

# Crackers

COSMOPOLITAN CLUB OF SANTA BARBARA INC.

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Aug 21, 2008

Access the Cosmo website  
<http://members.cox.net/cosmop/>  
for current and archived issues of  
Crackers and special events  
information



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## DUES ARE DUE

Dues for 2008-2009 are now payable.  
Please remit \$60.00 to:

Cosmopolitan Club of S.B.  
P.O. Box 3993  
Santa Barbara, CA 93130-3993.

Or give check to John MacKenzie or Bill Stancer at a  
Cosmo luncheon meeting.

## Next Program:

**August 21** — Julian Nott: Scientific Ballooning—Exploring  
Landscapes Near & Far “

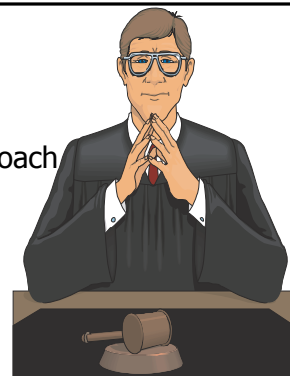
The Smithsonian Air and Space Museum has described Nott as “the leading figure in applying modern science to manned balloon design over the last 20 years”. In addition to having set over 70 worlds records for ballooning, as well as designing and piloting numerous novel balloons, he is extensively involved in scientific and commercial applications of balloons and airships. Nott is helping NASA develop the “Pumpkin Balloon” for very long duration flights, a concept Nott pioneered. Perhaps the most interesting of his current work is assisting the NASA Jet Propulsion Laboratory to develop balloons to explore Saturn’s scientifically fascinating moon, Titan. Nott’s illustrated lecture covers these achievements, the fascinating history of ballooning and the current wide application of balloons in science and technology. George Handler will introduce Mr. Nott.



## Future Programs:

September 4 — Eduardo Cue:  
“Teen Court – An Innovative Approach  
to Juvenile Justice”

Eduardo Cue is the Director of Delinquency Prevention Programs with the Council on Alcoholism and Drug Abuse. He is responsible for the supervision and development of Teen Courts, Parent Intervention Services and Mentor Programs in Santa Barbara County. Eduardo Cue holds a BA degree in Social Service Administration from Antioch University and has over 30 years experience working with at-risk youth and educating communities about gang issues.



Teen Court acts as an early intervention for first time offenders by diverting them out of the traditional juvenile system. Defendants avoid a criminal record while still being held accountable for their actions. All functions of Teen Court are carried out by teens, and sentences include jury duty, community service, counseling and educational classes.

Mr. Cue will be introduced by Arlie Skov.

**September 18** — James Hartle: “When Did the Universe Begin?”

**October 2**— Jonathan Fox: Ensemble Theater



**October 16**—Robert Eringer: “Investigative Journalism by an Undercover Agent”

## Bridge Scores:

Pres. Gould	3640
Dick Phillips	3470
Ron White	3290



Join us for "Fun" Bridge after our next meeting on August 21. We meet upstairs and play until 3:30 PM. Do not hesitate to join us if you have not played recently; we promise you kind and thoughtful partners who will not shout at your mistakes. Contact Pres. Gould at 964-6568 or [pwgould@cox.net](mailto:pwgould@cox.net)

## Wine Raffle:

Paul Coyne scored a Summerland Chardonnay, and Jim Smith won a 2006 Campaneros Cabernet Sauvignon at the drawing run by Bob Zimels.



## Welcome Our Guests

Charles Chester introduced our guests: Stanley Clothier and Paul Fink, hosted by Ron Singer, and Robert Jenkins, hosted by Bob Williams.

## WELCOME NEW MEMBER

Edward C. Vance  
2530 Foothill Rd.  
Santa Barbara, Ca. 93105  
Phone: 805-682-5063  
Email: [ecvance3@cox.net](mailto:ecvance3@cox.net)

Ed Vance was introduced by Mike Rodrique, his sponsor. Ed was born in New Jersey and raised in the San Fernando Valley. He graduated from UCLA and served two years in the US Army. Ed was a stockbroker for 40 years and retired from Smith-Barney in March, 2008. Ed and his wife, Carol, have two sons, Mitchell, a stockbroker at Smith-Barney, and Greg, who owns "Play It Again Sports," specializing in new and used sports equipment. Ed's interests are golf, travel and the stock market.

## Cosmo Special Events:

4-Day Baja Mexico Cruise – October 13-17  
Great Rate of \$932 per couple for Outside Cabin - Past Passenger Rate Includes Insurance, tax and fuel supplement. AAA Member rate is \$952 also including insurance, tax and fuel supplement.



Leave Long Beach, Monday at 5:30 PM; Tuesday at Catalina Island; Wednesday at Ensenada, Mex.; Thursday at sea; dock Long Beach Friday morning at 8:00 AM.

To book your reservation, call Cathy Fortunato at AAA, 898-2821. Mention COSMO. Angelo Crippa, 962-0843 [janda.2@hotmail.com](mailto:janda.2@hotmail.com)

## How Shall We Celebrate Cosmos' 60th Year?

July 1, 2009 will begin the 60th year of the Cosmos Club. Please send your ideas of innovative and fun ways we can celebrate to Angelo Crippa, 962-0843 or [janda.2@hotmail.com](mailto:janda.2@hotmail.com) and to Dan Cross, 683-0653 or [dncross@cox.net](mailto:dncross@cox.net).

## Regular Events:

### Golf:

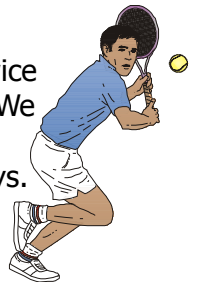
September 9th Tournament at Soule Park in Ojai is firmed up. Greens fee, cart and prize money for an all-inclusive fee of \$56. Please contact Lynn Garten as below.  
Weekly at Twin Lakes -  
Mondays at 9:00 A.M. (Tuesday on Monday holidays). \$9.00 for 9 holes (par 29); have fun improving your short game on an easy walking, flat course. And at Ocean Meadows - Wednesdays at 8:30 A.M. \$14.00 for 9 holes (par 36) with a play card. Improve your long shots.



Open to all Cosmo members. Chair Lynn Garten, 969-2466, [garten\\_sba@msn.com](mailto:garten_sba@msn.com)

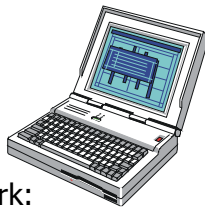
### Tennis:

The Cosmo Tennis Group plays doubles twice a week, and all tennis players are invited. We play at a private court in Shadow Hills starting at 8 A.M., Mondays and Thursdays. Bruce Long, 692-4072 or Walter Mead, 682-3045.



## Cosmo Computer Society:

Next meeting is Tuesday, August 19th. Dan O'Dowd will give us a special presentation on "How customized computer software makes everything work: Aircraft navigational systems to washing machines." Dan is the founder, owner and CEO of Green Hills Software, Inc., a Santa Barbara company of 400 employees of which 200 are locals. Dan will be introduced by his father, our own Don O'Dowd.



We meet upstairs at the Elks Club on the third Tuesday of each month. Open discussion starts at 10 AM. The feature presentation follows at 10:30, concluding with a no-host fellowship luncheon. All Cosmos members are welcome.

Jim Stubchaer, and Bob Gerity, Program Chairmen  
Chair, Howard Glenn, 967-2633, [hbglennc@cox.net](mailto:hbglennc@cox.net)

## S.A.G.E. Investment Group:

Next meeting is Tuesday, 1 September, 2008, 10:00 AM. Our own Maurey Raffensperger will speak about his recent paper, Tracing the History of Money. Our previous speaker, David Kain, gave a fascinating talk on stock market developments with emphasis on the financial sector.



Chair Dick Evans, 967-6930, [dickevans1@cox.net](mailto:dickevans1@cox.net)

**Last Meeting** August 7, 2008;



Jeffrey O. Henley, "Rules of the Game Have Changed for Corporate America"

Ben Walsh introduced Jeffrey Henley, Chairman of Oracle Corp. Henley holds a BA in Economics from UCSB and an MBA from UCLA. He serves on the Chancellor's Advisory Council and the International Advisory Council of the Engineering College of UCSB. Henley's business career has been in technology, including positions at Fairchild, Memorex and the last 17 years with Oracle where he was previously EVP & CFO from 1991 and was elected to the Board in 1996 and Chairman in 2004.

Henley has seen stunning changes in technology and innovation which have fuelled the growth of Oracle. Oracle has \$22B in revenue and 85,000 employees. They are in database businesses, middleware, horizontal and vertical software applications. Their enterprise software is sold to corporations, governments and non-profits, not to individuals. The company has

grown organically, having made 50 acquisitions in the last four years.

The technology industry is doing well in the US and overseas in the current market environment. Historically, when there is a slowdown in economic activity, companies slow their capital spending, but this is when they need to continue to upgrade their systems and to invest in new systems to be competitive and innovative.

Globalization has been and will continue to be the biggest thing affecting Henley's career and the Oracle Corp. The two drivers of globalization are technology and the fall of the Iron Curtain. Henley asserts that globalization has been good for the world economy and has liberated hundreds of millions of people by lifting global wealth and productivity. He cited Tom Friedman's book, *The World Is Flat*, as an excellent read and very good discussion of how globalization adds positively to reduce costs, drive margins up, to make more investments and to get product cycles out faster.

Henley admitted that globalization has disintermediated some jobs in the US and in Europe. The problems of globalization are at the consumer side with loss of jobs and energy issues which need to be solved with enlightened public policy and investment. He stated that globalization is here to stay and will continue to drive the global economy; it is good for the US and for the world.

How top management runs Oracle has changed dramatically as a result of globalization.

Henley spends his time travelling and talking to customers about how to use technology. Oracle has over 70 company subsidiaries which are pulled into one information system run from the US, i.e. one place to get information and to control global programs. The cultural change is a challenge to get everyone to do things the same way; it takes a strong CEO to drive such change. The results of globalization, global programs and management practices are that pre-tax profits have risen from 20% to 40% ROE. Oracle has better, faster execution, better controls and governance, faster integration of mergers and acquisitions, and much better collaboration.

As an example, the company has 9,561 developers in the US who develop and test software and 8,000 developers in India which is 3-4 times cheaper than the US. Henley stated that as Oracle grows, they hire more developers overseas simply because there is not enough technical talent in the US. Oracle hires developers in Bulgaria and Rumania; talent is everywhere in the world. Henley expects more competition in the software industry; the Chinese are training software engineers and soon will become

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a much bigger competitor with India.

Henley discussed Oracle's acquisitions policy and the acquisitions of PeopleSoft, PeopleSystems and B.E.A. The integration of software was difficult, but Oracle's service-oriented model allowed the company to quickly integrate those three very large businesses. Oracle takes out back office staffs and keeps developers separate, but gets them to collaborate with other companies of the group. Oracle has a very centralized, decisive command and control center. In every acquisition, management has three weeks to decide who goes and who stays. They keep the company very lean. All acquired companies come immediately into the Oracle systems and culture. They only acquire software businesses which they understand, and they never overpay for acquisitions. The Board reviews the status of acquisitions every six months.

In conclusion, Henley believes millions of people in 50-60 years can have a much better life through technology. Everyone moves up the food chain with globalization; many less developed countries have become self-sufficient. The better markets work, the more technology people will buy.

## Labor Day

