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enterprise

THE JOHNSON SCHOOL AT

CORNELL UNIVERSITY



Generation Next

Johnson School alumni put leadership and passion to work for youth

The Color of Money

Marketers grapple with challenges of reaching diverse audiences

Big Bucks and Boardrooms

Research reveals unprecedented growth in executive compensation

Gone Global

EMBA students learn firsthand how to do business overseas

Johnson Turns 60

A look back through the decades



Welcome to a whole new look

This issue of *Cornell Enterprise* celebrates the 60th anniversary of the Johnson School's founding in 1946. It also marks the first major redesign of the magazine in ten years. Both events — in their own way — invite us to consider the foundations on which we stand and remind us of the goals toward which we strive.

The Cornell University faculty recommended the establishment of a school of business and public administration in December 1941, three days after the United States entered World War II. In August 1946, not long after the war ended, the Cornell School of Business and Public Administration opened. Then, as now,

the school's faculty and students were looking to the future, anticipating and responding to their society's emerging needs for intellectual acuity, dynamic scholarship, and practical vision.

The past half-century has brought changes in business and society that few could have anticipated in 1946. While their focus was national, ours is global. While they were housed in McGraw Hall, along with the Geology Department and its museum of rocks and fossils, we are the proud stewards of Sage Hall, an equally historic building rebuilt with state-of-the-art technologies that enable our faculty and students to access up-to-the-minute market information and communicate in real time across the globe. While they developed functional expertise in finance, marketing, accounting, and operations, we have organized our MBA program and centers of research, teaching, and practice to provide innovative cross-functional experiences as well, in areas such as entrepreneurship, sustainable global business, science and technology, and leadership. The intense,

collaborative community and Cornell connections that have always characterized a Johnson School education have not changed.

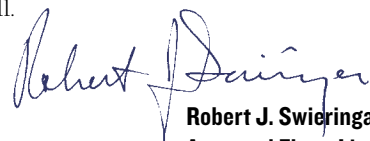
Our first alumni magazine, then called *Cornell Executive*, was launched in 1974. This, too, has evolved in response to changing times. In redesigning this magazine, we have retained the high-quality writing and graphics that have earned *Cornell Enterprise* high ratings from our alumni for being “informative” and “interesting.” Our readers' survey last year documented that *Cornell Enterprise* has a dedicated, loyal readership. At the same time, many readers asked for more substantive, practical articles about the “real-world” applications of the faculty's research, and more in-depth analysis on current topics. They also asked for more articles about alumni, particularly ones that would provide networking opportunities, as well as more short, concise, stories. You will find all that in

In redesigning this magazine, we have retained the high-quality writing and graphics that have earned Cornell Enterprise high ratings from our alumni for being “informative” and “interesting.”

Dean: Dede Hatch

this issue, and in the issues to come. You will notice new departments to better organize the content for easy access. You will also notice that we have updated the design, tying it more closely to the school's branding initiative and our new logo, and better capturing the intellectual vibrancy and practical sophistication that characterizes the Johnson School community.

Our work on the initiatives outlined in the school's five-year strategic plan continues to propel us toward our goal: to build and sustain our worldwide reputation as a top-ten business school. In this issue, we look toward that future while also documenting the strong foundation built during sixty years of graduate business education at Cornell.


Robert J. Swieringa

Anne and Elmer Lindseth Dean



Generation Next

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Johnson School alumni put their leadership abilities, business skills, quick wits, and passion to work for the benefit of young people around the country.



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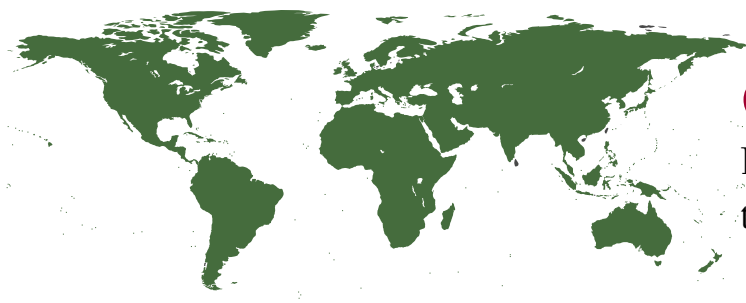
A timeline highlights some of the events and people that have helped to shape the Johnson School.



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Jam band brander

On the Cover: Erin McMahon, MBA '03, at Eleanor Roosevelt High School, where she is preparing to open a new public school with a business focus. *Photographer: Ed Eckstein*

First in finance

The last weekend in February saw another feather in the hat of the Johnson School and its hardworking students, when a team of five MBA candidates won a finance case competition in Pittsburgh — the school's first top finish in the competition.

Teams from four top business schools competed in the 14th annual Corporate Finance Case Competition at Carnegie Mellon University on February 25. Archil Gachechiladze, Ralph Leung, Kiran Prasad, Sendur Sellakumar, all MBA '06, and Justin Charise, MBA '07, represented the Johnson School. They competed against teams from the business schools of Northwestern University, Carnegie Mellon, and New York University. The Johnson School's Professor Yaniv Grinstein served on the judging panel.

"NYU is known for a strong finance program; Carnegie Mellon for its quantitative program," said Justin Charise, the team's only first-year member. "I knew we had a great team, but it would be a close competition. Every team had a lot to offer."

The teams convened at 7 a.m. on Saturday morning, and received a Harvard Business School case requiring them to recommend a financing strategy for an aluminum-production concern in the Middle East. Each team had six hours to come up with a financing solution. Their only tools: laptops with PowerPoint and Excel, a printer, a finance textbook, and Excel templates with the Black-Scholes Option Pricing Model.

The Johnson School team put together a rough timeline for its six hours, assigned roles, and got to work. "We originally planned for 45 minutes to rehearse our presentation, but we ended up working to the last minute," Charise said.

Professionalism of presentation was one of three judging criteria for the competition, along with quality of analysis and responsiveness to judges' questions and comments. Yet lack of rehearsal time didn't hurt the Johnson School's team, for they won first place.



Robert Barber/CU

Professor Yaniv Grinstein (far left) with the winners of Carnegie Mellon's Corporate Finance Case Competition (left to right) Kiran Prasad, Ralph Leung, and Archil Gachechiladze, all MBA '06, Justin Charise, MBA '07 and Sendur Sellakumar, MBA '06.

"If there was a key to our success, obviously it was the second years' experience, and the fact that we had strong chemistry as a team," Charise said. "We had mutual respect and strong, constructive debate, but we each had the trust and respect to come up with a consensus."

Boardroom EMBA goes West

The Boardroom Executive MBA program has been approved for offer in Washington state. "This enables our participants in Washington state to earn their MBA without disrupting their careers, and without requiring frequent trips to the Cornell campus," says Danny Szpiro, director of the Boardroom EMBA program. The Boardroom EMBA is also available to participants in New York State, Ohio, Washington, D.C., and locations across Canada.

The Boardroom EMBA, offered in partnership with Queen's School of Business at Queen's University (Kingston, Ont.), is a geographically-diverse, team-based program in which students all over North America connect with each other and with faculty via state-of-the-art, real-time, fully interactive videoconferencing technology. Participants from across the United States and Canada are organized into Boardroom Learning Teams of approximately 6-8 people, and each team is assigned a boardroom location in the city where the participants live and work. The Boardroom EMBA was featured in the fall 2004 issue of *Cornell Enterprise*. For more information on the program visit www.johnson.cornell.edu/academic/boardroom.

Sawyer named director of admissions

Randall Sawyer was appointed in February to be director of Admissions and Financial Aid for the Johnson School. In his former role as the school's public relations officer, Sawyer was known for his substantial contributions

in positioning the Johnson School with the media and with internal and external stakeholders. He actively promoted the school's faculty, alumni, students, and corporate communications and events.

Sawyer brings to his new position twelve years of marketing and communications experience in the public sector, including several years as director of public information for the New York State Office of Parks, Recreation, and Historic Preservation, followed by a term as assistant commissioner of public affairs for the New York State Office of General Services. "Randall's positive rapport with so many diverse audiences and his master's degree in communication make him well equipped for the job," says Dick Shafer, associate dean for Corporate Relations. "He knows the school well, and perhaps as much as anyone has his finger on the pulse of what is happening across a variety of areas in the Johnson School."



Deale Hatch/UCU

#9 in Preparing global leaders

The Johnson School has placed #9 in the world and #6 among U.S. schools in the World Resources Institute and Aspen Institute's 2005 Beyond Grey Pinstripes (BGP) ranking. The BGP ranking is the only global ranking that evaluates MBA programs for their efforts to prepare students to be leaders in the global economy, and equip them with an understanding of the social, environmental, and economic perspectives needed for business success. Ranking criteria include: courses with social and environmental content (number of courses, percentage of time in the curriculum dedicated to these topics, and course content) and faculty publications in these fields.

The Johnson School is noted both for offering a large number of courses that address social and environmental issues in business and for the large proportion of its students who take those classes. In addition, the school's Center for Sustainable Global Enterprise is cited for using "cutting-edge research, outreach, and engagement to connect students with leading companies and develop unique projects with partners around the world."

The faces of the Lindseth legacy



On Feb. 7, Robert Swieringa, the Anne and Elmer Lindseth Dean of the Johnson Graduate School of Business, met — for the first time — Jon and Virginia "Ginny" Lindseth, both '56, the couple who in 1989 endowed the dean's chair, named for Jon Lindseth's parents. The Lindseths were on campus with their family for the Class of 2006 Senior Class Campaign for Cornell kickoff, at which their son, Andrew Lindseth '79, announced a gift made in honor of Jon and Ginny by their children: the "Lindseth Challenge," a \$25,000 endowment to be matched with small student donations.

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In memoriam: senior lecturer Alan Pike

Alan Pike, 65, a senior lecturer in communication who taught generations of business leaders at Cornell University's Johnson Graduate School of Management, died of heart failure Jan. 7 in his Ithaca home.

Born in Flushing, N.Y., on Jan. 15, 1940, Pike graduated from Yale University in 1961. After serving as an officer in the United States Navy, he came to Cornell in 1966 and in 1969 completed a master's degree in English literature.

He taught courses on literature and values, freshman humanities seminars, and creative writing in the university's Department of English before joining the Johnson School faculty in 1980 and helping to develop the school's then-nascent management communication program.



Deed Hetch

At the Johnson School, he designed and taught oral communication and management writing courses to MBA students until his retirement in May 2005. A popular teacher, he thrived on his interactions with his students. He routinely made the top of the list in their teaching evaluations, and his courses were usually oversubscribed.

"He was very engaged with his students and they with him," said Professor L. Joseph Thomas, associate dean for academic affairs.

"Alan touched the lives of many Cornell students, colleagues, and friends with his enthusiasm and generosity," said Charlotte Rosen, senior lecturer and director of communications programs at the Johnson School.

An avid outdoorsman, Pike also helped create and coordinate the Johnson School's Outdoor Leadership/Team Development Program (from 1987 to 2001), which introduced MBA students to the dynamics of leadership in wilderness environments.

In addition, he designed and taught courses in management writing and oral communication in the school's Executive Development Program, Cornell Adult University, the Syracuse University Executive MBA Program, and the Binghamton University School of Management Business Communication Institute. He also consulted on management communications with such companies as IBM and Fleet Financial Group.

In all those roles and others, Pike invigorated the lives of many — former students, friends, and family — with his wisdom, hearty bear hugs, culinary finesse, and spirited gorge walks — usually accompanied by his dog, Cobie.

— Linda Myers, Cornell News Service

Data-Base Johnson School students at a glance

Class year and program	MBA Class of 2007	MBA Class of 2006	TMO Class of 2006	EMBA Class of 2007	Boardroom EMBA Class of 2007
Class size	262	261	27	49	61
Average age	26	27	29	35	37
Students with full-time work experience	98%	98%	100%	100%	100%
Average years of work experience	4	4	6	12	14
Median GMAT score	660	680	690	NA	NA
Advanced degrees			100%	21%	20%
Median GPA	3.3	3.2	3.4	NA	NA
Women students	28%	31%	19%	14%	15%
Minority students	20%	19%	11%	22%	29%
International students	25%	28%	30%	NA	84%*

*Percentage of international students is high this year because more students from Canada are enrolled via the Cornell-Queens partnership

Business Roundtable

Work-life balance and ethics: a nexus worth noticing

Sharon Allen came to the Johnson School to tell her story — what her chief of staff calls “Boise to Boardroom.” Yet the Idaho-born-and-



Robert Banker/CU

raised chairman of the board of directors of Deloitte & Touche USA LLP couldn't escape comment on the legacy of misconduct that taints all the nation's largest accounting concerns. And she really didn't want to.

Sharon Allen, chairman of the board of directors, Deloitte and Touche USA, delivered the 19th annual Durland Lecture on the Cornell campus Feb. 28.

Her best thinking on keeping her firm of 33,000 out of ethical hot water dovetails with her personal professional philosophy: “Be true to yourself,

do the right thing, and always act with integrity.”

With the implementation of the Sarbanes-Oxley Act of 2002, which this year requires all publicly traded companies to report on their internal accounting controls to the Securities and Exchange Commission, accountants who behave badly can receive stiff penalties, just as their employers can. Won't that greatly reduce the kind of misconduct that brought down accounting giant Arthur Andersen?

Allen's answer: not really. “What you can do is create an environment that discourages wrong behavior,” she said. “But it will not prevent fraud from taking place — especially collusive fraud, because these are personal decisions.”

Deloitte & Touche's program to reduce the likelihood of employee misconduct seems counterintuitive — offer workers a career that can adapt to their changing needs, and the firm gains greater retention and a more ethical work force.

“You can't legislate ethics — choosing the right course of action will always come down to a personal choice,” Allen said. “But maintaining a proper balance in your life makes the right choice easier.”

Twelve years ago, Deloitte introduced its Initiative for the Advancement and Retention of Women, to respond to female professionals' demands for greater advancement and more flexible work arrangements. The firm's latest flexibility initiative is “Personal Pursuits,” which offers qualifying workers up to five years off, while keeping them connected to the firm.

But even her belief that Deloitte & Touche is building the most ethically healthy work force possible does not allow Allen serenity in today's climate of accounting scandal. “There will be mistakes, because everything we do is a human endeavor,” she said.

Capitalizing on innovation



Robert Banker/CU

Archil Gachechiladze, MBA '06, discussed venture capital opportunities and risks in Eastern Europe as a member of the panel on Investing in Emerging Markets at the student-organized “Capitalizing on Innovation” symposium on March 31. The Entrepreneurship and Venture Capital Club and Net Impact sponsored the event as part of the first annual Entrepreneurship@Cornell Celebration. The symposium featured panel discussions with leading venture capitalists and entrepreneurs from across the U.S. and the world. Gachechiladze spoke about his extensive venture capital experience in the former Soviet Bloc country of Georgia. Emerging Markets panelists included (left to right) Scott Johnson of SC Johnson, Eric Young of Canaan Partners, Gachechiladze, and Raj Alur, MBA '95, of Vesbridge Partners.

Philanthropy Report corrections

The Office of Development and Alumni Affairs sincerely thanks our fiscal year 2005 donors appearing in the recently published *Philanthropy at the Johnson School: Report of Giving 2004–05*. The success of the Johnson School is in large part due to the contributions from alumni and friends. We would like to correct some errors that occurred in the report and give proper recognition to the following people:

Class of 1971

Robert P. Marangell '70, MBA '71

Class of 1995

Leslie D. Gorman '94, MBA '95, JD '97

Dean's Circle

James S. Weaver Jr. '54, MBA '59
F. Warren Elish '77, MBA '78

Tower Club

Robert P. Marangell '70, MBA '71

Quadrangle Club

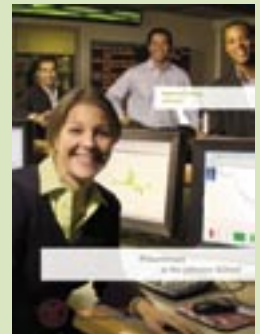
Leslie D. Gorman '94, MBA '95, JD '97

Matching Gift Companies

Triad Foundation

Visiting Executive Program

Jeffrey F. Berg '79, MEng '80, MBA '81



Newsmakers

Gilded food

The *Washington Post* quotes economics professor Ori Heffetz in a story about the proliferation of edible metals floating in and around cocktails and other edibles (Dec. 18). Sprinkles, petals, and leaves made of pure silver and almost-pure (23 carat) gold soft enough to melt in your mouth are used to create a flavorless, odorless, and calorie-free garnish that is becoming increasingly popular with wealthy diners. A study by Heffetz found that as income increases, the wealthy spend more money, and more of it on high visibility luxuries.



ediblegold.com

Escalating executive earnings

Assistant Professor of Finance Yaniv Grinstein continues to make waves with his groundbreaking research on executive compensation. Grinstein and his work, in collaboration with Lucian Bebchuk of Harvard University, are cited in the *New York Times* (Jan. 5, Jan. 11, and March 5); the *Wall Street Journal* (Jan. 11 and Jan. 21); the *Sacramento Bee* (Feb. 6); and the *St. Louis Post-Dispatch* (March 8), among others. For more information on Grinstein's research, see "Big Bucks and Boardrooms," on page 36.

Venture capital to the fore

An article in *Mass High Tech* on how academic and medical institutions address a shortage of venture capital to get nascent technologies from lab to start-up plugs Cornell University's Entrepreneurship Triad (March 6). Johnson School students manage two pillars of the triad — BR Ventures and BR Incubator. BR Legal, the third pillar, is sponsored jointly by Cornell's University-wide Entrepreneurship and Personal Enterprise Program (EPE), the Johnson School, and the Cornell Law School.



technologies from lab to start-up plugs Cornell University's Entrepreneurship Triad (March 6). Johnson School students manage two pillars of the triad — BR Ventures and BR Incuba-

Swieringa on science

In a video interview in *Business Week Online* (March 10), Dean Robert Swieringa discusses the Johnson School's planned Center for the Business of Science and Technology and talks about how MBA students can advance a company's science and technology initiatives.

Taxes, death, and the new Fed chairman

Economics Professor Robert Frank, oft-quoted on luxury spending and high-income consumers, is himself the focus of a new line of media inquiry. Frank is quoted in a half-dozen news articles about the new Federal Reserve Chairman, Ben Bernanke, with whom he coauthored an economics textbook, *Principles of Economics*. He was interviewed on PBS' "Nightly Business Report" (Jan. 25), and his comments on the new Fed chairman appear in the *New York Times* (Oct. 25); the *Star-Tribune of Minneapolis* (Feb. 1, 2006); the *Sacramento Bee* (Jan. 29); the *New Zealand Herald* (Feb. 18); and Associated Press Newswires (Jan. 29).

Frank remains a leading expert on luxury spending and is quoted on the topic in the *New York Times* (Jan. 14, Feb. 2, and Feb. 10); the *Economist* (Dec. 24); and *Management Today* (Feb. 7).

Other article topics featuring Frank include the potential effect of rising gas prices on fuel consumption, in *Business Week* (Sept. 19); the limited role of money in securing happiness, in the *Christian Science Monitor* (Dec. 5); tipping with no economic incentive, in the *Financial Times* (Dec. 23); and research by him on workers' willingness to take less money in order to have jobs that allow them to feel good about themselves, rather than choosing to earn more with "bad guy" organizations, in *Management Today* (Jan. 16).

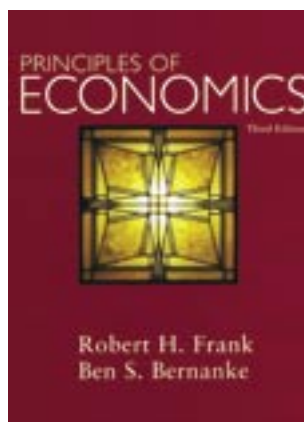
A study by Frank and two collaborators on how perceptions of another's moral character can influence our economic decisions is covered by the NewsRx.com service (Nov. 5), and appears in eight specialized science publications.

Frank continues to write prolifically in a regular column for the *New York Times*, and he is also a frequent contributor to the *Wall Street Journal*.



Deak Hutch/CU

Professor Robert Frank



Recent *New York Times* pieces include one touting a federal gasoline tax as a way to ease numerous economic and environmental problems (Feb. 16), and another on how financial considerations affect decisions to continue or discontinue life support for indigent patients (Jan. 19).



Professor Stuart Hart

Deide Hatch/CU

Pummeling poverty

Stuart Hart, Samuel C. Johnson Chair in Sustainable Global Enterprise, is quoted extensively in *Financial Times* articles on strategies for reducing poverty (Sept. 14), and on how corporations can partner with small, community organizations to solve larger issues, such as poor nutrition among young people in developing countries (Jan. 26).

TMOs make top biotech execs

A front-page article in the *San Diego Business Journal* about the impact of the Johnson School's Twelve-Month Option (TMO) program on San Diego's biotech industry features TMO graduates Zhu Shen, MBA '98, senior director of business development at Immusol, Soorena Izadifar, MBA '05, Immusol's manager of business development, Brian Culley, MBA '02, vice president of business development for Adventrx, and Carmine Stengone, MBA '03, vice president of business development at Anadys, (Feb. 1). All four moved to the San Diego area to work in the biotech industry after earning their MBAs from the Johnson School. "The closeness of the Cornell alumni here has meant rapid career progress for the East Coasters," states the article, then quotes Culley to prove the point: "Zhu helped me, I helped Carmine, and Carmine and I helped Soorena."

Noting that he selected San Diego because of "ample opportunities in both biotech and tech with exposure to big pharma, mid-sized biotech, emerging biotech, and startups," Stengone also added that "Even though we only spent one winter in Ithaca, the frigid days only strengthen one's resolve to work and live in sunny southern California."



Melissa Jacobs

My life as a first-year

Kate Ngo, MBA '07, is one of six MBA students from across the country selected by Business Week Online's "MBA Journal" to provide regular accounts of her MBA experiences. Following is an excerpt from her February 2006 entry:

"Arriving home later from school than I expected, I dump my bag on the floor and make a mad dash for the closet. I am a little angry with myself that I did not plan in advance. If I didn't dress for business casual during the day, I should have at least listened to my second-year peers — always keep a suit in your locker. The Cornell network remains one of its strongest virtues, and opportunities to meet speakers,



Jason Koski/CU

Kate Ngo, MBA '07

recruiters, and alumni are everywhere. Nonetheless, these events are so numerous that not all of them make your radar. I am done with class, team meetings, and club projects for the day, but I have 15 minutes to change and run back to the Statler Hotel, where a corporate briefing and reception are scheduled...

Thanks to the Career Management Center, second-year mentors, and student-run organizations (i.e., Marketing Association; Consulting Club; Old Ezra Finance Club; Operations and General Management Club; and Strategic HR, Leadership, and Organizational Effectiveness), first-years have a variety of resources. Not only are we prepped on industry knowledge, but we are also exposed early to the formalities, intricacies and oddities of the recruiting process...

This is the third briefing I've attended this week, and if anything, I am becoming better at knowing what I want to do, and most importantly, what I don't."

To read Ngo's entries about her life at the Johnson School, go to <http://www.businessweek.com/bschools/mbajournal> and click on "Kate."

Left: Zhu Shen, MBA '98, Immusol, Inc. senior director of business development (far right) and Soorena Izadifar, MBA '05, business development manager (left), with the company's associate director of virology, Rene Rijnbrand. The photo originally appeared on the front page of the *San Diego Business Journal*.

Happy anniversary, Hal: Bierman celebrates 50 years — and counting

In 1956, Hal Bierman, an assistant professor at the University of Chicago's Graduate School of Business, arrived at his new office on the top floor of McGraw Hall. Thus began a 50-year relationship



Sid Goldberg/CU

Professor Hal Bierman teaching in 1956

between Bierman, the Johnson School, and thousands of MBA students. "I stayed," Bierman says, "and never with a regret."

When Bierman left Chicago for Ithaca, his move was not a clear career advancement. In 1956, Cornell's Business School was a fairly young organization, and not sure of its identity. But Chicago's simmering summers and frigid winters made even Ithaca's weather appealing to Bierman and his wife.

The young finance professor was pleased as punch with his office digs under the rafters

of McGraw Hall, largely due to his only neighbor — Seymour Smidt, who retired from the Johnson School in 2005. There was just one problem: the two colleagues had only one escape route, in the event of a fire. "I had just gotten out of the Navy, so I was conscious of fire drills, and there was no way out," says Bierman, a U.S. Naval Academy graduate. "It was splendid, except I wanted a rope, in case of a fire."

Bierman has occupied offices in three different buildings on campus, including Mallot Hall, where he often ate lunch in the Collyer Room, the building's beautiful faculty lounge. He has known eight deans, beginning with Edward H. Litchfield, the School's flamboyant second dean. He witnessed campus unrest in the 1970s, the Johnson School's ascendancy to a top-10 position, and the construction of its magnificent state-of-the-art facility in a historic structure.

Yet, even with changes on campus and in the world, much about the Johnson School has remained constant over Bierman's 50 years at Cornell. Dedication to the solid basics of an MBA education never sways, he says. "We may teach a little better than in the past, but we've never gone head over heels for a fad."

Bierman also praises the school's long-standing policy of rationing required courses in the first year of the MBA program, and freeing the second year for electives: "It's better not to over-specify coursework, and put every student in lock step. Offering choices in courses is an effective way to design a curriculum."

According to Bierman, if there's just one thing that Johnson School alumni remember, it's the faculty's open-door policy. "Other schools became friendlier because the rankings demanded it," he says. "But we've always had it — it's a decent thing to do."

Harold Bierman, Jr., the Nicholas H. Noyes Professor of Business Administration, has authored 27 books and nearly 200 articles in the fields of accounting, finance, investment, taxation, and quantitative analysis. In 1985, he received the Dow Jones Award from the American Assembly of Collegiate Schools of Business for his outstanding contributions to collegiate management education. But perhaps the very qualities he identifies in the Johnson School — friendliness, decency, scholarship, and above all, commitment to his students — are what most endear him to thousands of MBAs.

Professor Bierman celebrates his 50th year on the faculty in July 2006. He can be reached at hb29@cornell.edu.

—Shannon Dortch



Frank D'Amico/CU

Professor Hal Bierman today

Stayman named dean of curriculum

Doug Stayman, associate professor of marketing and a faculty member at the Johnson School since 1990, was named associate dean for curriculum in February. His new responsibilities include coordinating the first- and second-year curriculum, and overseeing faculty teaching assignments. He also hires and works with lecturers, adjunct and visiting faculty, and conducts the teaching assistant workshops. As an associate dean, Stayman joins the Johnson School's Management Committee. Joe Thomas, associate dean for academic affairs, continues to coordinate faculty research, tenure-track faculty hiring and promotions, faculty committee assignments, faculty evaluations, and other faculty issues.



Dede Hirsch

Glass shape influences how much you drink

When pouring liquor, even professional bartenders unintentionally pour 20 to 30 percent more into short, squat glasses than into tall, thin ones, according to a new Cornell University study.

“Yet, people who pour into short, wide glasses consistently believe that they pour less than those who pour into tall, narrow glasses,” said Brian Wansink, the John S. Dyson Professor of Marketing, Applied Economics and of Nutritional Science at Cornell, who also holds a joint appointment as adjunct professor of marketing at the Johnson School. “And education, practice, concentration and experience don’t correct the overpouring.”

bartenders (with an average six years experience — 38 percent of them female) to pour a shot (1.5 oz.) of spirits into either short, wide tumblers or tall, thin highball glasses.

The college students consistently poured 30 percent more alcohol into the short glasses than into the tall, and the bartenders poured 20 percent more.

When the researchers asked one group of students to practice 10 times before the actual pour, they still poured 26 percent more into the short glasses. When the researchers asked one group of bartenders to “please take your time,” the bartenders took twice as

long to pour the drink, but still poured 10 percent more into the short glasses.

The authors concluded that because people generally consume most — about 92 percent — of what they serve themselves, the issue of pouring accuracy is relevant to policy makers, health professionals, consumers, law enforcement officials, and alcohol addiction and abuse counselors. They note, for example, that the hospitality industry wants to control serving sizes and thus costs, those in public policy want to minimize waste, and health professionals want to discourage over-consumption.

Advice from Wansink for bars and restaurants and for those who don’t want to unintentionally drink too much: “Use tall glasses or glasses

with alcohol-level marks etched on them.” For parents? Use tall, thin glasses when pouring soda but short, wide glasses for milk and other healthful drinks.

Wansink, author of the new book *Marketing Nutrition: Soy, Functional Foods, Biotechnology and Obesity*, is also director of the Cornell Food and Brand Lab, made up of an interdisciplinary group of researchers who have conducted more than 200 studies on the psychology behind what, and how often, people eat.

— Susan S. Lang, Cornell News Service



Jason Koski/CU

Professor Brian Wansink’s study showed that people over-pour into short, squat glasses by 20 to 30 percent, compared with tall, thin glasses, probably because the vertical-horizontal optical illusion consistently causes people to perceive vertical lines as longer than horizontal ones of the same length.

The reason for the difference, Wansink speculates, is the classic vertical-horizontal optical illusion: People consistently perceive equally sized vertical lines as longer than horizontal ones.

“People generally estimate tall glasses as holding more liquid than wide ones of the same volume,” Wansink said. “They also focus their pouring attention on the height of the liquid they are pouring and insufficiently compensate for its width.”

In separate experiments, the researchers asked 198 college students (43 percent female) of legal drinking age and 86 professional

Finding the right fit: predicting job satisfaction

Whether you're a newly minted MBA looking for that first job out the door, or a seasoned professional scouting for a better opportunity or a shift in career direction, it's crucial to your job satisfaction



Karin Ash

Dede Hatch

— and, ultimately, your success — to select the job that's just the right fit for you.

"It's very important that people feel challenged and passionate about the work that they do, or it can affect so many other aspects

of life, including relationships with coworkers, family, and friends," says Karin Ash, director of the Career Management Center. "The right job fit fosters good mental health, good productivity, better compensation, and greater success."

If you find that you're not in the ideal job now, take the time to list the pros and cons about your current position that will help you to define the job that you really want, advises Ash. If you're considering a switch to a different industry, "hold many information interviews," she says. "Talk to people in the field you think you want to enter and learn as much as you can."

Fit has a lot to do with your coworkers and the culture of the workplace, things that are hard to discern in advance, notes Ash. However, she also pinpoints many important aspects of a job fit that you can investigate beforehand in the quiz, below.

Take this quiz to determine whether a prospective job will be a good fit for you >>



Stephanie Carter/Images.com

	Yes	No		Yes	No
• Does the company inspire you?	<input type="checkbox"/>	<input type="checkbox"/>	• Is having a mentor important to you? If so, does the workplace offer prospective mentors?	<input type="checkbox"/>	<input type="checkbox"/>
• Are you enthusiastic about the company's product(s)?	<input type="checkbox"/>	<input type="checkbox"/>	• Do the demands of the job match the level of work and life balance you seek?	<input type="checkbox"/>	<input type="checkbox"/>
• Will you have the level of responsibility you are seeking?	<input type="checkbox"/>	<input type="checkbox"/>	• Will you have the time you want to satisfy aspects of your life apart from work?	<input type="checkbox"/>	<input type="checkbox"/>
• Will you be given the training you need to perform your responsibilities well?	<input type="checkbox"/>	<input type="checkbox"/>	• Will you be able to plan your life around your work?	<input type="checkbox"/>	<input type="checkbox"/>
• Will you be provided with the training necessary to further develop your skills and expand your skill set?	<input type="checkbox"/>	<input type="checkbox"/>	• If work demands are likely to be unpredictable, are you okay with that?	<input type="checkbox"/>	<input type="checkbox"/>
• Will you have the opportunity to work on projects that advance your career in the direction you want to take?	<input type="checkbox"/>	<input type="checkbox"/>	• Is there support for dual career issues?	<input type="checkbox"/>	<input type="checkbox"/>
• Will the job provide you with the intellectual challenge that you're seeking?	<input type="checkbox"/>	<input type="checkbox"/>	• Is there geographical flexibility?	<input type="checkbox"/>	<input type="checkbox"/>
• Will you have the level of autonomy you seek?	<input type="checkbox"/>	<input type="checkbox"/>	• Is there a viable career path with this employer? Can you expect to be promoted?	<input type="checkbox"/>	<input type="checkbox"/>
			• Will you be provided with the opportunity for dialogue about your performance?	<input type="checkbox"/>	<input type="checkbox"/>

If you can answer yes to most of these questions — especially to the ones that matter to you the most — chances are you've found a great fit. Go for it!

Nanotech: not just for Star Wars anymore

By Alan Breznick

Stain-resistant pants with tiny nanowiskers that protect clothing fabric. Hypoallergenic sunscreens with atomic nanoparticles that filter out harmful ultraviolet (UV) light rays. Tires containing carbon black compounds that boost car traction and handling. Paving stones coated with nanoparticles that break down air pollutants from car emissions. Bathroom toilets that can clean themselves.

These are five of the initial products that the much-hyped but often misunderstood field of nanotechnology has already given the world. They are likely just the beginning. Thanks to ever-increasing research and technology development at the atomic, molecular, and macromolecular levels, nanotech is starting to churn out scores of promising drugs, materials, substances, devices, and other products.

Take the emerging supply of synthetic antibiotics, for example. Using cutting-edge nanotech methods to work at the microscopic molecular level, chemists have crafted a new line of antibiotics that can tackle methicillin-resistant staph bacteria selectively and with greater effectiveness than the drugs now being used. The researchers rely on nano-sized plastic balls with drugs chemically bonded to their surface to deliver the medicine to the bacteria cells.

Pearl Chin, MBA '00, knows all about nanotech's vast potential. As managing director of Seraphima Ventures, a New York-based financial consulting firm that evaluates and advises nanotech startups, she spends her days and nights checking out investment opportunities in the burgeoning field.

"The ability to manipulate matter at the very smallest levels gives us so much better and tailored control at designing technology solutions," says Chin, who also sports a PhD in materials science and engineering from the University of Delaware and a BE in chemical engineering from Cooper Union. "Nanotechnology is just an approach

to solving problems now that we are able to work and see at smaller resolution on the atomic scale."

Chin does not count herself among some of the science's more wide-eyed proponents, who believe that nanotech will solve all of the world's problems. But neither does she agree with many of the discipline's loudest critics that nanotech will destroy the world "with the threat of nanobots running amuck."

Instead, she sees nanotech steadily producing more useful products, as both public and private R&D spending climb over the next few years. Indeed, Seraphima Ventures' Web site

Courtesy of Pearl Chin



Pearl Chin, MBA '00, managing director of Seraphima Ventures, draws on her background in materials science, engineering, chemistry, and business to assess and advise nanotech startups.

"The most common misconception is that we will have to wait 20 to 50 years before we will see any products and benefits from nanotechnology."

(www.seraphimaventures.com) lists a dozen startups that the consulting firm is now advising. The lineup includes companies developing everything from puncture-proof surgical gloves and optical tweezers to handheld explosive detection devices and nanotubes for military uses.

"These companies all produce real products to sell," the Seraphima site notes. "They do not just have IP. Most will be producing revenues within two years and three companies are already producing revenues."

Citing figures from the National Science and Technology Council and other sources, Chin notes that the U.S. government now spends about \$1 billion a year on nanotech research, or about 25 percent of the total spent on the science by all national governments worldwide. Various industry projections call for global government spending to jump to \$6 billion this year, on top of the estimated \$18 billion that has been invested so far.

At the same time, Chin points out, U.S. institutional venture capitalists pumped about \$480 million into nanotech startups last year, up from \$410 million in 2004. She cites market analyst estimates that the industry will be worth \$1 trillion by 2015.

"The most common misconception is that we will have to wait 20 to 50 years before we will see any products and benefits from nanotechnology," she says. "Considering nanotechnology started a lot farther back than most people realize, that makes nanotechnology not new but old news."

Government Funding of Nanotech R&D by Region of World (in millions of U.S. dollars)

Region	2000	2001	2002	2003	2004	2005E
Europe	200	225	400	1150	1380	1518
Japan	245	465	720	810	960	1152
USA	270	465	697	1074	1149	1264
Rest of World	110	144	293	454	644	876

Source: Cientifica 2006 (www.cientifica.com)

Five Steps for Saving the American Auto Industry

By C. Clinton Sidle

Richard Wagoner and Bill Ford face Herculean tasks in turning around General Motors and Ford Motor Company. American automakers have slashed 140,000 jobs in the last five years, with GM and Ford announcing 60,000 cuts and the closing of 24 plants in just the last few months. But the road ahead is still not clear. GM and Ford, because of size, complexity, and long success, are stuck in the past and unable to see the future. The problems are not those of technology, but of people, mindset, and culture.

High health care and pension costs aside, the primary reason the big three are in trouble is that they don't make cars that people want to buy. Why? Because they are narrowly focused on making shareholder value the most important measure of success. By focusing most on growth and profitability and maximizing stock price and dividends, they ignore other important market signals and stakeholder interests. This generates wealth for a time, but eventually that erodes as other competitors move in with new, more appealing products.

Great leaders and great companies forge partnerships among all primary stakeholders — customers, employees, local communities, as well as shareholders — to create value and adaptability over time. Focus on customer interests creates value by anticipating shifts in consumer tastes, as Toyota did with Prius. Focus on employees develops the trust, commitment, and ingenuity necessary to achieve high quality, productivity, and adaptability. Focus on the broader interests of society creates value by enhancing the transparency and brand value of the firm. Yet creating such shared partnerships are not the hallmark of American automakers.

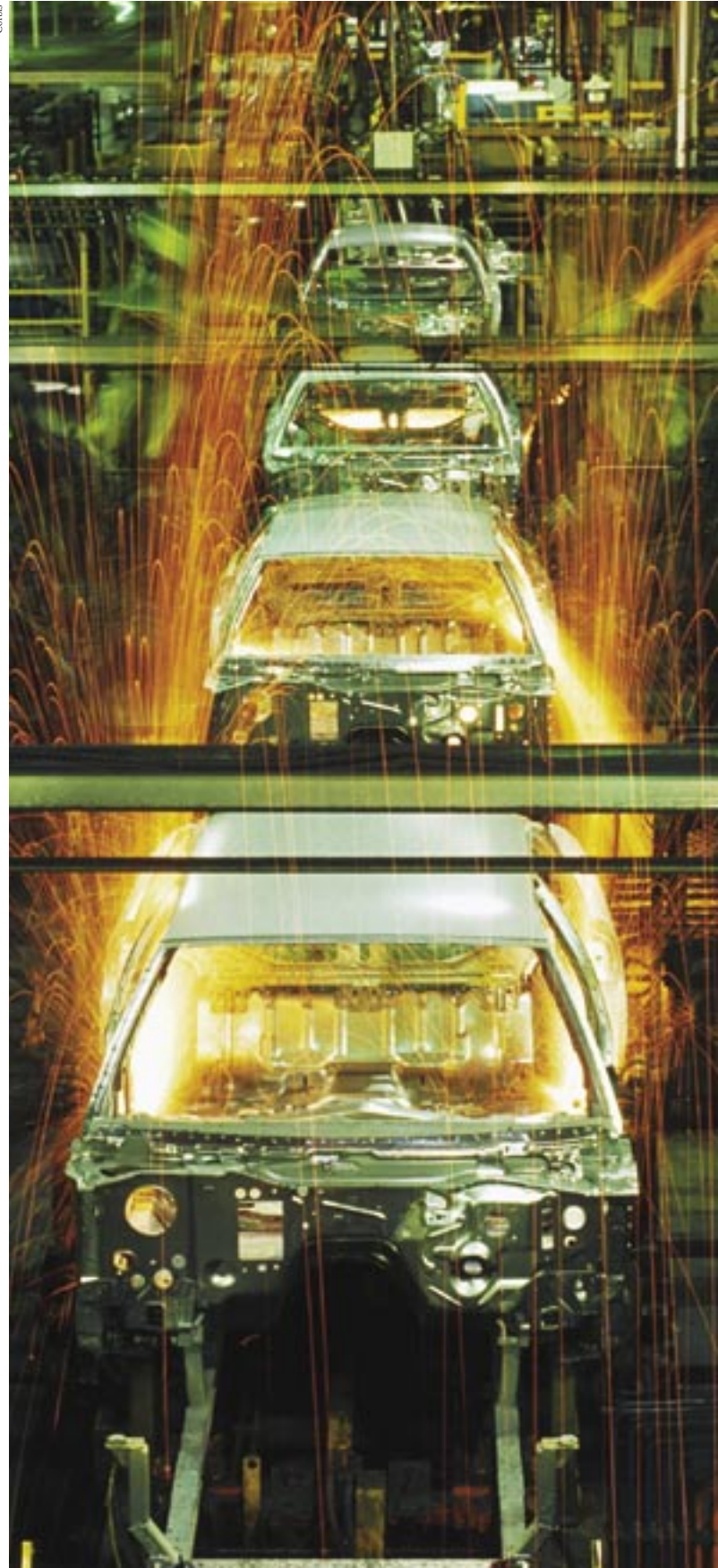
There are five steps that must be taken to transform the culture and mindset of Detroit and build broader partnerships for the long term. Far easier to list than implement, each requires a paradigm shift in the industry's thinking and a degree of leadership that to date has not been evident.

I. Know the problem — make the case for change.

Wagoner and Ford are well aware of the depth and complexity of the problems, including lost market share, high pension and health care costs, lower productivity and quality, and failure to design cars that customers want.

What they haven't done is to understand the underlying reasons, and to use this information to drive out complacency, denial, and arrogance from the culture. GM and Ford must learn to gain a deeper understanding of the current reality and challenge stakeholders with it. What are the factors that lead to waning customer loyalty? How can they better anticipate and respond to shifting con-

Corbis





Corbis

sumer preferences? Why have they made unsustainable bargains with the labor unions just to maintain peace? What are the root causes for these failures? These questions need to be asked and debated to make a compelling case for change and instill a more adaptive mentality.

2. Gain allegiance — build the social capital for change

It's hard to keep employees on one's side while closing plants and firing 10 percent of the work force. Cost cutting kills relationships and communications, and supports criticism that American automakers don't care about their workers. Likewise, reliance on gas-guzzling SUVs signals insensitivity to shifting customer tastes and the broader interests of society. There is no guarantee that they can regain the allegiance of workers or lost consumers.

Nonetheless, they must make the attempt by developing the social capital necessary to create a shared commitment for moving forward. Social capital is the glue that makes collective movement possible. It requires the active participation of numerous stakeholder groups, who work together to develop and communicate shared values, purposes, and new directions. IBM, GE, and Honeywell are well known for their large group surveys, forums, quarterly meetings, and company-wide emails. These processes create an environment of open dialogue and exchange of ideas. But the process must be built on a foundation of trust — something in short supply at GM and Ford.

3. Find the answer — create the vision for change

Restarting requires a new vision, but these companies continue to think as they have since the 1920s. Good companies have a compelling idea they serve, and they develop their culture around it. Yet it seems as though GM and Ford have none. They are locked into a "Detroit mentality," where shareholder value has been the mantra and bland design a refuge. Stuffing cars into dealerships and rental fleets with incentives will not sustain the company.

If Wagoner and Ford are not the architects of the new vision, then they must cultivate an environment to create and communicate it. They can do this by leveraging the social network discussed above, and using it to create, debate, educate, and inspire new directions. Such an environment allows a vision to be driven from the top as well as emerge from the bottom.

4. Move the company — execute the vision

It makes no difference how well Wagoner and Ford do in the previous steps; they must execute and move forward with

commitment. That isn't happening now except through cutbacks. They must not only tackle the tough issues but also create hope and inspiration for the future.

They must lead by example. They must be willing to get into the trenches to demonstrate they understand and will never give up. They must continue to be willing to cut back executive numbers, salaries, and benefits, as they are asking others to do. They must empower people to act, and not bulldoze or micromanage to the point of undermining incentive. They must create and build on short-term wins. Finally, they must stand up to their boards and the analysts and do what is in the best long-term interests of the company. Doing so delivers a message that this is not business as usual and that everyone is in this together.

5. Sustain learning — reap the lessons of experience

Finally, leaders of American automakers must develop cultures that are able to learn and adapt to the shifting winds of change. This has been the fatal flaw of the American auto industry. Leaders must be conscious managers of the learning process by learning to tap into the creative intelligence of all parties, derive lessons from experience, and translate those lessons into action. Simple steps, like using the social network to conduct after-action reviews, can promote learning and develop commitment for the future.

Leadership is never easy, and few do it well. Leadership in times of crisis is more difficult, especially in the face of embedded inertia. Wagoner and Ford have that facing them. If they succeed, they will go down as great leaders — on a par with Alfred Sloan. The question is whether they have the perspective to do this, and whether their boards and Wall Street will give them time to succeed. Personally, I am not optimistic.



Deke Hatch

C. Clinton Sidle is the author of *The Leadership Wheel: Five steps for Achieving Individual and Organizational Greatness* (Palgrave Macmillan, 2005). He is director of the Roy H. Park Leadership Fellows Program at the Johnson Graduate School of Management at Cornell University, and a top consultant in strategic change, teambuilding and leadership development.



Hedge Funds: The Cat is Out of the Bag

As the ranks of hedge-fund investors swell, some wonder if the field is getting too crowded to generate the returns that sparked its growth.

by **Susan Spielberg**

Hedge funds, once viewed as alternative investment vehicles used only by the extremely wealthy and sophisticated, have been gaining popularity with a broader audience, as more investors become enticed by their potentially high returns.

But as more dollars flow in to bigger and newer funds, some say that the unique advantages enjoyed by this now-less-exclusive set are fading.

How the growth of hedge funds has affected the outlook for this sector was the subject of a January 2006 panel discussion sponsored by the Johnson School and Bear Stearns & Co. Inc. to an audience of between 150 and 200 alumni and students. "The Business of Asset Management: Is it all about Hedge Funds Now?" was the third of the school's "Business of..." series that brings together experts in industry and finance to examine various business issues.

Hedge funds are pools of capital that seek to generate high returns through the use of a variety of techniques that are generally not available to mutual funds. Typically, they are structured as private partnerships open to only a limited number of investors.

The "hedge" in the term "hedge fund" means that some investments are made with the purpose of offsetting potentially adverse market movements that could hurt other investments. For example, a hedge fund might simultaneously buy a stock — in the hope it will rise — and a put option on the same stock that would enable the fund to sell the security at a given price, should the stock fall.

But these days, in addition to buying and selling equities, hedge funds trade a wide range of other investment vehicles, including fixed-income securities, convertible securities, currencies, exchange-traded futures, over-the-counter derivatives, futures contracts, commodity options, and other non-securities investment. In addition, many hedge funds no longer use the hedging and arbitrage techniques that once defined the class.

While the formation of new hedge funds has escalated over the past few years, the returns that they generate have, on average, declined, according to data presented by Sanjeev Bhojraj, associate professor of accounting at the Johnson School and faculty director of the Parker Center for Investment Research.

Bhojraj showed evidence of this decline by plotting the annual returns generated by a sample of hedge funds between 1990 and 2004 using a linear regression model, which minimized the sum of the squares of the distances between the line and the data points.

“The mean return is heading toward zero,” he asserted, pointing to the angle of the line on a slide showing his analysis. “There is compression in returns going on.” The average return of the funds sampled, which was over 20 percent in 1990, was approximately 8 percent in 2004.

“But it’s not just compression in the mean,” he continued. “What’s happening is that the entire distribution is shifting south.”

While there are many funds that generate very high returns, the overall decline in returns is the result of “too much money chasing the same strategies,” he said.

Richard Marin ’75, MBA ’76, chairman and chief executive officer of Bear Stearns Asset Management, and moderator of the panel, elaborated on that point.

“Everybody has got very similar analytics these days and the question is whether or not it is still possible to find the needles in the haystack using these analytical tools,” he stated.

“It used to be that you could run some simple models and a convertible arbitrage would pop up, something wide enough for you to drive a truck through. Now it is just harder and harder to find those situations,” he explained.

However, David Breazzano, MBA ’80, co-founder of DDJ Capital Management LLC, noted that shorting is a way to stand apart from the crowd. “Shorting allows you to bet against others that maybe are a little more naïve or less experienced than you — or just have a differing opinion,” he reflected.

Meanwhile, there are still plenty of funds producing excellent returns, Bhojraj pointed out. Superior performance can be attributed to special abilities on the part of fund managers and also can be the result of risk-taking, he said.

Steve Semlitz ’75, MBA ’76, managing director of Hess Energy Trading Co., compared the potential returns generated by buying and selling stocks with those of trading in commodities, which are much more volatile.

“The guy who trades stocks has to trade five times the leverage to try to make the return that is going to be acceptable, whereas the person who is trading commodities can probably trade a substantially smaller position and get the same return,” he observed.


On the other hand, many investors seek to reduce risk by putting their money into funds of funds. Josh Weinreich, retired head of Global Hedge Funds, Bankers Trust/Deutsche Bank, pointed out that the funds-of-funds space provided an avenue of investment for money managers who felt “it was not prudent for ‘traditional fiduciaries’ to go try newfangled things.” What the funds of funds did for these investors was minimize event risk, including betting on the wrong hedge fund manager, he said.

But Bhojraj maintains that a significant portion of the returns from funds of funds can be explained by risk levels. He said that research suggests that a relatively small percentage of funds truly have an alpha, or measure of performance beyond what their systematic risk would predict.

When funds produce disappointing returns, they tend to disappear, remarked Peter Wright ’75, MBA ’76, founder and general partner of P.A.W. Partners. “When I am making [clients] money, I am their best friend and when I am not making them money, they fire me,” he said.

Indeed, Bhojraj expects the rate of attrition for hedge funds to accelerate from the 10 percent he estimates currently go out of business. “In the next few years the attrition rate could rise to probably 20 percent,” he stated.

“One in every five hedge funds could go out of business. So, to me, it is a world of shakedown,” he concluded.



“One in every five hedge funds could go out of business.”—Sanjeev Bhojraj

What makes a startup hot?

What do venture capitalists look for in assessing the viability of backing a new venture? Pam Silverstein, MBA '76, president of Virtual Recall, Inc., and a veteran of several startups, is a consultant who advises and mentors budding entrepreneurs as well as established business owners. She has helped match entrepreneurs with venture capitalists through her involvement with several organizations in up-state New York. Here, she identifies what venture capitalists (VCs) look for in startups:

- **A strong, committed management team.**

"This is as important to a startup as location is to real estate," says Silverstein. Marks of a winning team include indisputable expertise, investment of team members' own money in the venture, complete confidence in their ability to succeed, and the expectation that they will need to put in long hours to get the business off the ground. Of course, a record of previous successes also speaks volumes.

- **A unique product or service.**

"A product that solves a problem in a new and different way is far more attractive than a me-too product," says Silverstein. A stream of increasingly interesting and easy-to-produce products following this first one makes a startup that much more attractive, she adds.

- **A business that presents a sustainable, competitive advantage.**

A product idea that can show a distinct advantage over today's competitors is a clear winner. "Entrepreneurs should expect VCs to ask why consumers would purchase this product over the competition," says Silverstein. "Maybe it's better, cheaper, cuter, more technologically advanced, easier to manufacture, or will last forever. If the entrepreneur says there is no competition, it means there is no market for the product — or maybe the entrepreneur hasn't done his or her homework very well."

- **A defensible intellectual property position.**

"It's vital to protect the product and its ongoing revenues,"

says Silverstein. "Whatever can be patented should be done quickly." This is a very time-consuming and expensive project for the company in terms of attorney fees, she notes.

- **A clear road map for overcoming obstacles.**

"VCs are vitally interested in the barriers to entry that current and future competitors also will face,

and which may include legal, financial, production, and distribution chain hurdles," says Silverstein.

- **A marketing plan backed up by strong numbers and solid sales strategy.**

Venture capitalists want to know about today's and tomorrow's target segments — whether they're large enough, whether they're growing or stagnant. The product's marketing plan must be intelligent, specific, and clearly show methods — such as a small dedicated sales group or a mass marketing campaign — for achieving goals.

- **A clear exit strategy.**

Venture capitalists want to know how quickly they will realize a good return on investment. "The VC wants out within three to five years," says Silverstein. "The out can be an IPO,

or the company being acquired or merged. Without an exit strategy, there is no deal. This is how the investors make their money."

If you have all these pieces in place, you have a strong business plan, says Silverstein. "The facts must be verifiable and the assumptions clear and cogent," she notes. "Otherwise, there is no investment."

Facing the challenges and driving the successes of several of her own startups taught Pam Silverstein these essentials of being a successful entrepreneur: getting your fears under control, having limitless energy, being willing to do something that hasn't been done before, and keeping your sense of humor at all times. Her current clients include an automotive simulator company, a "swim with the dolphins" program in Costa Rica, an Internet advertising firm, and several biotech ventures. She lives in Ithaca and can be reached at SilversteinPam@jgsmalum.cornell.edu.



Pam Silverstein, MBA '76, helps to match other entrepreneurs with venture capitalists.

Deide Hatch

Startup Snapshots: Johnson School entrepreneurs

Adam Hocherman, MBA '06: technology to the rescue

It's the ultimate nightmare for a student: You forgot to reset your alarm clock for your once-a-week, 8 a.m. class, so you overslept and missed an important exam.

Adam Hocherman invented a dream machine to ensure that students need never miss a class. His Neverlate 7-day Alarm Clock has seven different settings, one for each day of the week, so it can accommodate a student's class schedule or anything else that makes a morning schedule erratic. The cube-shaped alarm clock became the impetus and the flagship product for Hocherman's startup, American Innovative (www.americaninnovative.com).



Robert Barber/CU

Adam Hocherman, MBA '06 with his Neverlate Clock

Hocherman, American Innovative's president and CEO, founded the company in 2003, about nine months before he arrived at the Johnson School to pursue his MBA. "In that time I wrote the patent, began to source the manufacturer, wrote the business plan and acquired an SBA loan," he says. "I didn't have an actual product for sale until the Christmas following my first semester. So all of the company's revenues have come while I've been in school. Today the company is debt-free and profitable."

Hocherman focused on developing the company throughout business school, in lieu of a job search. His strategy has paid off. "I will be going full-time with AI as my profession when I graduate," he says. Having successfully placed the Neverlate clock in retail stores, including Linens 'n Things and college bookstores, Hocherman is focusing his attention on marketing his newest invention: American Innovative's Kitchen Quad-Timer, which he describes as "a high-end, kitchen multi-timer that features four independent timers tied to an intuitive display that visually associates those timers with your stove burners."



Hocherman's Kitchen Quad-Timer

Sean Neville, MBA '02, and Sanjay Singhal, MBA '92: "Cure for the Common Commute"

Sean Neville hit on the idea while sitting in traffic on Toronto's busiest highway. Already an audiobook fanatic, he decided to create a convenient and affordable way to access audiobooks, and developed the idea of unlimited online audiobook rentals.

Neville launched his brain-child, Simply Audiobooks (www.simplyaudiobooks.com), in 2003, together with Sanjay Singhal, a fellow alumnus, and Steve Sorge. With Neville as CEO and Singhal as chairman and VP of marketing, the company grew to become North America's top audio book source, offering direct sales

and unlimited rentals online. It was the first to provide an unlimited rental model for audio books on CD, with free direct-to-door delivery and no due dates or late fees.

In a move that surprised and delighted many New Yorkers on their morning commute last November, Simply Audiobooks took its product directly to the streets as part of its Cure Your Commute marketing campaign. At the intersection of Canal Street and Avenue of the Americas, actors dressed in scrubs and wearing stethoscopes "prescribed" and "dispensed" more than 1,000 samples of audiobooks

to drivers. Their stated goal: To offer motorists a readily available, physical cure for the boredom and frustration they feel, day in and day out, during their commutes.

Last year Neville received the Ernst & Young Emerging Entrepreneur of the Year 2005 award for the Ontario region. "The award is the Emerging Entrepreneur of the Year but it should be the Emerging Entrepreneurial Team of the Year because I would not be here today if not for a team of hard-working and dedicated people," said Neville upon accepting the award. "We have worked together to make this small idea into a growing business and success."



Courtesy of Simply Audiobooks

Sean Neville, MBA '02, and Sanjay Singhal, MBA '92



Courtesy of Simply Audiobooks

Simply Audiobooks took its promotional campaign to the streets of New York City.

JOHNSON TURNS 60

Sixty years ago, Cornell University's School of Business and Public Administration—the Johnson School's earliest incarnation—began instruction for its first class of MBA students with the aim of equipping them “to deal competently with the varied situations confronting persons who must make practical decisions and carry out programs of action in modern economic society.” Although the school has undergone many changes and made great strides in 60 years, evidence that its focus has remained the same is clear from today's restatement of that goal: to produce leaders as catalysts who create, transform and sustain successful organizations and have a real impact on the world.



1868

Cornell's first president, Andrew Dickson White, proposes the creation of a professorship of bookkeeping, which would be part of a “higher sort of commercial college as a Department of the University.”

1875

The cornerstone is laid for Sage Hall, which more than 100 years later would house the Johnson School. The women's residence was a state-of-the-art facility for its time. It was lit by gas, heated by steam, and had baths on every floor.

1914

A faculty committee recommends “a two-year graduate course leading to a Master's degree.” With the outbreak of World War I, the initiative fades.



1949

An article in the school's monthly newspaper, *The Balance Sheet*, calls for faculty to systematically distribute work load to “produce more work of a higher caliber and add to the student's morale.”

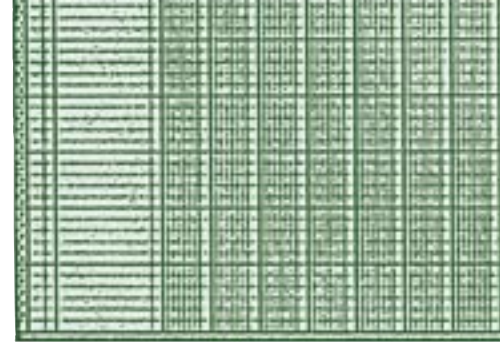
1952

Deane Waldo Malott, Cornell University's fifth president, aims to strengthen business instruction and research in the school by installing new leadership. He assigns Paul O'Leary to the deanship of the College of Arts and Sciences.

1954

After a nearly two-year search, Edward T. Litchfield becomes the school's second dean. Dubbed the “airborne academic” by *Time* magazine, because he flew to and from Ithaca from his farm in Pennsylvania on his private plane, the energetic Litchfield initiated the school's PhD and executive education programs, and launched *Administrative Science Quarterly*.





1936

New Cornell University President Edmund Ezra Day promotes the formation of a graduate business school offering a two-year professional program.

1941

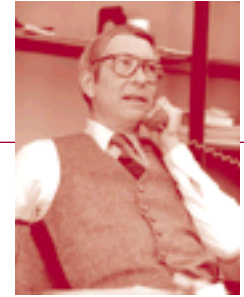
On December 10, 1941, the Cornell University faculty recommends the establishment of a School of Business and Public Administration.

1945

Economist Paul O'Leary returns to Cornell after wartime service, to assume the deanship of Cornell's new business school. He is wooed back to Ithaca with the then-substantial salary of \$9,000 a year.

1946

School of Business and Public Administration holds its first classes McGraw Hall. The school's inaugural class comprises forty men and one woman. All but two are veterans. Tuition: \$200 annually.



1956

Charles Stewart Sheppard becomes the third dean of the school, ushering in a quieter, less-flamboyant era of leadership. He raises \$1.6 million for a desperately needed new building, before resigning in 1961. The faculty approves a motion requiring applicants for admission to take one of two standardized exams.

1962

William D. Carmichael arrives from Princeton University as fourth dean of the School of Business and Public Administration. He hires the school's first full-time director of admissions in an effort to attract the most qualified students.

1964

The school moves into its new home, the five-story Malott Hall. While largely practical in its design, the building boasts a faculty lounge with a stunning wood-burning fireplace.

1969

Thirty-eight-year-old accountant H. Justin Davidson becomes the school's fifth dean and its first who is not an academic. Davidson comes to the school from his partnership at the accounting firm Touche, Ross, Bailey, & Smart's Detroit.





1974

The school launches its first alumni magazine, *Cornell Executive*, renamed *Cornell Enterprise* in 1985.

1980

Johnson School follies begin.

1981

After a protracted search to replace Davidson, Professor David A. Thomas becomes dean of the school. He begins a strategic evaluation of B&PA that would fundamentally change the school.

1983

The school's faculty votes to end health administration and public administration programs, and to change the name of the school to Graduate School of Management. This ends decades of fragmentation, and focuses the school on MBA education.

1984

Samuel Johnson and his family donate a \$20 million endowment to the school. The school was renamed the Samuel Curtis Johnson Graduate School of Management in honor of Johnson's grandfather, the founder of what is now SC Johnson, a family company.



1995

The school's first Web site goes live. Its barebones content is largely drawn from printed materials for prospective students. The first students participating in the new Twelve-Month Option MBA begin their studies during the summer.

1997

Former accounting professor Robert J. Swieringa returns to the Johnson School as dean, from the Financial Accounting Standards Board. The Parker Center for Investment Research and the Roy H. Park Leadership Fellows program are created.

1998

At the formal dedication of Sage Hall, confetti rains down on the more than 950 in attendance. The student-managed Cayuga MBA Fund launches. The next year, the fund realizes a 47 percent annualized return, beating the S&P.

1999

The Johnson School is the first top-tier business school to found an Office for Women and Minorities in Business (now the Office of Diversity and Inclusion). The school launches its Executive MBA.



Photo credits:
Courtesy of the Division of Rare and Manuscript Collections, Cornell University Library
Cornell University Photography
Benson J. Simon '61, MBA '62
Dede Hatch
Jon Reis
Corbis

Sources: *Not Just Another School of Business Administration: A History of Graduate Management Education at Cornell University*, by James W. Schmotter;
Cornell Enterprise, various issues.
Additional historical recollections provided by Chief Technology Officer Kevin Baradet, Professor Hal Bierman and Management Library Director Don Schnedeker.





1985

Curtis W. Tarr is named seventh dean of the school. With his Harvard MBA, PhD in history from Stanford, and career as a high-placed Washington official and senior executive of John Deere, he is the school's best-credentialed dean to date. His deanship will focus on building relationships with the school's outside constituencies.

1986

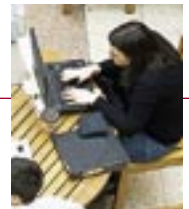
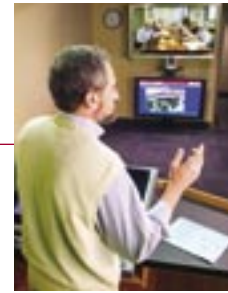
The Management Library exchanges microfiche for an optical disk information system. It was the first CD-ROM system in any Cornell library.

1989

Computer scientist Alan G. Merten becomes the eighth dean of the Johnson School. Merten presides over initial efforts to raise money for a new building for the school.

1993

Cornell decides to extensively renovate Sage Hall to accommodate a modern business school.



2002

A gift from Samuel C. Johnson creates the SC Johnson Professorship in Sustainable Global Enterprise. Its purpose is to enhance students' understanding of global sustainability and prepare them to be leaders of ethical, equitable, and economically and environmentally sustainable enterprises. Stuart Hart assumes the professorship.

2004

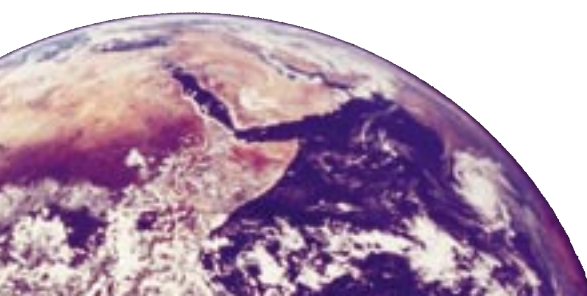
The Johnson School develops and publishes a five-year plan, which states and supports the school's broad objective: to build, earn, and sustain a worldwide reputation as a top-ten school of management.

2005

The Boardroom Executive MBA program begins instruction from its new state-of-the-art studio in the lower level of Sage Hall. The Boardroom EMBA, created in partnership with Queen's School of Business at Queen's University (Kingston, Ont.), is a geographically diverse, team-based program in which students all over North America connect with each other and with faculty by state-of-the-art, real-time, fully interactive videoconferencing technology.

2006

Installation of an encrypted wireless network completes a six-year project to provide wireless Internet access throughout Sage Hall.



Generation Next



Johnson School alumni put their leadership abilities, business skills, quick wits, and passion to work for the benefit of young people around the country.

by Irene Kim



Erin McMahon, MBA '03, a resident principal with New Leaders for New Schools, is training to take the helm of a new school by shadowing Susan Elliott, the principal of New York City's Eleanor Roosevelt High School. She's pictured here with the students she's been working with as they created their Senior Seminar Quality of Life research projects. "They are each examining a quality

of life issue in New York that affects them or the people they know — teen pregnancy, the Patriot Act, rats on the streets — and doing a year-long research project," says McMahon. She has also coached them through the college search, financial aid, application and interview process. "I love the teaching and coaching aspects of working directly with these students," she says.

Sarah Visser



Felix Rouse, MBA '03, CEO of the Boys & Girls Clubs of Newark, NJ, with one of his favorite club members, Aje.



Erin McMahon speaks with some of her students at Eleanor Roosevelt High School.

When Felix Rouse, MBA '03, first became CEO of the Boys & Girls Clubs of Newark, NJ., the organization's future looked bleak: burdened with a \$700,000 deficit, it faced massive layoffs and program cuts; the closure of one of its three centers seemed inevitable. But in little more than a year, Rouse and his management team turned the organization around and set it on a path of sustainable growth. The club now boasts a positive bottom line, membership is on the rise, the organization's endowment is growing, and its three clubhouses have not only remained opened but are being refurbished.

Because the Boys & Girls Club of Newark played a crucial role in Rouse's life (see sidebar, "A Passion for Giving Back"), he wanted to do everything in his power to ensure that the support it had given him would be available to every boy and girl in Newark who needed it. After finishing his undergraduate degree at the University of Pennsylvania, Rouse returned to Newark for a five-year stint as a program director at the Boys & Girls Clubs, and then became unit director of the very clubhouse he'd grown up in.

During that time, Rouse saw firsthand that the organization suffered from a lack of leadership, partly because no one stayed in the CEO's job for very long. Determined to provide that leadership himself, Rouse entered the Johnson School in order to gain the solid

"These individuals typically spend their whole lives in the nonprofit world, and have no experience with financials, strategic planning, and so forth."

—Felix Rouse, MBA '03

business and leadership skills he knew he would need. He capped his MBA degree with a few years of corporate experience at McNeil Consumer & Specialty Pharmaceuticals before returning to the Boys & Girls Clubs of Newark, this time as CEO.

Although many nonprofit leaders are dedicated, driven, and well-meaning, too often they lack crucial business skills, says Rouse. "These individuals typically spend their whole lives in the nonprofit world, and have no experience with financials, strategic planning, and so forth," he says. "They're just good-hearted people who happen to know a lot about, say, fundraising and development."

Erin McMahon, MBA '03, echoes Rouse's sentiment in her assessment of leadership needs in the nation's public schools. "Without the right skills, principals cannot run schools that support all children reaching their highest potential," says McMahon, who is preparing to lead a new 6-12 public school in New York City. "For us to have really great urban schools, we need really strong leaders."

McMahon first recognized the need for trained leaders in public schools when she was a grade-school teacher with Teach for America in a low-income section of Washington, D.C., in 1996. Since then, she has dedicated her career to developing a stronger public school system. Now a resident principal with New Leaders for New Schools, a national program designed to attract, prepare, and support the next generation of urban school leaders, McMahon is training to take the helm of a new school by shadowing Susan Elliott, the principal of New York City's Eleanor Roosevelt High School. "New Leaders is preparing a new brand of leaders from nontraditional backgrounds to serve in urban schools," she explains.

McMahon's corporate experience as a consultant for Cap Gemini Ernst & Young, combined with her MBA experience at the Johnson School, equipped her with the business skills and experience crucial for success. Her in-the-trenches urban teaching experience has also been invaluable. "As in any business, you need to learn to lead from the bottom," says McMahon, "although my students are really at the top."

Courtesy of Felix Rouse
El Feldstein

A passion for giving back

As a child, Felix Rouse, MBA '03, who never knew his father and was taken from his mother by social workers at age two, found solace and a sense of belonging at the Boys & Girls Clubs of his native Newark. Decades later, he's back as the club's CEO to return the favor—and help kids like he once was. “A lot of urban kids don't have anyone positive in their lives, or maybe have a single parent who's working hard but can't be there enough to provide everything their kid needs,” says Rouse. “Organizations like ours are there to step in and fill the void.”

Rouse identifies with the kids he helps. Although he was adopted by a caring, elderly couple after being removed from his biological mother's custody, he felt a huge generation gap between himself and his parents, and turned to the Boys & Girls Clubs to fill the void.

At the time, the organization was headed by Barbara Bell Coleman, a woman about the age of Rouse's biological mother, who saw huge promise in the young man. She was to become his lifelong mentor. “She told me how it important it was to come back to Newark, because the city was always losing its future leaders to other places,” he says.



Felix Rouse with Queen Latifah, an active and supportive alumna of the Boys & Girls Clubs of Newark. She will be the guest of honor at the club's annual dinner gala this year. Here, Rouse is pictured with Queen Latifah at her movie premiere in Newark, NJ.

Courtesy of Felix Rouse

Rouse began providing great leadership to the club when he worked there as a staff member, more than ten years ago. That's when he mentored a young man by the name of Ameer Washington, who lost both his parents to HIV and AIDS by the time he was 16. Washington and his three siblings found strong support from the staff

of the Boys & Girls Clubs and especially from Rouse. “I took him under my wing because the same thing had been done for me [by Coleman],” says Rouse. “I knew he didn't have a dad in his life and I wanted to provide that male guidance for him.”

Washington was later named Youth of Year of the Boys & Girls Clubs in New Jersey, and received an Oprah Winfrey scholarship from the Boys & Girls Clubs of America, with which he attended Temple University. “He majored in economics. I think it was because he saw me going to business school,” chuckles Rouse. “Back in the club he used to emulate a lot of what I did and they called him Baby Rouse, which he hated.”

Like Rouse, Washington immediately came back to work at the Boys & Girls Clubs after graduating. “He's starting at the same Club where I started,” adds Rouse. “It's a circle, and that's great. I'm particularly proud of him.”

“For us to have really great urban schools, we need really strong leaders.”

—Erin McMahon, MBA '03



Courtesy of Felix Rouse

Forging partnerships

Effective leaders of any organization understand the power of partnerships. Leaders of not-for-profit organizations that cater to youth often rely on them to get new programs off the ground. Both Rouse and McMahon actively pursue partnerships with organizations that complement their goals.

McMahon's proposed new public school will have a business focus and offer students college credit beginning in grade nine. She envisions students starting secondary school in the sixth grade with the aim of attending college and graduate school. She plans to build her school on New Leaders' core belief that delivering high-quality public education will afford every one of her students the full range of opportunities in life. Finding an appropriate partner organization is critical to starting up the new school, and while McMahon has several potential partners on her radar screen, the school's focus makes teaming with a business school a natural fit.

Rouse spends considerable time exploring potential partnerships with organizations that can provide complementary capabilities

Felix Rouse accompanied teen members of the Boys & Girls Clubs of Newark on a trip to a children's hospital in Brooklyn that cared for children born with HIV/AIDS. “I often took our teens to community service activities, and this was one of the most meaningful,” he said.



Joe Bridy, MBA '04, a portfolio manager at Hamlin Capital LLC, with the delegation of Johnson School students and alumni who accompanied him on a trip to Berea College in Kentucky to offer students career assistance and interview training.

From left: Fox Holt, MBA '07, Bianca Medrano, MBA '06, Bridy, Elizabeth Kraft, MBA '07, Christian Rhodes, MBA '04, and Hatel Patel, MBA '06. Dean Robert J. Swieringa, not pictured, also accompanied the delegation.

to the Boys & Girls Clubs, such as mentoring giant Big Brothers Big Sisters. “Instead of creating a mentoring program of our own, why not just partner with Big Brothers Big Sisters?” asks Rouse. “They like it because they have access to our kids, thousands of kids they can match with mentors, and we offer the kids a safe place where the mentors and mentees can meet.”

Shedding light on career opportunities

In a similar vein, Joe Bridy, MBA '04, has made it his mission to help students from Appalachia who have exceptional potential but limited means. Each year, Bridy leads a delegation of Johnson School alumni and MBA students to Berea College (in Berea, Ky.), to offer its undergraduate students career assistance and interview training.

Berea is a unique institution: it is run on a meritocracy-based system, and each student receives a full-tuition scholarship in exchange for service labor to the campus and community. Berea's students, explains Bridy, are “incredibly bright but come from financially challenged areas, and lack some of the breeding and contacts of students at elite Eastern schools.” While Bridy never attended Berea College himself, he grew up in the economically challenged coal regions of northeastern Pennsylvania and is sympathetic to the plight faced by many Berea College students.

“Promoting meritocracy is something that I am very passionate about.”

—Joe Bridy, MBA '04

Because he sees himself as a young undergrad in Berea's students, Bridy, a portfolio manager of a high-yield bond fund at Hamlin Capital LLC in New York City, has made it his mission to inform Bereans of the spectrum of business opportunities available to them, and help broaden their horizons. “Having grown up in the southern part of the anthracite coal region, I didn't know what was out there — I thought you were a doctor or a teacher, or else worked in a the coal mines,” he says. Furthermore, Bridy was inspired by his grandfather, a self-educated man who pushed young people to expand their opportunities through education. “Because of my relationship with my grandfather, Berea's mission of providing top-tier educational opportunities to people regardless of financial position is very important to me, and promoting meritocracy is something that I am very passionate about,” he says.

As a second-year student at the Johnson School, Bridy conceived of the career-services mission as a way not only to help Berea students, but also to share the Johnson School network and match employers with outstanding candidates from Berea for internships and full-time employment. He recruited several of his classmates, and together they reviewed resumes of interested Berea students, then headed to Kentucky to deliver presentations on their areas of specialization, offer counseling on resume writing and interviewing skills, and conduct mock interviews.

Bridy's Berea trip has become an annual event for Johnson School students and alumni, including a few recruiters. In fact, several of the Johnson School students who originally made the trek as a favor to Bridy became alumni who realized the Bereans' potential as employees (among them Andrew Martin and Christian Rhodes, both MBA '04). In February of this year, the delegation also included the Johnson School's own Dean Robert J. Swieringa.

Sharing skills means gaining experience

On the other side of the country, Eric Sass and Andy Blanco, both MBA '05, are helping to turn around the struggling nonprofit Center for Lifelong Learners (CLLL), which provides homework assistance, basic computer classes, SAT preparation, and English-language help to children and their families in Los Angeles. Sass is a consultant for Capgemini, Blanco manages a technology-implementation project

**“I realize how good I had it—
a stable home, a good school,
and parents that made sure I did
my homework. I want other kids
to have the same.”**

—Eric Sass, MBA '05

at Raytheon, and both volunteer their time and skills at CLLL. In exchange, they get firsthand experience in grappling with and working to resolve the kinds of challenges nonprofits face.

Blanco, who serves on CLLL's board, was looking for opportunities to become a nonprofit board member when he learned about

CLLL through the Riordan Volunteer Leadership Development Program at the Los Angeles Junior Chamber of Commerce.

“One of the reasons I chose CLLL was because I knew there would be opportunities to really impact an organization that was providing an important service to the people in its community,” he says.

Sass, who provides consulting services to CLLL, says his main goal is helping the organization to increase revenues from donors. “I'm helping them find ways to measure their success, set new goals, develop project plans,” he says. His larger goal is to set up a pro-bono program at Capgemini for colleagues interested in helping local nonprofits. The CLLL, Sass adds, will serve as the test case to launch the program.

About 40 percent of the families in the area the CLLL serves have incomes below the poverty line, Sass adds. “Some of them live eight to ten people in an apartment, and the kids have nowhere quiet to study,” he says. In addition to providing study space and classes for the children, the CLLL also assists parents with their English, enabling them to help with homework. “When I was a kid and needed help with my homework, I'd turn to my parents, but most of these kids' parents don't have good English language skills, and many of them haven't graduated high school,” notes Sass.

“Young people are the future,” Sass continues. “I realize how good I had it — a stable home, a good school, and parents that made sure I did my homework. I want other kids to have the same.”

Park Fellows: Sparking community spirit, funding financial independence

Using their leadership and business skills to benefit the community comes second nature to alumni of the Roy H. Park Leadership Fellowship Program. The actions of Park Fellows Eric Sass, MBA '05, Andy Blanco, MBA '05, and Erin McMahon, MBA '03 confirm that the program is succeeding in its goal of instilling graduates with an enduring commitment to community service, philanthropy, and socially responsible business.

Case in point: Sass comments that his work with the Center for Lifelong Learners was sparked by his Park service project, in which he and classmate Matt Cohen brought ten underprivileged New York City high schoolers to Cornell for several days to experience college life, learn about the business world, and work on leadership and team skills.

“The Park program pushed you to give back in ways that use your strengths, and in my case to assist in the nonprofit world without having to go in full-time,” says Sass. Blanco feels the same kind of commitment. “The program's emphasis on continued service in the community after graduation really compelled me to look for opportunities to contribute outside of my workplace,” says Blanco. Sass and Blanco are representative of the 75 percent of Park graduates who

report that they volunteer time or money to alumni or other community service.*

In addition to fostering a strong commitment to community service, the Park program frees its participants from the financial constraints of tuition costs. And that financial support can make or break administrators and teachers in the public-school system. “If I'd had loans to pay back I wouldn't be able to survive on the salary — we're not paid for the work we do,” says McMahon. “The Park program helped me say, ‘I am a unique leader.’ It helped me develop my own style.”

McMahon adds that her new school, as she envisions it, will emulate the Johnson School. “I'll have 600 kids — the same size student body — and we're trying to create a powerful small school with the attributes of a large high school, such as electives and bells and whistles. We'll create an environment where we work hard, play hard, and support each other.”

*The Roy H. Park Leadership Fellowship Program Alumni Survey Results, a report by Marcia James Sawyer, PhD '99 (CAL), June 2004.

FEATURE

story





THE COLOR OF MONEY

MARKETERS GRAPPLE WITH CHALLENGES OF REACHING DIVERSE AUDIENCES

By Sharon Tregaskis

The Superbowl may be worth watching — or not — but who can forget the commercial highlights? Every year, national brands spend millions in airtime and creative fees to enhance brand recognition, reposition themselves in the market, and launch new products during the big game. This year, Toyota took a gamble, launching its 2007 Camry hybrid in a 30-second bilingual spot during the first half. Developed by Conill, Toyota’s Hispanic ad agency, the commercial features a Hispanic father driving a tree-lined highway and explaining the basics of hybrid technology — switching between electric and gas — to his son. “Like you, with English and Spanish,” observes the precocious tot from the backseat.

By 2009, Hispanics will account for one in six people living in the U.S. and 9 percent of American purchasing power.

By 2010, the U.S. Census Bureau projects that the American minority population will have reached 33 percent, and by 2050, that number will climb to 47 percent. Last year, African-American, Asian-American, Native American, Hispanic and multiracial consumers spent a combined \$2 trillion — 22 percent of the country’s purchasing power — with projections suggesting that the rate of increase in their spending is growing far faster than that of Caucasian shoppers. As the purchasing power of non-Caucasians grows, sellers face mounting pressure to appeal to a growing array of backgrounds. Marketers dedicated about \$5 billion to the cause in 2004, and, in the first half of 2005, such national concerns as Procter & Gamble, PepsiCo, and the U.S. government spent as much on Hispanic TV between January and July as they had during the entire preceding year. “Demographics are and have been changing in this country,” says career pitchman DeVerges Jones, MBA ’74, whose credits include brand management stints for Pepsi, Burger King, AT&T, and Mars, Inc. “Marketers are adjusting their communications and marketing efforts to address this burgeoning growth.”

The Toyota spot — part of the multiethnic “Moving Forward” campaign — was the Japanese automaker’s first bilingual, bicultural effort in mainstream media. It’s expected to appeal both to Hispanics,

a market segment that consistently favors the brand, and progressive, eco-conscious car buyers of all ethnicities; in subsequent months, the ad played on English and Spanish television stations. Burrell Communications and InterTrend Communications — boutique advertisers targeting black and Asian-American buyers respectively — plan additional commercials scheduled to launch later in the year. “Just going on mainstream media with a Spanish-language ad is meaningful to Hispanics,” says associate professor of marketing Doug Stayman. “The very same ad on Spanish-language TV and English-language TV has a different impact. It really stands out if it’s on more mainstream media, as opposed to targeted media — it’s a more prominent role, less narrow. Psychological studies show that people respond to those ads differently.”

During the 2005 NBA playoffs, Chrysler ran Dodge Charger commercials featuring a black businessman. Kraft teaches Asian-Americans how to prepare popular Western-style fare using their products. Publix Supermarkets has created a store format — Publix Sabor (“flavor” in Spanish) — to appeal specifically to Hispanics in Florida. Even jewelers have recognized the changing market, extending their advertising to smaller, ethnically-oriented media, offering products in line with local tastes, and hiring more bilingual staff. “When you demonstrate that you understand an ethnic consumer group’s culture,” says Jones, “that makes them appreciate your product, service, or network.”

Percent Distribution of U.S. Population by Race

As every minority group increases its share of the future U.S. population, the race and ethnic distribution will become even more diversified through the 21st century.



Marketing Mishaps

Sadly, advertising also offers a wealth of examples confirming what many minorities have long suspected — a lot of the white folks in marketing just don’t get it. Remember the Ford Nova, a “no go” in Spanish? A candy manufacturer ran into similar trouble with ads for their “little box” of chocolates — perfectly effective in Mexican-American communities, but Spanish-speaking groups from other regions knew the product name as a slang reference to the female sexual anatomy, and sales foundered. In 2004, Victoria’s Secret enraged Vietnamese-Americans with a misguided attempt to cash in on Asian spending by including the Buddha’s image on bikini tops. “It’s important for marketers to understand subgroups within larger markets — an ad created for a Mexican-American market in Texas can’t always just be transferred to Cuban-Americans in Miami,” says Stayman, noting the diversity of culture within larger ethnic subgroups. “They use the language differently, have a different culture and different ways of thinking about things. Minorities are not homogeneous groups.”

Even when misguided efforts don’t erode market share or cost millions in scrapped promotional materials and products, marketers should be clear on how nuances will register with consumers, says Jones, now interim chief marketing officer for Muse

Source: *Dynamic Diversity: Projected Changes in U.S. Race and Ethnic Composition 1995 to 2050*, a 1999 report commissioned from the Census Bureau by the U.S. Commerce Department’s Minority Business Development Agency (MBDA). www.mbda.gov/documents/dynamicdiversity_projectedchanges.pdf

“Understand all of your consumer constituencies and know their hot buttons.”

— De Verges Jones, MBA '74, Muse Communications



Courtesy of De Verges Jones

Communications, a multiethnic, multimedia ad agency in Los Angeles and New York. In the 1980s, as a senior marketing manager with Pepsi, Jones reviewed a campaign featuring an African-American marching band. When brand managers screened the commercial, not everyone got the same message. “White managers gravitated to that as embracing a cultural dynamic — the affinity of African-Americans for dance and rhythm,” says Jones. “I told them that, in the South particularly, marching bands are revered and people fight to join them because it’s a demonstration of excellence — professional coordination of excellence between sound, movement. It’s more about achievement; the dance is secondary. What’s being demonstrated is culturally relevant, but the takeaway part of this consumer segment is not about rhythm and dance.”

In many ways, says Jones, reaching out to niche American markets resembles the challenges business has long recognized in international commerce. “In a foreign culture — bringing Pepsi, Coke, or Playtex into a new marketplace,” he says, “you have to understand the dynamics of the culture so you communicate in a relevant manner and don’t offend them.” That means, whether they’re talking to audiences in the United States or around the globe, advertisers need a healthy dose of imagination and empathy. “If you’re a good marketer, you should understand all of your consumer constituencies and know their hot buttons regardless of your background,” says Jones, pointing to his own success as a black man marketing double-process blonding to white women in the late 1970s. For larger agencies lacking expertise in certain cultural segments, collaboration with such niche advertising companies as Muse, Burrell, InterTrend, and Conill can provide crucial insights — as can thorough market research. “Many marketers and companies believe they know it all, thinking they totally understand consumer wants and needs,” says Jones. “They forego spending \$50-100,000 on basic research such as attitude and usage studies, but spend tens of millions on advertising and media effort — without knowing if they are communicating the ‘right’ message in the ‘right’ manner.”

Into the Niche — and Beyond

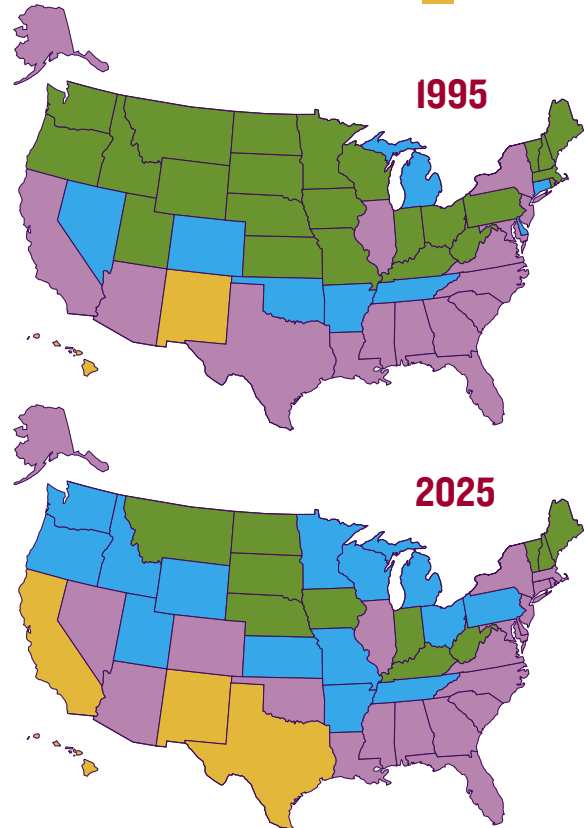
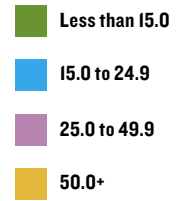
In recent decades, the growth of dedicated media vehicles has allowed marketers to distribute culturally tailored ads to narrow audiences — reaching out to black, affluent women of a certain age through *Ebony*, Hispanic Chicago families through the newspaper *Hoy*, or Chinese-Americans listening to Cantonese-language broadcasts on San Francisco’s KVTO radio. “Culture is being used more and more

Growing Proportion of Minorities

In 1995, 24 states had minority populations of less than 15 percent. By 2025, only 11 states will have minority populations of less than 15 percent, and most of those states will be in the Northeast and Midwest.

Source: *Dynamic Diversity: Projected Changes in U.S. Race and Ethnic Composition 1995 to 2050*, a 1999 report commissioned from the Census Bureau by the U.S. Commerce Department’s Minority Business Development Agency (MBDA). www.mbda.gov/documents/dynamicdiversity_projectedchanges.pdf

Percentage of State Population



because it’s a relevant variable,” says Stayman, who points out that while people of all cultures buy certain products, flavor, color, or scent preferences vary by cultural background and the methods marketers use to appeal to groups or highlight product features might differ within culturally distinct segments.

Yet as demographic trends continue, marketers will have to move beyond effective niche marketing to offer truly multicultural marketing — appealing simultaneously to people of multiple backgrounds. Already, Texas, Hawaii, New Mexico, California, and the District of Columbia boast majority minority cultures. “Pockets of the country are driven more by a multicultural dynamic,” says Jones, pointing to such efforts as the United Colors of Benetton campaign featuring clasped hands of contrasting skin tones. “That’s the new, emerging general audience, which is very diverse — from a multicultural, gender, and sexual orientation standpoint.”

To learn more about how racially or culturally targeted advertising in mainstream media is perceived, Stayman went to Texas, where he surveyed Hispanic and Anglo shoppers in San Antonio, a predominantly Hispanic city, and Austin, which has a Caucasian

“Minorities are not homogeneous groups.”

— Professor Doug Stayman



DeDe Hatch

majority. “What’s interesting is when you start seeing mainstream media being viewed by a multicultural audience,” says Stayman. “It’s not merely ‘Should I use the same ad when I’m targeting African-Americans in *Ebony* and whites in *Catholic Weekly*? What happens when you have a Hispanic ad on mainstream TV and Anglos see it? And vice versa?”

Stayman’s study revealed that minority Anglos in San Antonio and minority Hispanics in Austin responded more negatively to advertising targeted at the majority group in their city than did majority consumers exposed to materials targeted at the minority group. “You have many aspects of yourself,” he says. “So the ones that will tend to drive your response to an advertisement or marketing are the ones that are more salient in any given context.” His findings, says Stayman, suggest that advertisers need to think beyond their target audience. “As we become a multicultural society, the balance of the targeted and not-targeted group changes,” he says. “You have to balance the benefit of targeting that minority group with the potential loss of effectiveness with the majority group.”

Getting it Right

In its “Dove Campaign for Real Beauty,” Unilever included models of every race and body shape to highlight a theme common to women of all backgrounds: beauty is more than skin deep.



Jason Kesler/CU

Megan McWeeney, MBA '02, Unilever

broad print advertising, and its emotive Superbowl spot for the Dove Self-Esteem Fund, Unilever has also targeted unacculturated Hispanics with Spanish-language ads on Univision. Meanwhile, Unilever

“The campaign is about going beyond stereotypes — to all skin tones, ages, body types,” says Unilever customer marketing manager Megan McWeeney, MBA '02. “We wanted to debunk stereotypes. For this campaign, we showcased women with scars, freckles, tattoos.”

In addition to billboards in major metropolitan markets,

targets black women with Caress promotions in *Essence* magazine and crafts tailored appeals to women over forty for its Ponds products. “We recognize it’s important to develop and direct specific communications at particular markets,” says McWeeney. “It goes beyond placing a national ad everywhere, hoping to get everybody, even if you think your ad is great.”

Such efforts highlight the first principle of marketing,

according to Vithala Rao, Deane

W. Malott professor of management and professor of market-

ing. “There is no necessity, per se, for multicultural marketing,”

says Rao, who teaches market-

ing and quantitative methods.

“The general philosophy is that

you identify a target market, using various criteria — it could be

one target market with several

segments — and then you design strategies

to appeal to them appropriately. If the company wants to dominate

a particular segment or sub segment, defined on the basis of race,

then they have to design a strategy to deal with that race or subgroup

of people, defined in terms of economics, demographics,

lifestyle, and so on.”

Meanwhile, many advertisers fail to fully consider whether

cultural specificity even has any bearing in managing a particular

brand, notes Stayman. “I think a lot of marketers spend too little time

thinking about what criteria they should use to segment, as opposed

to what target they should go after given the criteria they’ve used,”

he says. “It’s very important to think about — not just how finely

am I breaking up the market, but what criteria do we use? Do we use

culture, gender, age, lifestyle?” Imagine a Ford F-150, the professor

suggests. Perhaps both Anglo and Hispanic men of a certain age could

be enticed to purchase the truck without a culturally specific appeal.

“Maybe you should segment on age,” he says. “Twenty-five-year-old

Hispanic guys might like pickup trucks for the same reason twenty-

five-year-old Anglo guys like them. So the relevant thing might



DeDe Hatch

Professor Vithala Rao

U.S. Buying Power Statistics by Race

Buying Power (billions of dollars)

	1990	2000	2005	2010
Total	4,270.5	7,187.6	9,100.8	11,847.0
White	3,816.2	6,231.2	7,811.9	10,063.9
Black	318.1	590.2	760.7	1,023.4
Hispanic	211.9	489.5	735.6	1,086.5
Native American	19.7	39.1	51.1	69.2
Asian	116.5	268.8	396.5	578.8
Multiracial	NA	58.3	80.6	111.7

Source: “The Multicultural Economy 2005: America’s minority buying power,” Selig Center for Economic Growth, Terry College of Business, The University of Georgia, May 2005

Tips of the Trade

It's all well and good to know that communication differs depending on your audience, and even to aim for effective multicultural communication, but how do you actually accomplish it? Our experts offered a few tips for workplace success.

- **Listen.** If PepsiCo vice president for global diversity and inclusion Amy George, MBA '84, could offer one piece of advice, it would be this: listen. "To be culturally sensitive, you need to become a student of cultures," says George. "Be a good listener — don't assume that the way you view the world is the way everyone else views the world."
- **Beware what you don't say:** "Ninety percent of all communication is nonverbal," says Angela Noble-Grange, MBA '94, who teaches oral communication and management writing at the Johnson School. "We each form a first impression, even before the other person opens their mouth. Some of it has to do with the way we look — the color of our skin, how we dress, what our hair looks like. All of this is going on so quickly and often you don't even know what's going on in the other person's head — it's nonverbal."
- **Consider your impact.** "Most people react from their perspective and don't often think about other perspectives," says George, "so they are fairly mindless in the way that they respond." Case in point: At a corporate awards ceremony, some honorees may come from a culture in which individualism is valued, making the opportunity to stand alone and accept an award a great honor. But for a person whose culture values collective efforts and teamwork, that same experience could be highly embarrassing. Says George: "The intent of those giving out the

award is good, but the way it's done may not be comfortable to some depending on their cultural background."

- **Focus on behavior, not attitudes.** "You're not going to have years upon years of messaging you heard as a child, a young adult, a young person in the business world that will be erased because of a few sessions on diversity in the workplace later in life," says George, "but you can help people see things from different angles." What's most important is helping people understand how to be more inclusive or understanding. Over time, that may translate into attitude change.
- **Work with colleagues who aren't like you.** "Effective corporations have very savvy financial, accounting, sales, operational, and marketing people," says marketing consultant DeVerges Jones, MBA '74. "That eclectic dynamic is far more effective than one dominated by sales people. The same is true of other kinds of diversity. There's a direct relationship between diversity and productivity, and if you have a diverse constituency, that eclectic nature should make you more effective in the workforce because you're blending."
- **Put yourself in someone else's shoes.** "We all know the golden rule: do unto others as you'd have them do unto you," says George. "I encourage people to practice the platinum rule: Do unto others as they would like done unto them."

be that for men of a certain age with a certain self-concept — no matter what their cultural background — the same kind of advertising, the same product benefits and features might appeal."

A Twenty-First Century Vision

At PepsiCo, multicultural marketing is a natural extension of a strategic and overarching commitment to corporate diversity. "The biggest message we want to convey is that we're a company for consumers, and that they come in all sizes and shapes," says vice president for global diversity and inclusion Amy George, MBA '84. "If you broaden your appeal, you're reaching the broadest type of consumer for your company." And having a diverse workforce, she believes, makes reaching that goal easier. In 2005, the company launched Doritos Guacamole, Lay's Chile Limon, and Wasabi Funyuns, all with input from a combination of internal employee networks and ethnic advisory boards. Furthermore, says George, the fact of a diverse workforce itself can enhance brand prestige. "If you're trying to court African-Americans in the marketplace and you have a multi-million-dollar internal class-action lawsuit filed



Courtesy of Amy George

"We're a company for consumers, and they come in all sizes and shapes."

— Amy George, MBA '84, PepsiCo

against you by African-American employees," she says, "that's not going to be lost on consumers."

As American demographics continue changing in response to shifting immigration patterns, birth rates, and even aging and relocation within the country, the marketplace will be forced to evolve, too — and that means acknowledging and responding to the role of race and culture in shaping consumer attitudes and behavior with sophistication and nuance. "Understand your customer intimately," urges Jones. "Multicultural marketing is marketing to a new general audience. Without this knowledge, it is virtually impossible to be effective in marketing."

BIG BUCKS AND BOARDROOMS

Ground-breaking research by Johnson School finance Professor Yaniv Grinstein shows that executive compensation saw unprecedented growth in the last decade, cutting a bigger slice of the pie out of companies' bottom lines.

By Shannon Dortch



Dave Cutler ©/gettyimages.com

Yaniv Grinstein sat in his office with a happy, surprised smile on his face, when his research on the growth of executive pay first was reported by the *New York Times* in 2004. Since then, Grinstein's paper "The Growth of Executive Pay" has been cited in dozens of articles and columns in top publications, including the *Wall Street Journal*, *Forbes*, *The Economist*, *Washington Post*, and *Newsweek*.

Grinstein, assistant professor of finance at the Johnson School since 2000, says he never expected his work to generate so much publicity. "It's encouraging to get a lot of attention," he says. "I find that I'm able to make a change, or at least to raise an important topic."

The hot topic: the dollar amount CEOs and other top executives receive in compensation, and how those dollars relate to and affect corporate earnings. Grinstein and his coauthor, Lucian Bebchuk of Harvard Law School, found that from 1999 to 2003, the five top executives at the 1,500 largest publicly traded U.S. firms cumulatively received \$122 billion in salary, bonus, and stock compensation. From 1993 to 1997, the cumulative total was \$68 billion. That represents a 44 percent increase between the two time periods measured.

"Most previous research hasn't looked at the economic significance of the amounts paid," Grinstein says. "It was basically assumed that supply and demand forces in the market determine the level of compensation, and so there was not much importance in looking into these figures."

"Our research basically highlights the fact that the last decade has witnessed unprecedented growth in the size of executive compensation, and that executive compensation has become economically meaningful," Grinstein continues. "It also raises the question of whether market forces are the only driver of executive compensation, or whether there is a fundamental problem in the way executive compensation contracts are determined."

The next step for the researchers was to determine the extent to which the increase in executive compensation over the years

examined could be explained by variables such as corporate performance, increase in corporate size, or changes in the mix of firms in the market. They accomplished this by statistically controlling for firm size, performance, and industry mix.

Even when controlling for firm size and performance, CEO compensation increased 96 percent between 1993 and 2003, and compensation levels for top-five executives increased 76 percent. The conclusion: compensation levels far outstripped increases that could be attributed to changes in firm size, performance, and industry. "In fact, variation in size, performance, and industry mix across the years explains only 10 percent of the growth in compensation," Grinstein adds.

Grinstein teaches the Johnson School's Corporate Governance finance elective. He recalls that in 2000, when he first came to the school, students were not clear about why the class is important. "But the following year, [with the collapse of Enron, it became clear that corporate governance should be an important part of MBA education," Grinstein says. "I really enjoy teaching the course. The students are outstanding, and class discussions often stimulate research ideas for me."

Perhaps the real eye-popper in this research is the way compensation increases play out in corporate values. Grinstein and Bebchuk's study, which compared pre-tax compensation to post-tax corporate earnings, showed that compensation for companies' top five executives amounted to 98 percent of aggregate earnings for the



Kevin Stearns/CU

Professor Yaniv Grinstein

period from 2001 to 2003, rising from 5 percent during the period 1993 to 1995.

“The measure itself is not perfect, but the strength is not in the number — it’s in the change that happened from 1993 to today,” Grinstein says.

“There is a constant increase from 5 percent to 10 percent using the three-year average. The relativity is the main point.”

The researchers offer several explanations

for the increases in executive compensation. Each answer has some merit, but no one alone fully explains the staggering increases, Grinstein says. Demand and supply could explain some of the change. Executives’ jobs might be tougher, so that boards must pay them more. There might also be a greater risk to executives of losing their jobs.

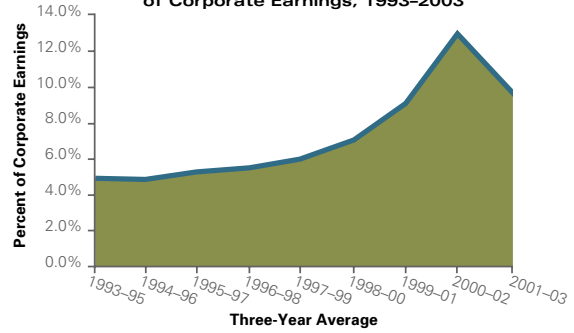
Another explanation may be a lack of arm’s-length bargaining between boards of directors and executives. The board of directors, as the shareholders’ representative, should bargain for the least expensive compensation package. In reality, CEOs exert considerable influence and power over many boards, both in controlling their agenda and in bringing directors onto boards. It is likely that directors chosen by a CEO will find it difficult to drive a hard bargain when compensation is negotiated.

After the corporate scandals of 2002, most stock exchanges required changes in the way directors are elected, with CEOs having less say in nomination decisions. The new rules also stipulate that only independent board members — that is, those not nominated by the CEO — can be involved in compensation decisions. Such changes are expected to decrease the bargaining power of CEOs and reduce compensation.

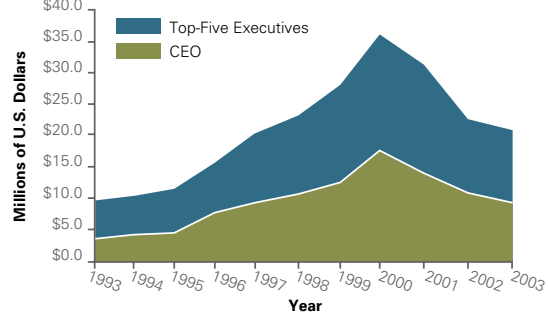
Another regulatory shove in that direction may be on the way for many corporations. In January 2006, the Securities and Exchange Commission voted unanimously to require companies to disclose total yearly compensation for their five top executives. Under the new rules, designed to make compensation more transparent, companies would furnish the true cost of executive pay packages to the corporate bottom line, and do so in plain language.

“I hope that these new regulations will force compensation committees and boards to work harder at designing compensation packages,” Grinstein says.

Aggregate Compensation for Top-Five Executives as a Percent of Corporate Earnings, 1993–2003



Mean Executive Compensation in S&P 500 Firms, 1993–2003, in Millions



One intriguing possibility, though not included in Grinstein’s research, is that of indexing executives’ stock options to a benchmark, such as the S&P 500. The option price would be tied to increases and decreases in the benchmark, thus preventing executives from cashing in on broad market trends unrelated to their company’s performance.

Yet implementing indexed options is far from simple, Grinstein says. Unlike the “plain-vanilla” options now so popular with boards and executives, using indexed options requires greater knowledge and sophistication among boards’ compensation committees.

In the meantime, Grinstein and his collaborators are bearing down on their next two compensation-related research projects. The first, another collaboration with Harvard’s Bebchuk, explores the relationship of firm expansion to CEO pay. The second looks at the correlation between executives’ wealth (as opposed to compensation alone) and corporate performance.

And who can say when the next “hot” idea in executive compensation research will emerge? Grinstein will be teaching his Corporate Governance class in Sage Hall, and listening to his students.

To download the paper, “The Growth of Executive Pay,” by Lucian Bebchuk and Yaniv Grinstein, visit the Social Science Research Network Electronic Paper Collection, at http://papers.ssrn.com/abstract_id=648682. To learn more about Professor Yaniv Grinstein and his research, see his profile and curriculum vitae on the Johnson School’s Web site, at www.johnson.cornell.edu/faculty/profiles/Grinstein/.

“The last decade has witnessed unprecedented growth in the size of executive compensation.”
— Professor Yaniv Grinstein

GONE GLOBAL

EMBA students learn firsthand how
to do business in another country

By Merrill Douglas

“The U.S. market is really a world market. And any student working in that market really has to be sensitive to the international, global implications of what they’re doing,” says Rick Oliver, chief executive officer of Nashville-based American Learning Solutions, who teaches Global Business Projects as a visiting professor at the Johnson School.

Students in the course form groups and begin to identify potential projects in the spring, have their projects approved in July, and then, in August, start meeting periodically during EMBA weekends in Palisades, N.Y. Each group chooses a specific product or service and explores what it would take to introduce it successfully into a foreign market. Ideally, each group focuses on taking a U.S. product or service overseas, or from one non-U.S. market to another, but Oliver allows exceptions when a proposal to bring an overseas product or service to the United States looks especially compelling.

There are a few basic rules: The team can’t pick an industry in which any of its members works, and it can’t pick a country that any of its members knows well. “The key thing is that we’re forcing students out of their comfort zone, which is basically the U.S. marketplace,” Oliver says. Studying an unfamiliar business area helps students understand how to “quickly come to grips with what is the structure, what is the dynamic, what are the trends in an industry, so that they’re better able to react to it,” he explains.

Each group spends the first weeks of the course researching its selected industry and country to learn

Each October, second-year students from the Johnson School’s Executive MBA program fan out around the world in search of wisdom. Enrolled in the Global Business Projects course, they head to Australia and China, Brazil, the Philippines, Iceland, and points in between with a common goal: to learn, through practical experience, how to thrive in the global marketplace.

about the culture and the business conditions that relate to the chosen product. Angela Horne, associate director of the Johnson School’s Management Library, consults with each team, helping members figure out how best to use library databases, the Web, print publica-

tions, personal interviews, and other resources to gather information they need. “It’s not just about the tools; it’s about the strategy,” she says. With her guidance, team members gain the ability to efficiently identify and evaluate information sources.

Team members also identify and contact people they want to meet when they visit their country during the EMBA program’s week-long October break. On their return, they write and present a report — a marketing plan, feasibility study, or other document that lays out what they have learned. The report — not an academic paper, but one with genuine “street value,” according to Oliver — ends with recommendations for extending the business into the foreign market.

In the past two years, projects have focused on a remarkable variety of business challenges, involving both for-profit and not-for-profit enterprises. In every case, team members clearly achieved Oliver’s main goals for the course: working successfully outside their comfort zones; learning to do business in a foreign country; stretching themselves beyond accustomed ways of thinking; and prevailing under tough conditions. A sampling of their projects is described here.



Visiting Professor Rick Oliver

ICELAND: The Hydrogen Society

GOAL: To explore possible ways to turn Icelandic New Energy Ltd. into a profit-making venture.

STRATEGY: The team researched hydrogen power initiatives worldwide and met with officials of INE and others working to create a “Hydrogen Society” in Iceland.

RESULT: The team advised INE to provide consulting services overseas and, if demand exists, eventually license its intellectual property.

Members of the Cornell Hydro Group (CHG), Peter Fitzgerald, Justin Popp, and Peter Reif, all EMBA '05, encountered some culture clash when they arrived in Iceland to study hydrogen energy. The team came to explore how Icelandic New Energy Ltd. (INE), a public-private partnership formed to make Iceland the first society powered entirely by hydrogen fuel, could use its expertise to turn a profit. But, they learned, making money wasn't INE's aim.

The Icelandic culture is “efficient and minimalist. They're not a consumer society,” says Reif, an associate with Booz Allen Hamilton in McLean, Va., who was a commander in the U.S. Navy while enrolled at the Johnson School. Living in small, modest homes and driving small cars, Icelanders enjoy a high standard of living, but “conspicuous consumption is not on their menu.” They are “very concerned about polluting the earth. They're very good stewards of their country.”

Taking direction from its primary sponsor, the government of Iceland, INE has made its guiding question not how to build a business, but how to use hydrogen power to cut pollution and maintain the good life without relying on nonrenewable energy sources.

Iceland leads the world in hydrogen technology because it abounds in hydropower and geothermal energy. It uses these sources to run plants that extract hydrogen from water without burning fossil fuels. INE has introduced a fleet of buses powered by hydrogen fuel cells in Iceland's capital, Reykjavik, and it soon plans to add hydrogen-powered passenger cars and fishing boats.

CHG's report outlined several ways INE could turn its enterprise into a money-making venture — a goal that does interest the venture's corporate partners. Suggestions ranged from selling shares in the hydrogen venture to foreign governments to laying a cable under the Atlantic in order to sell energy in the United Kingdom. The best way forward, CHG concluded, would be to offer consulting services and, if INE finds a demand, eventually license

With no connections in the industry or the country, CHG's members had to “use every methodology we could think of to find a way to put this project together, to gain people's trust and respect, and get them to talk to us.”



Icelandic New Energy

Commuters who ride hydrogen buses in Reykjavik, Iceland, get a surprisingly pleasant, smooth, low noise, and clean ride on their way to work



Courtesy of Peter Reif

Peter Reif, EMBA '05, noted that Icelanders are “very good stewards of their country.” Here, Reif is standing near a geothermal power plant at Iceland's Blue Lagoon.

its intellectual property overseas.

CHG members were forced to draw on inner resources to rise to a difficult occasion. Besides learning about hydrogen technology and gaining “a real respect for the Icelandic people,” Reif says he learned how to organize a complex project within a tight time frame. With no connections in the industry or the country, CHG's members had to “use every methodology we could think of to find a way to put this project together, to gain people's trust and respect, and get them to talk to us.” The secret, he says, was first doing the necessary research, so members were “really prepared from the outset.”

AUSTRALIA: Wine With a Twist

GOAL: To explore the feasibility of marketing single-serving bottles of Australian sparkling Shiraz to women in the United States.

STRATEGY: The team talked with Australian vineyard operators and with marketers and retailers to learn about marketing strategies and the wine packaging supply chain.

RESULT: Team members concluded that their idea would not be feasible for an Australian start-up but might work for a going concern.

Team members Josh Gooch, Sam Goichman, Dominic Maher, Peter Mallias, David Seaman, and Amy Chow, all EMBA '06, visited Sydney and Adelaide to explore new ways to sell Australian wine to American women. Is it feasible, they asked, to market a sparkling Shiraz in an elegant single-serving bottle with a twist-off cap?

Once members of the team determined that they wanted their project to focus on wine, they visited a Connecticut vineyard for inspiration. The vineyard's manager, who is married to a wine distributor, made some intriguing observations about wine and women. She explained how women shop for wine, discussed their dislike of corkscrews, and pointed out the industry's failure to target them. "Three hours and a couple of wine tastings later, we had our idea," says Chow, manager of the technology adoption program at IBM Corp. in Somers, N.Y.

By surveying friends and colleagues about their wine-buying habits, and corresponding via email with scores of potential sources in Australia, the team honed its plans for a feasibility study. In October, members flew to Sydney, where they found a wine festival in full swing. There, the team bombarded exhibitors with questions, such as "How did you pick your bottles?" and "How did you design your labels?" Chow says.

Next they flew to Adelaide, a great place to network with growers and marketers, noted Chow. Starting out with a meeting on Friday and a full day on Monday, the team found that "suddenly our Tuesday was packed and our Wednesday was packed, because all these people wanted us to meet others."

In the end, the team determined that its hypothetical Australian wine start-up should not promote single-serving bottles to women in the United States. A market may well exist, but "individual bottles are more expensive to make, they're heavier to ship, you've got to make more labels," Chow explained. Once team members understood the costs, they decided the enterprise wasn't feasible.

One Australian marketing executive who works with wineries told the group, "I want to take your idea and run with it."

While their concept probably wouldn't work for a start-up Australian winery, it might for an established business wanting to pursue a new market, the group concluded. And in, fact, one Australian marketing executive who works with wineries told the group, "I want to take your idea and run with it," Chow says. The executive even offered to buy the concept. "We ended up saying, 'Just take it; you helped us.'"

The Australia group learned that once you've explored a business idea, there's no shame in deciding to reject it. "It's just as important to say no as it is to say yes," Chow stresses. "If you can turn down ideas and justify it, that's probably more important than to run with every idea you have."



Teammates Sam Goichman and Amy Chow, both EMBA '06, pepper a winemaker with questions while sampling an Australian red at the Hunter Valley Wine Festival in Sydney.



Photos courtesy of Amy Chow

The Australia team investigated marketing single-serving bottles of Australian wines, such as these, to American women.

BOSNIA: Moving Forward, Stitch by Stitch

GOAL: To create a business plan for marketing Bosnian Handicrafts' children's clothing in upscale shops in New York.

STRATEGY: Team explored Bosnia to learn about the culture and economic situation, visited a Bosnian Handicrafts production facility and retail store, and met with company executives and workers.

RESULT: Team suggested hiring a part-time representative in Manhattan to get products into high-end boutiques, promote products through craft fairs and other avenues, and manage inventory.

Katherina Ansink, Shirley Hu, and Ronica Logani, all EMBA '06, researched Bosnia before they flew to that country, but their best source of information turned out to be their hired driver. "He really educated us on what a typical Bosnian person's lifestyle is like," says Logani, an associate in leveraged finance with Merrill Lynch in New York.

That lifestyle, they found, is marked by high prices and a 60 percent unemployment rate in a country that hasn't fully recovered from its terrible civil war. Too many people "spend their afternoons in coffee shops drinking one cup of coffee for four hours," observes Ansink, a New York-based banker.

Ansink, Hu, and Logani visited Tuzla and Sarajevo to learn about Bosnian Handicrafts (BH), a not-for-profit enterprise that markets clothing and toys hand-knitted by local women. Founded in 1995, BH employs more than 300 knitters, all women of limited means, many of them war widows and many with just a few years of schooling.

BH sells its wares through a store in Sarajevo, a Web site (www.bhcrafts.org), and several catalogues. Wives of diplomats have also spread the word by bringing items home and showing them to friends. Knitters who work for BH earn enough money to support their families.

Ten years after a war that brought "tragedies and violence that we cannot imagine," knitters at BH are "getting ahead in life, working in a craft they love and, most of all, working side by side with women who are Christian and Muslim, breaking down the ethnic barriers that have existed for centuries," Ansink says.

The Bosnia group's best source of information turned out to be their hired driver. "He really educated us on what a typical Bosnian person's lifestyle is like."



The Bosnian team poses together with Bosnian Handicrafts staff at their store in Sarajevo. From left: Katherina Ansink, EMBA '06, BH office manager Seila Brkovic, BH CEO Lejla Radoncic, Shirley Hu, EMBA '06, and Ronica Logani, EMBA '06.



Sajma Alic, Bosnian Handicrafts manager of quality control

The Johnson School team created a formal plan for marketing BH's beautifully-crafted children's clothing to upscale New York City boutiques. They recommended hiring a part-time employee to manage inventory in New York, work with shop owners, sell items at local craft fairs, and place ads in local newsletters. BH recently hired an East Coast distributor in the United States, and Ansink

has continued to work with the organization as a volunteer.

The Bosnia team found that when you do business in another country, persistence and a show of good faith go a long way toward building trust. Besides learning about Bosnian culture from their driver — using a Bosnian-English dictionary, gestures and drawings to communicate — the team spent hours trying

MORE TEAMS TAKE ON THE WORLD

Together, the EMBA Classes of 2005 and 2006 conducted a total of 27 Global Business Projects. Some of the other investigation topics included:

CLASS OF 2005

- Establish a phone center service in Costa Rica for use by U.S. and European businesses.
- Identify the next stage for Nokia's strategic future in the global cell phone market.
- Determine the feasibility of opening Starbucks franchises in India.
- Create a business plan for an Italian manufacturer to introduce its mini-motorbikes into the global market.
- Create a business plan for selling refurbished diagnostic medical imaging equipment to health care providers in Brazil.

CLASS OF 2006

- Research and compile an investment report on the biotechnology industry in Hungary.
- Outline a plan for establishing a consulting business in Portugal.
- Determine the feasibility of implementing the Del Webb Retirement Community Business Model in Costa Rica.
- Create a venture capital and incubator fund to invest in two disruptive technologies — biotechnology and nanotechnology — in the Czech Republic.
- Determine the feasibility of introducing hip-hop music and cultural products in China.

on clothes and buying gifts in the BH store, and they pored over documents provided by Lejla Radoncic, BH's CEO.

This kind of up-close-and-personal research helped cement the project's success. Arriving as strangers in a country where they didn't speak the language, asking BH's executives for their time and information, "we could sense the skepticism at the very beginning," says Hu, a senior research engineer with Nokia in Dallas. "But I think, eventually, they knew our genuine interest in helping them."

CZECH REPUBLIC: A Piano in Every Classroom

GOAL: To discover whether a market exists in Prague for a music outreach program similar to the one sponsored by the Lincoln Center Institute for Arts in Education.

STRATEGY: The team held in-person interviews with officials from several organizations devoted to music performance and music education, and it visited two elementary schools in Prague.

RESULT: A market could exist in Prague for this kind of program once the economy recovers enough to make it economically feasible.

Xin Li, Maggie Lewis, Akbar Khan, and Paul Carey, all EMBA '05, focused their Global Business Project on enhancing music education for children in Prague, as New York's Lincoln Center Institute for Arts in Education (LCI) does in New York City. Working with the Association of Institutes for Aesthetic Education (AIAE), LCI has pioneered a model for training and paying performing and visual artists to collaborate with school teachers. Research that inspired the program shows that exposure to the arts in early childhood promotes habits of mind that give children an academic advantage later in life.

The team wanted to see if LCI could export this concept to Prague, a city with a rich musical heritage. Members also wondered whether schools in Prague were already incorporating music education into their teaching and, if so, whether their ideas might benefit U.S. programs.

Preliminary research yielded some valuable contacts, especially Libor Novacek, an acclaimed musician, and manager of the Children's Opera of Prague and of Czechkoncert, a management service for classical musicians that also organizes musical events. Novacek



Prague Castle is the crown jewel of Prague and hosts many music events throughout the year. Prague's rich musical heritage, combined with its breadth and depth of local musical talent and resources, make it a good candidate for introducing consistent and innovative music education in primary and secondary schools; a steady rise in its economy would make such a project more feasible.



The Prague team observed teachers in typical class settings leading students ages 6 through 9 in singing Czech songs (both solo and group) while playing the piano, in between more routine class studies in crafts, math, science, and the Czech language. They found that participatory music education for students ages 10-15 is less consistent than among younger students.



Photos courtesy of Xin Li

“They weren’t soccer moms; they were opera moms, and the children were doing an incredible job.”

“set himself up to be our guide while we were there,” says Lewis, relationship manager and director of annual giving at the Ministers and Missionaries Benefit Board in New York. Novacek introduced the team to administrators at the Children’s Opera and FOK, a not-for-profit organization that promotes music awareness.

The EMBA team also visited primary schools, where they were delighted to find a piano at the back of every lower-level classroom. When the time comes for a music lesson, “everybody just turns around their chairs. They start clapping and doing rhythmic things and singing,” says Li, director of service innovations and resource planning at Cornell University’s Olin Library.

The sight of ordinary Czech parents bringing their kids to the Children’s Opera for rehearsals reminded Li and Lewis of U.S. families’ devotion to after-school sports. “They weren’t soccer moms; they were opera moms, and the children were doing an incredible job,” Lewis says.

In their report, the team suggested that a “Prague Partnership for Aesthetic Education” could succeed in the city, but not quite yet. Given the current state of the Czech economy, neither a local not-for-profit nor the Prague schools could afford to collaborate on a program like Lincoln Center’s, Li says “But,” she adds, “we feel the richness of the music history and education, and there definitely is a potential market there.”

The Prague group faced the same challenges every team faced: working closely with teammates in a foreign environment on a demanding assignment with a short timeline. And, like the others, they rose to the occasion and learned what it takes to pull it off. “You must be very disciplined and dedicated to crank this out,” says Li. Learning to collaborate under stress “is very, very important.”

Left: The Prague team enjoys a lunch with Libor Novacek, manager of the Children’s Opera of Prague and of Czechkoncert, and also a gracious and invaluable guide. From left: Paul Carey, EMBA ’05, Novacek, and Xin Li, Akbar Khan, and Maggie Lewis, all EMBA ’05.

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THE 1950s

CLASS OF 1953

Since **Robert Temkin** retired and sold his business to Amerihealth Bergen, he has been a Medicare counselor affiliated with the Medicare Health Insurance Information Counseling Assistance Program, and directs programs from the General Hospital of Rochester and other satellite sites.

CLASS OF 1956

Dean F. Bock was elected to a four-year term on the Cornell University Council. Dean and his wife, Barbara, who is also on the council, live in Sarasota, Fla.

THE 1960s

CLASS OF 1963

Roy Park received a distinguished alumnus award from the University of North Carolina on UNC's University Day, Oct. 12. The award is presented to "alumni who had distinguished themselves in a manner that brought credit to the university." Roy, who is president and CEO of Park Outdoor Advertising in Ithaca, earned his bachelor's degree from UNC in 1961. Roy is a

well-known philanthropist to the Johnson School through his support of the Roy H. Park Leadership Fellowship Program, funded first by the Park Foundation, then by the Triad Foundation. In addition, he serves as a member of the Johnson School's Advisory Council and as a trustee of Cornell University. Roy and his family also support UNC's School of Journalism and Mass Communication through the Roy H. Park Fellowships for graduate students and the Triad Foundation.

Robert Strahota retired from a 41-year career "split nearly evenly between private law practice and the U.S. Securities and Exchange Commission," during which he managed the SEC's largely USAID-funded technical assistance programs for emerging securities programs in over 35 developing countries, including China, India, Poland, and Russia. Upon his retirement, Bob established a securities and governance consulting practice, Strahota Capital Markets LLC, and has assisted the Vietnamese government in developing their country's capital market and regulatory structure.

Mail us at Alumni Affairs, The Johnson School at Cornell University, 130 E. Seneca Street, Suite 400, Ithaca, NY 14850-4353

Cornell Enterprise is happy to publish photos along with your news in the Class Notes section. We're happy to scan and return color slides and prints, and we can use digital photos if the resolution is high enough (we recommend at least 300 dpi at 4"x6").

CLASS OF 1967

Stephen Mark Zipper is a partner and tax accountant with Dewey Ballantine LLP in New York City; his wife, Linda Lee, is a payroll accountant with Molloy Brothers Trucking in Old Bethage, N.Y.; their son, Stanley, is a senior systems engineer with Raytheon Corp. in Arlington, Mass., and daughter, Eliza, is earning her master's degree in education at the Jewish Theological Seminary in Manhattan.

CLASS OF 1968

Robert S. Sullivan is the founding dean of the University of California at San Diego's new Rady School of Management, the first new business school to be founded at a major research university in decades. Robert brings to this challenge his experience as dean of two business schools — at Carnegie Mellon University and at North Carolina's Kenan-Flagler Business School.

THE 1970s

CLASS OF 1975

Edward A. Evans was named EVP, human resources and organizational development, for Allied Waste Industries Inc., a waste services company.

He joins the company from Cornell University, where he was founding director of the Center for Entrepreneurship at the school of Hotel Administration.

CLASS OF 1977

Norton N. Bonaparte Jr., MPA '77, was elected 2006 president of the New Jersey Municipal Management Association, which seeks to improve the quality of local government through professional management, and is allied with the International City and County Management Association. The city administrator of Plainfield, Norton is also an adjunct instructor at Rutgers University's Graduate Department of Public Policy and Administration.

David M. Bowen was named assistant administrator of information services and CIO



Bowen '77 of the Federal Aviation Administration. He was formerly SVP and CIO at Blue

Shield of Calif. David joins the FAA's senior management team as its principal advisor on information technology, to direct the agency's overall strategic IT planning and budget supporting its critical administrative, business, and operational needs. In addition to his technical and leadership background, David has more than 25 years of flying experience and holds an FAA commercial pilot license.

CLASS OF 1978

Arlene Richman is an attorney with Latham & Watkins LLP, a Chicago law firm.

Marc Schlüssel was elected chairman of Teaneck Economic Development Corporation in Teaneck, NJ. Marc is a partner with Key Properties LLC, which owns, manages, and develops commercial, retail, and residential properties.

CLASS OF 1979

Gopal Kamat has his own business, BIZADVISE, which helps major corporations in India with joint ventures, strategy and service innovation, process redesign, market research, organizational development, and turnarounds. Gopal sees a "buoyant and optimistic climate in business in India," despite challenges with infrastructure, corruption, and bureaucracy, all of which he expects will improve.



Arete Passas, MBA '79:

THE BUSINESS of play

Once upon a time a woman named Arete Passas had to make a tough decision about crayons. It was her feeling, and the feeling of many of her colleagues at Crayola, that some of the colors in the company's box of sixty-four were too similar and that new, more vibrant colors — like teal and cerulean and watermelon — should take their place. Many worried there would be a backlash, as there had been with New Coke. But what happened was quite the opposite: When the new product came out, people rushed out in droves both to hoard the

old versions and try out the new version. "When you talked with kids, they were really happy," Passas says, "and if a kid is happy, Mom is thrilled."

Ten years later, Passas continues to be in the business of making kids and moms happy, now as CEO of the Minneapolis-based Manhattan Toy. Best known as the makers of Whoozits infant toys and the popular Groovy Girl doll line, Manhattan Toy is a good fit, according to Passas, because they try, as she does, to be innovative and promote products that have a wholesome image: "When you look at one of our products, you smile."

A self-proclaimed twelve-year old at heart, Passas vividly remembers the pleasure she used to get putting on puppet shows for kids in the neighborhood when she was a girl growing up in New Hampshire. Her garage was the stage, the marionettes — bought from a Sears, Roebuck and Co. catalog — were named Hansel and Gretel, and the plays' plots were made up on the fly. It is this kind of imaginative play that Passas says she hopes Manhattan Toy products inspire in today's generation of girls and boys.

For many years, Manhattan Toy products had been sold almost exclusively in specialty outlets. Now, under Passas' leadership, the company's products are entering chain stores like Target and Toys "R" Us, and seeing double-digit growth in Europe. "It's a very competitive market," Passas says, "so if you're a leader you have to continue to lead. One of the things you're always trying to think of is, 'What's the next thing?'" — *Mark Rader*

THE 1980s

CLASS OF 1980

Bruce D. Goldberg was named CMO of the International Securities Exchange, the world's largest equity options exchange. Bruce joined ISE in 2001, having been SVP of marketing with

Service Interactive, a restaurant service company. He has held senior marketing positions at a number of companies, including Brink's Home Security, CBEO, Procter & Gamble, Frito-Lay, and Pizza Hut, and was a cofounder of the Options Industry Council.

G. Sivalingam, PhD Ag '83, was appointed professor of business at Monash University, and is the acting head of the university's business school.

▲ CLASS OF 1981

William Raisch is the founding director of New York University's International Center for

CLASS notes

Enterprise Preparedness (Inter-CEP), formed to help businesses prepare for major emergencies, such as terrorist attacks or natural disasters, by creating their own disaster plans in cooperation with federal,

state, and local government agencies charged with emergency response. Bill, a FEMA master trainer and former advisor to the 9/11 Commission, is taking the message of emergency preparedness

to private business, which is, he says, “where most of us live and work and play.

CLASS OF 1982

Eric Beringause has joined Alcoa as president,



Beringause '82

Alcoa consumer products, bringing with him extensive international marketing and business development experience. Eric was formerly SVP and head of international strategy for Gerber infant and baby products at Novartis, a world leader in pharmaceuticals and consumer health.

CLASS OF 1983

Adil Ahmad was named general manager for alliances with the ANZ Group, after five years as general manager of ANZ Vietnam. In this newly created position, Adil will be responsible for generating value out of the strategic equity investment ANZ has made in Vietnam's leading local private bank, Sacombank. He will be based in the Sacombank head office in Ho Chi Minh City. Adil also serves on the Sacombank board of directors.

Daniel Shure sends word that his son, Raphael, graduated from Cornell last May and works at Cambridge Associates in Boston as a research associate in private equity; he hopes Rafi will be back at Cornell in a few years for an MBA. Dan and his wife, Jory, also have children Jacob, 19, Sigglit, 2, and Simone, born February 2006.



Rand Wentworth, MBA '82:

CHAMPION OF green acres

As a boy growing up in Minnesota, Rand Wentworth camped and fished, and, every Sunday after church, hiked through the woods by his house with his family.

As a Cornellian in the 1980s, he cleared his head by running along the rolling hills on the outskirts of Ithaca and walking along the gorge trails. Today, Wentworth shares his love of nature with his two sons. Together, they go crabbing and kayaking on the Chesapeake Bay, and cross-country skiing in the woods near his house in Annapolis, Maryland.

Courtesy of Land Trust Alliance

It is Wentworth's affinity for wide open spaces that led him to his current position as president of the Land Trust Alliance (www.lta.org), a Washington D.C.-based nonprofit devoted to supporting the country's private land conservation community. One of the major responsibilities of the LTA and the individual land trusts it supports is to help landowners who want to preserve their property find financially advantageous ways to do so.

“People who own land love their land,” Wentworth says. “What we do is try to find the creative packages that allow people to do what in their hearts they want to do, but create a bridge to their heads as well.” Land trusts, Wentworth explains, either buy land for permanent protection, accept donations of land or the funds to buy land, or accept the donation of a conservation easement, which limits the type and scope of development that can take place on the land.

Since 1982, when the LTA was founded, the amount of land trusts in America has tripled, from about 450 then to nearly 1,500 today, a number that represents 34 million protected acres. But there is much work still to be done. “We develop 2.3 million acres every year while we're conserving only 800,000 a year,” Wentworth says. His goal for the future? One acre set aside for permanent conservation for every acre developed. To this end, he is currently working with Congress to find ways to encourage landowners to donate development rights on their property through tax incentives. In Wentworth's view, too many people believe land preservation is a nice amenity, but not essential. It is this attitude that he and the members of the LTA hope to change.

“Our well-being as communities and individuals depends on that connection to natural beauty, to great places to play,” he says. “As a human community, if all we do is build, build and don't set aside those places where we renew our spirits, we will have built ourselves into a box.” — *Mark Rader*

CLASS OF 1984

Cindy Carter Howard, PhD '84, reports that after 20 years in graduate health education administration, she has left the field and is pursuing a master of divinity degree at the Episcopal Theological Seminary of the Southwest in Austin, Texas, studying for the priesthood.

Jack Snyder has joined Guy Carpenter & Company Inc., a leading global risk and reinsurance specialist within the Marsh & McLennan Companies, as managing director and manager of business development for the Americas. He was formerly CMO for American Re, where he was responsible for a wide range of marketing activities.

CLASS OF 1985

Purushotam Bhageria co-authored *Elite Clubs of India* (2005), a 450-page book, illustrated with 1,100 photographs, that profiles over 100 clubs.

John M. Fawcett, a retired lieutenant colonel, USAF, and senior policy analyst with Science Applications International Corporation, is running as a Democratic candidate for Congress in 2006. In his campaign message he champions a new military to respond to post Cold War military requirements, citing both his own military experience — including combat in Iraq during the Gulf War — and his present work as a defense contractor. Jay and his wife, Susan,

live in Colorado Springs with their children, Elizabeth and John. His Web site is at fawcett4congress.com.

CLASS OF 1987

David L. Dyckman has been appointed SVP and CFO of American Tire Distributors Holdings Inc., a nationwide distributor of tires, wheels and automotive service equipment. David was formerly EVP and CFO of Thermadyne Holdings Corp.

CLASS OF 1988

Douglas Irons was promoted to accounting manager with Utilities Analyses Inc., a chemical and energy manufacturing company in Duluth, Ga.

Charles Vestal was promoted to director of development for Hunger Task Force Inc., a nonprofit anti-hunger advocacy and food bank organization in Milwaukee. Charles lives in Shorewood, Wisc., with his wife of 11 years, K.E. Supriya, daughter, Ranjana, 7, and son, Skyler, 5.

CLASS OF 1989

Gene Mage and his wife, Anne, own Storylines Bookstore & Café in Watkins Glen, N.Y., seizing the opportunity “to open a business they could really enjoy” when a local bookstore came up for sale. Gene and Anne focus on offering in-depth selections in areas of their customers’ interest, such as racing cars, chocolate, coffee and wine. The store also has a children’s corner complete with stuffed

dinosaurs, and the coffee is guaranteed fresh.

John Scuteri is a partner with Veritable LP, a financial advisory firm. He is responsible for the continued development and execution of Veritable’s business strategy, as well as its general management. John was formerly a director at U.S. Trust, and a managing director at Bear Stearns and Goldman Sachs.

THE 1990s

CLASS OF 1990

Janet A. Carr was appointed SVP, consumer insights and strategic planning, of Coach



Carr '90 Inc., a leading marketer of American accessories. Janet joined Coach from Gap Inc., where she was VP, strategy and business development, of Banana Republic.

CLASS OF 1991

Michael W. Wais is VP of Network Appliance, a manufacturer of computer storage products in Sunnyvale, Calif., where he manages the company’s relationships with suppliers. He married Lisa Beth Podos on Oct. 22 in Montecito, Calif.

Akber Zaidi has been appointed CIO of Pi Capital Inc., and is responsible for the overall direction, administration, and promotion of the firm’s investment practices. Akber was formerly adviser and portfolio manager with Citigroup Smith Barney’s private client services division.

CLASS OF 1992

Karen Sheedy Johnson was named corporate ombudsman for Bristol-Meyers Squibb. She is responsible for investigating and reviewing employment-related issues that cannot easily be resolved through established channels, and will provide oversight and monitoring in compliance-related investigations. Karen, who joined the company in 1992, was formerly HR director for the company’s U.S. Pharmaceuticals’ cardiovascular and metabolics sales team. She lives in New Jersey with her husband, Chip, a police officer, and daughter, MacKenzie.

Eugene H. LeCouteur reports that he is back in school, studying for a master’s degree in Christian education at Union Theological Seminary in Richmond, Va. Gene also serves as board chairman for the Fredericksburg area HIV/AIDS support services.

William T. Tara is SVP and CEO of Emergency Medical Services Corp. Before joining EMS, he was CIO for American Medical Response, and he has also served as VP and CIO

for Teletech Holdings Inc., where he was responsible for global technology, including software development, professional services, and technology operations in 13 countries.

CLASS OF 1993

Dora Jih, who was profiled in the fall '05 issue of *Cornell Enterprise*, reports that her business, Season Tees, has grown so much that "I'm not making all the tees myself any longer," she writes. Her products are now available in retail stores in Hawaii, throughout California, Oregon, Pennsylvania, and Arizona.

Mike Riccetti reports that he has incorporated "years of personal, if not professional, experience, including things picked up during the two years at the Johnson School," to co-author a fun and practical book, *The Guide to Ridiculously Easy Entertaining: Tips from Marfrees* (Tempus Fugit Press, 2005). The book is available in bookstores throughout the country, and on Amazon.com.

CLASS OF 1994

Lara Jackle is CEO of LightFull Foods (www.lightfullfoods.com), a company pioneering "satiety" (learning how to feel satisfied with fewer calories) as a sustainable strategy for eating right. LightFull recently launched its first product, LightFull Satiety Smoothie, in Whole Foods and Wegmans. Lara's experience in bringing healthy foods to mass markets

has included leadership roles in healthy foods start-ups as well as established companies, including Shaklee and Cold Fusion Foods.

CLASS OF 1995

Laurent Paty and his wife, Helene, announce the birth of their second son, Matthieu, on Oct. 22.

CLASS OF 1996

William F. Bird is president of RedZin Development in Chapel Hill, N.C. His company has developed a 70-acre land tract into a residential subdivision, Tuscany Ridge, where he and his family now live. "It is good to develop the neighborhood the way you want it," he writes. William and his wife, Ann Bridget, welcomed their second child, Gillian Chloe.

Michael Dunaway is the Southeast regional director for *Congressional Quarterly Press*. He married Gates Kellet July 9, and the couple lives in Decatur, Ga.

CLASS OF 1997

Virginia Jay (Linley) Grandison, associate director, brand and product management, with Johnson & Johnson, is working on the company's Olympic sponsorship marketing team and "spending lots of time in China!"

Seth Weber has been named VP and research analyst at Banc of America Securities, New York City, where he works in the firm's equity research

department, covering machinery and waste companies, and small- and mid-capitalization industrials. He was formerly research associate with UBS Securities LLC. Seth and his wife welcomed a daughter, Julia Arden, born Sept. 23.

CLASS OF 1998

Seth Alvord has joined CRT Investment Banking as VP. He was formerly VP of Morgan Stanley's financial sponsors group.

Marco Baratta has taken a new job with Thingmagic, a Cambridge, Mass. start-up that focuses on RFID technology. He was married in Montreal last summer to Kristen Bacon.

Charles Severs joined CRT Investment Banking in August 2002. He formerly was VP of Credit Suisse First Boston's mergers and acquisitions group. Anupendra Sharma has been appointed investment partner at Siemens Venture Capital in Boston. Anupendra will be responsible for investing in medical-related early stage ventures through SVC's Medical Solutions Fund. Siemens Venture Capital is one of the world's largest corporate venture capital firms with approximately \$1 billion under management, and has offices in the United States, Germany, China, and Israel.

CLASS OF 1999

Jeff Archer is pursuing his PhD in management, with a focus

on entrepreneurship, at the University of Virginia's Darden Graduate School of Business Administration.

Justine Bakule and his wife, Joanna, joined the Peace Corps a year ago and moved to Mali, West Africa. They serve in the regional capital of Gao, on the edge of the Sahara Desert and about 350km from Timbuktu. Justine is a business volunteer with the Malian Ministry of Tourism, and Joanna works as a health volunteer in a local clinic.

Harry Brandicourt is director of global eBusiness for Kenametal, Latrobe, Pa. He was formerly IT director at Emerson in St. Louis, Mo. Harry and his wife have four children, two boys and two girls.

Jeff Bass has left Procter & Gamble to join his wife, Kerri, in expanding her market research company, Illumination Research Inc. Jeff and Kerri live in Cincinnati, Ohio, with their son, Collin, 1.

Paul Belle Isle has moved from Sprint to start a new job as director of loyalty and retention marketing for Charter Communications in St. Louis. He was married Oct. 15 in Kansas City, Mo.

Jeff Broadhead has invested in three companies in Jacksonville, Fla., and moved there to help run the businesses.

Chris Burmeister is product manager with a NASA contractor, Jacobs Sverdrup, in Houston, Texas. His group manages hardware that provides visual cues for astronauts while they attach modules to the International Space Station.

David Crescenzi was married Oct. 15, in New York City.

Rick Cura has moved from N.J. to Los Angeles, taking a job transfer within Johnson & Johnson to become director of supply chain management for Neutrogena, "which is literally based at LAX airport."

Michael de la Cruz works for Intel in Shanghai, China. He and his wife, **Paula Uribe-Echevarria**, MBA '98, welcomed their second daughter, Emma Rose, born June 17. She joins big sister, Isabela.

Deborah King Garber has joined Albertson's in Boise, Idaho, as a banner brands manager, coming to her new job from a marketing position at Gallo Winery. She married **Joseph (Joe) Garber**, in October, and the couple moved to Eagle, Idaho. Joe is a senior marketing manager for Zantaz, an email archiving company, and works from home.

Dana Gerrity reports that he has settled in Seattle and now works at REI headquarters doing corporate finance after

"living the dream for the last year and a half — I quit my job at Unilever to climb mountains."

Julie Pomeranz Gosset is product manager for the Blue Cash from American Express. She and her husband, Steve, welcomed their first child, Ryan Foster, born May 5, 2005.

Dave Grash reports that he has been involved in ventures other than his job with Sprint: In 2004, for example, he bought and sold a wireless ISP within a two-week period, "pumping up the price 25x." He and his wife, Sandra, have four children, including twin boys.

Hank Heilesen is senior brand manager for Capital One, working in the company's brand strategy group. Hank and his wife, Brooke, and their three children live in Glen Allen, Va.

Mike Keogh is the finance controller for Intel's finance operations in the Philippines, where he and his family moved after Mike completed a yearlong assignment in Malaysia.

Tony Lau works for Motorola in global product marketing and product management, and his wife, Yvonne, is with the valuations services practice of Bearing Point. Tony and Yvonne live Evanston, Ill.

Mick Mastilovic, manager of forecasting, analysis, and planning with U.S. Enrichment Corporation (USEC)

in Bethesda, Md., writes: "It is exciting to be able to make money while making the world a safer place." USEC is the U.S. government's executive agent for the Megatons to Megawatts program, which recycles weapons-grade uranium into fuel used by electric utilities to generate electricity. Mick and his wife, Lynn, also announce the arrival in March 2005 of their first daughter, Vivian Elise, who was welcomed by her two brothers, Paul, 6, and Nicky, 3.

Wens McCormick is the regional account manager for Motorola Latin America, responsible for the business for Latin America of the TIM-Telecom Italia Mobile account. Wens lives in São Paulo, Brazil, with his wife, Victoria, and three children, Patrick, 5, Connor, 3, and Jack, 1.

Susan Menkhaus and **Scott Jaffe**, MBA '98, welcomed their second child, Hank, born Aug. 29.

Tom Mikula and his wife, Missy, announce the birth of a son, Dylan, born May 5, 2005.

Scot Neuman continues to work for IBM in marketing strategy for their business consulting services out of his home in Norwich, Vt., where he lives with his wife, Amy, and children, Annie, Henry, and Emma.

Andy Orth reports that he accepted a position with Genzyme Pharmaceuticals,

and he and his wife, Katia, and daughter, Helena, 1, have moved to Cambridge, Mass.

Paul Snyder and his wife, **Amy Leigh Malkin**, report from Atlanta, Ga., that Paul is VP of operations business development for InterContinental Hotels Group, while Amy is an independent marketing consultant for companies such as UPS and Georgia Pacific. They have a daughter, Abby, 1.

John Wolfe married Colette over Labor Day. Classmates attending the wedding included **Marianne Danko** and husband, Evan, **Mark Elsner**, **Julie Pomerantz Gosset** and husband, Steve, **Lori Harris**, **Phil Hsia** and wife, Anita, **Erica Isono**, **Fran McLean**, **Mike Princi** and wife, Kat, and **Lalita Ramachandran** and husband, Krishna. **Thaddeus King** and **Gautam Khanna** served as groomsmen and ushers, and **Xavier Lee** came all the way from Korea. **Class of '97** friends attending included **Pedro Arboleda**, **Laura Bianchini**, and **Bethlam Forsa**. Colette and John live in Los Angeles, where John is working on screenplays and developing a pilot for a TV show.

THE
2000s

CLASS OF 2000

Adam Ailloni-Charas and **Angela Ailloni-Charas** live in Minneapolis, Minn., where Adam is the consumer marketing manager for video games

and music at Best Buy Corporate. They have two sons, Adin, 3, and Eli, 1.

Jonathan Alford reports that he is in the resort business, working for Intrawest, the developer of Whistler, Mammoth, and Stratton, and the host of the mountain events for the Vancouver Olympics in 2010. He and his wife, Kate, have two children, Molly, 3, and Oliver, born in October.

Sandy Draper says that after five years with consulting management firm Pittiglio Rabin Todd & McGrath, where she worked with clients in computer peripherals and medical devices, she and her husband, Joel, adopted a baby girl from China, and she became a stay-at-home mom. Sandy serves on the board of directors for her homeowners' association — “a volunteer position that requires all of my MBA skills” — and is active with the Cornell Alumni Association.

Erik Jepson and Helene Johannessen Jepson welcomed a baby girl, Astrid Ward, born Aug. 3. Erik has joined Charles Schwab in San Francisco as director of marketing for eBusiness, and Helene works at Morgan Stanley.

Imran Khan is the director of search advertising at E-LOAN, an online lender. He has turned the company's advertising operation into a statistical laboratory,



Khan '00 amassing a portfolio of 250,000 key words and phrases by bidding on keywords on the major search engines. Each time a Web surfer types one of those words in a search, an E-LOAN ad appears next to the results, and E-LOAN's advertising team pays the price bid for each click. As Imran crunches his stash of words, calculating the return on investment (half of the company's ad budget) for thousands of bids hour by hour, he accumulates massive feedback from customers.

Brian Thompson launched his Santa Barbara, Calif. micro-brewery, Telegraph Brewing Co., after “a year and a half of planning, raising capital, fighting with Santa Barbara city officials, and wrangling oh-so-laid-back California contractors.” He thanks fellow alums, notably classmates **Chris Floyd**, **Peter Bright**, **Austin Rothbard**, **Barbara Sullivan**, and **Chad Updyke, MBA '01**, for their help and support during this “unbelievable adventure.”

CLASS OF 2001

Susie Welgos Christensen and **Kenneth J. Christensen, MBA '02**, welcomed their first child, Daniel Zack, born Sept. 23. Susie is an organization development

consultant at Wyeth Consumer Healthcare in Madison, NJ, while Ken is a brand manager for Colgate Total at Colgate Palmolive in New York City.

John M. Godfrey and Claudia Wu Godfrey announce the birth on Sept. 11 of their second daughter, Daniella, who joins sister, Alexandra, 2. John is a manager with Accenture's supply chain management practice in Atlanta.

CLASS OF 2002

Corinne Murphy married Eric Christensen in September 2004. Cori is a compensation, benefits, and HRIS manager at Honeywell, and Eric is a veterinarian. They recently bought a house in Flemington, NJ, and are considering home improvement plans.

Anthony Moon reports he is still with Mars Inc., managing the firm's futures trading as the cocoa price risk manager. He writes that he is “enjoying the smell of chocolates” and “trying to get through third-world political situations that affect the cocoa market.”

Justin O'Keeffe is leading the redevelopment of a former mill complex near Dublin, Ireland, as a tourist attraction expected to be completed in late 2007.

Diane Fleck Massaglia is a product manager in new business development for Tyco Healthcare in King of Prussia, Pa. Diane married Bob



Massaglia '02 Massaglia June 4, 2005, and they are “enjoying the fun that comes with building a new house.”

Eric Motter is AVP of benefit development for CIGNA HealthCare, responsible for driving product solutions for the company's voluntary market strategy. He also recruits at the Johnson School for CIGNA's HealthCare Leadership program. Eric and his wife, Jen, are the parents of Dominic, 2, and Nina, 1.

Gene Rendino says he is “getting back to his geek roots.” After two years at Praxair, he has taken a position as senior operational manager at Corning Inc., where he works on global manufacturing, supply chain, and logistics, primarily for Corning Display Technologies (LCD glass). He also heads strategic planning for MT&E, Corning's corporate engineering division.

Chia-Lin Simmons writes: “After an intense summer of studying and 4 months of panic unknowing I found out I passed the New York bar exam!” She works at Audible Inc., an Internet audio information and entertainment

service company, managing its wireless business.

Eirik Underthun is investment controller with Telenor Nordic Mobile, a part of the Telenor group, which has telecommunications services holdings in Europe and Asia. Eirik lives in Oslo.

CLASS OF 2003

Laura Chulak relocated to Philadelphia, Pa., and continues to work for Merck, doing organizational development for the company's sales and marketing division.

Maura Cahill Cowan and **Stewart Cowan** moved to Milwaukee in August, and both have taken jobs as senior associate brand managers at Miller Brewing Co.

Eric Daoût has become head of asset liability management insurance companies for Fortis Group, one of the world's top 25 financial institutions. Eric comes to Fortis from AGF Belgium Allianz Group in Brussels, where he was assistant director of strategic planning.

Adam Fitzner has joined Miller Buckfire and Co., a finance and investment banking company, "where I am still restructuring companies," he writes.

Bruce Lasko, EMBA, has been appointed to the board of directors of the Profit Sharing/401(k) Council of America (PSCA). Bruce's company, Avaya Inc.,

won the top PSCA Signature Award for targeted communications in 2004 and its 401(k) Day effort in 2005.

Leslie Burrell Lewis reports "a busy 2005": She and **Tracey Lewis, MBA '99**, moved to Kansas City, Mo., got married

in Puerto Rico, and welcomed a baby girl, Leah Leona, born Oct. 4.

Angela Moster is director of the Music Playhouse LLC. She recently moved to London, where, thanks to Internet-based telephone technology, she is

"still able to work successfully from the U.K." Angie reports that the Music Playhouse has recently expanded into Austin, Texas, and the San Francisco Bay Area.

Bryan Preston says he is doing great in Chicago, working



Reid Genauer, MBA '02:

JAM BAND brander

After spending six years grinding out a living playing in a jam band called Strangefolk, Reid Genauer came to what he calls a crossroads. His life's dream had always been to play music for a living, but his passion wasn't sufficiently supporting him. He was twenty-eight and recently married — adulthood was beckoning. So, in 2000, Genauer entered Cornell's MBA program, in search of some answers.

He seems to have found some. A 2002 graduate, Genauer now lives what he calls

a "Clark Kent, double-agent" life. By day, he works in Manhattan as director of brand marketing at eMusic (www.eMusic.com), the leading source of independent music downloads in the country, and at night and on weekends he tours with his new jam band, Assembly of Dust, which recently played to 15,000 people at Jones Beach in New York, and, in February, performed with legends like Judy Collins and Lou Reed to a packed house at Carnegie Hall. Such extracurricular activities, Genauer says, make for some above-average chatter at the water cooler.

Much of what Genauer has learned as a musician has translated in surprising ways to his corporate job. "As the band leader and songwriter you're sort of the business lead. And the challenge is to establish a vision for the song and to have people invest their creative energy into it, feel invested in it, and still feel your vision is being achieved. In any situation, whether it's construction or artistic, that's the ultimate challenge." Also important, he says, is to be able to recognize when something isn't working — be it a song lyric, or a business plan you've spent two weeks developing — and to have the guts to change direction, painful as that may be.

Under Genauer's leadership, eMusic recently launched its first-ever TV campaign — two sixty-second spots featuring footage of Johnny Cash, John Coltrane, and indie favorites, the New Pornographers, among others. Even as his company's profile becomes bigger and his job more challenging, Genauer plans to remain committed to playing the music he loves. He considers himself fortunate that eMusic has afforded him the opportunity. "It's a nice coming-together of my two worlds into one. I like that I don't have to be somebody else come Monday morning." — *Mark Rader*

to build the long-term-care side of a healthcare start-up business, TLContact, Inc., which connects patients, families, and providers through the Web.

Shannon Ross is the energy officer for the United States Diplomatic Mission to Nigeria, after having spent a “hectic but memorable” year in Afghanistan. She monitors conflicts in the Niger Delta and Nigerian oil production, advocates for U.S. firms operating in a tough commercial environment, is working on launching an American business council, and has led U.S. government efforts to finance domestic gas and power projects. Shannon describes Nigerian politics as “tough but wildly entertaining.”

Aaron Seyuin and his wife, Tracy, welcomed their first child, Logan Joseph, born Oct. 23.

Dan Shur designs disease management and wellness programs for CIGNA HealthCare, an employee benefits company.

Roland Springer works in Washington, D.C., on assignment in the Resources Committee of the U.S. House of Representatives. He and his wife, Genevieve, welcomed their first son, Aaron James, born May 16, 2005.

CLASS OF 2004

Brett Blumenthal and **David Wax** were married Sept. 10 in Sage Chapel and report they had a “beautiful weekend at Cornell.” Classmates attending the wedding included **Justin Stone, Jason Jones, Kara Kownacki Radcliffe, Michael Perlman, Annie Oh, Kim Young, Ryan Folger, Scott Christensen, Kelly Ingham, Cristi Brodrick, Ted Lightman, Marella Oviedo, Ted Robertson, Christian Stroucken, and David Titus.**



Blumenthal & Wax '04

Angela Chow reports that she has moved back to her hometown, Hong Kong, for good, explaining that after years of relocation she wanted to settle down and root somewhere, and “Hong Kong is the place.” Though sad to leave friends in the United States, Angela, who has joined JP Morgan Private Bank, is excited about starting her new life.

Samuel Buchanan is working in Hong Kong for New York Life International, helping the company complete the Asia-wide activation of an IT system that automates insurance administration for field agents. He also is developing or updating several Asian companies’ business strategies.

Auke Cnossen is senior associate with Rabobank’s Americas mergers and acquisitions group, and works on financial sponsors transactions. Auke, who began his career with Rabobank as an intern in 2004, is lauded in the Jan. 2006 issue of its magazine, *The World*: “Auke and other new employees like him represent the future prosperity we are all working so hard to achieve.”

Lawrence Meese was named associate executive director at the Lake Norman Regional Medical Center in North Carolina. He joined the hospital in Oct. 2004, and served initially as assistant executive director. Earlier in his career, Larry spent 10 years as a U.S. Army Special Forces and Medical Services Corps officer, holding leadership and managerial roles, including human resources manager, detachment commander, and company executive officer.

Jessica Crolick Rolph, COO and founding partner of Nurture Inc., reports that her company was chosen to receive one of five 2005 business grants for women entrepreneurs, awarded by Eileen Fisher to women-run businesses with a social mission. Nurture Inc. is described in the award announcement as “a start-up poised to be the first U.S.-based company to offer freshly prepared, flash-frozen organic meals for infants and toddlers on a national scale.”

Annie Oh and **Michael Perlman** were married Nov. 5 in Pasadena, Calif. The wedding party included classmate **Maralla Oviedo**. Annie and Michael live in Boston, Mass.



Oh & Perlman '04

Christian Vansant and **Natalie Heidelberg** were married in December in Berkeley, Calif. Classmates celebrating with them were **John Lundquist, Abhilasha Pant, Edward Robertson** and **Jessica Rolph.**



Vansant & Heidelberg '04

CLASS OF 2005

Sam Tingleff and his wife, Breean, announce the arrival of a son, Niko, in October 2005.

IN memoriam

Harlan B. Bliss, MBA '56

William H. Wilson, MBA '59

Tawat T. Yipintsoi, MBA '60

Joseph Andrew Ditzhazy
(attended, 1973)

SAGE HALL BASKS IN THE GLOWING LIGHT OF THE SUN

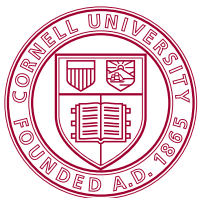


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