

## 42. Bill McCumber: Tech Means Business

### **Gavin Kelly**

Hey everybody, you're listening to beyond 1894, the official podcast of Louisiana Tech University. We are joined here today by Dr. Bill McCumber from the College of Business. He is the Associate Dean of Graduate programs and research as well as a finance professor over there in the cob. How are you doing today?

### **Bill McCumber**

I'm doing great. Thanks for having me.

### **Gavin Kelly**

Absolutely. Thanks for braving the storm to be with us here. It's kind of a crazy day in Ruston, we've had some nasty weather,

### **Bill McCumber**

right? All the all the school kids were freaking out in the hallways, all the teachers were texting each other and, thankfully, was only a few minutes. And because it was such a non event, this will be quickly forgotten, thankfully,

### **Gavin Kelly**

yes, thankfully. So let's talk a little bit about what's going on in the College of Business. What's happening in the finance program. It's one of the many shining stars in the College of Business, but the rays trading room in the student managed investment fund, right? SMIF for short.

### **Bill McCumber**

Yeah, you think we come up with something better than the smiff, the smiff, that's what we got.

### **Gavin Kelly**

But it's fun to say right? You can see it in the talk about the smiff. So tell us about this smiff, and sort of how it functions and the benefit that it brings to the students to get to take part in it.

### **Bill McCumber**

Sure thing. Well, first, I'll say that the the student managed investment fund is not just for finance students, although obviously, if you're a finance geek, you're going to be drawn to that kind of activity anyway. But we've had we've had engineers, we've had computer science kids, we've had economists, accountants, I mean, across the college of business, they really just have to have taken enough finance classes in corporate investments to know what a stock and a bond is. And then if they, if they can really give me more than one quarter, then I am going to use that time to train them to be professional institutional money managers, they, in fact, this this year, the students are taking as part of the class, the first FINRA that's the SEC certification, okay. To be professional money managers as the securities essentials or securities. Industry essentials exam fairly new exam, right. Yeah. So they manage

institutional money, obviously, on behalf of the endowment they, so yeah, so real money. So real money, yes, they, they learned very quickly what it means to be fiduciary responsible for someone else's money for the client's money, which is especially interesting, given all the volatility, the markets lately, since really, since the fund dropped its first tickets, its first trades in early February of 2018, it has been a wild ride in the market. So I'm sure if you, you've heard anything, it's trade wars and COVID and pandemics and supply chains, and all kinds of nonsense, the war in Ukraine certainly has affected markets as well. And these students at, you know, 1920 21 are having to deal with things in a professional manner. That, frankly, a large portion of the professional investment industry really has not had to do in in many years.

### **Gavin Kelly**

So they're, they're in the thick of it with some people who it's, it's new to everyone in a way, but these students are just sort of finding their footing, while at the same time trying to grow this portfolio in this fund.

### **Bill McCumber**

And the really cool thing is, how much care they take. They're on Discord, we have a 24/7 text chat going on, they're throwing news items in there that, you know, immediately would affect what's going on in the portfolio at the same time that they're responsible for not being traders, but being investment managers, right. Because something bad happens doesn't mean that there's a trade triggered, it means we take note of it, and decide if this is a long term issue for the overall health of the portfolio. They've been very prudent, super excited about them. And even during this very turbulent time, they're they're up a real

### **Gavin Kelly**

profits. Yeah, yeah. So the goal, I guess, is, right, it's to help these students sort of find their way in this in this industry in this career path that they might potentially take. But also they are managing a portfolio with real money, like you said, so when there's growth happening, I mean, does it just go right back into the portfolio, and just they can just continue to build it and build as much as they can.

### **Bill McCumber**

Right it is. We don't have any set in stone obligations for that money is supposed to grow. And I'll live all of us, hopefully, at some points. We're still fairly early on in in the life of the fund, but at some point, obviously, that fund will maintain all the sunk costs, their professional data costs in the 10s of 1000s of dollars per year, and that's just for the feeds that are coming from the trading floors and the news around the globe and things like that. Little low You know, fancy computers and monitors and upgrades. And eventually, once we are purely through the pandemic, and the fund has grown a little bit more, I would very much like to start taking these students to the trading floors of Chicago and New York or Dallas. So, you know, let's meet some institutional money managers out there. Let's see, let's see what it looks like in the wild as well.

### **Gavin Kelly**

Yeah. And then that's gonna be something to meet those people out there, and put those students in front of them and say, Hey, these guys have grown a portfolio of this, like, they're gonna they're not

going to know just looking at these at these people and think that but then they're going to meet these students, and they'll have experience to bring to these people right away

**Bill McCumber**

the street cred. Yeah. That the really interesting thing, too, is that there's been so much alumni support for the student managed fund, that there's an incredibly professional and experienced group of wealth managers, risk assessors, pure pros, I think amongst them, they must, Cali they must manage about a billion dollars or themselves. And these folks, you know, during COVID, would zoom in for these annual reports. But we meet at least once every year for the students to report as to the funds, positions, performance risk profile to the people who really know what they're doing, you know, as they've been wonderful advisors and incredible network and many of our students wind up going to work for, if not them, then people that they know can vouch for you. With that street cred

**Gavin Kelly**

that we mentioned, just that's not really gonna work. So, talk a little bit more about the College of Business. So as I mentioned up top here, the Associate Dean of Graduate programs and research, how long has that been part of your role?

**Bill McCumber**

That's a thing that started a colleague very recently. I think officially it was, I don't know, June of last year, so it's been less than a year. And, wow, it's gone fast. There's so much good stuff happening at the College of Business. I'm frankly, just happy to be a part of it somehow. You know, last time I looked, I thought I thought it was Thanksgiving. It should now here it is. Right? Almost everyone feels that way. Wow. Gosh, so yes, the MBA program has grown almost 80% in the last couple of years. Part of that was that we have become to be recognized for the quality of the online program as well. So we have students from all over the globe now, coming to the College of Business virtually, at the same time. That obviously COVID hit. So you could say, Well, geez, you know, it was it was a COVID Bump, right? Not only have we retained those numbers, but we continue to grow, which is really exciting. That's the word and the rankings have gotten out there. So the online MBA program is robust, it's growing, I'm excited to say that the faculty have really rallied behind those programs, the graduate programs, and are offering new electives for the MBA program. There's, you know, everything from forensic accounting and fraud detection to digital marketing, social media, presence of advanced financial data analytics, you know, it's, it's a lot. And at the, for students who are on campus in person, they, the MBA students are also invited to have a concentration within the MBA, which would be a couple extra courses to really round out a specific area, we are getting to the place where we're going to be offering similar concentrations online, but you understand what a what an investment that is in terms of time, talent, human resources, because we have to be able to develop and deliver and keep updated the highest quality video on demand and asynchronous learning. available globally. And that's a that's a tall order. And we have a talented crew. But apparently there's only 24 hours a day,

**Gavin Kelly**

right? Yeah, it's you can't just add a concentration or add a program to a to a, to a degree, it just, there's a lot that goes into

**Bill McCumber**

like awful lot that goes into it. But we're, we're getting there. Right.

**Gavin Kelly**

So another thing that's been recent to the College of Business has been the school of banking. You can talk a little bit about that if you'd like cause that's a special deal.

**Bill McCumber**

this was a new thing that it will kick off officially the first week of June this year. There has been a Graduate School of banking at LSU for years and years. And what that school does is bring in bank executives that have you know, a decade or more of experience to train them up to be the next CEOs of those banks. The Bank folks, this bank CEOs and that work we have in Texas and Arkansas all over Louisiana, Mississippi made it very clear to us that there was there was a piece missing. A lot of people kind of fall into banking, a lot of us just fall into our first job, right? Like we got it at the time, a little bit, a little bit. We'll say uncommitted to any particular career path. But very often the the higher ups in any organization are going to identify those people, they really would like to groom and keep in advance. So the school of banking in Louisiana Tech is going to be meant for bankers who are still fairly new in their careers, 345 years, where the upper level folks running the banks recognize the talent, the drive, the ambition, the vision of people who are thinking of banking as well, this is my job for now. And we're that school of banking is going to help them realize that this is really a career, train them up across the different banking operations back office, front office, loan portfolio, risk assessments, regulation, cash, the whole thing. We're also very excited that in the banks are excited that one of the Folk I have the school of banking is going to be a focus on FinTech and innovation and where, where technology is really changing. Or at least invading the space of what what is considered traditional banking functions. Then we get excited about fintech. But it's a it's an evolutionary process. I mean, I'm old enough to remember that when you wanted money out of a bank, you had to go stand in line and talk to Gladys and fill out a little slip of paper, and she would go to your account. And I remember when ATMs or we call the maxim muddy access centers that that verbiage has faded away. I don't think I've ever heard that. Okay. Yes. automated teller machines. It's like, you know, Sony and, and VHS and Betamax. Sure. Anyway, so everyone was convinced way back then that, of course, that was going to end the banking industry as well. Well, banks are still around, they're doing just fine, thank you. But an understanding of how Fintech is both part of banking and not part of banking is something that banks very much want to know about, and how to integrate with and innovate with. They'll coexist and there will be banks who will be heavily invested in FinTech technologies, there will be fintechs that don't ever really want to be banks and everything in between. So we're excited about that.

**Gavin Kelly**

Give some examples of fintech? Well,

**Bill McCumber**

it's kind of it is a broad term. So FinTech obviously is short for financial technologies. For example, it has been around for a long time, but things like PayPal,

**Gavin Kelly**

I suppose some summer so what are some newer some newer things like

**Bill McCumber**

cash, acorn Robin Hood, right? That thing I used that utility today that allows me to pay my ticket with a with a QR code or whatever it is scanner, all cool stuff. All FinTech you know, anything that processes payments, or you can apply for financial services or alone, or you could make a stock trade, you could do so much on your phone. And all of that is is to be considered fintech. It's a broad term and encompasses a lot. It really is, I think, what is most concerning to the banking industry in our services that essentially replicate the to the the best that they can the personal lending solutions, right? So if I want to start a business, I'm going to go to my friends at the banks and say, Look, this is the project I'm trying to do. Let's think this through, do you think there's something you could help me with? I'm, I could do that. Interesting, right? It's harder to do in the big cities, the the bigger the city, the more impersonal all of these services get. And that's really where FinTech comes in. Right? So do you want to do you want to sit down with a banker who is going to help you think through and find a good solution? Or does it make more sense to put in your social security number and 20 seconds later on your phone have eight loan officers, right? I don't know. Yet depends, like everything else that depends. So you that area, since that is still the bulk of banks, businesses, they take deposits and they make loans. So to the extent that tech is going to encroach on that territory, banks are are going to want to do it as well or better using FinTech tools themselves. I would imagine that all the bankers themselves are using FinTech all the time, right from a from a consumer standpoint, what we want to make sure that the the next generation of bank leaders has is a thorough understanding of how these things actually not from a technical standpoint, but I can teach them to write code, right. But, you know, what are the strengths and weaknesses? What are the opportunities? Where can they take some of those technologies and bring their own personal relationship into these products? I would, I would much rather have a, you know, I don't even know what they're called Venmo or something like that. That is, is branded with my bank, you know, because that's where my relationships are. But we'll, we'll see

**Gavin Kelly**

what yeah, like, and like you said, it's not black and white. Man. Yeah,

**Bill McCumber**

it's, it's fast changing. And it's cool. We want people to understand what the forces are and where the opportunities to innovate might be.

**Gavin Kelly**

And it makes finance and banking just more accessible to just the general population. Sure.

**Bill McCumber**

Absolutely. It blows my students minds to to understand that the iPhone first was available in what 2006 That was yesterday. You know, so a little bit of perspective in history is important. And as they grow in their careers, they're going to look back and think, Well, gosh, I wish you know, so change changes, the only constant right? And to be able to understand what the broader pressures or strategies or opportunities are, the more nimble they're going to be over their careers.

**Gavin Kelly**

Makes sense. We going back we mentioned your new ish role as Associate Dean of Graduate programs. So tell us about kind of how that came to be but also how you how'd you end up at Tech.

**Bill McCumber**

How I came at Tech, it's a it's a boring story. I was. I grew up in Western New York, and I spent my early Well, my early years outside of Buffalo, went to college in Philadelphia. And as soon as I left for college, I was in big cities. For many, many years, Philadelphia, Dallas has to there has to be a woman involved. Obviously, I met I met my wife. I love her to death she met her in Dallas. She has family all through northwest Arkansas and Louisiana. And as this recovering Yankee got more and more used to the Ozark Mountains southern drawl and and actual politeness. More I wanted to stay right so I wound up getting my doctorate at the University of Arkansas I absolutely loved it there great program went on the market after they tried to you know, Arkansas was apparently that with me, hi, graduated. And we go on the market like you do in academia and Louisiana Tech was was kind enough to give me an offer. And it was a it was a no brainer. So got here in 2013. And I must admit, when we first got here coming from, you know, Fayetteville and before that Dallas, there was a little bit of a oh my god, what have I done kind of kind of moment and then the the goodness of this community just man, it grows on you. This is this is a great place. It's my family would kill me if we tried to leave at this point. We are fully ingrained. Love it here. And you know, it's one of What's that old ufabet are phrase you you grow where you're planted. Right? Okay, cool. And if I'm going to be here for a good long time, then let's make this place as great as it can be. And that that takes everyone working together to do that. How did the Associate Dean happened? You got me man, I think I think I was maybe one of a couple who didn't run screaming the other direction from an administrative role was like, Yeah, we could okay, you can do that. There's some opportunities to make things better and cool. And I could I could do things with some things positively without having to ask permission cool suddenly I'll do that.

**Gavin Kelly**

So what you're so what you're saying is you have reached a point in your life where if you can see your neighbor's house through your window it's a it's a little upsetting you know, cause you this country life this is baked into you a little bit tell you

**Bill McCumber**

what, you know, in the Dallas area, you get real excited if you have, you know, a quarter acre and now I am seriously annoyed that I can see my neighbor's house through the trees. We we shoot things critters when we have to shoot things. So apparently, you know, two years ago I would have laughed at the suggestion but during the pandemic now you know I have a really nice chicken coop and flock of chickens. You know, you got to be kidding me anyway,

**Gavin Kelly**

I've got to say, Wow, just a complete overhaul. Right.

**Bill McCumber**

It really is. It really is. I enjoy I, you know, I have a big city fix once in a while and we get to travel for this for that conference. But at the end of that conference, I'm ready to come home. Thanks very much. Yeah.

**Gavin Kelly**

Yeah, I am. I was born and raised in a very small Louisiana town went to high school and in a small town graduated with like, 26 kids went to high school. So Ruston to me is like, a big city, even though it's really not right. So yeah. I I'm sort of, I guess, get what you mean. But the inverse of it? Absolutely. So, um, and what I mean, I'm sure it affects the way that you're able to observe the industry and the growth your industry, but in a way, also not. So like, city versus country, New York versus Louisiana. I mean, like, what, how does that affect? Sort of the way you approach your career? Or does it?

**Bill McCumber**

Well, I think we all carry with us, whatever, whatever collection of perspectives. And it helps inform what you do certainly. So seeing the big lights on the ticker tape, and you know, going into the World Trade Center, and all that kind of stuff, that experience actually broadens your viewpoint as to what finance looks like, I guess, in my case, and being here and working with very talented students and faculty, it is very clear that there is no separation of talent or ability. What is what is lacking is simply the experience. So let's do things in the College of Business or across the university that gives them that experience. You know, we have students now working all over the globe. And that's super exciting. I mean, why not? Right? I think small town, folks tend to, obviously, they know, they know everybody in town, but the worldview tends to be a little smaller, right? Then people who grew up, you know, on a block with as many people or as in rust and all speaking different languages, right, it's just a different place to start. So I fully appreciate a Big City Life and History. And I love I love doing that. But what I have been very thankful for and take enormous joy in is helping students realize that the world is bigger than North Louisiana. And the decisions they make and the information they have is just as good as what is out there. You know, so let's train them up. Let's get some let's get some experience. Let's enter some competitions. Let's confirm that. They're just as good as everybody else, if not better, because you know what, and on top of, on top of the smarts and the decision making, and now increasingly, the technical skills and data visualization and analytic ability, and you name it. They have good hearts, right? These are these are good, hard working people in this area. And, man, I love it. It's fantastic. It's an incredible resource. And I think it's under appreciated,

**Gavin Kelly**

right? Because I know a lot of people when they think I guess finance and banking and this and that they imagine just the hustle and bustle in the trading room floor and like you said the ticker

**Bill McCumber**

shows like billions is not helping us. Yeah.

**Gavin Kelly**

So what's what's the show that that is, you know, show or move? What's your favorite? I guess? Do you have one? Okay, this

**Bill McCumber**

is this is so silly. Well, I don't watch I watched the first most of the first season of billions and decided that I was too close to that already. It just didn't. It was not entertaining. Like I pretty much wanted to punch somebody. But I tell students all the time, that's gonna be a little weird. The absolute best edge educational tidbit in a movie about what financial services really is. Is the scene and it's a wonderful life. Okay? Where Jimmy stand out, just bear with me. I'm here. So, Stewart's character. Cash. What's his name? That's ridiculous. Have seen it. 100. Bailey, George Bailey, right. George Bailey is is trying to stop a bank run. This was of course before FDIC insurance and pre Great Depression, all this stuff. But he's trying to explain to very panicked people who want their money out of their banks before it's all gone. That that's not how banking works, right there isn't there isn't a vault with everybody's money. Money in the back. There's a drawer with some bills in it. But the money went to buy this guy's home, you've gone to school with this guy for 20 years, this guy over here, you know, went into his business and you shop there and that puts food on the table. It stays in the community. Right? So the best banking movie I've ever seen is not Wolf of Wall Street or the was that Michael Kirk, Michael Douglas or whatever? Wall Street stuff for? Or billions or any of that it's it's it's a wonderful life. And that's that's the great majority of financial services, right? They're not, not the glitz and the glamour and the Bernie Madoff Did you know, this is ridiculous. I was thinking about this yesterday. That financiers according to Dante, Dante, you know, Dante's Inferno, right? financiers are in the seventh circle of hell yeah. Okay. Right. So and I think that's, you know, that's a public purse up. There's a perception for the Bernie Madoff of the world. In fact, Dante's financier was the Bernie Madoff of his day, that fleeces people and takes advantage and all that kind of stuff. Whereas the great, great majority of financial services is George Bailey.

**Gavin Kelly**

Gotcha. So do you think there's maybe a public perception on financial services as maybe, you know, big banks, and the banks

**Bill McCumber**

are too big to fail? We crash the entire financial system? Yeah. Well, we did sorry about that. But financial, I mean, financial services, by and large, and provide liquidity to allow us to do things that we want to do. Part of the problem in America? Is that just because we can, we should probably think about if we should, right do if I'm making \$50,000 a year, and I can get a half a million dollar mortgage. Should I right, and that was that was really a large part of how we got to the financial crisis overall, just the extension of easy credit to people who were more and more on shaky ground. Alright. But there is a perception. And obviously, it's all over the media every day. And there's a there's a there's a bias against this somehow, people are taking being taken advantage of by the big, bad universal banks and those crazy stock market people and show shows like billions it's sexy, but dangerous. Yeah, like to be to be a financier. Where, again, there's there's there's a fundamental disconnect, on some level. When was the inventor of the Occupy Wall Street thing? Sure, a million years ago now? Yeah, Occupy Wall Street was was a group of social activists who camped out on Wall Street with signs, you know, banks are bad or whatever, whatever it was. And you know, big corporations are taking advantage of the people. You look at that someone did us the favor, I'll have to find it and send it out there. Somebody has the favor of taking a picture of that group. And then just identifying all the ridiculously expensive

products that they had on them while they were protesting. All of that was made possible by Big Business, Innovation and finance. So they're a little perspective, right? Yeah.

**Gavin Kelly**

So yeah, so like, you're saying that a lot of it comes down to just money management, not just on an individual level, but a nationwide level just as as a society,

**Bill McCumber**

right. I think one of the one of the big problems with the way the world works in America is a lack of financial literacy, just basic financial literacy, they need to be teaching this stuff because it's not taught, right. So we don't talk about it. It's like the big mystery. But everybody in America is going to have to pay bills, and hopefully have checking accounts and have to make trade offs. Sometimes, a lot of these trade offs are unfortunate that sometimes it's food or beds, right. Sometimes it's investment or Lamborghini and everything in between. So but just understanding how a loan works, you know, how credit card works, what interest rates you're getting charged on those instruments would shock and appall lots of people, but they exist because people want them.

**Gavin Kelly**

Yeah, cuz people are signing up. People are right, clicking those ads.

**Bill McCumber**

I mean, for heaven's sake, there would be no there would be no payday lending charging on an annualized basis in unbelievable interest rates, if there wasn't a huge market and demand for it. They, you know, ultimately, you know, whether or not you agree with the product or service that any business is offering. It only exists because people want it. If it didn't, if people didn't want it, it would go well market. So you know, name name your thing. People People must be buying it if if people are if it exists at all.

**Gavin Kelly**

That's true. That's very true. Well, the good thing about the students at Louisiana Tech is they are going to learn that financial literacy especially I'm going to beat it into there. Exactly. Especially the Smith students right there tell

**Bill McCumber**

you what, my soapbox is pretty high once in a while I have to climb off it. Especially intro finance for for undergraduates, man. That's

**Gavin Kelly**

because it's usually their first in times only finance class, right? I

**Bill McCumber**

was the only sometimes they wait to the last minute because you know, there's math and stuff. And that can be scary.

**Gavin Kelly**

It's your only chance to shake it into him. Right? Really?

**Bill McCumber**

That's an I'll take it I'm of the age now where I fully embrace the the frustrated old man persona as necessary.

**Gavin Kelly**

Well, that's great. I mean, sometimes sometimes that helps you get your point across and

**Bill McCumber**

says, maybe a little less cool, but whatever.

**Gavin Kelly**

I don't know I think as a cob graduate myself, I think you have a reputation as being somewhat of the a cool finance professor that makes you feel any bank. So thanks, again for being with us here today, Bill.

**Bill McCumber**

Very much. My pleasure. It's been fun, really appreciate it.

**Gavin Kelly**

Lots of great things happening in the College of Business. Don't forget to check out our show notes. We'll have links to the College of Business website and some of the specifics there. Once again, this is beyond 1894. Thanks again for being here.

**Bill McCumber**

Thanks for having me.

**Gavin Kelly**

All right, we'll see you next time next time. Thank you for listening to beyond 1894. Please subscribe and rate us wherever you listen to podcasts. For more information about this episode, check out our show notes beyond 8094 is produced by Louisiana Tech University's Office of University Communications