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JOHNSON AT CORNELL UNIVERSITY

FALL 2010

Taming the Bear

Will Dodd-Frank put paid to more market meltdowns?

Game Changers

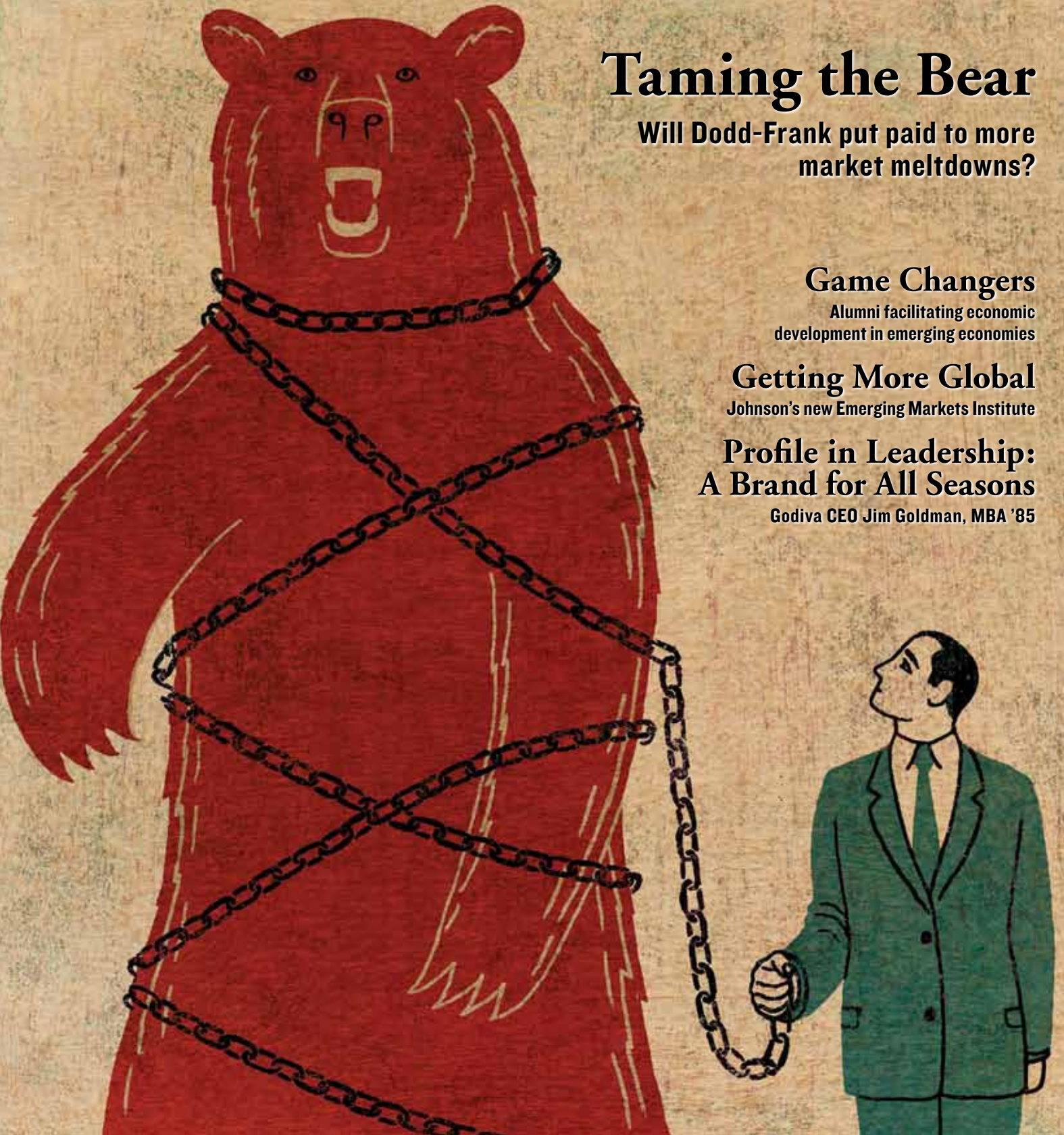
Alumni facilitating economic development in emerging economies

Getting More Global

Johnson's new Emerging Markets Institute

Profile in Leadership: A Brand for All Seasons

Godiva CEO Jim Goldman, MBA '85



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Shaping our future and reaffirming our strengths

Building on the success and outstanding reputation of our existing centers of research and education — the Parker Center for Investment Research and the Center for Sustainable Global Enterprise — I am pleased to announce that this fall we established two new entities: the Emerging Markets Institute and the Entrepreneurship and Innovation Institute. We have been working in both of these areas for some time. Creating these institutes now reaffirms our achievements and signals our commitment to bring together pre-eminent practitioners and academics and expand our educational and research programs.

The new Emerging Markets Institute underscores our resolve to become more global in focus and outlook, to educate students about the global nature of business, and to enlarge our footprint around the world. Read more about how it came about, as well as its goals, mission, and strategy in this issue (see p. 29). We are grateful for the very generous support from our alumni, including classmates Bob Staley '58, MBA '59, and Albert E. Suter '57, MBA '59, both retired executives at Emerson, who were among the first to fund our global business efforts. More recently, we received significant support from Kyung-Bae Suh, MBA '87, president and CEO of Seoul-based AmorePacific Corp., who funded a faculty chair in global business.

As you may already be aware — from one of our newsletters, our Web site, or our ads in the press — we have a new logo and a new look. Building on research for the strategic plan, plus an additional, year-long research effort (involving input from thousands of potential students, students, alumni, recruiters, faculty, and staff as well as extensive market research), we updated our brand, maintaining our three pillars — performance learning, collaborative environment, Cornell connections — because our research validated these. While giving the “Johnson” name more prominence, we continue to strongly connect Johnson with Cornell. Our new position statement is based on what we hear back from employers: Johnson graduates know how to harness the collective strength of others to create extraordinary results. Learn more about our new brand on page 6 and on our Web site.



We are committed to continually improving the curriculum in all of our programs, as our strategic plan stipulates. Professor Beta Mannix is leading an effort to improve, update, and build on our curriculum for our Palisades-based Executive MBA program, and

Creating the Emerging Markets Institute and the Entrepreneurship and Innovation Institute reaffirms our achievements and signals our commitment to bring together preeminent practitioners and academics and expand our educational and research programs.

we plan to reevaluate the Cornell-Queen's EMBA curriculum over the coming year.

This semester we have welcomed an impressive array of guest speakers to the school, including John C. Bogle, founder of the Vanguard Group, Inc.; former U.S.

Treasury Secretary Henry M. Paulsen; Andrew Ross Sorkin, author of the bestseller, *Too Big to Fail*; Scot Safon, executive vice president of CNN Worldwide and general manager of the HLN network; and William C. Dudley, president of the New York Federal Reserve Bank.

Early indications are that the job outlook for 2011 will be better than 2010, which was better than 2009. While we're climbing back up, we know it will still be a difficult year for placement, and we still need your help. Our Class of '11 students are outstanding, and the high caliber of summer internships they completed makes them well-prepared to be effective in the workplace.

As always, I appreciate your help in many ways. Please stay in touch with news about yourself and your ideas for us, and best wishes for health and success.

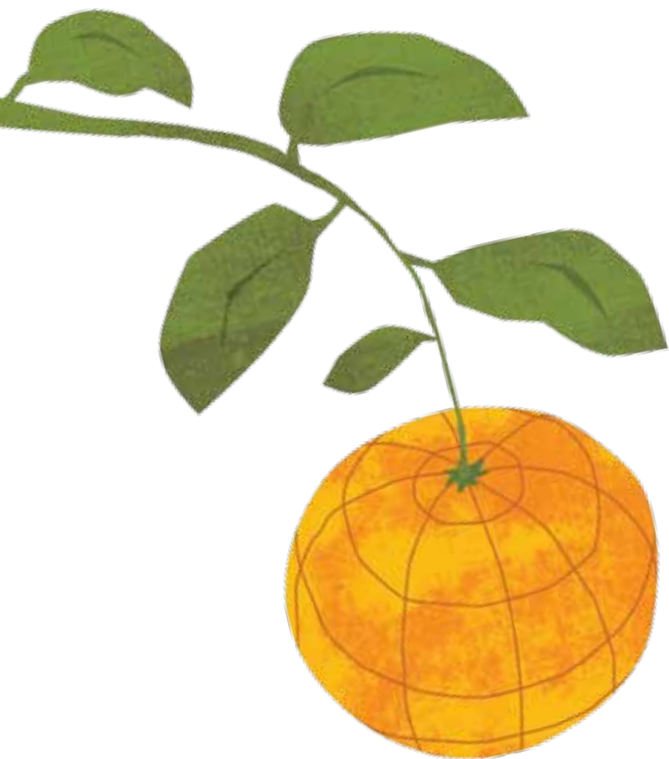
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Web Exclusives

Look for these stories, videos, and podcasts online at www.johnson.cornell.edu/alumni/enterprise

The birth of “customer 2.0” and the death of marketing as we know it



In this article, Pelin Thorogood '90, MEng '91, MBA '94, and co-author Rand Schulman show how dramatically online marketing and social media have changed the marketing landscape. From

boardrooms and garage startups to business school lecture halls, a new, billion-dollar question now reverberates: “Is marketing as we know it really dead?” The answer: The more things change, the more things stay the same. Marketing is still about knowing your audience. However, the tools and tactics we employ to get to know and engage our target customer have indeed changed — as has how we define and measure success.

Shell HR Chief on the importance of human capital



When Hugh Mitchell, chief human resources and corporate officer for Royal Dutch Shell, visited Johnson Sept.

16, 2010, speaking at Barnes Hall on “The Global Energy Challenge: The Importance of Human Capital,” he also sat down for a videotaped interview. In a short video that highlights a selection of excerpts taken from the interview, Mitchell shares his views on offering an effective value proposition to retain high-performing employees, how to attract generations X and Y, and what it takes to be a successful HR leader. You can

also view full-length videos of his presentation, and other clips of the interview.



Check out Johnson's new Web site

Johnson's newly redesigned Web site has been crafted to create an inviting, user-friendly, interactive place where visitors can find and learn everything they wish to know about the unique aspects of our school and its culture. Browse through the site, click around, and take in all the new featured aspects.

Trading in a high frequency world: the flash crash and beyond

Maureen O'Hara, Robert W. Purcell Professor of Management and professor of finance, shared her perspective on the ramifications of the May 6, 2010 “flash crash” in a presentation to Finger Lakes area alumni in November.

Marketing in the digital age



In a dynamic keynote speech that kicked off Johnson's first “Battle of the Brands” competition, Scot Safon, MBA '84, executive vice president of CNN Worldwide and general manager of the HLN network, pointed out that in the digital age, anyone can be a marketer and that one of CNN.com's most successful marketing campaign last year resulted in a tweet from Lady Gaga.

An interview with Robert Frank on income inequality



In this videotaped interview, Robert H. Frank, Henrietta Johnson Louis Professor of Management

and professor of economics at Johnson, expands on the ideas he presented on income inequality in his *New York Times* “Economic Scene” column in October (reprinted on page 16 of this issue).

CORNELL

enterprise

FALL 2010: Vol. 25, No. 1

Cornell Enterprise is published twice a year by the Samuel Curtis Johnson Graduate School of Management at Cornell University.

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Letters may be edited for clarity and length.

Cornell Enterprise online

www.johnson.cornell.edu/alumni/enterprise

©2010 Johnson at Cornell University
ISSN 0741 6989



Printed green on recycled stock with 30% post-consumer fiber.

Sachin Gupta named Associate Dean



Cornell University Photo

Sachin Gupta, the Henrietta Johnson Louis Professor of Management and professor of marketing, was appointed associate dean for academic affairs effective July 1, 2010. The post was held for three years by Mark Nelson, the Eleanora and George Landew Professor of Management and

professor of accounting. “Mark Nelson served the school admirably as associate dean, but wanted to return to the faculty full-time — I reluctantly agreed,” said Dean Joe Thomas. “I am very pleased that Sachin Gupta has agreed to serve in this capacity, and I enjoy working with him as we continue to advance teaching, research, and thought leadership at Johnson.” Gupta joined the faculty at Johnson in July 2000, and was named to the Henrietta Johnson Louis chair in 2007. He serves as chair of the Faculty Policy Committee, and is a recipient of Johnson’s Faculty Research Award (2006-07), the Apple Award for Teaching Excellence (2007), and the Stephen Russell Distinguished Teaching Award (2009).

Johnson announces two new institutes

This fall, Johnson advanced its Strategic Plan by approving two new institutes for the school. The Emerging Markets Institute (see story, p. 29) will focus on expanding our global education, outreach, and research, and the Entrepreneurship and Innovation Institute will further the school’s strategy in the growing space of entrepreneurial education and the unique challenges of commercializing innovations. These institutes will support goals Johnson has prioritized to expand on current projects, while enabling generation of what is expected to be game-changing and paradigm-shifting research, business models, and thought leadership in these vital areas of today’s economy. Look for more news about these new institutes in coming months.

Welcome new Johnson faculty

Eugenia C. Wu, Assistant Professor of Marketing



Cornell University Photo

Eugenia Wu’s research focuses on how our emotions and motivations affect the way consumers behave. In a recent project, she explored how societal beliefs about emotion can motivate consumers to select products they would not otherwise choose to consume. In another project, she examined

how the need for self-discovery leads individuals to seek out, but not necessarily accept, the feedback they receive and the important consequences this has for subsequent product choice. Wu received her PhD from Duke University. She holds a BS in economics from the Wharton School at the University of Pennsylvania and a BA in psychology from the College of Arts and Sciences at the University of Pennsylvania.

Pengqin Gao, Assistant Professor of Finance



Cornell University Photo

Pengqin Gao’s research interests are in the areas of asset pricing, investments, and financial econometrics. His current research focuses on the impact of cross-sectional information transfer on security prices and the applications of characteristic-based covariance measures on portfolio

optimization and firms’ expected return. His teaching interests are in financial derivatives, portfolio strategy and investments, and financial econometrics. Gao earned his PhD and MBA from the University of Chicago’s Booth School of Business, and he worked as a research consultant for UBS O’Connor Quantitative Strategies in Chicago.

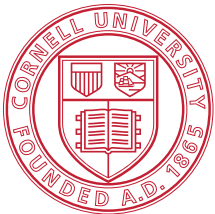
Johnson: Our Brand

JOHNSON AND CORNELL ARE STRONG BRANDS and great, powerful names that have existed for years. To support our school's Strategic Plan, this branding initiative has focused on updating the brand strategy for Johnson in light of the competitive environment and changing dynamics in the MBA and executive education marketplace.

Our brand is an articulation of who we are and what we do best. It is a signal and a promise to a wide array of audiences. By virtue of our proud connection to Cornell University, we have a strong endorser brand which is embraced wholeheartedly in our new brand strategy. In the Johnson master brand, however, which has not been well-defined, we saw an opportunity to differentiate ourselves, while staying authentic to the experience we provide.

The brand positioning statement, support statements, and logo were an outgrowth of extensive research throughout a two-year timeframe, beginning with the Strategic Plan. The research included the input of thousands of students, potential students, alumni, recruiters, faculty, and staff as well as extensive market research of the top fifteen business schools in the country.

Research strategies included four quantitative studies, the most recent being a 2010 student survey with a sample of 438 students and accepted but not-matriculated students; hundreds of interviews; and more than twelve focus groups to develop and test positioning strategies, names logos and advertising messages. The results of this research have culminated in the updated brand positioning, name, and logo that make up our brand.



JOHNSON
Cornell University

Updated Johnson brand promise

Promise: Johnson graduates know how to harness the collective strength of others to create extraordinary results.

Support statement: More than ever, leaders must be capable of sustaining, mining, and getting the most out of an organization. Through collaborative learning and immersion in real-world challenges, Johnson students gain essential business skills plus direct experience in leveraging the talent and knowledge of others, yielding more ideas, more possibilities, more thoughtful, well-rounded solutions and, ultimately, extraordinary results.

When employers hire a Johnson graduate, they get more than one person. They get the strength of many.

Updated Johnson logo

We are a named institution — the Samuel Curtis Johnson Graduate School of Management at Cornell University. This has not and will not change. And while we still use the Cornell University insignia and the Cornell University name in the new logo, just as before, we have given the “Johnson” name more prominence as a first step toward enhancing name awareness and recognition. The campaign piece on the opposite page shows off our new logo and how it integrates with our current advertising.

How you can help make Johnson truly our brand

You can help by making an effort to understand the brand positioning and its support statements, and adopting it as part of your communications with others when talking about your experiences here at Johnson. We have created a campaign micro-site at www.johnson.cornell.edu/brand that contains information on the development and implementation of the new brand strategy. Visit the brand site or email the Johnson marketing team at brand@johnson.cornell.edu with any questions you may have.



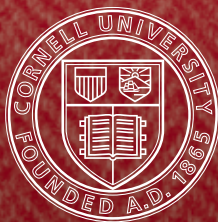
I HAVE A VOICE.

WE SPEAK AS ONE.



Students, alumni, faculty, staff, administration — together, we embody the Johnson brand. Our actions and attitudes make the brand ring true for everyone who interacts with the school.

With the recent repositioning of our brand and the unveiling of the new Johnson logo, it's important that we all speak about Johnson with a united voice, so the brand can become even stronger. To watch informational videos about the repositioning, learn about the reasons behind it, and see examples of how the brand lives in the marketplace, visit johnson.cornell.edu/brand.



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Business Roundtable

Steve Kaplan Unplugged: unveiling strategies for success

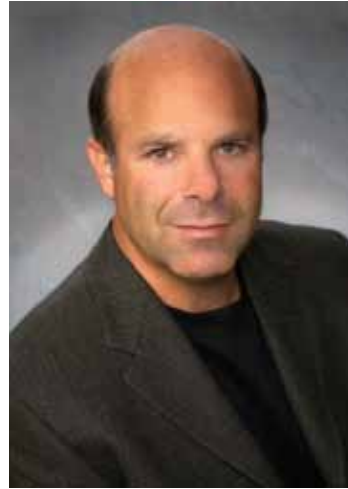
BY MARIA MINSKER '13

“Big elephants” make or break companies. Bagging big elephants — or huge clients that can launch a company “into the stratosphere” — is Steve Kaplan’s specialty, and he’s eager to share his success strategies with the rest of the world. Visiting on his *Bag the Elephant* Unplugged University Tour, Kaplan explained why he began his own company, and shared techniques for seeking out opportunities and “bagging” large clients.

At age 22, he decided that “being a little fish in a big company” was not for him, and

so he decided to start his own. A small marketing company at the time, Bounty SCA Worldwide sold tactical marketing strategies like product sampling and coupons. Now making over \$250 million in sales with offices in 14 countries, the company is one of many that he helped make successful.

One of the keys to his success, Kaplan says, is seeking out opportunity. While trying to land a relatively small deal with Proctor & Gamble, Kaplan came across something



Steve Kaplan

unexpected. “I was meeting with a guy to talk about potentially working on the Pantene brand, but when we met I could sense he was having a horrible day. He was working on a nationwide campaign and needed to import 80 million silk bags from China, and couldn’t even get 30,000 of them past customs in Los Angeles,” he explained.

In efforts to earn the potential client’s trust, Kaplan decided to “see what he could do.”

Kaplan’s company at the time was not a big importer, shipping mostly between New York City and Syracuse. Nevertheless, after “a few phone calls,” he was able to arrange for someone to go and pick up the 30,000 bags in Los Angeles. When Kaplan called his contact at P&G with good news about his bags, he got the fastest call back he had received: “This guy called me back within 10 seconds,” he said, “and told me to send him an invoice for as much as I wanted. But all I wanted was a shot at the 80-million-bag campaign. And he gave it to me.”

Kaplan reflects that he could have just attended the meeting, pitched his original ideas for the small campaign he was interested in, and walked away. Noticing an opportunity for greater success, taking a risk, and “coming through” made the difference. With P&G behind him, Kaplan says he felt like he “was capable of doing anything.”

Despite the current economic climate, Kaplan still firmly believes opportunity is everywhere — you just have to look for it.

Sorkin discusses *Too Big to Fail*



Andrew Ross Sorkin '99

New York Times finance reporter and columnist, Andrew Ross Sorkin '99, a leading interpreter of Wall Street and corporate America and author of the award-winning best-seller *Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System — and Themselves* (2009), returned to campus Oct. 20 for a book signing, to deliver a public lecture, and to participate in a panel discussion moderated by Dean Joe Thomas. Other panelists included Professor and Johnson Dean Emeritus Robert Swieringa, Eswar Prasad, the Tolani Senior Professor of Trade Policy; and Sharon Tennyson, associate professor of policy

analysis and management. When asked about the main lessons learned from the economic debacle he covers in his book, Sorkin responded: “We need to have an adult conversation about our costs and revenues. It’s a conversation no one wants to have.” Swieringa agreed, saying: “It doesn’t look like we have the political resolve to deal with these issues.” Sorkin’s book is the first true, behind-the-scenes, moment-by-moment account of how the financial crisis developed into a global tsunami.



Newsmakers

Trickle up, tax, and get over it



Professor Stuart Hart

The economic downturn and proposed solutions have placed several of Johnson's own in the media spotlight. In "Trickle Up!" (*The New York Times*, "Green" blog, Aug. 3), **Professor Stuart Hart** suggests that economic solutions must begin at the base of the pyramid.

Hart argues that working in

low-income markets such as India and China can force innovators and entrepreneurs to drive complexity and cost from their products and the business models they create to sell them. He says that once these new solutions are tested and proven in the poorest communities, the theory goes, many can "trickle up" to the developed world, where features can be added for more affluent markets.

"US economist says rising executive pay gap has spawned expenditure cascades throughout the economy," an article posted by Ireland's leading economic publication (FinFacts Ireland, Aug. 24, 2010), cites **Professor Robert Frank's** argument that in order to assist the middle class and help them make ends meet, the expenditure cascades caused by the rising executive pay gap — starting with increased spending on housing — must be closed, and that consumption taxes rather than arbitrary limits would be a more effective mechanism to close the pay gap. "You're Rich. Get Over it" (*Newsweek*, Sept. 16) cites Frank's research on how people assess their well-being — "not so much on how much they make and consume, but on how much they make and consume compared with their neighbors."

The value of an MBA

In "The Next Generation," the cover feature in *Hispanic Executive* (September/October 2010), Michael Jurado, MBA '11, was one of four MBA students enrolled in different programs who spoke to the relevance of his MBA experience in a rich Q & A. The story connected his background and personal history as a Hispanic American and why he believes it is so important to give back. About his choice to attend Johnson's general management program, Jurado said, "I knew I wanted to have a different experience; I wanted to go to a smaller school where I could really get to know my classmates on a personal level, and the school was a perfect fit for me. ... [The]



general management degree ... enables one to look at the world through a different lens and will help position me as a leader regardless of whether my work is in the for-profit or the not-for-profit sector."

When asked how his Johnson experience informed his op/ed, "U.S. can't afford to wait to switch to clean energy any longer" (*Detroit Free Press*,

Aug. 11), Steve Maddox, MBA '10, said: "My time at Johnson gave me the toolsets to analyze opportunities. I understand that the crux of the carbon trade argument is really a basic 'make vs. buy' decision that I learned in Core Economics (and later driven home by my classes and discussions with Professor Ben Ho). I came to Johnson looking for the tools to prove (or disprove) what my gut told me was the right decision, and I got them."

The MBA admissions game

When the admissions season ramps up, the press reaches out to glean every b-school's strategy for attracting students. It's a highly competitive game, and one that can force an obsession with numbers and data versus the deeper reasons that drive students to select the schools they do. This year, when *BusinessWeek* spoke with Johnson's **Randall Sawyer**, assistant dean of Admissions, Financial Aid, and Inclusion (Admissions Q & A, Bloomberg *BusinessWeek*, Aug. 5), he outlined how he and his team zero in on students who are both intellectually curious and passionate about Johnson, qualities he views as critical to a student's long-term success.

Johnson's efforts in attracting women were cited in "33% Female Students in B-Schools Abroad," (*Economic Times of London*, Sept. 19), noting that Johnson "includes partnerships to reach out to women and encourages them to apply. The school has a Women's Power Lunch for current students to network with each other, female faculty, and prominent alumnae, and partners with the Johnson School Women's Management Council and other graduate professional programmes."



Networking in a digital age

However high-tech your tools, remember: your network is people

BY IRENE KIM

Remember Bob from Accounts Payable at your first job out of school? Nice guy, but you didn't have much in common, and got tired of updating his phone number in your little black book. So you lost touch. Well, recently you remembered Bob, and looked him up on Facebook or LinkedIn. Turns out he'd worked his way up in the IRS and had become dean of a prominent business school. So you dropped him a line, and reconnected.

That's the power of digital networking. Whereas in the past you might have lost touch with Bob forever — your little black book can take only so much Liquid Paper, and it would weigh fifty pounds if you kept everyone's contact information — you now can stay connected with everyone you like, no matter how much you change jobs.

As a first step to online networking, Stephen Calk, senior associate director of Johnson's Career Management Center, suggests a LinkedIn account. You can build your network fairly easily (most of your contacts are probably already in the database), and see your connections' contact and company information and résumé. Keeping the information current is painless, because Bob updates his own data.

LinkedIn also allows you to see all your contacts' networks. So, if you have 100 connections, and each of them has 100 connections, you now can see the name and company information of 10,000 people. Of course, that doesn't mean you have 10,000 friends willing to find you a job. But it does open up a whole new world of possibilities.

While the tools we use for networking may change, says Calk, the principles remain the same. "All networking, all relationship building, is and will always be analog," says Calk. "Technology simply gives us a more efficient mechanism for keeping the analog world warm."

Remember: Each of those names represents an individual who wants to be respected, taken seriously, and befriended (not just in the Facebook way). A network is a collection of people, and is only as good as the effort you put into cultivating those people. It's no coincidence that today's networking books repeat the same tenets expounded by Dale Carnegie 80 years ago: Listen to others, make them feel important, think from their perspective, and give more than you take.

Keeping in mind the age-old maxims of networking and cultivating relationships with people, Calk offers a few pointers:

- **Keep your nose clean.** You probably haven't posted photos of yourself doing body shots during happy hour. But be aware that a prospective employer or client might find anything about you

— political commentaries, off-color posts. Ensure that someone doing a search on your name will find a solid résumé and information that reflects well on you.

- **Connect.** Calk tells incoming MBA students to select ten contacts from his network, to some of whom he will introduce them. Many Johnson alumni are one or two degrees of separation from high-profile leaders such as Warren Buffett, at most; by taking advantage of a contact's network, you can significantly reduce the distance between yourself and someone you'd like to deal with.
- **Don't ask for a job.** Don't assume any contacts you cultivate will create a spot for you at their company "because you're brilliant and went to Cornell," says Calk. "The only way you're going to find a spot at their company is if they're impressed with you and have a spot already — so you want to get on the radar."
- **Ask not what your network can do for you.** "Giving begets more giving," wrote Keith Ferrazzi in *Never Eat Alone*. "When I call to talk to alumni and other contacts, I make sure they know it's not because I want to hound them for the next ten years," says Calk. "It's because, if I can help them with anything — research from the school, brilliant interns — I will make it happen."
- **Make your network reflect you.** Sure, everyone's heard of wizards who can remember the spouses' names of 50,000 contacts, but Calk doesn't counsel such showmanship. No one likes to feel like a notch in someone's belt. Calk has 900 names in his network, but points out that the large number reflects his role as information broker among students and alumni. He knows the names of his friends' dogs, but doesn't claim this intimacy with all 900 contacts. If you're not in sales, your network will probably be smaller.
- **Don't abuse privilege.** "If a student asks me to introduce her to an equity analyst, so I call him to tell him about this great MBA, and he says, 'I don't have the time,' I have to respect that," says Calk. "Like tightrope walking, this is a system based on balance and trust," wrote networking mogul Harvey Mackay in *Dig Your Well Before You're Thirsty*.
- **Be professional.** "When you invite people to your network, do it personally," says Calk. "Don't send a mass email to 500 people saying, 'I want to connect to you.'"
- **Stay in touch.** Mackay advises reconnecting with one or two contacts daily. "That feels contrived to me," says Calk. "I'd rather get a call out of the blue saying, 'Just saw your company on the news and thought of you.'" For instance, LinkedIn publishes updates every time someone in your network makes a change. "That's an ideal time to write a short note to congratulate someone on their promotion or job change."
- **Use tools to gain credibility.** LinkedIn has a "questions" section, in which members can answer questions that members of their network are asking. "Some people become well-regarded in their field this way," says Calk, although he cautions that this approach isn't for everyone. "The people who do that tend to be serial entrepreneurs, or experts in a field."
- **Be easy to find.** "Some people don't give out their new email address because they don't want to be found," says Calk. "That's the biggest professional mistake you can make. We all have people we'd rather not hear from. But that doesn't happen much; you can always refuse politely, and the benefit offsetting the danger is huge."
- **Don't overlook anyone.** "Every social interaction is an opportunity to network," says Calk. "If the proton is active, it bumps into more things. Some could be painful, but some could turn out to be great." Mackay tells the story of sitting in an airplane, politely rebuffing his neighbor's repeated attempts at conversation, because he was busy. After he disembarked, he realized he'd just blown off Diane Sawyer.



Favorite Networking Books

Stephen Calk, Senior Associate Director of Johnson's Career Management Center, recommends the following books for honing your networking sense and skills.

Dig Your Well Before You're Thirsty
by Harvey Mackay

Never Eat Alone by Keith Ferrazzi

How to Win Friends and Influence People
by Dale Carnegie

Income inequality: too big to ignore

By ROBERT H. FRANK

People often remember the past with exaggerated fondness. Sometimes, however, important aspects of life really were better in the old days.

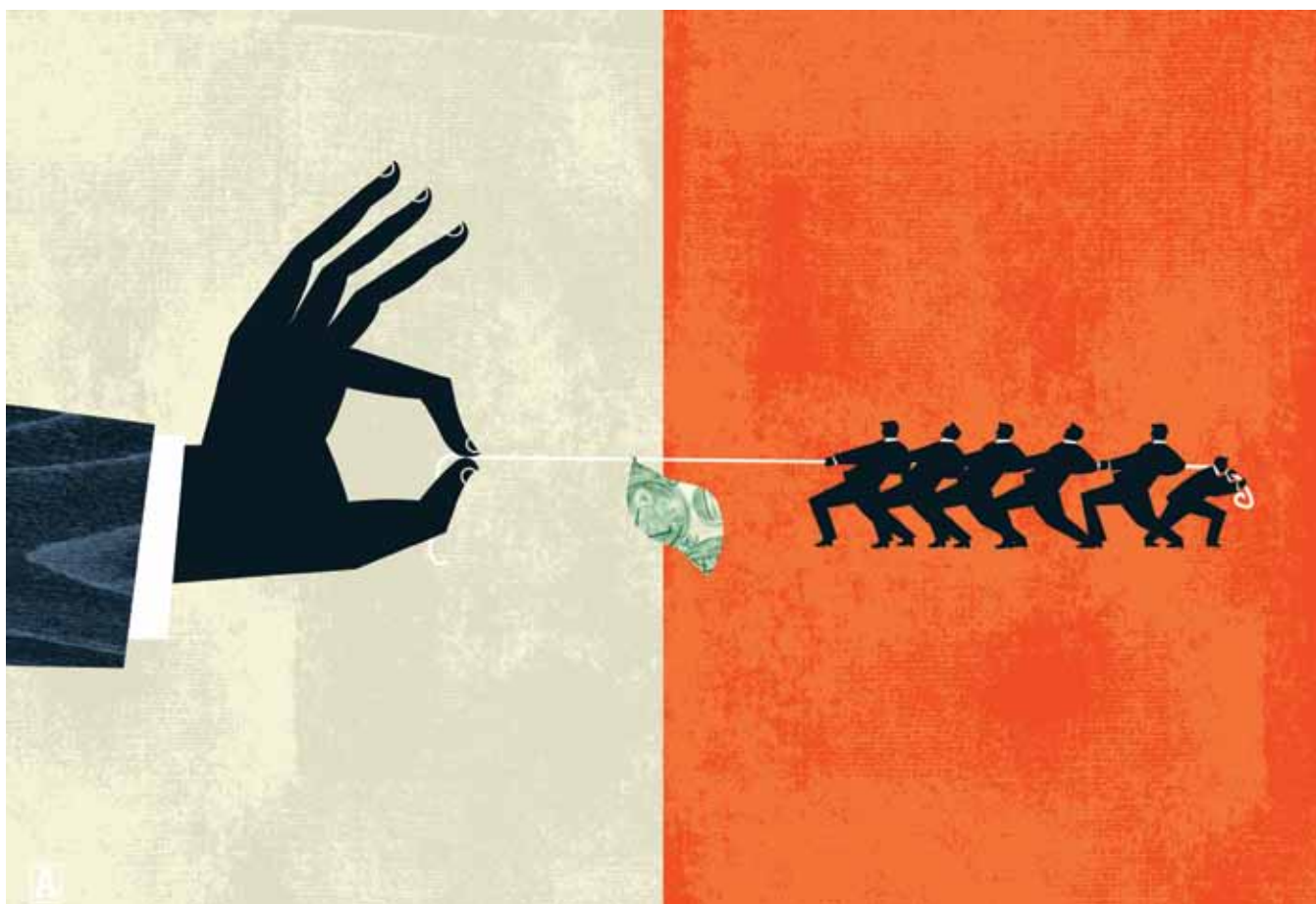
During the three decades after World War II, for example, incomes in the United States rose rapidly and at about the same rate — almost 3 percent a year — for people at all income levels. America had an economically vibrant middle class. Roads and bridges were well maintained, and impressive new infrastructure was being built. People were optimistic.

By contrast, during the last three decades the economy has grown much more slowly, and our infrastructure has fallen into grave disrepair. Most troubling, all significant income growth has been concentrated at the top of the scale. The share of total income going to the top 1 percent of earners, which stood at 8.9 percent in 1976, rose to 23.5 percent by 2007, but during the same period, the average inflation-adjusted hourly wage declined by more than 7 percent.

Yet many economists are reluctant to confront rising income inequality directly, saying that whether this trend is good or bad requires a value judgment that is best left to philosophers. But that disclaimer rings hollow. Economics, after all, was founded by moral philosophers, and links between the disciplines remain strong. So economists are well positioned to address this question, and the answer is very clear.

Adam Smith, the father of modern economics, was a professor of moral philosophy at the University of Glasgow. His first book, “A Theory of Moral Sentiments,” was published more than 25 years before his celebrated “Wealth of Nations,” which was itself peppered with trenchant moral analysis.

Some moral philosophers address inequality by invoking principles of justice and fairness. But because they have been unable to forge broad agreement about what these abstract principles mean in practice, they’ve made little progress. The more pragmatic cost-benefit approach favored by Smith has proved more fruitful, for it turns out that rising inequality has created enormous losses and few gains, even for its ostensible beneficiaries.



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“Rising inequality has created enormous losses and few gains, even for its ostensible beneficiaries.”

Recent research on psychological well-being has taught us that beyond a certain point, across-the-board spending increases often do little more than raise the bar for what is considered enough. A CEO may think he needs a 30,000-square-foot mansion, for example, just because each of his peers has one. Although they might all be just as happy in more modest dwellings, few would be willing to downsize on their own.

People do not exist in a social vacuum. Community norms define clear expectations about what people should spend on interview suits and birthday parties. Rising inequality has thus spawned a multitude of “expenditure cascades,” whose first step is increased spending by top earners.

The rich have been spending more simply because they have so much extra money. Their spending shifts the frame of reference that shapes the demands of those just below them, who travel in overlapping social circles. So this second group, too, spends more, which shifts the frame of reference for the group just below it, and so on, all the way down the income ladder. These cascades have made it substantially more expensive for middle-class families to achieve basic financial goals.

In a recent working paper based on census data for the 100 most populous counties in the United States, Adam Seth Levine (a postdoctoral researcher in political science at Vanderbilt University), Oege Dijk (an economics PhD student at the European University Institute) and I found that the counties where income inequality grew fastest also showed the biggest increases in symptoms of financial distress.

For example, even after controlling for other factors, these counties had the largest increases in bankruptcy filings.

Divorce rates are another reliable indicator of financial distress, as marriage counselors report that a high proportion of couples they see are experiencing significant financial problems. The counties with the biggest increases in inequality also reported the largest increases in divorce rates.

Another footprint of financial distress is long commute times, because families who are short on cash often try to make ends meet by moving to where housing is cheaper — in many cases, farther from work. The counties where long commute times had grown the most were again those with the largest increases in inequality.

The middle-class squeeze has also reduced voters’ willingness to support even basic public services. Rich and poor alike endure

crumbling roads, weak bridges, an unreliable rail system, and cargo containers that enter our ports without scrutiny. And many Americans live in the shadow of poorly maintained dams that could collapse at any moment.

Economists who say we should relegate questions about inequality to philosophers often advocate policies, like tax cuts for the wealthy, that increase inequality substantially. That greater inequality causes real harm is beyond doubt.

But are there offsetting benefits?

There is no persuasive evidence that greater inequality bolsters economic growth or enhances anyone’s well-being. Yes, the rich can now buy bigger mansions and host more expensive parties. But this appears to have made them no happier. And in our winner-take-all economy, one effect of the growing inequality has been to lure our most talented graduates to the largely unproductive chase for financial bonanzas on Wall Street.

In short, the economist’s cost-benefit approach — itself long an important arrow in the moral philosopher’s quiver — has much to say about the effects of rising inequality. We need not reach agreement on all philosophical principles of fairness to recognize that it has imposed considerable harm across the income scale without generating significant offsetting benefits.

No one dares to argue that rising inequality is required in the name of fairness. So maybe we should just agree that it’s a bad thing — and try to do something about it.

From *The New York Times*, Economic Scene, October 16, 2010.

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Cornell University Photo

Robert H. Frank, Henrietta Johnson Louis Professor of Management and professor of economics at Johnson, is a monthly contributor to the “Economic Scene” column in *The New York Times*. He has served as a Peace Corps volunteer in rural Nepal, chief economist for the Civil Aeronautics Board, fellow at the Center for Advanced Study in the Behavioral Sciences, and was Professor of American Civilization at l’Ecole des Hautes

Etudes en Sciences Sociales in Paris. Frank’s books include *Choosing the Right Pond*, *Passions within Reason*, *Microeconomics and Behavior*, *Luxury Fever*, *What Price the Moral High Ground?*, *The Economic Naturalist*, and *The Economic Naturalist’s Field Guide*. A book he co-authored with Philip Cook, *The Winner-Take-All Society*, was named a Notable Book of the Year by *The New York Times*, and was included in *Business Week*’s list of the ten best books for 1995.

The Cornell Venture Challenge

Finding and supporting tomorrow's most promising new enterprises

By IRENE KIM

It all started with drinks.

Back in the fall of 2008, Benjamin Rollins, MBA '09, was helping set up happy-hour networking events between Johnson and School of Engineering students. He met biomedical engineering student Brian Lawrence, PhD '11, who had helped set up the events on his end. Rollins was looking for a technology to launch a business; Lawrence had a promising technology.

"I had gone to Cornell to find a technology that was both interesting from an intellectual-property standpoint and that had big market potential," says Rollins. He was intrigued by Lawrence's proposition, a low-cost type of wound care for patients recovering from ophthalmic surgery or traumatic eye injury. "Let's start a business," Rollins said to Lawrence; Bombyx Technologies was born.

Since then, Bombyx Technologies has received grants from the Department of Defense and the National Science Foundation totaling more than \$1 million, as well as serious interest from industry and the investment community. Getting to this point hasn't been easy: Rollins packed up his family and moved back in with his parents to bootstrap the company.

What made Rollins decide the venture was worth the sacrifice? In the spring of 2009, he and Lawrence submitted their fledgling business plan to the Cornell Venture Challenge (CVC), an annual business-plan competition run by Johnson's venture-capital fund, BR Venture Fund (BRV). After making to the final cut, Bombyx Technologies took first prize.



The 2010-2011 BR Venture Fund managers (all Class of 2011) and faculty advisors (standing, left to right): Marlon Nichols, Brent Goldberg, Anand Sundaram, Sung-Hoon Ahn (seated) Professor David BenDaniel, Kelley Dwyer, Henry Parry-Okeden, Weston Cashman, and Professor Steven Gal.

"What BRV did for us was to give us the validation, the confirmation that we could really run this business."

— Benjamin Rollins, MBA '09, co-founder and CEO, Bombyx Technologies

Prize money: \$20,000. Winning the CVC: priceless.

Rollins and Lawrence were awarded \$20,000 for winning (\$10,000 from BRV, matched with \$10,000 from the Cornell Center for Technology Enterprise and Commercialization, since Bombyx is based on a Cornell technology). But the real prize, says Rollins, was the recognition by BRV — a highly respected venture-capital fund, and the only one completely run by students. "What BRV did for us was to give us the validation, the confirmation that we could really run this business," he says.

Evan Luxon of Johns Hopkins, whose firm, Cortical Concepts, won the CVC in April 2010, has similar high praise for BRV. "By winning the challenge, we were afforded with immediate validation in discussions with potential investors and licensees," says Luxon. "Given the reputation of the Johnson School and its alumni, the win has allowed us to meet people we may not have had access to previously, and to have higher-level discussions than we would have otherwise."

More than good ideas



Danny Hest, MBA '10, COO of BRV in 2009-10

Each winter, the CVC invites aspiring entrepreneurs, including Cornell-affiliated individuals and current students and faculty at other universities, to submit their business ideas, and receives dozens of short executive summaries of promising new ventures — from online shopping services to rainwater-collection devices for rural areas. The BRV managers, second-year MBA students selected

by the previous year's managers, carefully review all submissions and choose up to five to proceed to the final round. These finalists submit full-fledged business plans and present their ideas to the BRV managers and a panel of veteran venture capitalists for feedback and judging during the university-wide Entrepreneurship@Cornell week in April.

The competition, formerly known as the Business Idea Competition, changed its name in 2008-09 to reflect its emphasis on solid, viable ventures. "The reasoning was to shift the focus from



(clockwise from left) Bombyx Technologies co-founders Ben Rollins, MBA '09, CEO, and Brian Lawrence, PhD '11, CTO, in their clean suits; Benjamin Rollins; Bombyx Technologies' product: a transparent bandage that rapidly heals eye wounds. The bandage, made of material that is completely unique, patented, and inexpensive to produce, resembles a contact lens. When placed on a damaged eye, it relieves pain and protects from further damage. Bombyx took first prize at the 2009 Cornell Venture Challenge.

just presenting a good business idea to finding real, high-growth, venture-fundable startup companies," says Danny Hest, MBA '10, who served as COO of BRV in 2009-10.

Making VC connections

Arguably the CVC's most valuable benefit, competitors and BRV managers agree, is the final round, in which a panel of professional venture capitalists critiques finalists' business plans. "One of the primary benefits of competing was hearing feedback from established venture capitalists," says Luxon. "Not only were we challenged to defend our technology and business model during the presentation, but the one-on-one sessions afterward allowed the judges to give us incredibly relevant advice." As Hest points out, in addition to learning from the critique, the finalists have the opportunity to start a dialogue with the VCs for potential funding.



Marlon Nichols, BRV's president and COO for 2010-2011

The VCs, like the BRV managers, are looking for solid business propositions. Cortical Concepts, developer of a device for use in spinal surgery that increases the strength of fixation in osteoporotic bone, presented a compelling case, says Marlon Nichols, BRV's president and COO for 2010-2011. "In general, they were a high-performing team

that successfully addressed the typical venture-investor concerns of viability, strength of management team, intellectual property, realistic financial projections, grasp of the market potential, and feedback from potential customers."

The whole process of screening the promising contest entries, and then watching selected entrepreneurs pitch their ideas to the panel, was a remarkable learning experience, says Hest. "Every business presents a different set of challenges, and it's a great exercise to think through what can help a startup be successful in a particular market."

Replicating the VC experience

BR Venture Fund, annual sponsor of the CVC, is unique in the level of responsibility it confers on its student managers. "Most student-run funds are set up such that the students make recommendations to an outside board of alumni, faculty, or others, who make the investment decisions," says Steven Gal, associate professor of clinical entrepreneurship and one of the faculty advisors for the BR Venture Fund. "At BRV, the students make all the staffing and investment decisions, acting as partners of the fund."

Nichols adds that some business schools have venture capital funds in which students perform only due diligence for possible investments, or are allowed to participate in only limited ways.

Gal explains that the BRV experience truly mirrors the actual environment in which venture capitalists work. "The BRV fund managers generate deal flow, conduct due diligence, make investments, and manage a portfolio," he says. "The only difference is that the students don't profit monetarily from the deals' success. Adds Nichols: "We have the opportunity to learn all aspects of the venture business by doing it every day."

Basically operating as real venture capitalists — albeit without pay — BRV managers are able to build important relationships in the venture-capital and entrepreneurial communities, says Nichols. "Such relationships are coveted in the VC space." And plenty of other people take notice of the BRV, as well. During his tenure, says Hest, BRV managers received numerous requests for information from other schools about how the fund is run.

As a highlight at the end of the academic year, the CVC affords the BRV fund managers an invaluable opportunity to see their investment decisions evaluated by top venture capitalists. "The single most valuable lesson came when we participated in the judges' deliberation session," says Nichols. "This was a crash course in how to evaluate entrepreneurs and their ideas. Today, as we review potential investments, we practice many of the principles that we learned in the deliberation room on that day."

Startup Snapshots

Making green while the sun shines

Gaye Tomlinson, MBA '05:

CMO, Vaha Solar and Green Consulting

As oil reserves shrink, environmental concerns grow, protests fly over hydraulic fracturing, and electricity costs skyrocket, Gaye Tomlinson is betting that the time is finally right for renewable-energy solutions.

She and her husband, Geoffrey — a former Wall Street analyst turned green-technologies consultant — launched Vaha Solar and Green Consulting in March 2008 to help consumers improve their energy efficiency. Based in sunny Anaheim (average annual rainfall below 14 inches), the company focuses on solar-energy solutions.

It helps that consumers recognize the need for energy efficiency, but Tomlinson found that many solutions were too costly for many. Even after generous economic incentives from state government, solar systems remained out of the reach of most wallets. “The initial capital outlay still turned clients off — many would rather spend their money on granite countertops,” says Tomlinson.

Creative business thinking was in order. “I realized that the people who most need solar power are low-income households who pay high bills for electricity,” says Tomlinson. She engineered a part-

nership with Habitat for Humanity and Anaheim Public Utilities whereby Vaha designed the systems, Habitat volunteers installed them, and the utility paid the bill. The partnership slashed the market price for the solar systems from \$14,000 to \$500 per home; hundreds of homeowners bought in.

Vaha also targets businesses and other organizations. Solar systems can significantly affect commercial buildings’ overall environmental impact, and generate a return on investment of 15 to 25 percent after accounting for local rebates, tax credits, and an accelerated depreciation schedule on solar systems. Vaha has installed systems at Vons supermarket chain’s credit union and Anaheim’s Unitarian Universalist Church.

Tomlinson credits Johnson with teaching her three crucial startup skills: the ability to recognize the opportunity, the know-how to differentiate her company in a tough economy and competitive environment, and vital negotiation skills. “I don’t think I would have started this venture if it hadn’t been for my MBA degree,” she says.



Gaye and Geoffrey Tomlinson

Courtesy of Gaye Tomlinson

Change agent

Daniela Peiser, MBA '00:

Founder and managing director, Bold Aspirations

In 2007, when Daniela Peiser mentioned to her colleagues at Deloitte Consulting that she was thinking about taking a six-month vacation in her native South Africa, her leadership offered to arrange for her to work out of the company’s Cape Town office. “They felt that leaves of absence often resulted in people not returning,” says Peiser.

Six months went by, then twelve. Not ready to go back to the United States, Peiser transferred to Deloitte Consulting’s South African arm, heading up the Human Capital Practice in Cape Town.

Peiser spent the next year gaining local experience in her chosen field of change management and business transformation, becoming acclimated to the South African business environment, and strengthening her South African network. In 2009, she was ready to strike out on her own, launching her consulting firm in South Africa and the United States.



Daniela Peiser

Courtesy of Daniela Peiser

“Once I came up with the name Bold Aspirations [www.boldaspirations.com], I knew it was perfect,” says Peiser. “It implies positivity, strength, and growth orientation — exactly what I wanted to offer clients.”

Peiser assists firms with the “people” aspects of business transformation and driving sustainable change. In addition to consulting, she also provides coaching services. “I wanted to leverage my experience to work with people one-on-one on both professional and personal growth,” she says.

The work environment in South Africa differs significantly from that of the United States. For one thing, the business culture is much more driven by relationships, says Peiser. “This has made it a bit more difficult for me, as I have not been here for long,” she adds. “However, once you have some success, it leads to a lot more opportunity.”

And the country offers great potential to entrepreneurs. “South Africa is a rising economy with unlimited possibilities for growth,” Peiser says. “I find it to be very entrepreneur-friendly.” Large companies, she adds, are frequently open to engaging with smaller businesses.

It doesn’t hurt, either, that she has nine years’ experience working for Deloitte in the United States, India, and South Africa. “My international experience and education are esteemed here, as I bring a unique and often much more global perspective,” Peiser says.

— IRENE KIM

The hidden cost of 9/11

More lives were lost, as Americans chose driving over flying

By ROBERT PREER

In the months after the terrorist attacks of September 11, 2001, Americans shunned airports and instead, took to the nation's highway — presumably on the belief that vehicular travel was a safer option. Yet what seemed a better bet ended up costing more lives, because travelers shifted to a more dangerous mode of transportation, according to research by Johnson professor of marketing and economics Vrinda Kadiyali.

"After controlling for observable and unobservable factors that influence fatalities, we estimate that as many as 2,300 lives were lost, because of travelers' response to 9/11," write Kadiyali and her co-authors, Garrick Blalock and Daniel H. Simon of Cornell's Dyson School of Applied Economics and Management, in "Driving Fatalities After 9/11: A Hidden Cost of Terrorism," published in *Applied Economics*, Vol. 41, Issue 14, 2009. "These deaths are a hidden cost of the 9/11 attacks."

Travelers appear to have avoided flying not only because they thought it was safer but also because they wanted to avoid delays and hassles associated with increased airport security, according to the researchers.

"These extra security measures are imposed to tell people that it is safer to fly," Kadiyali says. "But, because of those measures, fewer people choose to fly, and when they drive instead of flying, more people die on the road."

The researchers analyzed data on all motor vehicle fatalities in the U.S. between 1994 and 2003. Highway deaths increased significantly after 9/11, the researchers found. To isolate the so-called



"9/11 effect" the researchers used statistical analysis to control for variations in air fares and general economic conditions.

They also compared data on fatalities involving commercial vehicles — primarily trucks transporting cargo — and non-commercial vehicles, such as passenger cars. If a 9/11 effect did exist, there would be higher death rates for non-commercial vehicles, since commercial vehicles would be on the road, regardless of terrorism fears, the researchers hypothesized. In fact, the researchers found that fatalities involving commercial vehicles did not increase after 9/11, while deaths involving non-commercial vehicles spiked.

They also identified several additional signs of a 9/11 effect. Out-of-state fatalities increased more than in-state fatalities — evidence that travelers substituted highway for air travel. And fatalities went up most in the Northeast, where typical travel distances are shorter and driving is an attractive alternative to flying.

Also, the increase in auto deaths weakened over time, with fatalities returning to pre-9/11 levels by October 2003. According to the researchers, this probably happened because fear of flying lessened, and travelers adjusted to airport security measures.

But in the two years the 9/11 effect held sway, more than 2,000 people died on the nation's highways, according to Kadiyali.

"When we did the calculation and found the number, my heart sank," she says. "Look at how imperfectly we make decisions and what the cost can be, when we improperly assess risk."

"Because of extra security measures, fewer people choose to fly, and when they drive instead of flying, more people die on the road."

– Professor Vrinda Kadiyali



Cornell University Photography

Tam i n g



the Bear

Will Dodd-Frank
put paid to more
market meltdowns?

BY ROBERT PREER

When President Barack Obama signed the Dodd-Frank bill on July 21, he declared that the financial regulatory reform law would empower consumers and investors, shine a light on shadowy deals, and end taxpayer bailouts.

“It provides certainty to everybody, from bankers to farmers to business owners to consumers,” he added.

Whether the law will cure the ills that caused the global financial crisis is a matter of much debate. But experts at Johnson agree on one point: Financial reform has not brought much certainty.

“Every financial company, every professional trade association, every law firm, every accounting firm, every consulting firm is spending their time studying this bill,” Accounting Professor Robert J. Swieringa says. “We’re going to have interpretations and enabling legislation and regulations for the next three-and-a-half years. It hasn’t reduced uncertainty; it has increased uncertainty.”

The new law deals with almost every aspect of the financial system, from derivatives to executive pay to credit-rating agencies to consumer protection to hedge funds. But in many areas, the legislation omits specific rules, which are left to regulators to craft.

“The bill is open-ended. It legislates the need to do certain things and leaves the details to various government entities to deal with a later date,” Professor of Finance and Economics Robert A. Jarrow says. “I’m not a political scientist, but that seems rather unusual to me — Congress adopts a framework but leaves many of the details to officials who are appointed and not elected.”

George Andrew Karolyi, professor of finance and global business, says enactment of the bill, while an important milestone, mainly sets the stage for decisions about specific regulations, as well the design of new agencies the law creates. He notes that the controversy surrounding establishment of the Bureau of Consumer Financial Protection is a preview of things to come under the law.

“When I talk about this bill I have a simple theme,” Karolyi says: “Ladies and gentlemen, please don’t think this is the end of anything. It’s the beginning of everything.”

A crisis reaction

The Dodd-Frank Wall Street Reform and Consumer Protection Act is the U.S. government’s response to the financial crisis, which in 2008 brought the world financial system to the brink of collapse. Stock markets plunged, businesses failed, wealth evaporated, and millions lost their jobs and homes. President Obama called for an overhaul of the financial system, and after months of debate, maneuvering, and compromise, both houses of Congress and the president settled on this bill.

“The legislation really is a collection of many remedies to all of the different aspects of the financial crisis,” Associate Professor of Finance Yaniv Grinstein says.

The crisis began with the bursting of the U.S. housing bubble, which arose because brokers sold mortgages to buyers who couldn’t repay them. Next came a collapse in the value of mortgage securi-

the bear

ties, held by financial institutions of all kinds, from commercial banks to investment banks to hedge funds. Derivatives brought more players, including big insurance companies, into the cascade of failures. Stock markets crashed and credit markets froze.

For each step in the crisis, the Dodd-Frank bill has an answer. To curb deceptive lending, a consumer protection agency is established. To prevent financial institutions from dabbling in risky investments, limits and disclosure requirements are imposed on trading. Derivatives will be more closely watched and regulated. A new agency will monitor the entire system. And when a big financial institution teeters, new procedures are in place to wind down the entity before it takes others down with it.

The bill establishes procedures aimed at curbing executive pay, which some believe was an underlying cause of the crisis because it encouraged excessive risk-taking.

"You can look at the abuses of the last five years, and they're all in this law," Swieringa says.

Looking for cracks in the foundation

Robert C. Hockett, a professor at Cornell Law School, believes that establishment of a Financial Stability Oversight Council is a major contribution of the new law. The council includes the Federal Reserve chair, treasury secretary, and heads of the major financial regulatory agencies. Its job is to identify threats to the overall system.

"For the first time in American regulatory history we explicitly embrace the idea of systemic risk," Hockett says.

The U.S. regulatory system is a patchwork creation, the result of agencies being established in response to crises over many decades.



"We're going to have interpretations and enabling legislation and regulations for the next three-and-a-half years.

Dodd-Frank hasn't reduced uncertainty; it has increased uncertainty."

— PROFESSOR ROBERT J. SWIERINGA

One agency oversees commercial banks, another commodities, another securities. Insurance is left to the states.

"It's almost as if they were confined to particular little walled-off worlds," Hockett says. "And they were not paying attention to two important things: first, the way many financial institutions have come to look alike, and two, the interconnections between the institutions."

Exactly how the council will function remains to be seen. First it needs a budget, a staff, and working procedures.

Jarrow is skeptical. "My view is that it's another layer of bureaucracy. We definitely need someone looking for systemic risk, but I'm not sure this council will do anything. It would be easier to have the Fed and Treasury consult with each other."

Karolyi also has doubts. "Whether the council will seriously monitor, and whether it will have the resources to do so, are very big questions."

When big institutions fail

In 2008, when the nation's biggest financial institutions were on the brink of insolvency, the scene in Washington appeared chaotic — top officials scurrying at odd hours to hastily called meetings. Some of the decisions seemed arbitrary: rescues for AIG and Bear Stearns, but no lifeline for Lehman Brothers.

Dodd-Frank establishes procedures to be followed when big financial institutions get into trouble. The FDIC, in consultation with the Fed, is authorized to take control of failing institutions and wind them down in much the same way it does with faltering commercial banks.

"We've had this system since the 1930s with commercial banks, precisely because we know how chaotic bank runs and bank failures can be," Hockett says. "The law extends the system to other kinds of financial institutions."

Jarrow sees this as a step forward. "It's in addition to the bankruptcy process, which can take much longer. Having the FDIC go in and control the liquidation process to maintain the health of the financial system is a good thing."

The reform bill also extends federal oversight to insurance companies, which are now regulated by the states. A new agency within the Treasury Department, the Federal Insurance Office, will monitor big insurers and work with other regulators to supervise insurance companies that falter and threaten the system.



“We definitely need someone looking for systemic risk, but I’m not sure this [Financial Stability Oversight]

Council will do anything. It would be easier to have the Fed and Treasury consult with each other.”

– PROFESSOR BOB JARROW

Curbing risky behavior

In the years leading up to the crash of 2008, a signature feature of the financial world was the proliferation of new, exotic instruments, many of them lightly regulated. The Dodd-Frank bill seeks to clamp controls on these financial innovations.

The law gives the Commodity Futures Trading Commission more oversight over derivatives, which will be brought onto regulated exchanges. Hedge fund advisers will have to register and report to federal agencies.

“More things are being brought under the regulatory umbrella,” Hockett says.

Also in line for closer control are commercial banks, which, with repeal of the Glass-Steagall Act in 1999, were allowed to trade in securities. Dodd-Frank doesn’t prohibit such trades but it does set limits.

Banks that want to dabble in securities must hold extra capital, comply with conflict-of-interest rules, and limit the amounts of transactions. These restrictions, proposed by former Fed Chairman Paul Volcker, have become known as the “Volcker rule.”

“One way to think of it is as a partial return, without going the whole way, in the direction of Glass-Steagall,” Hockett says.

Regulation in a roundabout way

The financial reform bill takes a back-door approach to some things. Instead of imposing strict rules mandating behaviors, it creates conditions that make certain outcomes more likely.

Executive compensation is one example.

The law establishes the principle of “say on pay.”

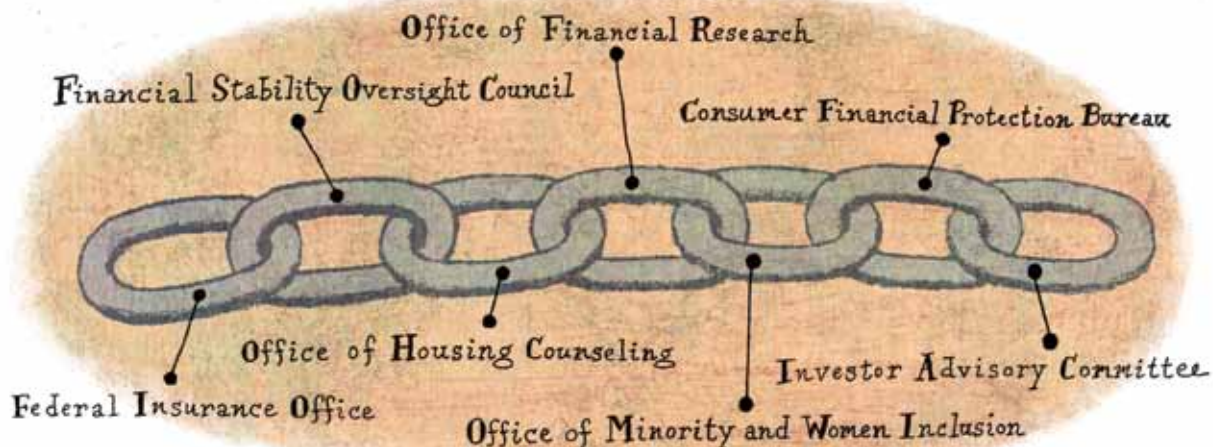
Shareholders of publicly traded firms must be given the opportunity to vote on compensation packages of top executives. Shareholder votes are non-binding on directors of companies.

“The directors don’t have to follow the vote, but they know if they go against it, it’s going to have an impact,” says Swieringa, who serves on the board of directors of GE. “It’s a way of making directors more responsible and accountable.”

Hockett considers “say on pay” to be window dressing. Grinstein doubts whether the new rule will do much about the fundamental problem of realigning incentives to curb excessive risk-taking by executives.

But Swieringa believes “say on pay” will force directors to justify their actions on executive pay. If they ignore shareholders’ non-binding votes, they will risk being ousted.

“It’s clear this effort is going to have some impact” Swieringa says.



the bear



“One way to think of it is as a partial return without going the whole way in the direction of Glass-Steagall.”

— PROFESSOR ROBERT C. HOCKETT

AAA ratings for mortgage-backed securities

Dodd-Frank has a menu of fixes for the problem posed by credit-rating agencies, which affixed triple-A ratings to the mortgage-backed securities that were at the heart of the crisis.

The act creates a new office of credit ratings within the SEC and sets up rules intended to make credit agencies more accountable and transparent and less susceptible to conflicts of interest. A concern about rating agencies has been that their judgment may be clouded when they are being paid by the companies whose products they rate.

Jarrow is doubtful these regulations will work. “It looks like they are going to create another layer of regulation. I think this is a half fix and the wrong fix.”

He favors doing away with requirements that investment-grade securities be rated by the agencies. “Financial institutions would do their own due diligence or pay somebody to do it, and they wouldn’t rely on quasi-government sanctioned organizations,” Jarrow says.

Hockett notes that the law removes a legal shield credit-rating agencies have had and allows parties who got bad advice to sue the agencies. “By opening the possibility of certain lawsuits, it may render the credit-rating agencies more accountable,” he says.

The crisis next time

As the Dodd-Frank bill moves into the implementation phase, the question looms: Will it prevent the next financial crisis?

Finance Professor Warren B. Bailey has doubts. “Smart traders and their lawyers will, to a degree, always find a way around some of these new regulations. That is simply the nature of global finance,” he says.

While the law does create new rules and agencies, the U.S. regulatory system remains a patchwork, with no central authority that can intervene whenever and wherever the next crisis erupts. The law also does not address the problems of Fannie Mae and Freddie Mac, the two still-ailing mortgage giants that the federal government took over during the crisis.

Bailey says a threat also could come from beyond our borders. “We can imagine that a hedge fund, an offshore entity, or some other player that does not fall under the new laws or regs, can blow

up, crash U.S. stock or bond markets, and cause big problems — even if all the regulated, onshore players are behaving.”

Karolyi says the United States should have worked with other nations to craft a coordinated approach. “It feels like the U.S. has gone it alone,” he says. “There is no doubt in my mind that the crisis stemmed from the fact that there was serious lack of coordination among global regulatory agencies.”

Still, Karolyi believes the law is progress. “I’m optimistic. It may not have everything I or anybody else hoped for, but at least we have a blueprint.”

Hockett says that in almost every area covered by the bill, the drafters of the law went about two-thirds of the way to complete reform of the system.

“Maybe that’s the best way to do it,” Hockett says. “You don’t want to go just half way. Things were crazy enough two years ago that you don’t want half measures. Two-thirds is a nice way of splitting the difference.”

Not strictly academic

For business school faculty, the financial reform law means changes to lectures and additions to syllabuses. At Johnson, the law has been a hot topic since the spring.

“We discussed it in the executive MBA class I was teaching,” Karolyi says. “I teach core finance, and that’s probably not the place to talk about it, but I sure did.”

When Congress was still debating the law, the school brought in industry experts to participate with faculty in a series of evening panel discussions last spring.

“There’s no formal module in any curriculum, but I think it’s the right and responsible thing to be talking about these changes,” Karolyi says. Understanding the law is important to anyone going into business or finance, he adds.

“It’s going to affect all the lives of these young people for many, many years.”

GAME CHANGERS

A young green plant sprout with two leaves growing out of dark, cracked soil. The soil is a rich brown color with visible cracks and texture. The plant is positioned on the right side of the frame, with its leaves reaching upwards and slightly to the right.

Alumni facilitating
economic development
in emerging economies

BY DOUG MCINNIS

Judging by the headlines, many of the world's emerging nations seem to face a grim future. They are periodically swept by famine, disease, and civil wars, and are often mired in poverty. Yet Western business refuses to write them off. Where others see despair, forward-looking businesses see billions of consumers with money to spend, a desire for a better life, and a willingness to apply capitalist solutions to longstanding problems. The stories below give a glimpse of the quiet revolution that is transforming the planet.

changers



Justin DeKoszmovszky '99, MBA '06, with the Community Cleaning Services management team with whom he worked to develop the business. (left to right): Dennis Mambo, Eliza Achieng, and Joseph Njenga. This was taken outside one of the public toilets CCS manages in Pangani, Nairobi.



DeKoszmovszky with CCS team members after a CCS biannual general meeting. "The gentlemen and lady I am standing with are all part of one of the CCS cleaning teams from Kibicho, Mathare, one of Nairobi's larger slums. They are, in essence, SCJ's business partners for the micro-franchise business we are pioneering in Nairobi."

JUSTIN DEKOSZMOVSKY '99, MBA '06:

Combating Disease in the Poorest Big Cities

In Nairobi, Kenya, roughly 150 residents share each of the communal bathrooms that serve the city's poorest neighborhoods. But when it comes to cleaning them, none of those 150 people is in charge. The bacterial nightmare that results helps spread dysentery and other diarrheal diseases that are deadly to newborns and young children.

The situation is reminiscent of the filth that afflicted European cities before the age of modern sanitation. Now SC Johnson has moved into the void by co-creating privately run sanitation "micro-franchises" to clean up Nairobi's communal restrooms. If the system works in Nairobi, it could create a template for disease management in the burgeoning slums of the emerging world's big cities, and create jobs in the process.

"For the first time in the history of the planet, the majority of people are living in cities. And the majority of the new urban migrants are going into slums. If you don't have sanitation systems in place, garbage and excrement just pile up, says Justin DeKoszmovszky, SC Johnson's manager for strategic sustainability in developing markets. "Our Chairman and CEO Fisk Johnson believes that part of being a responsible company is working hard to play a role in solving the world's problems. He is very supportive of these efforts in Kenya."

SC Johnson's solution is elegantly simple. The company created an organization called Community Cleaning Services, or CCS, which provides startup advice and supplies to help entrepreneurs open neighborhood sanitation services. It's a win — families served by these entrepreneurs pay up to 75 cents a week to assure clean facilities and SC Johnson gains a new market for its cleaning products. Everyone benefits.

To launch the ventures, CCS donates gloves and rubber boots to the new sanitation companies. Cleaning supplies are provided in bulk, well below retail costs and in a closed-loop system that eliminates packaging waste. The arrangement minimizes up-front costs for cash-strapped entrepreneurs. "They live hand-to-mouth," DeKoszmovszky says. "The money they make Monday will buy Monday night's dinner. So it was important to make sure these businesses were profitable for the cleaners on day one."

"We've got a commitment to do this pioneering work. And we've got the global reach. If we can come up with a business model that works, we can quickly scale it up," he says."

KRISTIN O'PLANICK, MBA '10:

Making the Most of Tourism

Foreign investment is supposed to spur local economies and create jobs. Sometimes it does neither. In Egypt, for example, European companies built numerous tourist hotels, and then staffed them with non-Egyptian workers. As a result, 90 percent of all tourist dollars spent at some resorts ended up in Europe, says Kristin O'Planick, who works for the United States Agency for International Development as an enterprise development specialist.

O'Planick witnessed the problem in her previous job as a USAID contractor in Egypt. At first glance, foreign-owned tourist ventures reaped a bonanza. "They could say, 'Look how many tourists we're bringing to the country,'" says O'Planick. "But if you looked at capital flows, much of the money flowed to other countries." In some cases, Egypt reaped little more than environmental degradation. "Egypt still has pockets that are undeveloped," she adds. "And they are definitely looking to do future development differently."

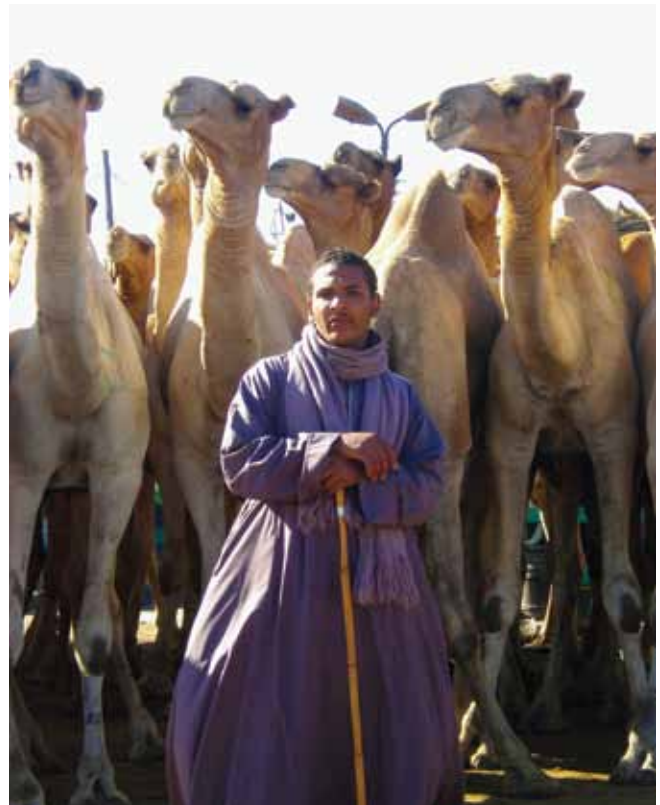
During her stint in Egypt, O'Planick supported the development of locally owned ventures that would attract tourist spending. They included restaurants that featured indigenous food, day trips on camel back, and handcrafting businesses such as jewelry, wall hangings, rugs, and leather goods. Women ran many of these ventures to supplement meager family incomes. While these businesses were tiny, the impact was often large. "Some of the women tripled their family's income," she says.

O'Planick gravitated to economic development after her Peace Corps service in the West African nation of Guinea. "I got addicted to the idea of doing work that is meaningful," she says. She admits that the road to progress is steep. "In some places, it seems overwhelming," she says. She focuses on those things that can be changed. "In Egypt, we wanted to leverage foreign investment to benefit the local economy as much as possible," she says. "Our goal was to change the system."

“Egypt still has pockets that are undeveloped. And they are definitely looking to do future development differently.”



Kristin O'Planick, MBA '10, in a work "victory" photo with a water truck that she and her team procured for a village along the southern Red Sea that didn't have access to potable water. "The procurement was a long and painful process," she says, "so when the truck finally cleared customs I had to have a celebratory photo with it!"



A picture from the camel market outside of Cairo — a very traditional place in what can be a very modern city.

SUSTAINABLE GLOBAL ENTERPRISE IMMERSION

The world's emerging economies want to grow. But it isn't likely that they will follow the U.S. path of ever-expanding production and consumption.

"It's hard to think that you could take the same path the U.S. took and replicate it in China, India, Brazil, and some 125 other countries," says Professor Mark Milstein, director of Johnson's Center for Sustainable Global Enterprise (CSGE). "You would need the resources of three Earths to do that."

The center brings that point home in its Sustainable Global Enterprise Immersion program for first-year MBA students. The SGE Immersion requires students to apply critical thinking to some very tough issues, such as how the private sector can grow in an era of limits. "We want them to look at problems objectively with a business lens — problems such as poverty and ecosystem degradation," said Milstein.

Last year, for instance, immersion students traveled to the Philippines, where the country is shutting old dumps and replacing them with new dumps run with modern technology. But progress can also cost jobs. The old dumps provided a livelihood for families that picked through the rubbish for recyclable trash, says Monica Touesnard, CSGE's associate director. "Their way of making a living was vanishing." The students worked on a World Bank project to find new employment options for displaced waste pickers.

The SGE Immersion aims to foster the analytical skills needed to tackle modernization issues, such as those that face the Philippines. "We tell our students to look at the issues that will really impact lives over the next century," says Milstein. "Then they must ask themselves if there is a product or service that the private sector could create to deal with those issues. If they can do that, they can have success in the marketplace."

Justin Bakule, MBA '99, in a cocoa orchard in Côte d'Ivoire, holding a cocoa pod.



JUSTIN BAKULE, MBA '99:

Saving The Cocoa Crop

For the world's chocoholics, the outlook is grim. Chocolate requires cocoa, and in the world's biggest cocoa producer — the West African nation of Côte d'Ivoire — cocoa trees are growing old and increasingly unproductive.

"At harvest, many of the trees literally have nothing on them," says Justin Bakule, a consultant at FSG Social Impact Advisors, a non-profit Boston firm that helps corporations craft strategies to benefit both the businesses and the societies where they operate. His latest client is a major chocolate company that wants to address Côte d'Ivoire's problem.

The country supplies 40 percent of the world's cocoa. A shrinking crop threatens the livelihoods of up to one million small Côte d'Ivoire farmers, who typically haven't had the resources to reinvest in their cocoa trees. The government has had limited resources to help them. "It's a country already in crisis," says Bakule. "It's been split by civil war since the early 2000s."

Bakule helped his corporate client develop a cocoa-revival plan that recognizes the unique roles of his client, the government, the

farmers, and other stakeholders. It focuses on boosting productivity by rehabilitating existing cocoa-growing areas. Farmers will have improved access to higher-yielding cocoa trees, agricultural inputs, and agronomic best practices. Investments in infrastructure, policy, and the community will also be needed.

“The scale of this problem is what’s daunting. There are literally billions of trees, all typically farmed on 1-3 hectares,” says Bakule. “Replacing them takes time, and new technologies must be taught to the farmers. You take cuttings from young, healthy trees and graft them to older trees, which reinvigorates them with the new plant stock.” Under the plan, the government will grow trees to provide cuttings.

“Cocoa is the single ingredient that cannot be replaced in a chocolate bar,” says Bakule. “If you want to have chocolate bars, you’ve got to have cocoa.”

RYAN KELLEY, MBA '09:

Our Man in Madagascar

Several years ago, the eastern U.S. plunged into darkness when the power grid abruptly failed. By and large, Madagascar doesn’t have to worry about such problems; 80 percent of the country lacks electric power. Most residents cook with wood stoves and light their huts with candles or kerosene lamps. Unfortunately, as these devices burn, they fill huts with noxious gases that cause upper respiratory diseases that account for 21 percent of hospital visits. “If you or I were sitting in that room, our eyes would be tearing and our throats

would be burning,” says Ryan Kelley, who handles solar sales in Madagascar for ToughStuff, a European company that hopes to transform the island nation through solar power.

Kelley’s company wants to leapfrog fossil and nuclear power solutions, and take many of Madagascar’s residents directly into the alternative-energy age. ToughStuff’s principle product is a solar-powered LED light, which sells for \$22.50 and is tough enough to function after falling from a six-story building.

The light helps cut indoor air pollution, provides better illumination for students, and allows women to create home-based businesses in the evening hours. However, even at its modest price, the product is beyond the financial reach of many households, so there are unusual payment plans available. Some people pay off the device at \$3 a month. Others, who live a hand-to-mouth existence, can make daily payments of ten cents. “They go to their field, harvest part of their crop, sell it at the market, and earn enough to cover their daily costs,” says Kelley. The potential market for solar lights is enormous. “There are 1.4 billion people in the world with primitive lighting.” ToughStuff also sells low-priced rechargeable batteries and cell phone chargers. A low-pollution stove is in development.

The business was perfect for Kelley, who wanted a job that combined social responsibility and business. “ToughStuff aligns my personal and professional goals. I found something where I can make a respectable living and make a large impact on the world.”



LEFT: Ryan Kelley, MBA '09, in Madagascar with a man holding a solar-powered LED ToughStuff light.

BELOW: A woman using a ToughStuff battery pack to charge her cell phone





Jean-Claude Balcet, MBA '78, PhD '98, in Mali, West Africa, in 2010. "This picture was taken during a field visit for the supervision of a World Bank project to help develop commercial agri-business," says Balcet. "At some point we visited a training center for women in business (the women are generally the ones involved in agro-processing in Africa)." Pictured are those responsible for the training center and those being trained, as well as colleagues and officials.



Balcet visiting a World Bank agro-processing project in Mali, West Africa, where the women pictured had set up a workshop for drying fruit, vegetables, and herbs. As Balcet notes, dried products are easier to preserve, bypass the challenges of transporting fresh fruit, and have "an interesting 'niche' market in Europe and America where nuts, dried fruits, and herb teas are popular. In this area, mangoes were plentiful. With a gas oven and minimal additional equipment, women were able to dry the mangoes and pack them. That was a good business for them."

JEAN-CLAUDE BALCET, MBA '70:

Boosting Crop Production In Benin

The Green Revolution has largely missed Sub-Saharan Africa's fast-growing nations, among them Benin, a long, narrow country sandwiched between Nigeria and Ghana. "In Benin, agricultural productivity has not markedly increased in past decades," says Jean-Claude Balcet, who retired as an agricultural economist for the World Bank, and now handles spot-consulting jobs for the Bank. "It's the same pretty much all over Africa — as opposed to Asia where the Green Revolution has had a tremendous impact."

Balcet is now on a World Bank assignment to help Benin improve irrigation and introduce new high-yield seeds and better fertilizers, while gradually increasing agricultural mechanization. "The country has only a few hundred tractors," Balcet says. "They want to cultivate 20 percent of the country's farmland with tractors by 2015. Now, it's less than one percent."

At the same time, Benin wants to decrease reliance on its mainstay cotton crop and grow more food. The country has long depended on cotton to sustain farmers and bring in needed foreign exchange. But that strategy puts Benin's economy at risk should cotton prices plunge or imported food prices continue to rise. "Now it makes sense for poor countries to focus more on food production," says Balcet. "Food has become very expensive on international markets. A decade ago, it was cheap." Benin hopes to have enough food left over for export. Target crops include rice, millet, sorghum, pineapples, cashew nuts, onions, and carrots.

After years in the agricultural development field, Balcet still feels joy when he sees progress. "When farmers increase their yields, they can feed themselves. And they can have some production left to sell on the market to get cash, purchase basic necessities, and improve their livelihoods." In the decades he has worked in agriculture, he has seen a lot of progress. "But not as much in Sub-Saharan Africa as elsewhere," he adds. "The major factor, in most countries, has been a lack of expertise, often coupled with poor governance and political instability. The road ahead is still long."

“Now it makes sense for poor countries to focus more on food production. Food has become very expensive on international markets. A decade ago, it was cheap.”



GETTING MORE GLOBAL WITH A FRESH NEW FOCUS

Johnson's new Emerging Markets Institute strengthens its position as a power player among top schools of management. BY LINDA BRANDT MYERS

Two years ago Johnson made raising its global profile a priority.

Provoking that decision was the swiftly changing global business landscape, particularly the emergence of emerging markets — places like China, India, South America, and Eastern Europe that investors had overlooked in the past but were now pursuing like Wile E. Coyote chasing the Road Runner.

And for good reasons. They offer extraordinary investment opportunities.

On August 16, 2010, Bloomberg News reported that China had overtaken Japan to become the second biggest economy in the world, with a gross domestic product (GDP) for the second quarter of the year at \$1.337 trillion. The news story cited a prediction

from Goldman Sachs' chief economist that the country would actually surpass the United States by 2027.

And on September 8, 2010, Business Week cited predictions by Goldman Sachs strategists that "faster economic expansion and growing capital markets may lift emerging nations' share of world equity capitalization from 31 percent today to 55 percent by 2030."

"Asked which will be the most attractive region over the next three years, Ernst & Young's panel of 809 international business leaders puts China and Central and Eastern Europe in first place," notes Elena Iankova, lecturer in international business at Johnson. "India ranks third, followed by Russia, Western Europe, and Brazil," she says.

And Kun Chen, MBA '11, president of the Greater China Business Club at Johnson and a summer 2010 intern at Johnson & Johnson Pharmaceuticals in China, recalls: "The general manager there told me: 'No one can say no to a market like China, with a GDP that grows at 8+ percent a year.'"

But that's only part of the story.

"Our students were telling us they wanted more global exposure, and the companies who hire them were saying they wanted people with more in-depth global experience," says Randy Allen '68, whose responsibilities as associate dean for international and corporate relations include global strategy and initiatives. "We already had faculty with global research interests, but we wanted to strengthen that."



“Although there’s an increasing demand for knowledge about emerging markets, we found that no top business schools had centers devoted to the study of emerging markets in a major way.”

**YA-RU CHEN, PROFESSOR OF
MANAGEMENT AND GLOBAL
BUSINESS**

GREATER GLOBAL PRESENCE

Enhanced global programming, curriculum, and presence were featured priorities in one of six major initiatives in the school’s 2008 Strategic Plan, Allen points out. The school already had done a lot, including more overseas internships, study tours, EMBA global projects, and MBA exchange programs — many in emerging-market countries. The only pieces of the puzzle that seemed to be missing were a strategy and a program that tied all those efforts together.

“We wanted to leverage our resources to create a much more powerful learning experience,” says Professor Doug Stayman, associate dean for MBA programs.

The first order of business was to recruit two senior faculty of prominence whose research and teaching interests were international and who wanted to help shape a new international institute of some kind.

Following an intensive search, Andrew Karolyi, a financial economist from Ohio State University, and Ya-Ru Chen, an organizational behavior specialist from Rutgers, accepted tenured faculty positions, arriving in fall 2009.

“Andrew and Ya-Ru are both terrific,” asserts Professor Mark Nelson, associate dean for academic affairs when Karolyi and Chen were hired. “They are great researchers and teachers, and their international expertise is exceptional. They are absolutely the right people to build our new global institute, and we were excited when they chose to come here.”

On the surface the two seem worlds apart — Karolyi studies international markets and Chen looks at how power and status vary across cultures. But they both radiate energy and enthusiasm for the task at hand, which is one reason they make a powerful team.

Chen sees their differences as a strength. “We’re a unique combination, which speaks to the kind of interdisciplinary focus and cultural value that Johnson has. A lot of business schools like to talk about that approach but they don’t really do it. Here we do it, and I think it’s fantastic.”

One commonality: they are both believers in empirical data to back up research claims. That was the approach they used with their ambitious and probing yearlong study, undertaken with Allen, on how international business is taught at Johnson and its peer institutions, and what is needed here in light of the changing global business environment.

A SURPRISE ADVANTAGE

“We did our due diligence,” says Karolyi. Their efforts involved “some serious brainstorming” with students, faculty, alumni, and staff, collecting stacks of relevant data, and looking critically at what 20 top business schools, including Johnson, were doing that was, and wasn’t, working.

Their most surprising discovery?

“Although there’s an increasing demand for knowledge about emerging markets, we found that no top business schools had centers devoted to the study of emerging markets in a major way,” says Chen.

“A lot of our peers were doing a lot of international things, but not in a really cohesive, coordinated way,” Karolyi comments. One reason: Many peer MBA schools had launched CIBERs [federal government-sponsored Centers for International Business Education and Research] as far back as 20 years ago. Because they then needed to meet government objectives “their role as CIBERs was forcing them to be diffused, to be all and do all, but not focus in any special way,” he explains. That awareness led Karolyi, Chen, and Allen to embrace a more focused approach, with emerging markets as the focal point. “We asked ourselves, ‘How can we take advantage of our opportunity here?’” says Karolyi.

The term “emerging market” was coined in 1981 by Antoine van Agtmael, a former World Bank executive, who was looking for a way to encourage investments in those developing countries that had low GDP but high growth — that were, in essence, on the path to becoming “economic powerhouses,” says Karolyi. Overlooked back then as investment opportunities, they are now center stage, he says.

ONE OF A KIND

“We homed in on emerging markets as our international strategy for these reasons,” says Karolyi. “They are the hottest growth

enterprise on this planet right now. They are topical, timely, and distinctive – no other peer institution is studying them in a major way. There's a great demand for knowledge about them. And we discovered that creating an institute on emerging markets fits beautifully within the Cornell tradition of outreach." The university has had "a positive presence for decades" within many of the countries that now have emerging economies, he notes. Earlier programs have sought to improve medical care, agricultural output, nutrition, and water quality in primarily poor countries, adds Allen.

"Emerging markets made sense for us," Allen says. "A lot of our students and alumni are interested in them, so are a lot of businesses, and a lot of our faculty are already doing research on them. Thirty percent of our students are international, and some of our alumni base from India, China, and Latin America are starting to go back to their home countries and participate in their economies."

The concept for an emerging market institute won out over the idea for a center on a particular country, which was also considered, because: "Some specific geographic

PROMOTING DIALOGUE ON EMERGING MARKETS

Johnson's new Emerging Markets Institute is co-sponsoring these upcoming conferences together with other leading business schools. Check Johnson's Web site for details.

- **Singapore, March 1-2, 2011:** Joint Applied Research Forum on Asian Asset Management, with the National University of Singapore's Center for Asset Management Research and Investment
- **Philadelphia, April 2011:** 2011 Impact Conference on Sovereign Debt Risk, with Wharton's George Weiss Center for International Financial Research
- **Beijing, June 2012:** Inaugural global leadership conference, with the University of Peking's Guanghua School of Management
- **Nanjing, China, June 5-6, 2011:** "Enterprise Management in a Transitional Economy and Post-Financial Crisis — International Conference on Multinational Business Management," with Nanjing University Business School

areas may fade in interest over time, but there will always be emerging markets." Allen says.

On September 3, 2010, Johnson faculty unanimously approved the proposal presented by Karolyi and Chen to launch the Emerging Markets Institute, the first of its kind at any leading business school.

RAVE RESPONSES

"The Emerging Markets Institute and related courses will help students be much

more focused and better prepared to work successfully in the changing global environment," says Kun Chen.

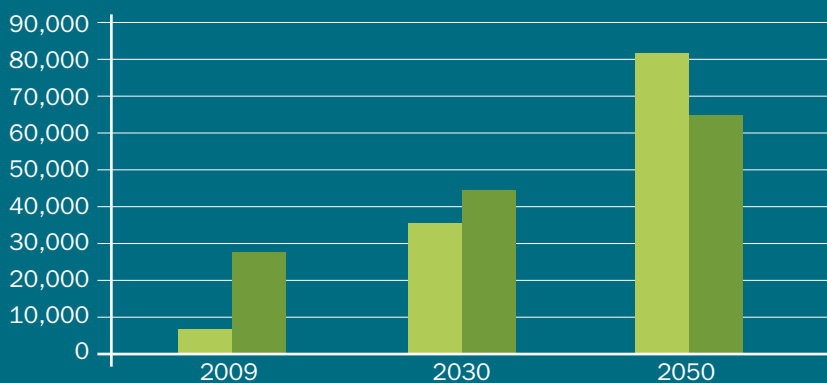
Advisory council member Nell Cady-Kruse, BS '84, MBA '85, called the institute "the right idea at the right time." Based in Hong Kong, Cady-Kruse has overseen Credit Suisse's risk management function in the Asia Pacific region since 2005. She says: "One cannot overstate how dramatic the pace of change is here and how important it is to understand the implications. The institute will not only enhance teaching and research about emerging markets, but will give firms like mine unparalleled opportunities to recruit students with excellent credentials."

Neel Lakhani, MBA '07, MILR '08, an associate with Booz & Company in Dubai who does strategic consulting in the Middle East and Africa, commented: "Knowledge of emerging markets is critical to doing business these days, and its importance is only likely to increase. The new institute's plan to produce empirical research on the subject, something which has been relatively limited elsewhere so far, will make a difference not only for the school but for the way companies do business."

POWER SHIFT

In purchasing power parity (PPP) terms, currently, the G7 claims more than half of G20 GDP compared to approximately one third in the Big Five+M economies (Brazil, Russia, India, China, Indonesia, the traditional "Big Five" economies, and Mexico); in 2050, the Big Five+M economies will significantly overtake the G7.

GDP Real US\$, billions ■ BIG FIVE+M ■ G7



Source: Author's projections in "The World Order in 2050," Policy Outlook series, Carnegie Endowment for International Peace (April 2010).



And Bob Staley '58, MBA '59, retired chairman of Emerson Electric Asia-Pacific, and vice chairman, Emerson Electric Company, observed: "At Emerson, I learned that understanding different business cultures is a key to success. This new institute will give tomorrow's business leaders a good exposure to, and understanding of, the global markets that their firms serve, particularly the fastest-growing ones — the emerging markets."

TRAINING THE "NAVY SEALS" OF GLOBAL BUSINESS

Karolyi's goal is to make the new center the place where people come for expertise on all aspects of doing business in emerging markets. "We'll have research, teaching, and outreach components and a focused concentration of resources that we'll manage and deploy to those activities," he says.

The school's global business concentration will be revamped to fit emerging markets and offered as an intensive second-year concentration for students who are committed to taking on additional challenges. It will be rigorous, says Karolyi. "I refer to it half-jokingly with colleagues as the 'Navy Seals' of Global Business. We think that not only will students want to take part but prospective employers who are doing more business in these parts of the world will want to seek these students out because they have these skills."

"We homed in on emerging markets as our international strategy because they are the hottest growth enterprise on this planet right now; they are topical, timely, and distinctive."

ANDREW KAROLYI, PROFESSOR OF FINANCE AND GLOBAL BUSINESS

GLOBAL RESEARCH & OUTREACH

The new institute includes an active, internal grant program to encourage and enable faculty to do more research related to emerging markets. "We'll put on academic conferences to show off the research, here and elsewhere, and involve other experts from top schools around the world," Karolyi says.

Chen adds: "We'll have a fellows program, with one to two visiting scholars coming here for short periods, starting in 2011. They'll collaborate with our faculty

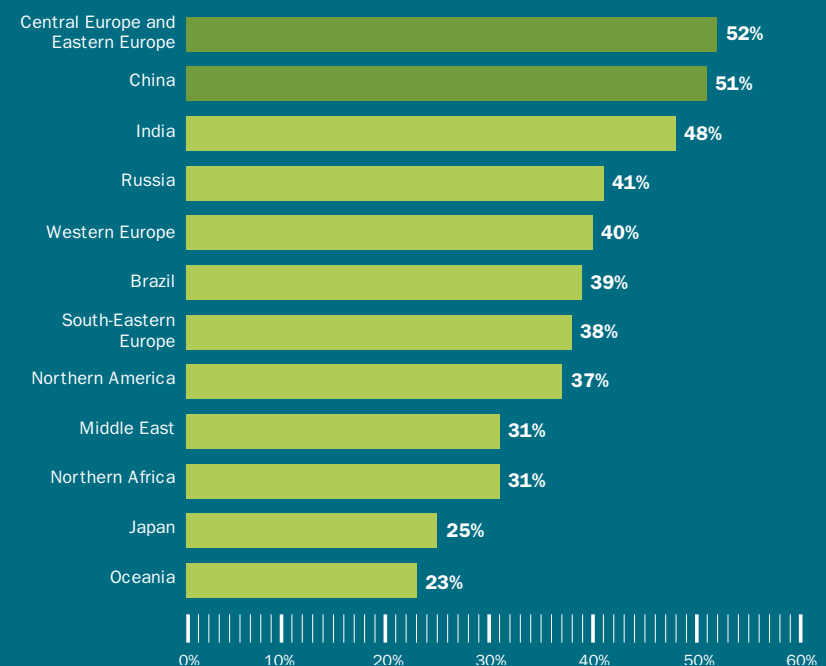
on research projects involving emerging markets and helping to develop new case studies on their regions."

Over time, the institute will develop a repertoire of case studies related to emerging markets, says Karolyi, "which could potentially be useful to all our colleagues in their coursework — bringing emerging markets more fully into the curriculum."

Karolyi had great success recently sharing an emerging market case study written by his students with an audience of alumni, in

MOST ATTRACTIVE REGIONS OVER THE NEXT 3 YEARS

Companies from developed economies will continue to expand in emerging markets to grow their business, improve their cost structure and/or tap skilled labor pools.



SOURCE: Ernst & Young's 2009 European attractiveness survey. RESPONDENTS: 809 international business leaders. Total > 100% many possible answers

collaboration with Johnson Assistant Professor Glen Dowell, a strategy expert. The case involved a telecommunications giant in India, Bharti Airtel, acquiring a Kuwaiti company that offered access to customers in 13 African countries. “The question was whether Bharti paid too much,” says Karolyi. “Sixty people wanted to discuss this very topical, interesting case. We had an active discussion, rave reviews, and a great time teaching it.”

In addition to her research, one of Chen’s jobs at Johnson is faculty director of Executive Education Programs. Peking University’s Guanghua School of Management and Nanjing University’s Graduate School of Business both have certificate executive MBA (EMBA) joint programs with Johnson, and Chen anticipates creating more certificate programs with premier Chinese business schools in the coming years. The logistics can be challenging, and roadblocks often require astute negotiations. She recounts spending one afternoon last August persuading the U.S. Consulate in China to reverse its decision to turn down visa applications for 50 EMBA students from Nanjing University. “I realized that, as we increase our presence in China, we’ve got to make sure that everyone involved is on our side,” she says.

WHY (AND HOW) INSTITUTE WORK

“Institutes and centers are the engine that drives the train,” says Stayman. By providing more staff and resources, they lead to more interactions between companies and faculty, he explains, which leads to more research that solves real-world problems. Faculty then take this research, with their concomitant problems and solutions, into the classroom, providing students with extraordinary learning opportunities that make them better-prepared for the corporate world.

“The Parker Center for Investment Research and the Center for Sustainable

Global Enterprise are two great examples of centers at Johnson that do that,” Stayman says. While there will be synergies among all the school’s centers, the Emerging Markets Institute will put its own spin on the shape it takes. “Right now, we are seeking corporate partners who will engage with faculty on questions relevant to emerging markets and provide data and a vehicle to answer those questions,” says Stayman.

“We hope to gather a group of 10 to 30 companies who will be our corporate sponsors,” adds Chen. “They will pay a membership fee for the activities that we will have. And of course we have to deliver value to them.”

Chen made two outreach trips to China this summer, and Stayman and Allen spent two weeks in India and China in August making connections they hope will help the school expand its international reach. “One thing we saw is emerging markets are now selling to other emerging markets,” says Allen. The institute hopes to be the catalyst for studying their common issues, she says.

“The trip also gave us a chance to test the concept of the institute with different stakeholders in two major emerging markets — alumni who work there, leaders of corporations, and universities that operate there,” Allen adds. “It was an opportunity to ask if there are refinements we should make, and whether people are willing to support us. The idea resonated with everyone, and Doug and I went away with the sense that there are tremendous opportunities in both places.”

MEASURING SUCCESS

Johnson’s Emerging Markets Institute will be re-evaluated in three years, but the magic number for gauging its success is five years from now.

“We will have succeeded,” says Chen, “if, in five years, we’re viewed as the go-to



“One cannot overstate how dramatic the pace of change is [in China] and how important it is to understand the implications.”

NELL CADY-KRUSE '84,
MBA '85, CREDIT SUISSE,
HONG KONG

place for key information about emerging markets by our peer institutions as well as our alumni, faculty, students, and corporate sponsors.”

“If we’re successful, in five years our admissions staff will be showcasing the institute as a unique opportunity for our students,” adds Karolyi. “Employers will be seeking them out as potential leaders because of their unique skill sets, and our alumni, as well as faculty from other schools, will actively engage our faculty as the best resource for the latest wisdom on what’s happening in emerging markets.”

The last word on the subject comes from Allen. “If other schools imitate us,” she says, “we know we will have been successful.”

A BRAND FOR ALL SEASONS

PROFILE IN LEADERSHIP: Jim Goldman, MBA '85, President and CEO, Godiva Chocolatier

By Merrill Douglas

Like many successful leaders, Jim Goldman thinks outside the box. For the aptly-named Goldman, the box in question is a 14-carat icon — Godiva Chocolatier's gold-toned ballotin.

As one of the world's best-known packages, that box confers a strong advantage, says Goldman, president and chief executive officer of New York-based Godiva. But it's also a gilded cage.

"We are saddled a bit with the consumer perception that Godiva is only for special occasions — great for Valentine's Day and maybe for Christmas, but too expensive, too luxurious for more regular consumption," Goldman says. That perception, he adds, needs to change.

These days, Godiva is breaking out of the golden box in a big way, seeking to connect with consumers in many more places and on many more occasions. "Godiva needs to be relevant 12 months a year," Goldman says.

The push to make Godiva a brand for all seasons goes back at least to 2004, when the Campbell Soup Company named Goldman president of its Godiva business unit. "Jim improved our competitiveness. He created a whole bevy of innovations that found their way into the Godiva stores," says Campbell's CEO Doug Conant. Theatrical touches — employees dipping strawberries in chocolate or whipping up frozen "Chocolixer" drinks — drew customers into Godiva boutiques and kept them coming back to see what the store would serve up next.

But opportunities to transform the brand really took off in 2008, when Campbell sold Godiva to Yildiz Holding, parent of the Ülker Group, a privately-held Turkish food manufacturer.

The new parent's chairman, Murat Ülker, is a savvy businessman and a visionary leader, Goldman says. "He has a much longer perspective on things, not quarter-to-quarter." Campbell gave Godiva strong support, he says, but a publicly traded firm must consider its shareholders first. "As a Fortune 500 company, Campbell could not afford to take the risks and make the investments that we're making now to realize our full potential."

With Ülker's backing, Goldman and his team are going all out to put both traditional Godiva treats and a growing assortment of new products — from ice cream parlor truffles to dipped Oreo cookies to individually wrapped Godiva "Gems" — into more and more customers' mouths. "Over the past two years, we have ramped up our innovation game to almost a dizzying level of activity," he says.

TAKING ON THE WHITE SPACE

Godiva has room to grow because the brand has plenty of what Goldman calls "white space" — market opportunities it hasn't seized in the past. Especially during a recession, he says, a maker of premium chocolate needs to serve chocolate aficionados wherever they may be.

To fill in that white space, Goldman and his executive team are pursuing three main strategies: expanding into new countries, introducing new products, and selling through new channels.

Already well-established in North America and Japan, Godiva recently arrived in China, with plans for ten boutiques in four cities by 2011. In October, it opened the world's largest Godiva store — a boutique-plus-café — in Shanghai. Godiva debuted this summer in Istanbul, Ülker Group's headquarters city, and it's expanding in Australia. The company is eyeing South Korea and aims to develop a stronger presence in the Middle East, Goldman says.

With its second strategy, Godiva is encouraging consumers to reach for its products on a much broader variety of occasions. That means expanding the popular notion of Godiva chocolate as a gift.

"Godiva is great for that emotional, special gift for Valentine's Day, but maybe a little bit over the top for giving to the person who took care of your dog over the weekend," Goldman says. That's the traditional view. But Godiva's new gift baskets, baked goods or holiday treats might be just the ticket for a dog-sitting neighbor.

Godiva also has devised products for people who want to buy treats for themselves or to share with co-workers or friends. "Godiva isn't well developed in those usage occasions, and yet they're huge year-round," Goldman observes. That category includes a line of chocolate tablet bars and the Godiva Gems, which sell in four-ounce bags for \$4.99.

To market products for anytime consumption, Goldman and his team have decided they can't rely solely on Godiva's traditional retail venues — department stores and Godiva boutiques. So strategy number three calls for broadening distribution. In 2009, Godiva started selling chocolate bars and Gems in pharmacies and grocery stores in the U.S.

It was a controversial decision. "It's the one that I think we, as an organization, grappled with the hardest," Goldman says. But given the presence that premium chocolates have gained on grocery and drugstore shelves, Godiva couldn't afford to hold itself aloof.

Research showed that customers in the U.S. appreciated the chance to buy more impulse-oriented products from Godiva in a broader range of outlets, Goldman says. While responding to those customers, the company also continues to cook up



MILK, WHITE & DARK

COFFEE

BISCUITS

SUGAR FREE

FAVORS

fresh, innovative, and customized products for sale in its own retail stores, he adds.

Godiva's traditional image wasn't the only factor that made moving into the mass market a bold step, says Kris Breuer, Godiva's senior vice president of human resources. Besides challenging Godiva to maintain its aura of prestige while appealing to a broader market, the strategy demanded that the company develop new marketing and distribution skills.

"You're looking at dealing with broker networks, which we'd never done before. And you're entrusting your brand to places where you don't have control over what it looks like on the shelf," says Breuer, who first worked for Goldman when he headed Campbell's Food and Beverage division. "You have to look at how to advertise, how to keep the image alive while getting the chocolate into the mouths of everyday consumers."

*"Despite the fact that economies are still sluggish in most places around the world, our business now is growing double-digits. And we feel like we're just getting started."
— Jim Goldman, MBA '85*

Godiva's luxury gift business operates something like the fashion business, driven by the seasons and the need to build excitement, says Dave Marberger, the company's chief financial officer, who also worked for Goldman at Campbell Food and Beverage. "That's a much different approach than when you put a new product into a grocery store."

So far, Godiva's broader distribution efforts focus mainly on North America. "Our go-to-market strategy is different by country, but our desire to be relevant 12 months a year and a leader across the best of everything chocolate cuts across all markets," Goldman says.

The new strategies are paying off. "Despite the fact that economies are still sluggish in most places around the world, our business now is growing double-digits," Goldman says. "We're putting up better numbers than we've had in a long time. And we feel like we're just getting started."

LIFESAVERS GET A LIFT

This is not the first time Goldman has made bold moves to re-energize a brand. His leadership helped to transform Nabisco's Lifesavers division, says Conant, who headed Nabisco before he moved to Campbell. As president of Lifesavers, Goldman decided

that this mature, modestly-growing brand could rise to the top of the confections industry. He proved right.

"The secret was finding new ways to market traditional products while ramping up business development and creating a large portfolio of new products that leveraged what we were able to do well," Conant says.

As head of Nabisco's refrigerated foods business in the 1990s, when Nabisco acquired Parkay Margarine, Goldman bucked tradition by introducing three tiers of margarine products — premium, popular, and value-priced.

"As simple as that sounds, that was a radical step for the margarine category," says Colin Watts, then Nabisco's head of marketing for Refrigerated Foods and now chief innovation officer at Walgreens.

"We always used to joke about getting voice mails from him with his latest idea in the middle of the night and at any time of day," says Sean Connolly, president of Campbell USA, who worked for Goldman as vice president of Food Brands at Campbell. "He was always thinking about how to take the business to a whole new level."

At Godiva, some of the recent attempts to take the business to a whole new level have sparked skepticism along with excitement. In particular, Breuer cites the move into pharmacies and supermarkets. But when Goldman wants to sell a concept, his tenacity, diplomacy, and enthusiasm usually win the day, she says. "He tends to be a leader who can inspire others, whom others will take a leap of faith for."

Goldman brings tremendous energy to his role as a corporate leader, Marberger says. "When he feels strongly about something that's going to drive the business, and drive value, he is just passionate about it. And he's relentless."

A deep interest in human dynamics — an interest that goes back to his days as an undergraduate psychology major, summer camp counselor, and high school teacher — is one of the keys to his success as an executive, says Goldman. "I don't think you can be successful if you can't work with people successfully, if you can't motivate them and identify talent." He takes great pride in seeing how many of the people he has hired over the years have gone on to achieve great things, he says.

Another key to Goldman's leadership is his ability to take stock of a situation and then make a firm decision. "Over-analyzing can often lead you down the wrong path," Goldman says. "As a company, we're not going to be sitting here at the plate with the bat on our shoulders and be afraid to swing."

There will be many occasions to take decisive swings as Godiva continues to pursue its new strategies. The trick will be to choose those swings wisely.

"We have to make sure we focus in the right areas," Goldman says, "that we do it in a quality way and that we don't outstrip our ability to execute with excellence."

What's News With You?

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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").

(E) denotes a graduate of the Executive MBA program

(CQ) denotes a graduate of the Cornell-Queens Executive MBA program

THE 1960s

CLASS OF 1961

Robert Claypool '58 retired CEO of GATX, a Chicago-based equipment finance company, and his wife, Nan (Tetzlaff) '61, "have enjoyed retirement with extensive traveling, having visited all seven continents." Four of their six children have Cornell degrees, "including one MBA'er, **Robert Claypool Jr., MBA '03.**"

CLASS OF 1963

Tom Angear received the honorary degree of Doctor of Laws from the University of Nottingham (U.K.) in June. He was also elected to life membership status on the Cornell University Council. Tom is the benefactor of the Angear European Scholarship, which awards EU nationals \$10,000 to study at the Johnson School.

CLASS OF 1966

Henry Shield is a builder and land developer, nationally recognized for his work in the preservation and restoration of historic sites, including six that have colonial, Revolutionary, or Civil War significance. Henry is also a photographer (www.andyshield-photography.com).

THE 1970s

CLASS OF 1970

Dave Hoppock '68, most recently a technical consultant and co-owner of a startup computer company, has served in the Air Force and held positions at Proctor & Gamble, Arthur Anderson, and Wells Fargo Bank. Now semi-retired, he is helping his daughter with her startup. Married with two children (30 and 33), he lives in Orinda, Calif.

Robert S. Spencer '69 is global chief financial officer at Baker & McKenzie in Chicago, a global law firm with 68 offices in 40 countries. Robert began his career with Arthur Young & Co. and moved on to work for PepsiCo in 1981. "For the next 11 years, I held a number of finance and operational roles mainly in the International Snack Food business (based in Dallas and Italy), primarily focused on entering and developing new markets through acquisitions or joint ventures," he writes. He joined Baker & McKenzie in Chicago in 1993 as the chief financial officer, left after four years to join a worldwide HR consulting business, but "returned to Baker & McKenzie in 1999 at the request of the then new chairman, who is now the Finance

Minister of France!" Along with classmate, **John Belknap '68, MBA'70**, Robert also served on the board of eMerge Interactive Inc.

CLASS OF 1973

John A. Norris, JD '71 is COO of Health Discovery Corporation (HDC) and a former principal deputy FDA commissioner. HDC is a leading developer of analytics engines for personalized medicine uses.

CLASS OF 1975

William F. Gibson, MPA '75, became COO with Al Rajhi Capital in



April, to "lead the infrastructure of a growing firm in a dynamic part of the world." ARC, based in Riyadh, is the asset management, brokerage, and investment banking arm of the largest bank in the Middle East.

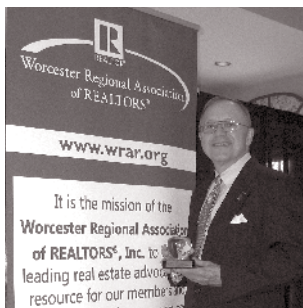
Richard Greene Jr. is director, health and resident support services, for the New York City Housing Authority. A career hospital

administrator, he transitioned to a new but related field, public health, eight years ago. "The economic sting was significant, but the job had just been established, had great appeal, and involved developing a program that would improve the health status and quality of life for the residents of public housing in NYC," he writes "Hard work, less stress and much satisfaction characterize the position. I am enjoying the hell out of it and making some progress in some areas...in spite of advancing age (Dyckman and Thomas' emphasis on physical fitness continues to inspire me after all these years.) Diane and I have a son (30) and daughter (27) who are doing well. Leisure time is spent traveling, mountain biking (but not on mountains), golfing, and collecting vintage books by African-American authors. Peace."

William M. Powers, MPA '75, is CEO of Bonnie Brae, a residential treatment and special education center serving New Jersey boys ages eight through 18. Bonnie Brae gained national attention when its Knights Drum Corps was invited to perform at President Barack Obama's inaugural parade.

CLASS OF 1976

Robert G. Falter received the 2010 Educator of the Year award



from the Worcester, Mass., regional association of realtors. He retired from the U.S. Public Health Service in 2001, after serving as a correctional health care administrator and licensed nursing home administrator, and became a licensed real estate broker in 2004. He and his wife, Kathy, live in Shrewsbury, Mass.

Hiroiyuki Hosokawa retired from his job as an international specialist for an integrated trading company in Japan, and is “now...helping our family business,” and visiting the U.S. twice a year, “where I enjoy minding my grandchildren and playing golf.”

Richard Marin '75 reports, “My day job after 35 years on Wall Street is turning around a \$2B distressed real estate company, which we have largely done; now plan to turn it into a distressed real estate fund.” He and his wife, Kim, live in New York City, but maintain a home in Ithaca, where he teaches three courses at Johnson. They have three children, two of whom attended Cornell and “one who hopes to.”

Phyllis Patrick, MHA '76, is co-founder and managing director of the AP Health Care Compliance Group, which provides compliance advisory services to health care organizations and contractors. These services include compliance, privacy and security program assessments, development, and train-



ing, as well as ongoing consultation — working with clients to improve and enhance their programs while meeting regulatory requirements.

Stephen Semlitz '75 is managing director of Hess Energy Trading Company, LLC, in New York City.

THE 1980s

CLASS OF 1980

Carrie Byrns Vill says, “Life is good in Minnesota. My banking skills are coming in handy as I am doing more nonprofit work. I have been married over 20 years to Neil Vill, whose work brought us to Minn. 12 years ago. We have two girls, ages 20 and 13.”

CLASS OF 1981

Jeffrey Berg '79, MEng '80, is director, emeritus, of PRTM Management Consultants. He and his wife, Debra Paget, have a home in Scottsdale, Ariz., and spend winter and spring there, and summer and fall in Westchester County, N.Y. Jeff continues as co-chair of the AA&D Committee of the Johnson School's Advisory Council and is involved in numerous other Cornell volunteer activities.

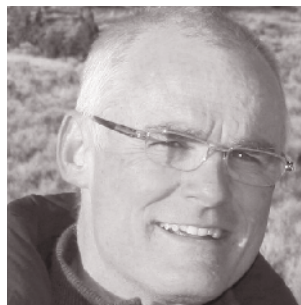
Barbara Bjornson is CFO at the Mass. Society for the Prevention of Cruelty to Children. She says, “I am thrilled to be part of a mission-

driven team of great people. Check out our website at mspcc.org.”

Catharine Deely has a strategic marketing and communications consulting practice for nonprofits in Stockbridge, Mass. She says, “The Berkshires...is where I'm rooted now. A strong creative and tourism economy keeps this rural living lively. ... Cornell continues to come up regularly in conversation reminding me that I'm grateful for the life-changing experience — and yes, I have made provision for the school in my will — have you?!”

Barry Massarsky is president of Massarsky Consulting Inc. in New York City. He and his wife, **Cynthia Wilson Massarsky**, live in Tenafly, N.J. They recently joined two '81 classmates and their spouses — **Joseph Quill** and his wife, Mary; **Marty Lasher** and his wife, Wendy — on a Jersey Shore outing.

Christopher Multhauf is executive dean of the College



of Management and Business at National-Louis University in Chicago. He says, “Fellow Johnson School alum **Dave Mulligan** is an active member of our advisory board and never tires of reminding me that I was placed on scholastic probation after my first semester at the Johnson School...Dave and I...founded First Commonwealth, a managed health care company five years after graduating...took it

public in 1995, and ultimately sold it to the Guardian Life Insurance Company in 1999. Since then we've pursued a range of interests generally in the non-profit area.”

CLASS OF 1986

Doug Bates is co-founder and chief business officer of Apredica, specialist in preclinical ADME (absorption, distribution, metabolism, and elimination of xenobiotics) and toxicology assessment. He reports that the company was acquired by Cyprotex in August 2010.

Katia Facchetti '85 moved to Parma, Italy, to learn more about slow food and sustainable agriculture, and took a sommelier class in Italian. She says, “My Italian has greatly improved and I re-grounded myself in my foodie roots and spent time getting to know my Northern Italian relatives near Lago di Garda.”

Jim Jubelirer is VP and senior consultant with Harris Interactive. He writes, “I am weathering the economic downturn as I make a career transition from business development and consulting in the field of customer loyalty to doing work in sustainable business... promoting sustainable solutions for a post-oil economy through public speaking, training, consulting and research.” Jim and his wife, Lauren, and son, Daniel, live in Chapel Hill, N.C.

Steve Kropper is president and founder of WindPole Ventures LLC in Arlington, Mass. He writes: “Founded WindPole Ventures, the ‘Bloomberg of Wind’ last year. Got funded despite the depression. Now have Duke, Midwest ISO, Invenergy and others as clients. We've licensed over 7,000 TV and radio towers, which we instrument to provide real-time



wind resource information for the wind power sector.”

Jeff Rosenkranz is a managing partner with Metronome Partners LLC, in Chicago, “a new M&A advisory boutique” that he and two partners formed in spring 2010. He says, “I had retired from Piper Jaffray in 2008, where I was head of M&A, but decided to get back into the business. We are primarily focused on sell-side M&A in the middle market and already have three engagements.”

Howard Spira ’85 is chief technology officer, Office of



Financial Stability, with the U.S. Treasury. He says, “Coming up on the first-year anniversary of my appointment...family is now firmly settled in Bethesda after living in Japan for the prior two-and-a-half years. It’s been a fast, fun, and fascinating career transition from the multinational banking world to a high-profile office in the U.S. Government...an exciting time to be in Washington.”

Marc Weinstein ’84, MEng ’85, is COO of California Natural Products in Lathrop, Calif. CNP is a food and beverage product and ingredients developer, and contract manufacturing company, with two plant operations. Marc says, “Our ingredients business provides organic and natural ingredients... for nutrition bars and... cereals and granola. Our aseptic packaging operation provides...products such as soy milk, rice milk, teas, soups, nutritional beverages, and wine, for...organic and natural foods, coffee houses and wineries. We recently launched our own branded products, a natural sustain-energy protein beverage (Svelte) and a wine from organic grapes (CalNaturale).” Marc and his wife, Andie, and two girls enjoy the West Coast.

CLASS OF 1987

Seth Bagshaw was promoted to VP and CFO of MKS Instruments Inc. MKS is a global high-tech company based in Andover, Mass., that supplies technology used in the development and production of equipment for the semiconductor and solar markets. Seth lives in Boxford, Mass., with his wife, Katherine, and daughter, Elizabeth, 8.

THE 1990s

CLASS OF 1991

Rob Donoho is VP, supplier development, for E&J Gallo Winery, in Modesto, Calif., with responsibility for all of Gallo’s purchasing activity. Rob is active in his church, coaches youth football, and chairs the local United Way Education Council. He and his wife, Becky, and children, Katie, 15, and Josh, 13, live in Ripon, Calif.

Daniel J. Hale is an author living in Dallas, Texas. He says, “Still wrestling with words. Up on deck next: My story, ‘The Precipice,’ will appear in Nelson DeMille’s *The Rich And The Dead*, to be published by Grand Central in April 2011.”

Brian Hansberry ’88 and his wife, Jessica, welcomed new daughter, Alexis Grace, March 2010. Brian is chief marketing officer and group VP of consumer products for HJ Heinz in Pittsburgh, Penn.

Laurent Moquet is risk, audit, and compliance director at Marine World Brands in Paris, France. He joined the company a year ago after 10 years at Thomson, the former French electronics manufacturer, and has “loved every minute of it.” he writes: “My wife, Christine, and I, have been busily raising our six kids. I wholeheartedly invite all Cornell / JGSM alumni who would travel through Paris to let me know and come over for a drink or dinner.”

Stephen R. Silver is pastor of the First Congregational Church



of Lebanon, N.H. (www.fccleb.org) He earned a master of liberal arts and a master of divinity, both from Harvard, and is an ordained minister in the United Church of Christ. Steve, his wife Rachel, their son, Chip, and their yellow lab, Henley, live in New Hampshire’s Upper Valley.

Grace Han Wolf ’86 was elected to serve on the Town of Herndon Town Council (2010-2012 term) and is proud to be the first Korean American woman elected to office in the state of Virginia. She invites all to catch up with her at www.herndon-va.gov.

Alex Zikakis is president and CEO of Capstone Advisors in



Carlsbad, Calif.

CLASS OF 1994

Kelly Smith Brown ’88 says, “I am thoroughly enjoying my time as a stay-at-home mom to Sarah Grace, 6, and twins, Caroline and Henry, three-and-a-half. It is wonderful to focus my energies on my kids and on organizations that I truly care about. In addition to volunteering for Cornell and my kids’ schools, I serve on the executive committee for the Cincinnati Ballet and the Development Committee for the Cincinnati Zoo.”

CLASS OF 1994

Brent Meyers is president and CEO of Manex, in Moraga, Calif. “I still get a rush identifying opportunities and then crafting a creative approach to seizing upon them, whether...for a client or for our company,” he says. “It’s the order-out-of-chaos thing... filtering the white noise, seeing the opportunity, and then developing the strategy.”

Dan Tobin, MPA '74, MS '76, PhD '77:**GROOMING THE NEXT GENERATION
of leaders**

According to Dan Tobin, many American companies are experiencing the beginning of a minor succession crisis. "All of these baby boomers are retiring," Tobin explains, "and in many companies, there aren't people ready to fill in the gaps." Too often when top management leaves, he says, CEOs promote young stars to managerial positions, only to discover they aren't yet up to the task. "They come in with all the answers before they ask any questions, and then the business goes off a cliff."

Huge corporations like GE have the luxury of spending hundreds of millions of dollars a year on employee development. But what are smaller companies to do? A corporate learning strategist

with more than thirty years' experience, Tobin recently laid out his answers to that question in a book published this September — *Feeding Your Leadership Pipeline: How to Develop the Next Generation of Leaders in Small to Mid-Size Companies*.

While his program can be easily adjusted for any situation, the ideal program, Tobin says, would run for one or two years, involve selected employees (what Tobin calls "hi-pos," short for "high potentials") as well as senior managers, and have four components: formal education sessions every quarter; action projects that allow participants to implement new skills immediately; frequent assessments; and one-on-one mentoring that would allow for instruction tailored to the individual. Participation would mean roughly a ten percent bump in workload, but Tobin says most ambitious "hi-pos" consider that a small price to pay for a chance at jumpstarting their career, and developing a network of other like-minded employees in their company.

By being savvy about spending, Tobin says he's able to keep the cost of his program to \$5,000 per participant, a price that's comparable to many week-long programs that focus on only one topic. Don't have money for an elite speaker? Tobin suggests approaching a junior faculty member at a nearby college with an interest in executive education. Big-name hotel chains charging too much for meeting space? Look into conference centers or university facilities during the summer.

Tobin spent many years training workers directly before shifting his focus to teaching others how to design and implement their own programs. It's a change he's glad he made. Though he's a baby boomer himself, he isn't leaving the work world anytime soon.

"I'm having too much fun," he says. "I love what I do."

— MARK RADER, MFA '02

CLASS OF 1996

James Chan is global foreign exchange and capital markets manager at Estée Lauder, in Melville, N.Y. James lives in Garden City, N.Y.

Lisa Capirose DeStein joined fee-only wealth management firm, JoycePayne Partners, as a financial strategist in their Bethlehem, Penn. office.

CLASS OF 1997

John Brimble is "enjoying putting his Cornell education to good use." He is president of Ideal Health IT Inc., developing "a new U.S. consulting firm that supports healthcare providers with the planning, implementation, and operation of health IT systems" John lives and works in San Diego, Calif.

Lee Clancy is senior VP of product management and director of revenue at IMVU Inc., a Palo Alto-based social entertainment network where members use 3-D avatars to meet new people, chat, create, and play with their friends. Lee and his family live in San Francisco.

CLASS OF 1998

Kelly Ward was promoted to colonel, and works for the Secretary of the Army in its recently formed office of Business Transformation. He and his family moved from their last assignment at West Point to the Washington, D.C., area. His twin boys, Kendall and Kyle, are West Point cadets, and his daughter, Katherine, is in her final year at the Air Force Academy.

CLASS OF 1999

Geoff Archer says, “Last month I raised a glass with **Jason Seigal** in London (on my way to lead an undergrad student trip to East Africa visiting **Troy Holmberg**’s Coast Coconut Farms, Yehu Microfinance Trust, etc.)...Jason looks great and makes me want to make a portmanteau out of sarcastic and fantastic, but in the end I am too lazy to work that one out.”

Justin Bakule is in finance and private client services at FSG Social Impact Advisors in Boston. He reports that everyone is healthy and happy, and his daughter, Grace, is now almost two.

Chris Bassler ’88 is a senior consultant with Cogent Consulting in Danbury, Conn. He and his wife are renovating “what was originally a summer lake house... as a kitchen and bath designer she’s having fun with the project, and I may have found a second career as a plumber! Of course work has been busier than ever with several trips to Istanbul and Mexico City slowing progress on the renovation, but it’s all good.”

Paul Belle Isle ’90 is senior director, loyalty and retention, at Charter Communications in Saint Louis. He says, “I’ve been doing a fair amount of traveling and some speaking at marketing conferences. I ran into **Glenn Squire**, in virtual fashion, when I found out he is now working for Epsilon, the company that provides marketing services for one of the programs I run!” On the personal front, he is “struggling with some injuries, but trying to train for a karate event in August and my 5th degree black belt test.” His wife, Amy, runs Operation Shower with two other women, providing baby showers in

a box for women whose husbands are deployed servicemen.

Sarah Brubacher married Geoff McDonald June 26, at Mission Ranch in Carmel, Calif. She reports, “The groom (and most of his family) were in kilts, we had a bagpiper, and we were married in front of a pasture filled with sheep.” Classmates and spouses in attendance were **Joe and Deb King Garber**, **Justin Bakule**, Evan and **Marianne Danko Diamond ’93**, **Yvonne Hsu ’93** and Darren Palmet ’93, **Tami** and Dan **Gordon**, **Laura Sullivan**, **Alex Ghebru**, **Katie Meredith**, Bill and **Molly Rihn Meyer**, Pete and **Marie Cotier**, **Shannon Monigal Wadsworth** and John Wadsworth. “If folks are interested (and as the bride I really am not objective on this), I’m happy to share the slideshow” (www.scottcampbellphoto.com/slideshow/brubachermcdonald). Sarah is senior policy manager, trust and safety, with eBay in San Jose, Calif.

Marshall Chapin is senior director of marketing with EnerNOC in Boston. He reported that in July he and **Andy Orth**, **Dave Benini**, and **Justin Bakule** did a weekend mountain biking and camping trip “to the Northeast Kingdom of Vermont...a good time was had by all.”

Scott Chartier started a new job as marketing director for the newly formed consumer products division of Merck, created from the acquisition of Schering-Plough. He says, “I am still located in Montreal and am a cozy three-minute commute to our West Island office location. Brands in my portfolio include Dr. Scholl’s, Tinactin, Drixoral, Miralax, and Muskol.” On the family front, Scott’s daughters, Colette,

11, and Remi, 9, “are doing great,” and his wife, Ariane, “is gaining traction in her consulting business, focusing on regional B-to-B six sigma and software implementation projects.”

Marie Wheeler Cotier was cheered on by several Johnson alumni during her Boston Marathon race, in which she “finished right near 3:32.”

Bill Creech, a senior manager with Sun Microsystems, says, “I’m now with Oracle after the Sun acquisition, so great news there.” He has relocated to Southern Calif.

JD Creedon reports he is still with GlassHouse Technologies, global provider of data center consulting and managed services. He writes: “We have filed our S1 in the hopes of going public at some point, which would be exciting. My new job is running our World Wide channel business, which is great fun, and we are now approaching 700 folks around the world, which is amazing.” JD, his wife, Suzannah (Johnson) ’92, and their children moved back to the U.S. from the U.K. last summer. The children love their new schools and JD is planning to ride in the Pan Mass Challenge (raising money for cancer research) in honor of his father, who passed away in June.

Jonathan Darcy and **Donna Peters** are both partners focused on healthcare at Accenture Management Consulting and active in recruiting at the Johnson School. They say, “We are based in Atlanta and live from vacation to vacation — 42 countries and counting.” They share their home with “Kenny and Dublin...Russian Blue feline adoptees.”

Luis del Valle says, “I returned from Horn of Africa in March and out-processed from the Marine Corps back into the reserves. I started working again at International Power and the big news is that IP is going to be acquired by GDF Suez, another independent power producer with U.S. headquarters in Houston... looks like my stay in New York City will be coming to an end at the time of the acquisition.”

Piet Demeester and his wife, Ilse, announce the birth of a daughter, Alice, May 19: “Alice is doing very well, and with her healthy appetite, contributing her fair share to economic recovery.” Piet is an independent IT consultant, specializing in customer relationship management. He and his family live in Tienen, Belgium. He says, “After several years working in Germany, I am now working with the Belgian Post in Brussels, and thus close to home.”

Michael de la Cruz, his wife, **Paula Uribe-Echevarria, MBA ’98**, and children, Isabela, Emma, Maya, and Queen, moved back to the San Francisco Bay area after he completed a five-year expat assignment for Intel in Shanghai, China. Michael manages a team focused on driving the adoption of low-cost PCs and classroom solutions in the education market worldwide, as part of Intel’s World Ahead business development organization. He looks forward to re-discovering life in the U.S., saying, “it will take us months to make it down all the aisles at Costco.”

Deborah King Garber and **Joe Garber** report that Joe is still AVP for Renew Data, while Deborah works in Hewlett-Packard’s laser division. They and daughter, Sydney, live in Boise, Idaho.

notes

The family took a trip to Hawaii in May, where Sydney learned the hula, and now wants to be a hula dancer when she grows up. Deborah says that's "a good aspiration for a three year old – I'm sure you can get a BA from Cornell and still hula."

Susan Menkhaus Jaffe works for Link-GS, a headhunting and recruiting firm focusing on the financial sector. She says, "I am hoping to jumpstart a new phase in my professional life." Susan and husband, **Scott Jaffe, MBA '98**, have a daughter, Ellie, 6, and a son, Hank, 4.

Mike Keogh and his family moved to Beijing last year after four years in the Philippines. He says, "Some partners and I are starting up an Asia-focused real estate venture. If anyone is interested, let me know."

Molly Rihn Meyer spends her days "chasing three-year-old Evan and 20-month-old Ellie." She enjoyed seeing classmates at the Brubacher wedding, and she and husband, Bill, ran into **Dave Aronica** and his wife at a party. She says, "wish I could see more of you more often!"

Tom Mikulka '90 is director of marketing for IDEXX Laboratories in Westbrook, Maine, and spends a lot of his time traveling to Europe. He says, "I did get stuck from the volcano and had to drive from Montpellier to Barcelona to catch a flight home. Driving through Barcelona without a GPS is not recommended!" When he is home in Cape Elizabeth, he manages a girls' softball team and a T-ball team.

Steve Miska is a captain in the U.S. Army, and works for the National Security Council in

Washington, D.C., as a director for Iraq, focusing on military policy. Steve, his wife, Amy, and children, Heather and Rob, moved from Frankfurt, Germany, to Fairfax, Va., where Amy plans to pursue her masters in reading and literacy after having taught third grade for the Department of Defense Schools in Germany.

Scott Neuman '93 is director of global marketing and competitive strategy for IBM's Lotus Software business. His wife, Amy (Karlen) '93, has started a not-for-profit organization called "Inspiring Kids" that helps elementary schools educate and empower kids to make a difference in local, national, and global communities through environmental stewardship and student philanthropy. Scott and Amy live in Norwich, Vt.

Alex Sapundshiev '96 and his family relocated from Dubai to Watford, U.K., where Alex works in the real estate principal transactions group at Hilton Worldwide. He and his family took a recent holiday in Turkey, "where the kids showed daddy how to play golf." Son, Alex, attends a French primary school and is "the only one who speaks French in the family; daughter, Emma, enjoys the company of grandmas, cousins, and aunts while I am away on business."

Josh Sitzler and his wife, Amy, welcomed a daughter, Zoe Dolores, July 23. Zoe joins big brother Eli, 4. The family lives in Kansas City, Mo., where Josh's start-up, Java Gogo, a specialty coffee drive-thru retailer, has grown to three locations. Josh is also a marketing director at Handmark, a developer and distributor of Smartphone applications.



Marshall L. Stocker '97 is a founding and managing member of Emergent Property Advisors, a private equity firm that manages foreign direct investments in the redevelopment of urban, emerging market real estate within countries undergoing economic liberalization: "For this reason, I am now living in Cairo, Egypt, 75 percent of the time." Marshall and his wife have a house on the south shore of Massachusetts where he spends the remainder of his time not filled by research travel to other countries.

Evren Pacalioglu Tore and her husband welcomed a daughter, Leyla, in December 2009, and have "been asking ourselves why we waited all this time." The family lives in London, where Evren works for Goldman Sachs.

Shannon Monigal Wadsworth owns Corona del Mar Florist, in Corona del Mar, Calif. She and her husband, and sons, 5 and 7 years old, live in Newport Beach. They are "finalizing details on our new house...directly next door to our current house, which makes overseeing the construction both easy and difficult...we plan to list the house we're in... hopefully the housing market makes a dramatic rebound!"

THE
2000s

CLASS OF 2000

Charlotte Ye is the founder and CEO of webcars.com.cn. She lives in Beijing, China.

CLASS OF 2001

David Bloom is CEO of Naama Networks Inc. He and his wife,



Naama Ashkenazi, MBA '03, welcomed a new daughter in June. David launched his startup this year and was selected to demo at the Web 2.0 Expo. He says, "Not much down time but no complaints."

Susie Welgos Christensen, MILR '01 and her husband, **Ken Christensen '95, MBA '02**, welcomed their third child, Todd Kenneth, in March; Todd joins big brother, Danny, and big sister, Ali. Susie works a few hours a week from home as a buyer for an online retail company, MadAthlete.com; teaches kickboxing once a week; and does HR consulting on an ad hoc basis.

Scott Hansing was promoted to category manager, marketing director, for the Raid Insecticide brand at S. C. Johnson & Son, Inc., and recently completed a sales assignment with the company's sales team at Target Corp. in Minneapolis. He and his wife, Krista, and their four children live in Racine, Wisc.

Susan Krische, MS '01, PhD '02, is an associate professor at the Kogod School of Business at American University in Washington, D.C.

Nobuharu Kumagai is a senior venture partner, advanced technology group, with JAIC Ventures in Tokyo, Japan

Brian J. Thomas was promoted to market manager for the J.P. Morgan private banking business in St. Louis, Mo.

CLASS OF 2002

Tom Schryver '93 is CFO, e2e Materials. Based in Ithaca N.Y., e2e Materials manufactures petroleum-free, biodegradable composites — sustainable building materials that are stronger, lighter, and cheaper than composites filling landfills today. Tom says, “I think any decent businessperson has to be concerned about long-term trends. And that’s what ‘sustainability’ is to me.”

CLASS OF 2003

Heather Abbott '98 joined BedandBreakfast.com, the largest online B&B directory, as director, gift card program. Heather lives and works in Austin, Texas.

CLASS OF 2004

Joseph J. Bridy is a partner at Hamlin Capital Management LLC, in New York City. He was elected in May to a six-year term on the Berea College board of trustees.

Sujit Jha, was named a director of Boston consulting firm, Altman Vilandrie & Co., a growing company that focuses on the communications, media, clean tech, and related technology sectors.

Keigo Kuroda, MBA '00:

ADAPTING TO succeed

Keigo Kuroda can tell you firsthand that prudence pays off. A director with the Blackstone Real Estate Group’s Tokyo office since 2007, Kuroda and his colleagues not only survived the downturn in the global real estate market over the past few years, but have come out ahead of the game, by holding onto only the best vintage assets, and being cautious about purchasing new assets.

After an especially rocky 2009, many new deals have emerged in the U.S. in the past year, says Kuroda. Less so in Japan. “Even if there is a deal, most of them are sold through an auction process, and the pricing can be challenging as there are so many low-cost players here.” This past July, Kuroda and two other members of the Tokyo team did make an exclusive deal he is proud of — one of the largest structured real-estate debt transactions

in the Japanese market, purchased from an investment bank “at a very attractive basis.” But more and more, Kuroda says, his office has been working closely with the Hong Kong office, which mainly covers Greater China on cross-border deals in China, Japan, and other parts of Asia. “Japan is suffering from a decreasing population, aging society, and 20-year deflation,” says Kuroda. “There are a lot of good reasons why smart investors are putting money in the Chinese market instead.”

Though business in his Tokyo office is conducted in either Japanese or English, Kuroda has recently started to learn Chinese as a way of showing his positive attitude towards the country and its culture. Lessons are every Saturday morning at a school near his downtown office. Recently, he tested his vocabulary while out for dinner and drinks with some Chinese clients. “I tried phrases like ‘Nice to meet you,’ and ‘This dish is very delicious’ — very simple things,” says Kuroda. “They seemed glad that I’m trying.”

While Kuroda hopes to improve his grasp of the language enough that he can eventually speak Chinese in a business setting, he’s finding himself strapped for time. His three-person office may soon be integrating another large real estate platform in Asia, and creating a larger office. Also, a year ago, Kuroda’s first child was born — a daughter named Nanako. She isn’t speaking quite yet, but when’s she’s ready, Kuroda says he’s going to help her learn all three of the languages he speaks. “For the next generation,” he says. “English alone won’t be enough.”



Keigo Kuroda, MBA '00, with his wife, Natsuko, and daughter, Nanako, at Mount Fuji.

— MARK RADER, MFA '02

Hilary Cox Maxson, MBA '05:

GROWING

the grid

Douala, Cameroon's largest commercial city, since January of 2010, Maxson has experienced the frustrations of an emerging market power grid firsthand. As CFO of AES Africa, the sole provider of electricity in Cameroon, she's working hard to make that power grid more reliable — and more accessible to the country's 18 million citizens.

Nine years ago, AES (formerly Allied Energy Systems) paid Cameroon's government \$72 million for a majority stake in AES Sonel, the country's sole energy provider, understanding that additional investments would be necessary to upgrade the nation's energy infrastructure. The challenges to modernization are many, Maxson says. As is common in many emerging market countries, transmission towers are sometimes stripped for parts, and illegal power networks provide energy to entire communities in the larger cities. The small power stations which provide energy for the televisions, light fixtures, and occasional refrigerator in remote villages run on heavy fuel oil, and unpaved roads mean fuel delivery can take days. Then there is the messy matter of collecting payment. "Since it's a cash society here, it's a big challenge," Maxson says. "You have people walking for miles to make a payment, and then waiting in line for hours in 100-degree heat."

Slowly, Maxson says, conditions and services are improving. With the help of a 260-million-euro loan provided by a consortium of multilaterals, AES has begun renovating the country's largest hydro plants, rebuilding power lines, adding more collections agents, and connecting many remote outposts to the main grid. Last year 60,000 new power connections were made, and the company's growth rate is a robust 9 percent. "A process-oriented way of doing business is still new here," Maxson says. "But we feel the changes we're making in budgeting and planning can make a real difference."

Maxson says she and her husband miss going to the movies (there are no cinemas in Cameroon), but she raves about the abundance of fresh local food at the markets and the white and black sand beaches. And after years of living in one-bedroom apartments in New York City and Washington, D.C., Maxson is enjoying the pleasures of living in a house equipped with first-world amenities. "That's our joke," Maxson says. "We had to move to Central Africa to get our first washing machine."

If you think dropped calls and dial-up modems are a hassle, Hilary Cox Maxson would invite you to spend some time in Cameroon. A resident of



— MARK RADER, MFA '02

CLASS OF 2005

Rick Adams (E) is the corporate controller at Byram Healthcare and does business consulting on the side. He's also, "helping some friends get their IT staff augmentation business started." Rick works in White Plains, and lives in Suffern, N.Y.

Carmen Akella (E) is a product manager with Thomson Reuters, based in New York City. She writes that her twins, Cara and Marc, turned 3 and have started preschool. Carmen is "working toward starting a children's center, focusing on enrichment and development, in 2011... more to come on that later this year."

Keith Carter (E) manages supply chain intelligence within Estée Lauder. He writes, "Emmanuel (Baby Q) is now 6 and going to first grade, Luke is 4 and entering kindergarten... Emmanuel has been creating a video game in 3D which works in a Web browser and on the Apple iPad... We all have seen Baby Q helping Keith with stats, but it looks like he'll soon be earning Keith a lot of money too."

Kam Chang (E) is portfolio manager, client CIO, at Promark Global, managing overseas investment advisory business. Kam is based in London, England but is "looking forward to moving back home to New York City in December... we have become seasons ticket holders and supporters of Chelsea's Football (soccer) Club but still watch every Yankee game with Slingbox, the greatest invention ever!"

Scott Foster (E) is managing principal, performance solutions practice, with GE HealthCare, based in Southbury, Conn. His oldest daughter is starting her

senior year of high school, and is looking at colleges.

Phil Garton (E) is CFO for Springs Window Fashions, and lives and works in Middleton, Wisc. As to why Wisconsin, he says he was advised to look up “best places to live in the U.S.A...” and there it was, a suburb of Madison.” Phil and his wife Kim, have four children: Keiffer, 21, is starting his senior year at the University of Pennsylvania, and is QB and captain of their football team; Amanda, 18, is at college in Iowa studying nursing; Natalie, 10, speaks 3 languages; Preston, 6, starts football this fall.

Troy Glover (E) is VP and COO of New York Life’s long-term-care operation, and lives and works in Austin, Texas: “Great city!” His daughter, Lauren, is starting second grade.

Akbar Khan (E) is an account executive at Liberty Mutual, responsible for new business sales to Northeast-based Fortune 500 corporations, and based in New York City. His son, Amaan, “is a world of fun at 18 months, though we’re still adjusting.”

Xin Li (E) and her family “relocated due to my husband’s expat assignment. Will be in Taiwan for a couple of years.” Xin works half-time for Cornell University Library, focusing on expanding partnerships in Asia. She hopes “to experience some Chinese culture I didn’t know. Heard there are excellent hot springs near our residence but I need to find out where.”

Rocky Russell (E) is managing director of Structured Insights Ltd. He relocated from London, U.K., to North America, and will be based out of Toronto and

New York City, “though not at the same time.” Rocky is building the global strategy consulting and coaching business that he set up in London two years ago, and is “busy incubating some exciting companies in mobile app development and garment sourcing, and slowly building additional lines of businesses and presence in different parts of the world.” On the family side, “Ethan is three-and-a-half years old, and he’s particularly proud of the ‘half’ part. He’s got a very inquisitive mind...I’ve barely been keeping up.”

CLASS OF 2006

Rachel Peris Ash '99 and Ethan Ash '01 live in Ithaca with their



son, Eli, one. Rachel is the manager of corporate and foundation affairs for Cornell’s School of Hotel Administration.

Venu Ayala and his wife, Vasantha, welcomed daughter, Varsha, in



December. She joins big brother, Vinay, who is “ecstatic.” Venu is a principal with SRA Touchstone Consulting in Washington, D.C.

Rick Grodin is VP, business development, at the Broadlane Group, a leading end-to-end cost-management partner for healthcare providers. He works closely with the executive management team and TowerBrook Capital to execute strategic partnership and M&A opportunities. Rick, his wife, Hallie, and son Jack live in New York City.

Mark Herrmann is VP, structured deals and fundamentals, with NRG Energy Inc. in Princeton, N.J. He lives in Yardley, Penn.

Hasan Husain is senior director, alliance management, with Sepacor Inc. in Marlborough, Mass. Hasan lives in Medway, Mass

Raymond Karrenbauer is EVP and CIO of Axis Group in Hartford, Conn. He lives in Glastonbury, Conn.

Savita Kini, a marketing manager with Cisco in Bangalore, India, writes: “Since moving back, I have been able to leverage my experience and exposure at Cornell, especially on entrepreneurship and technology management, in various ways. I have taught at Indian Institute of Management, Bangalore, and International Institute of Information Technology, Bangalore, on subjects [ranging] from innovation, technology, marketing and strategies for new entrepreneurs. I have been able to network within the local entrepreneurial community. In my current role at Cisco, I put many of the best practices to use, as Cisco has a very entrepreneurial culture. I have been able to mentor young engineers at Cisco on their MBA plans or transition from engineering to business. It has been a very fulfilling experience. I owe it to my professors and my classmates at Cornell for helping me with

this transition. The Accelerated MBA program was very timely and provided the much needed career change I was looking for.”

Hetal Patel is director of corporate strategy and development with SNC Lavalin in Montreal, Canada.

David Tsui and Judy Sin were married May 29 in Sausalito, Calif. They live in New York City with dogs Buster and Felicia. David is a director of Capstone Advisory Group LLC.

CLASS OF 2009

Muqtadar Ahmed got married two months after graduation. Ten days after that, he started work with Accenture as a consultant in their Houston office

Ruchit Agarwal works for Aetna in the corporate finance group in Hartford, Conn.

Saif Ajani launched Assetize (<http://assetize.com>) in May, part of a VIC incubator program in Toronto. He says, “The fact that we’re a Twitter-focused ad network (with all the buzz) has gotten us some great media coverage.”

Nad Ajlani and **Joanna Chen** are in Singapore, “still happy, still working with the family...we just bought an apartment...ran the Standard Chartered 10km race last December...next challenge — our Vertical Marathon...where we get to race up a 63-story building with a couple hundred other people in a stuffy stairwell.”

Karen Albright is a marketing director at Travelers Co. in Hartford, Conn. She “started a new assignment...in national auto insurance strategy, where I will be designing new car insurance products and enhancements.”

notes

Roy Ashok is a business development manager with Qualcomm Inc. in San Diego, Calif. He says he was “rattled by the recent earthquake here.”

Hedieh Bolour works in wealth management for Wells Fargo Investments in Los Angeles, Calif. Hedieh is “enjoying the nice Cali weather with my weekly runs on the beach.”

Navara Boon-Long works for Standard Chartered Bank, Bangkok, in their wholesale banking division.

Kate Capossela is an associate product director at Johnson & Johnson. She lives in Philadelphia.

Annie Cheng works for JP Morgan Private Bank in Hong Kong. She is on the product solutions desk, helping to formulate various investment solutions for clients.

Michelle Colban lives in Philadelphia, where she is an associate brand manager at the Campbell Soup Company, working on the V8 juice brand.

Sam Dadgari is a portfolio manager, diversified financial services, with American Express.

John Dougherty got married August 8 in Rye Beach, N.H. He is a senior associate at PricewaterhouseCoopers, mergers and acquisitions practice, in New York City.

Ben Fielding works for New York Life. He says, “Work has gone very well, but more importantly, Ella has turned one-year-old and is thriving.” Ben, his wife, Lauren, and Ella live in Brooklyn.

Andrea Findley, MPA’09, is a strategy consultant with Accenture in New York City.

Eric Fish sends an update, saying, “Gretchen, Ezra, and I are doing just fine in New York City. Ezra is now 15 months, and she’s walking all over the place, climbing on anything she can reach, and generally being a menace.”

Scott Forester is assistant chief of staff to the CEO of Corning, Corning, N.Y.

Roop Ghangas lives in Chicago, where she works for United Airlines.

Taryn Goodman ’00 is impact investing manager of RSF Social



Finance, a San Francisco firm that offers investing and lending services to individuals and enterprises committed to improving the society and the environment. She manages three portfolios, and is involved in launching RSF’s Program-Related Investing (PRI) fund.

Tim Hlavacek is AVP, business development, in Bank of America’s equities strategy group in New York City. Before moving to Bank of America, he was an analyst at Grant’s Interest Rate Observer.

Seong “Jimmy” Hong writes from Seoul, “Since July, 2009, I have been working with Korea Investment & Securities Co. Ltd., Korean local IB. Although it wasn’t

the best timing, I joined the real estate project financing team and am doing well so far.”

Jimmy Hu is a finance controller with Johnson & Johnson in Beijing. He says, “China offers a very exciting and interesting life style and I was really impressed by the dynamic economy here too.”

Goodspeed Hua-Jung is a strategic project manager with Analog Devices in the Boston area.

Dan Humphrey is a client services manager at Medallia Inc. in Menlo Park, Calif.

Brandon Jacobson works for Deloitte, and travels to Chicago where he is working on a project. He and his wife, Amy, MA ’07, live in New York City.

Jeff Johnson and Bethany Caster live in the Beacon Hill neighborhood of Boston. Jeff is a consultant in Accenture’s IT consulting practice, and his work takes him to Hartford, Chicago, and New York City. Bethany does sell-side equity research at Raymond James & Associates, Boston.

Kevin Johnson and his wife welcomed a daughter, Ava Sophia, in December 2009. Kevin and his family live in Chicago, where he is a clean-technology leadership associate with Acciona, a non-profit environmental company.

Ryan Kelley writes from Madagascar, “I officially took over management of ToughStuff Madagascar (www.toughstuffonline.com) in Jan. 2010. Business has been growing, albeit at a slower rate due to political coup attempts. If only the elective, ‘Startups in Failed States’ had been offered. But I was rather well prepared for

developing models to deliver solar energy products to rural villagers.”

Ines Lam writes, “I have finally moved to Shanghai and started my new life here working as an acquisition and development associate for Tishman Speyer.”

Simon Lee writes, “I am in Manila, Philippines...still working for Asian Development Bank and am planning to continue to work here.”

Steve Lee writes from Hong Kong, “**Ping Shen** (Accenture, San Francisco) and I (Bank of America/Merrill Lynch) just returned from a quick fishing trip in Oahu, Hawaii...highlights included catching bonefish, barracuda, and a spotted eagle ray...Skills gleaned from JGSM, combined with our brief work experience (strategy consultant and bond salesman), helped us overcome some tough angling conditions.”

Lindsay and Wesley Lehman “spent the summer in the sunny South and welcomed a son, Henry Graham, to the world on June 12...loving every minute of parenthood...spent the last couple months getting settled into our new home in Chicago.”

Sandeep Mankikar works for JNJ Medical in Mumbai, India, on an international assignment in the global marketing franchise at Ethicon Endo-Surgery Inc., with “some of the smartest marketing minds in the business.” He wrote from Cincinnati, where he was “undergoing an awesome training — have performed live surgeries myself and learned a huge amount of anatomy and surgical procedures.”

Peter Marmer is a manager for Wal-Mart Stores Inc. in Bentonville, Ark. He says, “I continue to enjoy my job...and have been exposed to some pretty cool projects. Outside of work, I have kept busy attending rodeos, horse races, monster truck bashes, goat costume contests, and, more recently, NASCAR.”

Karen Martin works for Proctor and Gamble, on the Swiffer brand. She writes from Cincinnati: “I love my job at P&G! It’s a global role with the just the right amount of travel; I recently came back from a trip to Geneva for one of my projects. I’m training for my first triathlon.”

Jennelle Moore lives in Milwaukee, Wisc., and works as an assistant brand manager for S. C. Johnson & Son, Inc.

Saurabh Mundhra is “happily engaged in marketing activities for his new venture, developing a sales pipeline and connecting with customers in India’s booming infrastructure sector — highways, ports, and power plants...recently returned from Krabi in Thailand...highlight was climbing 1,237 steps up to the Tiger Cave Temple for spectacular views and a magnificent Buddha statue overlooking the valley.”

Shunji Nakai returned to Japan to work for his sponsoring company, Nippon Life Insurance, Tokyo.

Susan Ngo is a senior consultant with Deloitte Consulting in Seattle. She and **Kris Woolery** “have had lots of fun exploring the city and meeting new people,” and she makes a trip to Dallas each week to work with a client.

Candace Davies '00, MBA '06:

LONG DISTANCE

giving

including individuals, family estates, non-profits, and corporate endowments. It’s a position, she says, that requires “strict adherence to a long-term plan, even when that’s hard to do.” Outside of the office, Davies has begun taking on a different sort of endurance challenge: training for and participating in marathon runs and bike events, all for the sake of charity.

Davies says she “caught the charity-endurance-event bug” in the summer of 2009, when she joined Goldman Sachs’ Bike MS (Multiple Sclerosis) Team. Her initial motivation for joining was finding a sense of community. However, when her father suffered a stroke on the day she had organized a major fundraiser for the National MS Society, Davies’ sense of purpose intensified; although she didn’t know anyone battling MS personally, she now understood more acutely the pain of seeing a loved one struggle with serious health issues. Thanks to her and her teammates, Goldman Sachs raised nearly \$250,000 — more than any of the other companies participating nationwide. As a reward, the team got the opportunity to ring the opening bell at the New York Stock Exchange, “an awesome experience,” Davies says.

Simultaneously, Davies began training for her first marathon with the Lymphoma and Leukemia Foundation’s Team in Training, inspired by her father’s courageous fight to recover from his stroke. Every Saturday morning throughout the winter, even the frigid morning following a record-setting February blizzard, she and her team put in time on the sidewalks of Manhattan. On a morning that was too icy to run outside, Davies, undeterred, ran 14 miles on the treadmill. All her hard work paid off: On April 11, Davies crossed the marathon’s finish line in Paris, and shortly after, the Lymphoma and Leukemia Society received a check for more than \$450,000 from the New York City team, to be put towards blood cancer research and patient services.

This winter will find Davies training for another marathon-for-charity — this one in Miami. She’s doing it for donations, of course, but also because she has come to treasure the camaraderie she has with her fellow runners.

“The reputation runners have is that they’re upbeat,” Davies says. “This group is that and more. They’re the most inspiring, beautiful people.”



— MARK RADER, MFA '02

notes

Jeff Osborn says he is “slowly taking over the world, beginning with the credit IT emerging markets analytics group at Barclay’s Capital.”

Stacie Palmer is in her second rotation as a senior business consultant with Liberty Mutual in Boston, “focused on the process for handling wind and hurricane claims.”

Sangwon Park lives in Seoul, Korea, where he is a senior analyst with Eugene Investment and Securities.

Steve and Christine DeRoma Peck live in Minneapolis, where Christine is a buyer at Target, and Steve is director of strategic accounts at WebMD, helping to develop a new market for their products and services in the medical device, diagnostics, and imaging market.

Jimmy Pu covers U.S.-listed Chinese companies as an investment banking associate, Barclays Capital Hong Kong.

Mike Rethman is director of marketing at Acuren Inspection Inc. in LaPorte, Texas.

Ben Rollins welcomed a daughter, Greta Catherine, in December 2009. She joins brothers, Luke, 6, and Caleb, 3, who “love to hug/maul her and carry her around when we’re not looking.” Ben writes from Salt Lake City, “I’ve been working on my med device startup...in the final stages of selling our technology to a small pharma company in an equity deal...been exploring technologies at the University of Utah to start another tech company.”

Keith Romero writes, “I’ve been working on an HIV project for the

Clinton Foundation in Panama. Learning how to play politics as a gringo within corrupt Panamanian police and government systems has been both trying and exciting. The work is tremendously rewarding and I’ve been taking questionable prop planes to far-flung indigenous communities around the country rolling out SMS printer initiatives. The printer technology allows HIV test results to be ‘texted’ from Panama City and printed instantly at remote sites where no Internet access or fixed phone lines exist. This cuts about four weeks off of the time that patients typically have to wait for HIV-related blood results.”

Liz Schuster started a strategy company, andSPRIG (www.and-sprig.com), for social and cultural nonprofit organizations. She lives in Park Slope, Brooklyn.

Sarah Scudder Heddleston is a senior consultant with Deloitte in Washington, D.C. She writes, “I got married in July and then spent a month traveling around in Australia for a honeymoon. Camped in some spectacular national parks, hiked beautiful rainforests and dived the Great Barrier Reef.”

Aparna Sharma “joined a startup in the social media marketing space based out of the Bay Area.”

Ping Shen is an MBA consultant with Accenture in San Francisco, living “a stone’s throw from the Giant’s stadium.” He said, “...at my current client, I sit next to an older gentleman who I just found out is a Cornell alum as well — class of 1960.”

Stella Sun lives in Boston and works for a MIT-based solar startup, Solar Engineering Solutions, mainly on the fund-raising and business development side.

The company delivers solar thermal technology and solutions to serve the heating and cooling need for buildings. Stella says, “The startup is still very early stage, so let’s see how things unfold.”

Andrea Tebay works in marketing for Pepperidge Farm and lives in New York City.

Vivek Thaker is a senior associate at Duff & Phelps in Morristown, N.J., doing corporate finance.

Adam Treadwell is an informatics consultant and healthcare leadership program associate with CIGNA, in Bloomfield, Conn. He and his family, “still happy and healthy,” live in Granby, Conn.

Britta Von Oesen writes, “I am still working in Catania, Sicily, for WKN, a renewable energy developer...Had fun visits from **Sarah Scudder, Andrea Findley, and Jeff Fuchs, MBA ’08.**”

Tayfun Uslu moved back to Turkey, and is “trying to adjust after spending 11 years abroad.”

Vikram Venkatasubramanian is CEO of SIPTopics Inc., a voice communications company. He says the company is “coming ever closer to launching our TopicPhone service...that aims to connect people to endpoints of communication that are most relevant to their topic of conversation.” Vikram and his family live in their new house in Westford, Mass., “getting used to yard work and other calorie-draining necessities that come with home ownership.”

Steve Wang works for Gallup, focusing on business development in emerging markets, and has been transferred from Los Angeles to Gallup’s Singapore office.

Frank A. Wischart was appointed director of the business advisory services practice at Schneider Downs & Co. in Columbus, Ohio. Schneider Downs is one of the top 50 largest public accounting firms in the U.S.

Rob Woods works in credit trading for Credit Agricole in New York City, after having spent a year in Blackrock Inc.’s portfolio management group.

Kris Woolery is a strategist at Wunderman, Team Microsoft, in Seattle and is “curious where my new career path will lead me, both professionally and geographically.” Outside of work, Kris is involved with Rise n’ Shine, which provides services and programs for children affected by HIV/AIDS.

Richard Yu covers real estate and diversified sectors for Genuity Capital Markets, a Toronto boutique investment bank recently acquired by Canaccord Financial Group.

THE 2010s

CLASS OF 2010

Anthony Van Nice (CQ) and wife, Lindsay, announce the birth of a daughter, Genevieve Swift, March 12.

IN memoriam

John L. Kelley, MBA ’58
Arthur Snyder ’50, MBA ’52

Picture yourself coming back to Ithaca to meet up with old friends, attend a wine tasting with the Dean, and hear about the latest trends in business during a professional education session.

Picture yourself here.

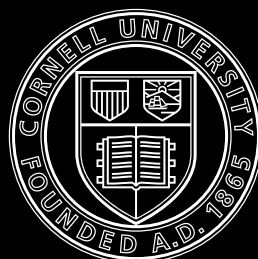
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REUNION WEEKEND

JUNE 9 - 12, 2011

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1981	1986	1991	1996	2001	2006



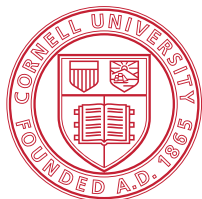
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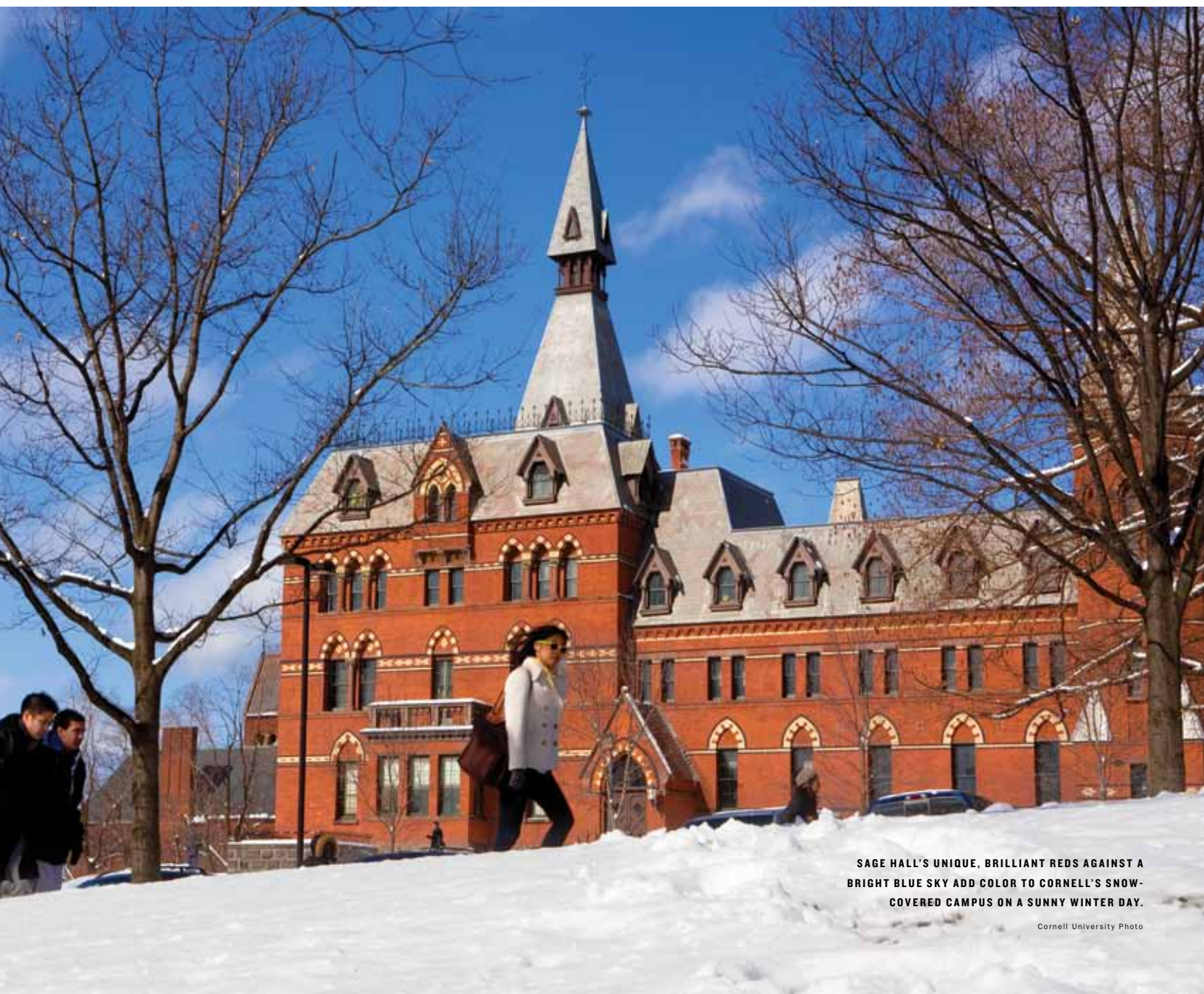
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SAGE HALL'S UNIQUE, BRILLIANT REDS AGAINST A
BRIGHT BLUE SKY ADD COLOR TO CORNELL'S SNOW-
COVERED CAMPUS ON A SUNNY WINTER DAY.

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