. companies during 1993, helping them develop viable equity compensation programs and strategies. We also sponsored a variety of programs and increased the number and circulation of our publications to encourage greater understanding of the benefits of employee ownership and how it can contribute to corporate revitalization and competitiveness.

The Foundation expanded its efforts during 1993 in two complementary areas as well – privatization of state-owned enterprises in former communist countries, and the development of locally owned businesses in neglected urban areas in the United States. We have come to understand that if privatization and economic reforms fail in Russia, and if economic development fails in our inner cities, then it will not matter how productive and competitive U.S. companies are, for our whole system of free market capitalism and democracy would be threatened. Over the past two years, we have demonstrated that we have something important to offer to Russia and we also believe that by partnering with community-based organizations we can help establish effective business models in our inner cities.

We were extremely gratified by the dramatic increase in the number of individuals and companies that stepped forward with financial support during 1993. Over the past year, the number of contributors to the Foundation has more than quadrupled, reflecting not only our increased efforts to seek out financial support, but also a growing realization that the Foundation is doing some important things and doing them well. Going forward, we believe the Foundation should continue to encourage all forms of employee ownership, helping companies develop the best methodology for their needs. In addition, the Foundation will continue to relate its employee ownership activities to other factors important to corporate success, such as leadership, innovation, motivation, entrepreneurship and empowerment.



J. Robert Beyster

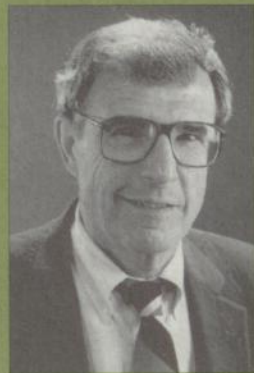


FOUNDATION FOR
ENTERPRISE
DEVELOPMENT



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ANNUAL REPORT



DR. J. ROBERT BEYSTER

In 1994, increasing numbers of companies embraced equity compensation as a strategy for motivating and rewarding talented staff, transitioning ownership from founders or outside shareholders to employees, restructuring benefits and achieving enhanced productivity and competitiveness.

At the Foundation, 1994 was characterized by new efforts aimed at increasing our impact in the United States and the international community. Our staff provided advisory services to a growing number of companies looking for innovative compensation strategies. One example is United Airlines, whose employee buyout brought employee ownership once again to the forefront of American business thought.

We also took our message to hundreds of thousands of people worldwide via the Internet, by establishing a World Wide Web resource on equity compensation. This year our Aspen Institute seminar, jointly sponsored with Polaroid Corporation, focused specifically on issues of employee-ownership companies. It was inspiring to share experiences with my counterparts nationwide who are facing similar challenges.

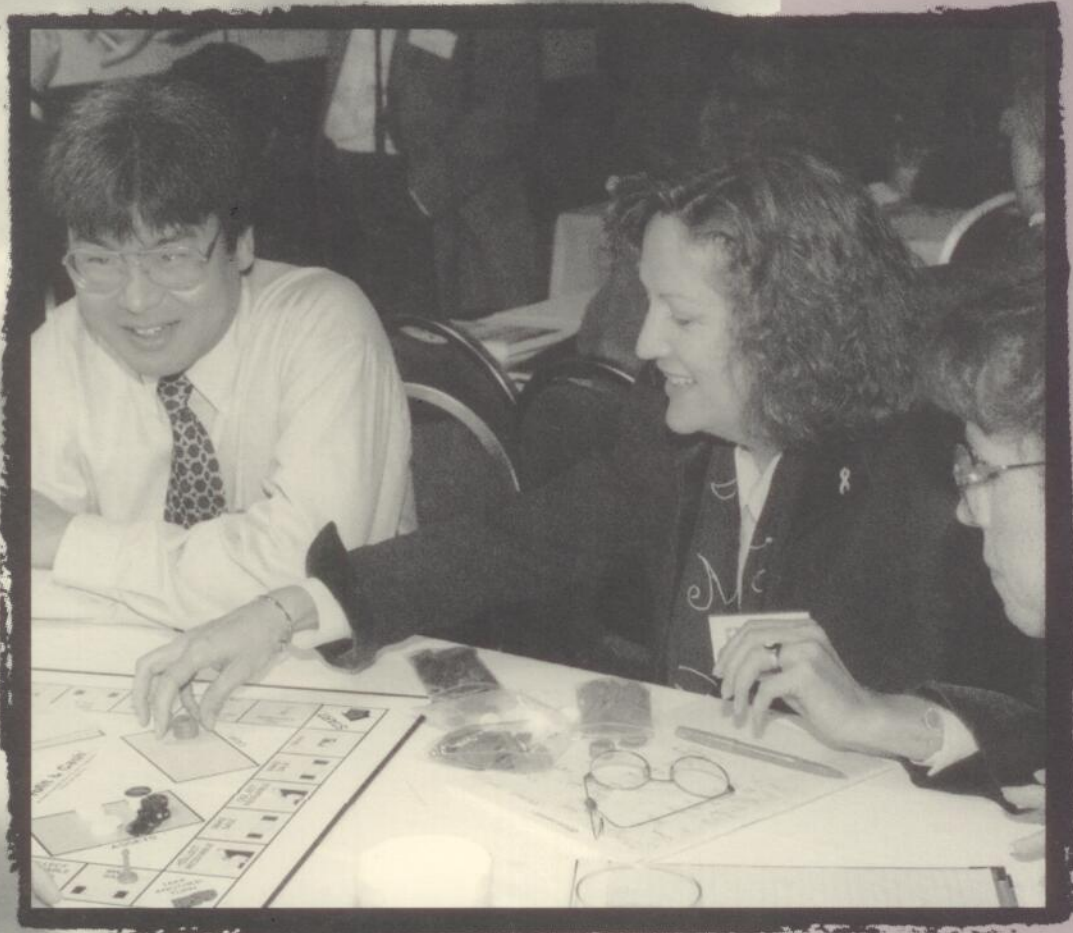
In Russia, we saw the completion of the first phase of privatization marked by large-scale employee ownership, reflecting a trend in many countries in the process of privatization. We broadened our efforts in Russia to include training of business leaders and by taking on an initiative, with support from the Eurasia Foundation, to set up a business development organization in Vladivostok in the Russian far east. In our inner cities, we began supporting "social entrepreneurs," who are creating grassroots organizations using innovative approaches to bring local ownership to their communities. Throughout 1994, we worked closely with community organizers in one of San Diego's poorest and most violent neighborhoods to help them develop Neighbors United, a community- and worker-owned food cooperative and training center.

All of our initiatives require the support of those who believe in our mission, and in 1994 we received welcome financial support from increasing numbers of individuals and corporations. Many professional service providers also cosponsored our conferences and worked closely with us to enhance the quality of our programs. Finally, we received significant funding from several private foundations and government organizations to support our international development and inner city initiatives. With increased funding signaling continued growth for the Foundation, we look forward to new opportunities to foster enterprise development in 1995.

Thank you for joining us on our spirited journey.

J. Robert Beyster

Foundation for
Enterprise Development



Annual Report
1995



Founder's Message



The Foundation for Enterprise Development had a banner year in 1995 with solid growth in all our major areas of activity. As a result we exceeded \$1 million in operating expenditures for the first time. We believe this growth demonstrates that our approach to building successful companies through equity sharing and employee involvement is taking hold both in the United States and abroad.

Why is growth important to a non-profit foundation which is not trying to increase returns to shareholders? Growth enables us to put more resources into our mission. For example, one of the most important services we provide is to advise individual companies seeking to initiate or expand their equity compensation programs. Our ability to help these companies has always been limited by our small staff size, but the recent growth enabled us to consult face-to-face with more than 100 companies in 1995.

Other 1995 milestones include a complete revision and expansion of our basic text, the **Entrepreneur's Guide to Equity Compensation**. This book, underwritten by the Ewing Marion Kauffman Foundation's Center for Entrepreneurial

Leadership, is a comprehensive guide compiled from all we have learned in nine years of helping companies grow through equity sharing. It received the glowing compliment of being reviewed in the March/April 1996 issue of Harvard Business Review, and is fast becoming the standard text for companies exploring the many different approaches to employee ownership.

Our annual conference in San Diego reached new heights in 1995, attracting 175 participants from companies across the country and eight sponsors and underwriters. The quality of the program, number and level of participants, and financial results all set new standards for us to meet in planning future conferences. Our breakfast workshop series has been extremely well-received, with regular attendance growing by more than 50%. As a result, for the coming year we are increasing the number of breakfast workshops on both coasts.

Our Internet site on the World Wide Web (<http://www.fed.org/fed/>) is attracting more than 45,000 requests per month and has been nominated for a coveted Computerworld Smithsonian Award for innovative use of information technology.

We are now the Internet's leading source of information on employee ownership and equity compensation.

We remain extensively involved in a variety of efforts to promote entrepreneurship and small business in Russia. We are now looking to carry our know-how to other countries, particularly in Latin America, where there is a growing interest in employee ownership. We are also positioning the Foundation to participate in the fast growing field of privatization of U.S. federal, state and local government functions. Interestingly, our experiences over the past five years in Russian privatization, coupled with our employee ownership expertise, gives us a real leg up in this important new field.

So we approach the future with great enthusiasm borne by our successes in 1995 and the bright prospects before us. We hope you will stay with us on this exciting journey to enterprise development, worldwide, through equity sharing and employee involvement.

J. Robert Beyster

1986

A DECADE OF FOSTERING

ENTERPRISE DEVELOPMENT

1996



Foundation For Enterprise Development

ENTERPRISE Celebrating 10 Years of DEVELOPMENT

The F.E.D. is celebrating its 10th Anniversary. This is cause for reflection on the past 10 years, which always has implications for the future.

We started the F.E.D. in 1986, 17 years after the founding of Science Applications International Corporation (SAIC), and at a time when we were convinced that employee ownership was playing a key role in SAIC's

long-term strategy. Other companies were coming to us for help with equity sharing; U.S. competitiveness was lacking. We felt strongly that it was time for SAIC to give something back to the country, and starting a foundation to promote employee ownership would be a significant way to say "thank you."

Clearly, we felt that we were on to something at SAIC — an entrepreneurial form of equity sharing that rewards individual initiative. It seemed that the message of using direct stock ownership to recruit, retain and reward employee performance was not getting out.

The F.E.D. opened its doors in late 1986. We gave the organization a broad charter — if you read our founding statement of purpose you will find phrases like, "to develop strategies for improvement of the free enterprise system," and "to educate the public...by demonstrating the variations of ownership that will best stimulate a prosperous economy."

We started out trying to change the world. We held our first conference in Washington D.C., bringing together everyone involved in the employee ownership movement, including Senator Russell Long, the main sponsor of Employee Stock Ownership Plan (ESOP) tax-favored legislation in Congress. We were sure

that all we had to do was tell everyone about what we were doing at SAIC, and all businesses would become converts. We were naive, but well intentioned.

Some great advice came out of that first conference. Everyone thought we had pretty lofty goals. They recommended that we not try to change the world overnight, but rather that we concentrate our efforts in one area. So we began our efforts in San Diego, where SAIC is headquartered.

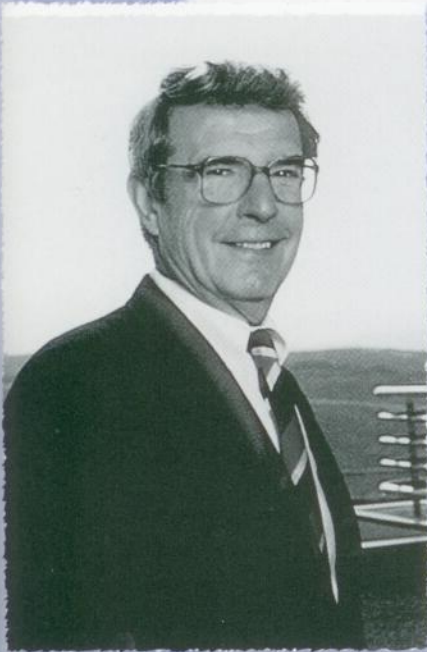
One thing has become apparent — we are dabbling in an area that is fundamental to the business economy — "ownership." If you studied all of the forms of business ownership in this country, I believe you would find that employee ownership has been more far-reaching than most think.

In 10 years, the F.E.D. has moved from a revolutionary approach to promoting employee ownership to an evolutionary approach. We no longer expect to take the world by storm, but are changing the world, slowly but surely, by working in areas where employee ownership can have a major impact on economies and society.

Our broad charter has taken us into unforeseen and uncharted territory. For example, we never would have predicted 10 years ago that we would help former communist countries use employee ownership in the privatization process; nor that we would help the U.S. government use employee ownership in the privatization process; nor that stock options would become so prevalent in a new wave of entrepreneurship in America where F.E.D. expertise could apply.

The words of Margaret Mead provide great inspiration to our small but devoted staff as we seek to promote enterprise development worldwide. She said: "Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has."

J.R. Beyster





MAKING A DIFFERENCE
1998 ANNUAL REPORT

for the future





A MESSAGE FROM THE FOUNDER

The Foundation for Enterprise Development (Foundation) was established on the belief that equity compensation is a critical component of successful enterprise development strategies.

Based on the premise that employees are best motivated to achieve growth and productivity if they share in the financial benefits of that success, the Foundation has consistently sought to promote the concept of entrepreneurial employee ownership as a means of facilitating competitiveness and economic growth worldwide. The robust growth of employee ownership over the past decade and the success of literally thousands of employee-owned companies offer ample evidence of the importance of broad-based ownership participation.

As the Foundation moves into its second decade, we have developed a strategic plan to help prepare us for an expanded role in fostering the continued growth of employee ownership. We are working hard to ensure that we continue to make a positive contribution to America's business community and participate in the development of free enterprise around the world. As always, our goal is to develop strategies that will support entrepreneurship and broad-based participation through employee ownership.

Ultimately, the dual challenges of a competitive global economy and the growing need for job creation and recruiting strategies create the necessity of developing approaches that will ensure continued economic growth based on building exceptional enterprises.

Towards that end, we are developing an Integrated Delivery System (IDS) that will allow entrepreneurs and business executives to have the tools necessary for creating strategies and techniques for establishing an effective employee ownership program. This System will provide business executives with valuable information regardless of where they are in the development of their equity sharing plan. An essential piece of our IDS will continue to be our consulting efforts. We meet with more than 150 companies annually to help them develop performance-based equity compensation programs, each tailored to meet their specific needs and goals. Additionally, we have created a seminar entitled *The Journey of Equity Sharing*, geared

towards those just starting to explore employee ownership. Our web site at www.fed.org continues to attract a large network of users providing them with timely information and advice on developments and trends related to equity compensation issues. Finally, our interactive, multi-media products and our annual conferences, monthly workshops and seminars will bring a hands-on approach to the equity compensation learning process.

This annual report includes information on the ways in which the Foundation has made a difference and provides a glimpse of where we are going in the future. You will find information on our consulting efforts with individual companies, on the tools we have created, from CD-ROMs to an updated version of the *Entrepreneur's Guide to Equity Compensation*, and the FastTrac® entrepreneurial training program we host. You will read about the international projects we participate in and how increasing employee ownership abroad can benefit the American business environment. We also report on developments related to the use of employee ownership to facilitate privatization in the United States and how the Foundation is making a difference in that sector.

Finally, we recognize the individuals and organizations who make our work possible. Without their generous contributions, the Foundation would not be able to make such significant strides. We are very appreciative of their support.

We look forward to continuing our important role in fostering entrepreneurial employee ownership worldwide.

Dr. J. Robert Beyster



PROMOTING GROWTH THROUGH EMPLOYEE OWNERSHIP

1.235

1,637,542

5.265

93,687

2,226,287



1999 MESSAGE FROM THE FOUNDER

As the Foundation moves into the next millennium, we are developing strategies to help prepare us for an expanded role in fostering the continued growth of employee ownership and equity compensation. As always, our goal will be to provide an environment of information and support that will bolster entrepreneurship and broad-based participation through employee ownership.



At the Foundation we are constantly seeking out and developing information to assist business executives, entrepreneurs, and government leaders.

The ongoing challenges present in a competitive global economy and the growing need for job creation and recruiting bring forth the need to develop strategies that will ensure continued economic growth based on building exceptional organizations. The Foundation works throughout the United States and worldwide to enhance the free enterprise system by facilitating the implementation of a variety of employee ownership programs.

As a starting point for business leaders, our web site, www.fed.org, offers exceptional information and new, interactive tools, allowing visitors to discover how employee ownership and equity compensation can make a real difference in their organization. The Foundation also offers one-on-one consulting services, regular workshop and seminar schedules, and a yearly conference. These events bring people the front-line information and the latest trends in both the technical and managerial aspects of running a company in today's expanded business communities. Additionally, the Foundation's multi-media products are valuable resources for those seeking detailed information on employee ownership.

At the Foundation we are constantly seeking out and developing information to assist business executives, entrepreneurs, and government leaders. In this report you will read about the variety of services we offer, where we are moving our efforts to promote employee ownership and equity compensation, and how we plan to broaden our reach in the coming years.

Finally, we recognize the individuals and organizations who make our work possible. Without their generous finan-

cial and intellectual contributions, the Foundation would be hampered in its ability to make significant advances in the furtherance of entrepreneurial employee ownership.

The Foundation consistently promotes the concept of entrepreneurial employee ownership as a means of facilitating competitiveness and economic growth worldwide and will continue to do so throughout its future.

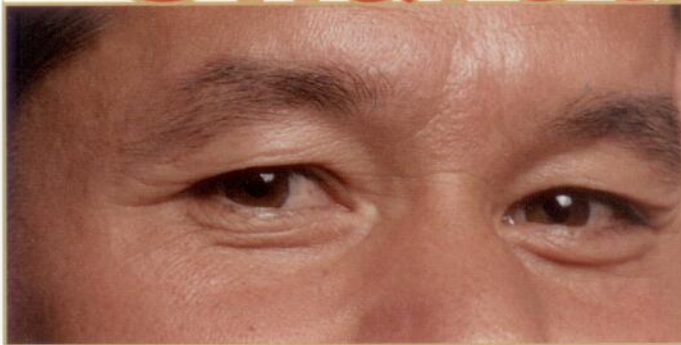
A handwritten signature in dark ink, appearing to read "J. Robert Beyster". The signature is fluid and cursive, written over a white background.

DR. J. ROBERT BEYSTER

President

Foundation for Enterprise Development

Shared Vision



FOSTERING ENTREPRENEURIAL
EMPLOYEE OWNERSHIP





Message from the Founder

I created the Foundation for Enterprise Development 14 years ago to assist fellow entrepreneurs in learning about and developing broad-based employee ownership plans that would reward individual employees based on their contributions. At the time, it was a fairly radical concept – reward people based on their individual contribution, not just their position in the company. Employee ownership, to me, meant more than stock in a company, it meant working like, acting like, and being rewarded like an actual owner of the company. I established employee ownership at SAIC, the company I founded, not only because I thought it was the right thing to do, but also because I wanted the employees to truly care about the ongoing success of the organization.

The Foundation exists to guide entrepreneurs, business leaders and others through the sometimes complex maze of employee ownership alternatives and regulations. There are broad-based plans, performance-based plans, benefit plans, restricted grants, and the list goes on. At the Foundation, although we are here to help any entrepreneur interested in employee ownership, what we are striving to develop is an understanding of entrepreneurial employee ownership and what that means for the success of organizations in business today.

Entrepreneurial employee ownership simply means ownership that is broad-based, meaning it can touch all levels of the organization, but at the same time is dependent on an individual's contribution to the organization. The harder someone works and the more in tune they are with the goals of the organization, the more their potential for financial reward.

This concept is sometimes overlooked when new employee ownership plans are put in place. Often business owners want to reward those at the top because they are seen as the driving force behind a company's success. Other times plans are established to give everyone, regardless of contribution, a piece of the company. While both of these ideas have some

validity, I truly feel that the most efficient way to build a successful organization is to get your employees to think and act like owners. Entrepreneurial employee ownership is not an entitlement program and it is not reserved for the executive management; it is reserved for those employees who are truly making a difference, who want to succeed and who are willing to do what it takes to move the company to the next level.

At the Foundation we work with individual companies in a one-on-one setting to help them build an employee ownership plan that best suits the needs of that organization. We work to foster growth, to build a committed employee base, and to develop the employee ownership plan that meets the needs of your company and your goals for its future. The concept of entrepreneurial employee ownership can work for you and for the tens of thousands of other businesses in existence today.

The Foundation prides itself on helping business leaders determine what their true goals for employee ownership are and then developing a plan, specific to those goals, that will help to foster the growth of that organization. As we continue on this path in the future, we will develop new resources that are needed to get the message out to business leaders worldwide. We will continue to expand our web site and other resources so that we may reach an even broader spectrum of people throughout the world.

Our goal is to get this message out and to help build the success of organizations, thereby helping to foster the success of their communities.

Please join us in this effort.

Dr. J. Robert Beyster
President and Founder
Foundation for Enterprise Development
Chairman and CEO, SAIC



PASSION

THE PASSION OF EMPLOYEE OWNERSHIP



ANNUAL REPORT 2002



LEADER

When I started SAIC 33 years ago, I believed that those who build a company should own it. I still do. Now, with over 40,000 employees in offices around the world, I know that our success stems from having employees who are also entrepreneurs, who truly think and act like owners, because they are! I am convinced that building a company by utilizing an entrepreneurial employee ownership business strategy is not only the right thing to do but also the best way to create and sustain a high-performing enterprise.

Every day, I see the power of entrepreneurial employee ownership. *Ownership* inspires self-motivated

people. *Entrepreneurship* instills a desire to pursue opportunity. When leaders combine these in their organizations, when they truly engage employee owners in decision-making and opportunity-seeking endeavors, the results can be dramatic.

That is why I wanted to create this organization to work with entrepreneurs, executives, and policy makers to help them understand what's required to make entrepreneurial employee ownership a viable strategy for building businesses, creating healthier communities, and shaping a more vital and vibrant economy.

Through our educational programs, hands-on consulting initiatives,

information resources, and research and publication activities, I believe that we are making a real and positive difference in the global economy and in the lives of entrepreneurs, the employees with whom they work, and the communities in which they operate.

Dr. J. Robert Beyster

Founder and Chairman
Beyster Institute for Entrepreneurial
Employee Ownership and Foundation
for Enterprise Development

Founder and Chairman
SAIC

Dr. J. Robert Beyster

Dr. Beyster's passion for entrepreneurial employee ownership led to the creation of the Foundation for Enterprise Development and the Beyster Institute for the purposes of expanding the understanding and reach of employee ownership as a dynamic business strategy. He has committed the past 33 years to building his for-profit company, SAIC, upon the founding tenets of employee ownership, entrepreneurship and technical excellence.

Science Applications International Corporation (SAIC), a \$6.1 billion high technology research and development firm, employs over 40,000 worldwide.

In 1988, Dr. Beyster was awarded "Supporter of Entrepreneurship" by the Entrepreneur Of The Year Program for his efforts to support and promote the cause of entrepreneurship.

VISION

A society that encourages, supports and values entrepreneurial employee ownership as the most fair and effective approach to enterprise development and to building high performing organizations, ensuring economic vitality and enhancing community well-being.



**PERFORMANCE THROUGH VALUES
ANNUAL REPORT 2003**



DR. J. ROBERT BEYSTER

FOUNDER AND CHAIRMAN

Beyster Institute for
Entrepreneurial Employee
Ownership and Foundation for
Enterprise Development

FOUNDER, CHAIRMAN AND CEO
SAIC



2

VISION

A society that encourages, supports and values entrepreneurial employee ownership as the most fair and effective approach to enterprise development and to building high performing organizations, ensuring economic vitality and enhancing community well-being.

Those who build a company should own it. I founded SAIC on this principle. Now, with over 40,000 employee owners in offices around the world, I know that our continuing success stems from having employees who are engaged in their work. Employees who are trusted and respected and who are encouraged to pursue opportunity are the key to our high performance and positive working environment. Real ownership combined with genuine participation has been critical to the success of SAIC and I am convinced it can be beneficial to other entrepreneurs who are building their companies.

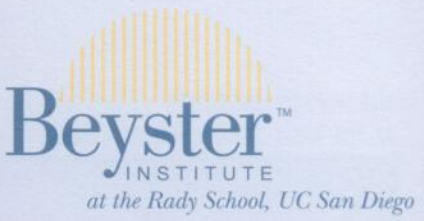
It is with this conviction that I started the non-profit Foundation for Enterprise Development and the Beyster Institute. The Institute works nationally and the Foundation works internationally to show entrepreneurs, executives and policy makers both the benefits and results

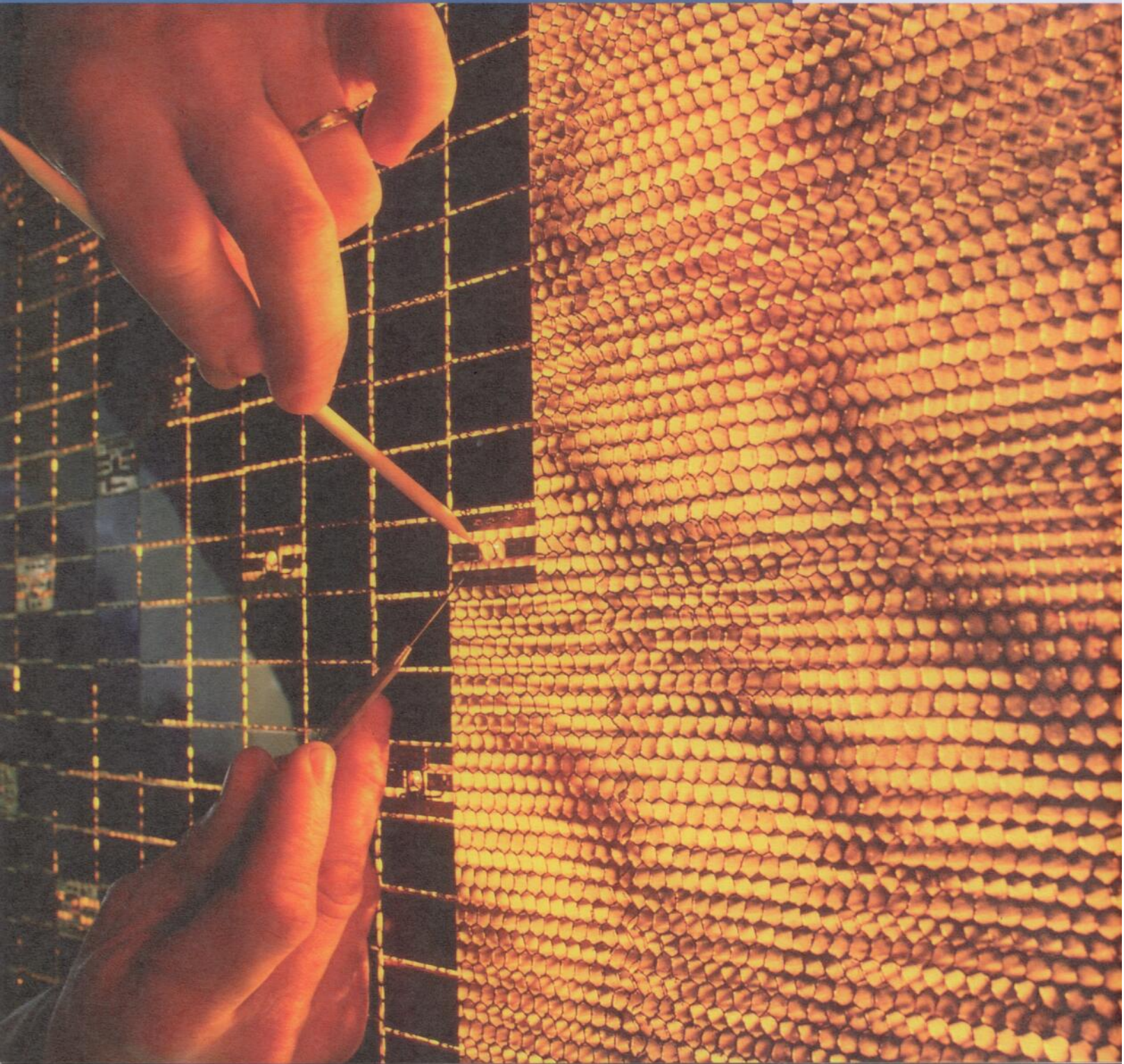
of having employees who think and act like owners, because they are. Combining employee ownership with entrepreneurship is the most effective way to build an enterprise because it propagates the values inherent in successful organizations: trust, fairness, an openness about the inner workings of a company, and the ongoing pursuit of opportunity.

Through our hands-on consulting programs, educational initiatives, information resources, and research and publishing activities, I believe that we are making a positive difference in the global economy and in the lives of entrepreneurs, the employees with whom they work, and the communities in which they operate.

turning purpose into value

2004 ANNUAL REPORT


Beyster™
INSTITUTE
at the Rady School, UC San Diego

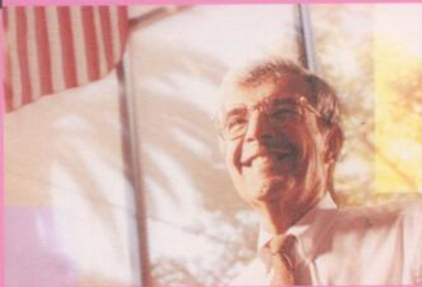




When I founded SAIC 35 years ago, I believed that employee ownership and entrepreneurship would build stronger companies and benefit the nation. That principle - those who contribute to a company should own it, and ownership should be commensurate with that contribution and performance as much as possible - contributed greatly to SAIC's success and was my driving motivation for starting a non-profit organization to promote it.

Looking ahead, I envision the Institute continuing its basic thrust of promoting economic development through broader capital ownership, but with an expanded range of activities in the entrepreneurship arena.

The Institute's work will help countries new to free markets create prosperous and equitable economies while continuing to assist American companies with their growth and success.



Dr. J. Robert Beyster

Over the years, I have viewed the combination of employee ownership and entrepreneurship as the most effective way to

build an enterprise because it combines real participation with the dynamic forces of independent initiative. This is a key reason why I have supported the integration of the Beyster Institute into the UCSD Rady School of Management. I am very excited by the range of opportunities this new partnership will bring.

We are making a positive difference in the global economy and in the lives of entrepreneurs, the employees with whom they work and the communities in which they operate. Going forward, I believe the Beyster Institute at the Rady School is extremely well positioned to move to an even higher level of effecting positive economic and personal change for thousands of people. I look forward to helping to meet this critical challenge.

Dr. J. Robert Beyster

LEADERSHIP

GROWTH

Global Engagement

2005 ANNUAL REPORT

Beyster
INSTITUTE
at the Rady School
UC San Diego





Dr. J. Robert Beyster

I strongly believe that entrepreneurs have been and will continue to be the driving force behind job creation and community well-being in our society. Entrepreneurs can be found in a wide variety of companies including small startups striving to develop a new technical concept, large corporations that encourage independent thinking and risk taking, and even non-profit organizations that try innovative approaches to fulfill their missions.

One way to develop an organization where everyone thinks and acts entrepreneurially is to make everyone an owner. I am convinced that those who help build a company should have meaningful ownership in it. This practice of sharing ownership with employees has been instrumental in the success of many companies.

Our work at the Beyster Institute is dedicated to the twin themes of employee ownership and entrepreneurship. Each of these individually helps build stronger organizations by giving people a sense of pride and purpose in their work. Together, they can be an incredibly effective business strategy.

At the Beyster Institute, we will continue to generate new ideas and think critically about opportunities to facilitate the development of programs that advance employee ownership and entrepreneurship.

I am excited about the integration of the Beyster Institute with the Rady School of Management at the University of California, San Diego and the new and innovative direction the school is taking. I am especially pleased with the Rady School's focus on moving technology from the laboratory to the marketplace and encouraging its students to think creatively about business startup and growth.

I am proud of the work we are doing to bring knowledge and opportunity to people around the world and look forward to new challenges in the upcoming year.