

CORNELL

enterprise

JOHNSON AT CORNELL UNIVERSITY

FALL 2011

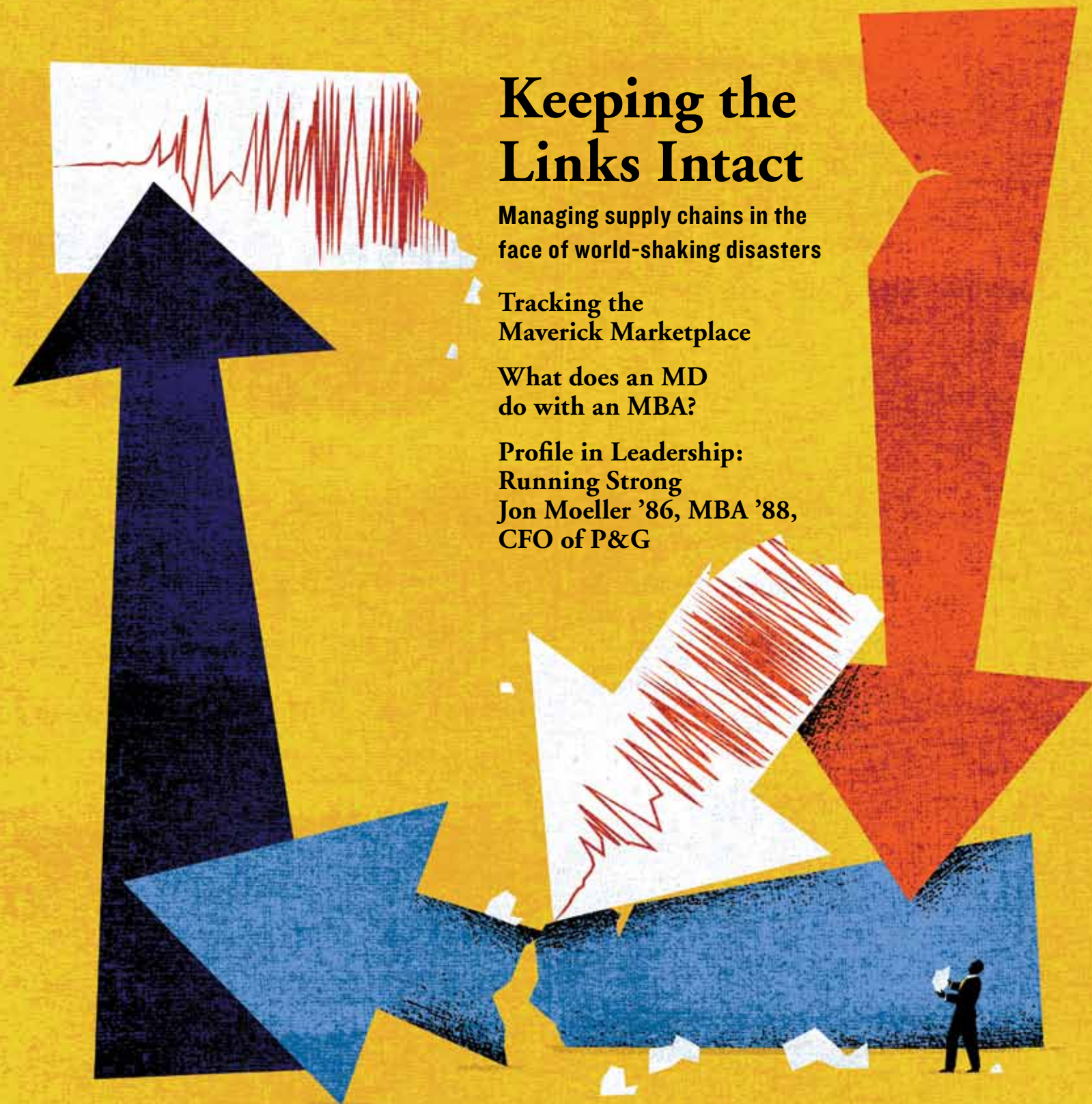
Keeping the Links Intact

Managing supply chains in the face of world-shaking disasters

Tracking the Maverick Marketplace

What does an MD do with an MBA?

Profile in Leadership:
Running Strong
Jon Moeller '86, MBA '88,
CFO of P&G



CORNELL UNIVERSITY, ITHACA, NY, APRIL 19-20
2012

ENTREPRENEURSHIP@CORNELL CELEBRATION A TWO-DAY CONFERENCE

eship.cornell.edu/activities/celebration/2012

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Peter Coors '69 leads a roundtable discussion on family business.



Celebration attendees during a networking break.

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Harris Rosen '61, second from right, receives a standing ovation at the banquet honoring him as Cornell Entrepreneur of the Year 2011.



CCTEC's New Business and Emerging Technologies showcase.



Celebration panelists (from left) Linda Choong '90 of the National Basketball Association, Jon Daniels '99 of the Texas Rangers, and Michael Huyghue '84 of the United Football League.



Cornell Entrepreneur of the Year 2011 Harris Rosen '61, left, and President Emeritus Hunter Rawlings during Rosen's public address.



Winners of the 2011 "BIG Idea" Competition.

Keeping our curriculum current

The world of business continues to change as it weathers new storms, literally and figuratively; fresh ways of doing business continually crop up in response to new realities.

At Johnson, we are committed to ensuring that our graduates know how to deal with the challenges they will encounter throughout their careers — challenges that require innovative solutions for the problems and opportunities their organizations will inevitably face.

That's why our curriculum evolves along with changes in the world of business. We update course content every year. We have interwoven themes throughout the curriculum focused on leadership, ethics, and integrity. We offer our students approaches to ethical decision making, and provide them with leadership experiences that challenge and prepare them to become successful leaders who will move their organizations forward.

However, we also believe that now is an appropriate time for a major re-examination of our curriculum. We will begin based on the extensive research that created our strategic plan two years ago. That information validated some of Johnson's core ideas and approaches, and it will inform this new effort.

Associate Dean Doug Stayman is managing this comprehensive curriculum review, with input from faculty, students, alumni, business leaders, and recruiters. We plan to have suggestions finalized and ready to present to the new dean in May. We need to throw all the balls up in the air every so often. It's not that they will all come down entirely differently, but it is time to look at the whole thing.

The basics of business are still the basics, and we must and will maintain a solid foundation in these areas. The analytical skills we have always taught are as important as ever, but there are new business realities and new ways to deliver our education. To move an organization forward in positive ways our graduates must also be able to solve problems across different business functions, and be able to lead.

I believe the MBA is, if anything, more relevant than ever today, because the world clearly needs leaders. When Bill George, author of the best-seller, *True North*, spoke here in October, he said the economic downturn of 2008 was in large part

due to a failure in leadership, and could have been avoided if only more companies had excellent, knowledgeable leaders. An MBA is not the only way to become a leader, but it is one proven way, and we think we do an excellent job of creating the next generation of leaders.

An MBA is not the only way to become a leader, but it is one proven way, and we think we do an excellent job of creating the next generation of leaders.

The MBA will continue to be our key product, but the way we deliver that has been evolving and will continue to evolve. Our Executive MBA programs have grown, and we are continuing to build those. We're looking into expanding our Cornell-Queens program into Latin America as part of our commitment to extending our global reach.

Finally, based on recent investments in global business, we need to provide all of our students an understanding of the way business is done in different cultures and countries. We are considering other global ventures in addition to what we already offer: international projects, treks, and exchanges, and opportunities to interact with visiting executives in our non-degree executive education.

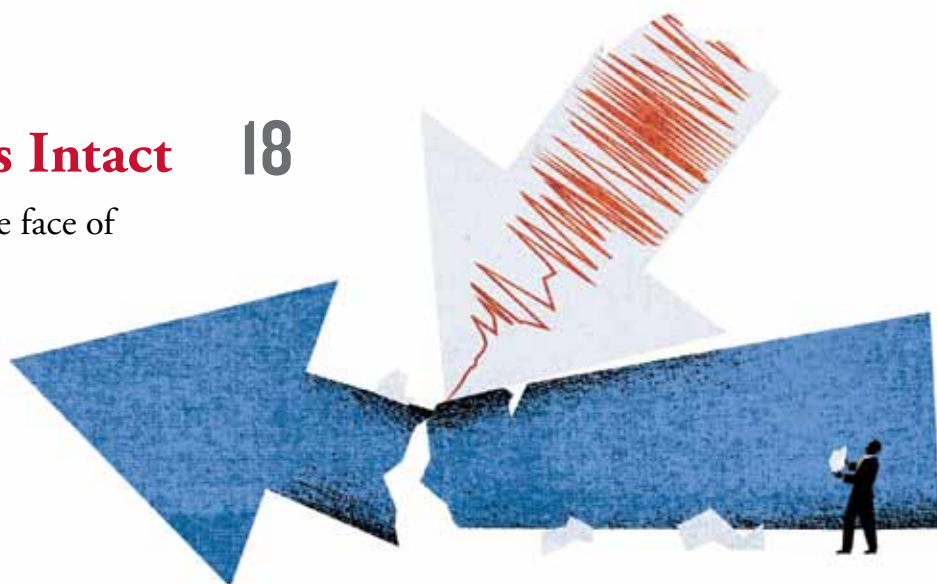
We're always looking for new things to do. We welcome your ideas for us and hope you will stay in touch with news about yourself. Thank you for all that you do for the school and for each other, and best wishes for health and success.



L. Joseph Thomas
Anne and Elmer Lindseth Dean

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In this economy, manufacturers, retailers, and consumers are grabbing for the reins.

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Three heart surgeons earned Johnson MBAs to add business and leadership skills to their rigorous medical training. Here's why.



Profile in leadership— Jon Moeller '86, MBA '88: Running Strong

Since joining Procter & Gamble 23 years ago, Jon Moeller has steadily climbed up the ranks. Now, as P&G's Chief Financial Officer, he is helping to guide the nation's 26th largest company through the worst economic downturn in eight decades.

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Web Extras

**Video: An interview with Professor Robert Frank**

Robert Frank, Henrietta Johnson Louis Professor of Management and professor of economics, talks about his new book, *The Darwin Economy: Liberty, competition, and the common good*.

**China Entrepreneur Network Forum**

Johnson's Center for Sustainable Global Enterprise hosted the China Entrepreneur Network Forum 2011, "Reset the World for a Sustainable Future," on campus Sept. 30-Oct. 1.

Our Web edition includes stories and photos of several of the panels at which speakers from business, government, academics, and NGOs in China, the United States, and around the world addressed today's pivotal challenges: achieving sustainable prosperity for people and planet through innovation and entrepreneurship.

**Investment pros share expertise at Women in Investing**

More than 75 women from 12 top MBA programs had an opportunity to mingle with peers, network with firm

representatives, and showcase their stock pitch skills at Johnson's second annual Women in Investing (WIN) conference, held in Boston, November 17-18, 2011. Read what investment professionals who spoke had to say about initiating coverage on a company, interviewing top management, and investing in emerging markets.

**Advice from Raymond McGuire, head of Global Banking at Citi**

As a keynote speaker at Johnson's annual diverse student hosting weekend, Johnson Means Business, McGuire offered prospective students several tips for success, including this one: "Make sure the standards you have for yourselves are higher than anyone's standards for you."

**Bill George: True leadership is the answer to the nation's economic woes**

Good companies only exist under good leaders, explained Bill George, author of the best-seller, *True North: Discover Your Authentic Leadership*, when he came to Johnson as a guest speaker for the David J. BenDaniel Lecture Series in Ethical Leadership on Oct. 20. The Harvard Business School professor and former Medtronic CEO said he has always had a passion for leadership, and believes that it will be the answer to many of the nation's economic problems.

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Business Roundtable

The Future of Energy

Over 20 alumni gathered in Sage Hall to deliver short TED-style talks focused on energy innovation at the second annual Johnson Energy Connection on Sept. 30. Speakers discussed current renewable and non-renewable energy practices and resources, and provided a glimpse of the industry's future.

Since wind is among the most high-profile sources of renewable energy, many environmental groups and politicians advocate installing wind turbines; but, in practice, this energy source has proven to be problematic. When the Los Angeles Department of Water and Power built a wind farm in Northeast California, for example, the project had unintended consequences. The turbines killed 6 golden eagles, an endangered species, explained Leah Bissonette '73, MS '76, managing partner for the power sector, North America, at Environmental Resources Management (ERM). "Once they're on the endangered list, killing the birds is called 'taking' and it's against the law," she said. "The LADWP is in serious trouble now," she said.

"We do know some of the migratory bird paths, and that definitely helps. But there are still many we don't know," she said. "Learning about more of them is something we're doing to make wind energy safer in the future."

Germany is the leading country in production of solar energy, followed by Spain and Italy, with the U.S. in fourth place, said Vaha Energy's Gaye Tomlinson, MBA '05. Several factors drive the solar energy market, but adequate sun exposure and high utility costs are among the most important. "Because Germany has about as much sun exposure as Alaska, one might wonder why they are leading the pack," reasoned Tomlinson. "The answer is they have very high utility costs that



"When it makes monetary sense for people to switch to solar power, they'll do it."

– Gaye Tomlinson, MBA '05, Vaha Energy

just keep going up." Relying on the sun has proven cost-effective in Germany.

Conversely, in the U.S. it's not financially feasible to use solar because our utility rates are not that high "yet," said Tomlinson. "When it makes monetary sense for people to switch, they'll do it," she said. In fact, New Jersey, a leader in solar use in America, relies on an incentive program to encourage citizens to go solar.

Despite innovations in new and renewable energy, the U.S. is still heavily dependent on oil — and oil is still very much in the country's future, said Chevron's Shannon Wells, MBA '08, in a presentation that sparked numerous questions. New oil retrieval techniques will increase the percentage of oil recovered from each reservoir, which is currently at 35 percent, he said. An increase of as little as one percent can mean an additional 80 billion barrels.

Non-conventional oil — including heavy oil and oil extracted from oil sands — will

play a major role, said Wells. "Future technology that will allow for access to these elements is going to be crucial, and probably the biggest piece of the pie in terms of our future," he said. In perhaps his most controversial point, Wells also predicts new discoveries of oil will be made: The World Energy Outlook's 2008 data reports there are over 800 billion barrels yet to be discovered. "Considering that we've used about a trillion barrels of oil to date, this is a significant amount that we haven't found yet," he said.

The energy sector continues to undergo dramatic change as new technology is constantly being developed. The consensus: The future of the industry is still unknown. There is a lot of work yet to be done, and a lot yet to learn, about oil as well as renewable energy. According to Bissonette, "It's up to all of us to do it."

– MARIA MINSKER '13

Business Roundtable



Lawrence Y. Tian, founder of the China Entrepreneurs Forum in Yabuli, China (left) and Stuart Hart, S.C. Johnson Chair in Sustainable Global Enterprise (right), were the keynote speakers at the third annual China Entrepreneur Network Forum, held on the Cornell campus Sept. 30 and Oct. 1, 2011.

China Entrepreneurs for a Sustainable Future

Sustainability, the 21st-century buzzword being uttered across the globe, will be a key component of strategies developed by businesses big and small in the burgeoning Chinese market economy, according to those participating in the third annual China Entrepreneur Network Forum. Held on the Cornell campus Sept. 30 and Oct. 1, 2011, the event was co-organized by Johnson's Center for Sustainable Global Enterprise, the China Entrepreneur Network, and the China Social Innovation Foundation. This year's theme, "Reset the World for a Sustainable Future," brought together scholars, business and NGO leaders, government representatives, and students, all seeking to address today's pivotal challenges: achieving sustainable prosperity for people and planet through innovation and entrepreneurship.

After years of focusing on growth and worrying more about competing in global markets than the adverse impacts their companies have on the environment, CEOs in China now recognize the value of being

"green," keynote speaker Lawrence Y. Tian told those at the conference. Tian, chairman of Genesis International Capital and founder of the China Entrepreneurs Forum in Yabuli, China, explained that the forum has, since 2001, brought together executives to discuss common goals and solutions to common problems associated with establishing new enterprises while transitioning from a state-run economy.

Beginning in 2004-05, he said, "Companies acknowledged a responsibility not just to make money but to consider their impacts on society. This is a major change among business leaders." At that time, he added, talk began in earnest focused on developing sustainable technologies that would reduce the demand for foreign natural resources by cutting energy consumption.

These concerns led business leaders gathered at Yabuli to establish a foundation dedicated to protecting the environment, combating global warming and ozone depletion, and promoting clean technologies. Another Yabuli offshoot, the Urban Realty Association, focuses on building more energy-efficient houses using sustainability practices.

These are steps in the right direction, but the future in China, and the rest of the

world, requires a total reinvention of the global economy with an eye on saving the planet, said Stuart L. Hart, Samuel Curtis Johnson Professor of Sustainable Global Enterprise at Johnson, also a keynote speaker.

"This is the most important time in history because of the unprecedented growth in population and its impact on the global ecological footprint," Hart said. "We have to change some deeply held assumptions in our society. Businesses must think about placing potential social impacts over financial return. They need to reconsider how they obtain capital, and create new investment categories."

To facilitate such broad-based societal change, Hart champions a "Green Leap" strategy comprising a convergence of green technology and innovation. This "Green Leap" is especially critical in China, which now has the ability to incubate new enterprises and create communities and cities using sustainable technologies and practices, Hart said.

"The old strategies don't work anymore, and as a result we will see an age of extinction for companies that don't evolve," said Hart. "Twenty to 30 years from now, the companies that survive will be in clean technologies."

— JAY WROLSTAD

Newsmakers

CNBC's MBA Face-Off

This fall, Johnson was chosen to compete for prizes and bragging rights in a nine-week, fantasy stock and currency trading competition. On Sept. 19, trading officially began in CNBC's "Million Dollar Portfolio Challenge" for students from Johnson and seven other of the nation's top business schools. The "MBA Face-Off" pits teams of ten students from each school against each other as they test their trading prowess managing a \$1 million "CNBC Bucks" stock and currency portfolio.

Each of the registered students in the "MBA Face-Off" were charged with using their virtual million dollars to fictionally trade stocks and exchange traded funds on the New York Stock Exchange, NASDAQ Marketplace, American Stock Exchange, London Stock Exchange, and Australia Securities Exchange as well as currencies in real-time.

CNBC's promotion of this challenge has put the spotlight on Johnson and the Parker Center in a variety of ways, including posting of participating student blogs to CNBC's MBA Face-Off



Ten Cayuga Fund portfolio managers competed in CNBC's MBA Face-Off (back row, left to right): Jeremy Bohne, Saam Parsa, Oscar Corpancho, Cameron White, Kyle Doppelt, Kevin McGovern, Sahil Bhatia (front row, left to right) Carolina Carvalho, Kira Dietrich. (not pictured: Mike Endres)

site and a live broadcast by the top-rated business network from Sage Hall on Nov. 1. Visit cnbc.com (search for "MBA Face-Off") and Johnson.cornell.edu for the details and official results.

Cornell Enterprise garners American Graphic Design Awards



Graphic Design USA [www.gdusa.com] honored *Cornell Enterprise*, Johnson's magazine, with two 2011 American Graphic Design Awards: one

for the spring 2010 issue, depicting "Brazil Takes Flight" on the cover and inside feature story spread; and one for the fall 2010 issue, depicting "Taming the Bear" on the cover and inside feature story spread. Both are featured in the print and Web editions of the 2011 American Graphic Awards Design Annual, which serves as a combined November/December issue of *Graphic Design USA* magazine.

The American Graphic Design Award, established nearly five decades ago, honors outstanding work across all media. According to the awards letter: "The 2011 American Graphic Design Awards attracted a remarkable 8000+ entries; a very select 15 percent are recognized with an Awards Certificate of Excellence. ... Between the printed and the online Annual, winning designs

will be seen by more than 100,000 colleagues, clients, creative and marketing decision makers."

Buy food with cash — and eat better!

As the global economy enters another season of uncertainty, the myriad effects of how consumers spend their money — on what and why — remains a conundrum and popular news topic. Johnson's

Manoj Thomas, professor of marketing, conducted research looking at the correlation between method of payment (debit/credit card or cash) and what shoppers purchase at the grocery store. His research that found a significant increase in "junk food" purchases by those using plastic versus cash has had many in the press — from the *Huffington Post* ("Impulse buying: 3 ways to outsmart it," May 28) and *Scientific American* ("Paying in cash keeps us healthy," June 25) to countless local and regional columnists and bloggers — asking: Is it any coincidence that Americans' waistlines have been expanding along with their use of plastic over cash? Thomas thinks not!



Newsmakers

Wall Street's wild ride and "liquidity black holes"



Professor Andrew Karolyi

Andrew Karolyi's Reuters-fueled comments on the frenetic ups and downs of Wall Street and his upcoming research washed the world-wide media last summer. Karolyi, co-academic director for Johnson's Emerging Markets Institute and professor of asset management and finance,

spoke to Reuters in "Insight: The Madness of Wall Street" (Aug. 19), saying: "We have to be aware that we can be hit by one of these liquidity black holes with ever-increasing frequency. If you are a long-term buy-and-hold investor you better be aware of these and

not panic when you see it." Karolyi said that the waves of wholesale selling driven by liquidity black holes are not just the byproduct of the over-computerization of trading; it's the end result of too much "groupthink" by institutional traders.

Karolyi says Wall Street first saw this in August 2007, when dozens of quant hedge funds suffered big losses at the start of the financial crisis because the algorithms they employed were all buying and selling the same securities. This flawed thinking by some of Wall Street's brightest math geeks was an early warning sign of even worse group think to come with regards to the value of securities backed by subprime mortgages.

Karolyi says his research, which will be officially published later this year

in *The Journal of Financial Economics*, has found the phenomenon of liquidity black holes is spreading beyond the U.S. to other stock markets. That is problematic because the effects of liquidity black holes can be profound.

Frank talk about wealth, economic health, and happiness



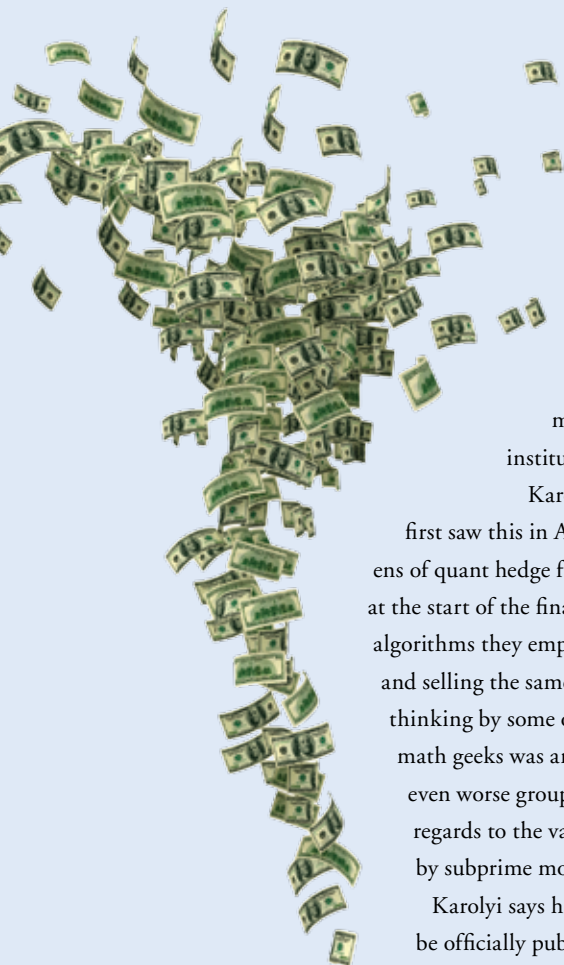
Professor Robert H. Frank

Robert H. Frank, Johnson professor of management and economics, regular columnist for *The New York Times*' "Economic View," and always a favorite of the press, has had an exceedingly popular voice on issues related to the "unimaginably stupid" decisions of the government

of late ("The Rachel Maddow Show," Sept. 5); his opposition to the spending cuts proposed by the debt ceiling deal ("Liberal debt deal revolt," *Wall Street Journal*, Aug. 1); and whether wealth truly yields happiness (*The Atlantic*, July 2). Additionally, his new book, *The Darwin Economy* (reviewed on page 10), is spurring great discussion from multiple voices in the media including the *International Herald Tribune*, New York Times Global edition ("Darwin, the Market Whiz," Sept. 17).

Raising questions of business and ethics

Johnson's senior lecturer in business ethics, Dana Radcliffe, has upped the profile of ethics at the school through his many op-eds in the Huffington Post, including: "Should States Raise Revenues by Expanding Legal Gambling?" (Aug. 30); "What Are We Teaching the World About Democracy?" (Aug. 12); "Thoughtless Doubts in Debt Ceiling Debate Could Lead to Disaster," (July 27); and "Same-sex marriage vote shows moral leadership" (July 3), a piece that garnered broad regional pickup through New York state's Gannett papers and Web sites. In these and other pieces in other media outlets, Radcliffe has taken the "marriage" of ethics and the b-school to a new and important prominence. In this edition of *Cornell Enterprise*, Radcliffe offers a first read of his piece, "Profits over principles? Selling technologies for political repression" (see page 14).



William “Bill” Huling named Associate Dean



William Huling Jr. '68, MBA '74, was appointed Johnson's associate dean of Alumni Affairs and Development (AA&D) effective July 25, 2011. Huling has 23 years of advancement experience at Cornell University, including roles at Johnson as interim associate dean of AA&D,

major gifts officer, director of development, and director of corporate relations. “I know I speak for many here at Johnson when I say I am thrilled that Bill Huling has accepted this position,” said Dean Joe Thomas. “Bill's leadership and long-time commitment to the school will ensure both the strength of our AA&D team and the success of the ambitious goals they have set going forward.”

“I am honored to take on this important leadership role,” said Huling. “The school and university have been a significant part of my professional and academic life. Having the opportunity to work with our alumni and lead such a great team as we have here at AA&D is truly exciting.”

A retired lieutenant colonel whose Army career included a tour of duty in Vietnam and three years as an ROTC assistant professor of military science at Cornell, Huling has actively led and participated in veteran activities on campus for more than 23 years.

Johnson welcomes new faculty Murillo Campello, Professor of Finance



Murillo Campello was appointed the inaugural Lewis H. Durland Professor of Management. A faculty research associate at the National Bureau of Economic Research, Campello's research focuses primarily on the interplay between financial contracting and real

economic factors and outcomes. His principal research interest is to study the economic implications of financial constraints for corporate decision making. Campello has published in leading journals of finance, including the *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, and *Journal of Financial*

and *Quantitative Analysis*. Campello, who received a PhD from the University of Illinois in 2000, was formerly the Alan and Joyce Baltz Professor of Finance at the University of Illinois at Urbana-Champaign. He has also held faculty appointments at Michigan State University and Arizona State University, and has taught at the University of Amsterdam. Selected for the “University of Illinois' List of Teachers Rated Excellent by their Students” multiple times, Campello was nominated in 2007 for the “Campus Instructional Award and College Excellence in Teaching Award,” a campus-wide honor in which each college is permitted to nominate one person.

Andrew Davis, Assistant Professor of Operations Management



Andrew Davis was appointed the inaugural Suk Y. Cha '84 MBA Sesquicentennial Faculty Fellow. Davis comes to Johnson from Penn State, where he is completing his PhD. He received his MBA from Penn State's Smeal College of Business in 2006, and his bachelor's

from Colgate University in 2003. He received the Rider Fellowship at the Smeal College of Business in 2010-11, and is teaching MBA and undergraduate students at Smeal. He is also certified in production and operations management by the Association for Operations Management (APICS CPIM Program).

Kenneth Merkley, Assistant Professor of Accounting



Kenneth Merkley was appointed the inaugural Barry and Ann Ridings Sesquicentennial Faculty Fellow. Merkley comes to Johnson from the University of Michigan's Ross School of Business, where he is completing his PhD. He received his master's of accountancy (MAcc)

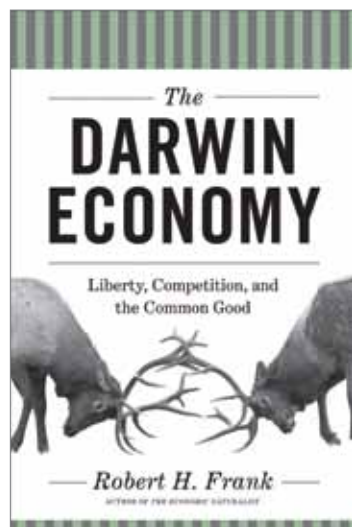
and bachelors in accounting at Brigham Young University's Marriott School of Management in 2006. Merkley was a recipient of the Spivey/Hall Fellowship in 2010, the Close Award in 2009, and the Ross School of Business Fellowship. He has taught at the University of Michigan and Brigham Young University and has also worked as an accounting consultant at FrontPoint Quantitative Fund.

Liberty, without justice for all

The Darwin Economy:

Liberty, competition, and the common good

Robert H. Frank, Henrietta Johnson Louis Professor of Management and Professor of Economics



“Liberty” is as American as Mom, Sousa, and apple pie. The word conjures up visions of unfettered freedom — freedom to roam wherever one wants, buy whatever one wants, build whatever one wants, and run the IRS off with a shotgun.

But what about the liberty to breathe carcinogen-free air, drive on pothole-free roads, buy affordable produce,

and obtain good housing for your family without going into lifelong hock?

The problem is, some people’s liberties impinge upon others’.

While individuals acting in their self-interest may believe that they hurt no one, they can force the whole community to change for the worse, says Robert H. Frank in *The Darwin Economy*. Consider a middleweight boxer who starves himself into welterweight class to gain a competitive edge. If his welterweight competitors don’t want to lose to him, they starve themselves into featherweight class. The result? A bunch of anorexic boxers.

In nature, Frank points out, this phenomenon — individuals’ efforts to outcompete each other resulting in an arms race detrimental to all — was described over a century ago by naturalist Charles Darwin.

In order to win more mates than their peers, natural selection has resulted in male songbirds evolving to display dazzling colors and each generation of male ungulates growing successively outsized antlers. But, as a result, both pay the price in being easier to spot and get caught by predators.

Among people, a similar phenomenon occurs with “expenditure cascades.” The ultra-rich build bigger mansions and throw \$10-million Sweet Sixteen parties for their kids. That raises the housing and entertainment bar for the rich, who build bigger houses and throw \$1-million kids’ parties. The middle class move from 3,000-square-foot houses to 4,000-square-foot ones and hire five-piece bands. No one really needed a bigger house or fancier parties; now everyone has spent a lot more than they can afford. (This theme appears in Frank’s earlier books, including *Falling Behind* and *Luxury Fever*.)

We as individuals are hard-pressed to liberate ourselves from these pressure-to-spend, consumption arms races (imagine your COO moving his family into a two-bedroom bungalow?). But the government can.

Who wants the government telling them what to do? It’s popular to cite economists, from John Stuart Mill to Ronald Coase, to argue against government intervention to right economic disparities, says Frank. But such arguments are usually fallacious. The Coase framework, for instance, is often misread to say that individuals and



Professor Robert H. Frank spoke with alumni about his new book in Sage Hall’s Ramin Parlor during Homecoming weekend this September.

Amidst winner-take-all markets in which blue-chip CEOs earn 500 times as much as their average employee and hedge-fund managers are taxed only 15 percent on their commissions, says Frank, the government may be the best vehicle for equalizing resources among rich and poor.

organizations at loggerheads will, of their own accord, arrive at the optimal solution for all. But, typically, there are complicating factors that tilt the outcome. So, the government plays a crucial role in leveling the playing field.

Amidst winner-take-all markets in which blue-chip CEOs earn 500 times as much as their average employee and hedge-fund managers are taxed only 15 percent on their commissions, says Frank,

the government may be the best vehicle for equalizing resources among rich and poor. We already subsidize the poor through inefficient means such as rent and price controls. So, why not deliberately design income-transfer methods to be efficient?

The solution in today's sinking economy, says Frank, is to tax spending. He advocates a progressive consumption tax, which would discourage reckless consumption and put a dent in the national debt.

For many, the word "tax" evokes visions of legislators bending taxpayers over a pork barrel. But while there certainly are wasteful government projects, starving the government solves nothing. Boondoggles should be stopped, but reducing the government's revenues wholesale also starves programs for funding roads, libraries, and national security.

Without taxes, a country is unable to defend itself and is quickly conquered by another, stronger country — and ends up paying taxes to the conqueror's government. "We have to tax *something*," says Frank. "So why tax income, when we could tax consumption instead — in the process encouraging savings, growth, and job creation?"

— IRENE KIM



Finance Without Fear: A guide to creating and managing a profitable business

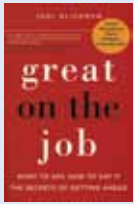
John Dolan-Heitlinger, MBA '80, and William S. Hettinger

Finance Without Fear is a straightforward, step-by-step guide to understanding the basic principles of business finance and to using essential business documents (cash-flow statement, profit and loss statement, balance sheet) to launch and run a startup. According to the authors, the book is for would-be entrepreneurs who are too intimidated by finance to launch a business, or who charge ahead without sufficient knowledge of the requisite tools and end up floundering. Finance books, they say, are too often written in cryptic "accountant-speak" that leaves the non-MBA feeling bewildered and overwhelmed.

Dolan-Heitlinger and Hettinger, by contrast, tie their subject matter to real-world examples, using clear, jargon-free language. They discuss each item in a financial statement, and discuss its significance via three case studies: a cottage-industry artisan turned small manufacturer; a boutique retailer; and a small-scale service provider. They then show how financial statements are used to gauge a business's health, growth rate, and attractiveness to lenders and investors.

Throughout the book, the authors keep their discussion of financial tools well-grounded in context. For example: What metrics are most relevant to a customer-centric business versus an operational-centric one? What are acceptable growth benchmarks for specific types of businesses?

Finance Without Fear solidly accomplishes its goal — clearly explaining how to analyze financial statements and use the resulting knowledge to grow and nurture a fledgling business.



Great on the Job: What to say, how to say it: The secrets of getting ahead

Jodi Glickman, MBA '02

While good communication skills are critical to one's business success, they are seldom taught. In *Great on the Job*, consultant Jodi Glickman seeks to demystify business communications by putting down on paper, and in plain English, what she teaches in her consultancy of the same name.

Glickman begins by introducing commonsense rules of thumb that are somewhat reminiscent of Dale Carnegie (for example: consider the other person; put your argument in a positive light; emphasize what you can do, as opposed to what you can't). She then goes on to address a wide range of everyday communications challenges — from requesting information over the phone, to asking one's supervisor for more-stimulating assignments, to developing an "elevator pitch."

For each situation that she discusses, Glickman provides an example scenario that she analyzes in terms of opportunities for success (and sometimes failure). She then explains the communications strategy behind dealing with the scenario, and breaks the procedure into a three-step process. For example, when recommending a course of action to your supervisor, first make your case, then support your argument, and finally outline next steps. In addition, Glickman provides multiple examples of sample wording for each scenario.

Although primarily geared toward relatively new entrants to the workforce, this book has plenty of useful advice for experienced workers as well.



The Digital Mom:

How to blog, vlog, Tweet and Facebook your way to a dream career at home

Colleen Padilla '98, MBA '03, and Audrey McClelland

In the five years since she launched her Web site, ClassyMommy.com, Colleen Padilla has parlayed her spot in a niche market into a highly successful brand. She now offers a sneak peek into her experience, through the lens of her own marketing acumen and insight, in *The Digital Mom Handbook*, a guide for those interested in establishing a Web-based business.

Padilla and her co-author offer a crash course on startups, beginning with finding your niche and defining your brand. They discuss everything from work discipline, to networking, to business ethics, to work-life balance, to evaluating a wide variety of opportunities for revenue and barter. They analyze the business process from a business standpoint, using straightforward language that steers clear of marketing buzzwords.

Offering handy tips on using digital tools (everything from site hosts to social media), *The Digital Mom Handbook* is packed with real-life case studies and thought-provoking examples of creative sites (a cowboy mom, a mom combating obesity).

Although it focuses on moms, who have a ready-made network and a special place in the hearts of corporate America's marketers, the book offers useful guidance for just about anyone who wants to establish a Web presence.



Sage Hall: Experiments in Coeducation and Preservation at Cornell University

Robert P. Stundtner, director of capital project management, Cornell University,
and Jenny Cleland, PhD '99

Sage Hall traces the history of Cornell's iconic, Victorian gothic building that has been home to the Samuel Curtis Johnson Graduate School of Management since 1998. Designed as a state-of-the-art facility by Charles Babcock, Cornell's first architecture professor, and built in the 1870s as Sage Residential College for Women, Cornell's first dormitory for women, Sage Hall had become sadly dilapidated by the time it underwent comprehensive reconstruction and renovation in 1996-98. Author Bob Stundtner managed the massive, complex project that wholly replaced the building's interior while retaining the historic exterior walls to create a new home for Johnson. Together, co-authors Stundtner and Cleland tell the story of the building and its reconstruction, weaving the story of their own courtship into the narrative.

The book begins with characterizations of Ezra Cornell, founder of Cornell University, and Andrew D. White, Cornell's first president, whose ideas about the importance of educating women inspired benefactor Henry Sage to fund Sage Residential College for Women. Subsequent chapters touch on the role New York state women played in social reform movements, including abolition and women's rights, and on what life was like for Cornell women who were student residents of Sage.

The book's detailed account of the renovation project begins with the \$20 million gift from Sam and Imogene Johnson that made it possible. The authors catalogue the project's myriad hurdles — legal, practical, structural, and aesthetic — and relate the dedication of all involved in the reconstruction to restore as much of the grand, original structure as possible. It ends with Stundtner's final project update of Sept. 20, 1998 — an overview of the transformation from inception to completion.

— IRENE KIM

Be a better communicator

Tips from *Great on the Job*

BY IRENE KIM

Have you ever dealt with a great salesperson? Say, a vacuum-cleaner salesman who notices the cat hair on your sweater, takes 30 seconds to enumerate the pros and cons of a model in your price range, and says, “You *could* upgrade, but you’d be paying \$70 for three extra feet of cord.” You’d intended to price all the competitors’ models first, but instead you buy his vacuum on the spot.

A good salesperson considers your needs, is honest and straightforward, and offers appropriate solutions without wasting your time. In the workplace, good communicators do the same. (You are, after all, trying to sell something: your idea, performance, or availability for promotion.)

In her book *Great on the Job* (GOTJ, see opposite page), communications consultant Jodi Glickman dissects common work situations, and explains how to optimize your communications to get the results you want. Glickman, who has worn many hats, including stints as a Peace Corps volunteer and a Wall Street investment banker, says that her varied experience has helped her distill the elements of effective communication into a few simple rules. “I always had a steep learning curve to master, so I had to get really good at asking questions and figuring things out,” she says. A few examples:

A good salesperson considers your needs, is honest and straightforward, and offers appropriate solutions without wasting your time. In the workplace, good communicators do the same.

How to ask for feedback. You corner your supervisor on her way out and smile, “So, how am I doing?” She blurts out “Fine!” and sprints for the exit because she’s late picking up her daughter from daycare.

GOTJ approach: “Nancy, do you have time to discuss the client presentation I’m giving tomorrow? I’ve been working on communicating hard data in an understandable way. I know you’re busy, so I want to work around your schedule.” After your feedback

session, you ask for concrete ways to improve, and thank her. You follow up after you’ve had time to digest her suggestions. In this scenario, you consider her needs, save her the trouble of wondering what to discuss, and show that you’re serious about her input.

How to field questions

you can’t answer. Your boss asks you how much market share your leading competitor had last quarter. You stammer, “Uh, sorry?”

GOTJ approach: “Well, their ad campaign is

very strong, and so are their numbers. I want to say 15 percent, but that might be off a point. I’ll have numbers for you before lunch.” Thus, you provide useful information and show your ability to think on your feet, as well as your willingness to go the extra mile.

How to admit you screwed up. You realize that the report you sent to your client has an outdated chart. You hope no one notices.

GOTJ approach: “Peter, I just realized there’s a mistake in the report. I forgot to update the real-estate trends before printing it. Should I call the client, or send the updated version and tell them to disregard this morning’s e-mail?” Thus, you take responsibility for your error and offer viable solutions.

Whether you’re asking for a plum assignment, managing a crisis, or hobnobbing with the CEO, the principles of effective communications are the same: Consider what you want to accomplish; put yourself in the other person’s shoes; and make your case clearly, accurately, and succinctly. Your results will speak for themselves.



Jodi Glickman, MBA '02, president and founder of communications training firm Great on the Job and author of a book by the same name, is a consultant, coach, public speaker, and faculty member of Johnson's Leadership Skills Program. She is a regular blogger for *Harvard Business Review* and a contributor to *Fortune.com* and *Business Insider*.

Profits over principles?

Selling technologies for political repression

BY DANA RADCLIFFE

Is it wrong to help autocratic regimes repress their citizens? Evidently, for some Western technology firms, the answer is no. Are they right? If not, how can other tech companies avoid similar moral failures in doing business with authoritarian governments?

The Wall Street Journal reported that Moammar Gadhafi's crackdown on Libyan dissidents relied on advanced technology supplied by a French company to monitor people's online activities. *The Journal* also said that Gadhafi agents tapped private phone conversations using equipment bought from a South African firm. In Bahrain, officials intercepted the text messages of human rights activists through devices acquired from a German conglomerate and maintained by two other European companies. The Mubarak regime listened in on Egyptians' Skype calls by means of a tool made by a British firm. Across the Middle East and North Africa, governments censor the Internet utilizing software developed — and regularly updated — by companies based in Canada and the U.S. American tech firms are bidding to work on what will become the largest video-surveillance system in China, which rights advocates believe is meant to deter political dissent. And it is likely there have been many other such collaborations.

Before dismissing the corporate executives who pursue such deals as amoral opportunists, we should grant that there are defenses they could — and often do — give for their actions. The real issue, of course, is whether any of those arguments is ethically sound.

One common justification is that what the company did was legal, that it didn't violate any explicit regulations. This is the defense offered by the South African firm that furnished eavesdropping technology to Gadhafi. When questioned

about the transaction, a spokesman stated that the company sells only “to governments that are internationally recognized by the U.N. and are not subject to international sanctions. . . . The relevant U.N., U.S., and EU rules are complied with.” The speaker seems to imply that, because the firm's dealings with the Libyan government were legal (which some international lawyers might dispute), they were ethical — and so the company acted responsibly. But, as anyone who has been victimized by shady practices well knows, not all unethical business conduct is illegal. “No laws were broken” is not a moral defense.

Another familiar rationale is that sellers of products are not responsible for how buyers use them. This was the line taken by a representative of a leading American technology firm interested in the Chinese video-surveillance project. Apparently referring to Chinese assurances that the system was intended only for conventional law enforcement, he told the *Wall Street Journal*, “We take them at their word as to usage. . . . It's not my job to really understand what they're going to use it for. Our job is to respond to the bid that they've made.” But we all know that one cannot absolve oneself of responsibility for abetting wrongdoing just by denying such responsibility. From a moral point of view, what matters is whether the seller knows — or should know — that the buyer plans

to use the product to inflict undeserved harm on others. There is no question that firms actively marketing surveillance or censorship technology to totalitarian governments know what those customers will do with it. Disingenuous declarations like “We take them at their word” don't pass the straight-face test.

A more respectable argument appeals to the good of the company. In fact, on some versions, it is an expressly ethical argument, which runs as follows. Managers of a company have a fiduciary obligation to serve the best interests of the investors, and selling privacy-invading technologies to despotic governments may in fact be what is best for the firm and its investors. On this argument,



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There is no question that firms actively marketing surveillance or censorship technology to totalitarian governments know what those customers will do with it.

such deals are not only ethical, but managers might be faulted for passing up such lucrative opportunities. This sort of defense is suggested by public comments by an executive for another U.S. company hoping to work on the Chinese surveillance system. Asked about the possibility that software sold to the Chinese government might be misused, he admitted, “We do have concerns. ...On the other hand, we want to do business there.” In the end, he said, his company has “to manage the risk against the gain.”

The latter remark is revealing and points to just what is defective about this kind of argument. Apparently, this manager’s “concerns” about possible misuse of his company’s product are only about the risk that might pose to the company, a risk his firm has to manage “against the gain” —to the company. What about potential victims of the misuse? The problem here is that the duty to seek financial returns for investors is not absolute, always trumping other obligations. Rather, it is limited by corporate managers’ ethical and legal obligations to other stakeholders—including people they know will be unjustly harmed by their customers’ expected use of the products. Conscientious management entails earning profits for investors in ways consistent with responsibilities to other people affected by the company’s actions. To focus only on the risks and gains for the company, while ignoring the risks and harms to other stakeholders, is ethically untenable.

It isn’t realistic to expect Western technology companies not to do work for nondemocratic governments. But corporate leaders committed to conducting business ethically will take care in evaluating prospective transactions. Drawing on widely shared, common-sense beliefs about moral behavior, the following are considerations that should inform managerial judgments about which types of cooperation with authoritarian governments are morally defensible.

First, the U.N.’s Human Rights Council recently released its “Guiding Principles on Business and Human Rights,” based on extensive research and consultation with stakeholder groups. It includes as a foundational principle, “Business enterprises should respect human rights.” The document goes on to say that this responsibility requires corporations to “avoid causing or contributing to adverse human rights impacts. ...” This counsel echoes other important expressions of international norms, such as the “OECD Guidelines for Multinational Enterprises: Recommendations for Responsible Business Conduct in a Global Context.” Ethical technology companies will heed such principles, taking care that

sales of their products do not contribute to human rights violations.

Second, it is morally perverse for Western firms — from countries where basic freedoms are protected by law — to assist autocratic governments in depriving their citizens of those very same freedoms. Apart from the plain hypocrisy, these companies’ leaders violate a principle that is a cornerstone of most of the world’s great moral traditions, helping do things to others they would not want done to themselves. Responsible managers will not take actions they would condemn as unjust if they were on the receiving end.

Finally, commercial activities that invite severe criticism from the media, civil society, and other stakeholders can damage a company’s reputation and — potentially — its bottom line. Recall, for example, the withering denunciations of Yahoo for giving the Chinese government user information about a dissident journalist, who was promptly imprisoned. More recently, BP has paid dearly for repeatedly ignoring safety issues. In all such cases, management fails in its fiduciary responsibility to its shareholders. In this age of the Internet and 24/7 mass communications, ethical leadership includes avoiding the reputational risk connected with behavior for which the company cannot provide a credible public defense.



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Don't shortchange your biggest asset

By JOHN DOLAN-HEITLINGER, MBA '80



As a Johnson MBA, you have a solid grounding in how to start up a business. You can write a business plan in your sleep and raise venture capital without turning a hair. You're all too familiar with how much labor, blood, sweat, and tears it takes to launch an enterprise. But you

may not be so well informed about the challenges of *staffing* your startup. Specifically, you probably have no idea how clueless some of your potential employees can be about finance.

In my more than two decades of running small companies, I've seen workers — often dedicated, smart individuals — who didn't understand the difference between discounting an item 15 percent and selling it at 15 percent of its price. I've known board members who couldn't understand the implications of the financial reports they were reviewing.

I've found that it's essential to educate employees in business basics so that they can understand why the organization works the way it does, and why certain business decisions have to be made. Training employees in this way takes some of the burden off your shoulders and makes for more empowered, accountable, and capable workers.

Getting everyone on the same page

When I was CEO of Keys Federal Credit Union, I began a program of weekly staff meetings to update employees (offsite workers participated first by conference call, and later via videoconference). Once a month, we reviewed the same financials that I had presented to my board of directors.

I quickly noticed that most attendees lacked sufficient finance background to understand what we were talking about. So, I started teaching a series of after-hours classes to explain how our financial statements worked and how we measured ourselves against our competition (we later instituted basic math and writing tests as part of the hiring process to gauge applicants' financial and communications literacy).

Now, the entire organization had a foundation in understanding basic business principles, including why we needed to make a profit, how much we spent on individual expense items (particularly labor),

I've found that it's essential to educate employees in business basics so that they can understand why the organization works the way it does, and why certain business decisions have to be made.

and how interest rates affected our revenues and costs of funds. Workers understood how their own actions and decisions affected the entire organization.

Weathering the ups and downs

I found that, as we went through the cycles of change that are typical of any business, this foundation significantly facilitated the staff's acceptance of "bad news," such as staff reductions, compensation changes, and incentive program changes. It also helped employees understand how we structured our product and service offerings, why we had to change them periodically, and what our niche was — for example, why we couldn't provide Merrill-Lynch-type services to high-net-worth clients, or give free services to hard-luck cases. Subsequently, workers were much better able to explain procedures and changes to our customers.

In addition, our high level of transparency helped employees feel comfortable discussing business in the open, including asking tough questions, such as "It looks like we're losing money — is that OK?" I welcomed such questions, which provided more opportunity to address vital business issues.

Yes, getting your employees up to speed on finance requires investing time and effort. But which would you rather have: informed, empowered workers who understand and are truly onboard with your organization's charter and processes, or workers who don't know the difference between 15 percent and 85 percent off?

MANAGEMENT AND PLANNING CONSULTANT JOHN DOLAN-HEITLINGER IS PRESIDENT OF D-H & ASSOCIATES CONSULTING IN KEY WEST, FLA. HE HAS MORE THAN 25 YEARS OF EXPERIENCE AS A CONSULTANT, CEO, AND SENIOR EXECUTIVE, AND IS A RETIRED U.S. COAST GUARD RESERVE COMMANDER. HIS RECENT BOOK, *FINANCE WITHOUT FEAR* (COAUTHORED WITH WILLIAM HETTINGER, SEE REVIEW ON P. 11), IS A USEFUL PRIMER FOR FINANCE NOVICES; A COMPANION WORKBOOK IS ALSO AVAILABLE.

Startup Snapshots

Green-bagging it

If you've ever packed a lunch for yourself, a spouse, and maybe a kid or two, you know that you can go through a lot of packaging pretty fast. Just think of all the plastic sandwich and snack bags, plastic wrap, and foil needed to pack lunches day after day.

Now think of replacing that waste with completely reusable food packaging, and you have an idea of Beneterre (beneterre.com). The company's elegantly simple proposition is to offer waterproof fabric bags and wraps for your family's sandwiches and baby carrots with dip. The company also makes fabric mesh bags for supermarket produce, and sturdy wine carriers that accommodate half a dozen bottles.

Louise Hurlbut, cofounder of the Boppy Co. (maker of the renowned breastfeeding pillow) hatched the idea of Beneterre with friend Ann Swanson. Both women were business veterans — Hurlbut at Frito-Lay, Beatrice Foods, and Time Warner Cable, and Swanson at IBM, the Walt Disney Company, and ESPN. Swanson wanted to start a line of home linens; Hurlbut wanted to do “something green.” “We combined the two ideas and came up with a concept of a line of products that were fashionably good for the earth,” says Hurlbut.

They tried a number of different items, including dishtowels and lunch boxes, before deciding on the current product line. The

company started up in 2009.

Beneterre is self-funded, and Hurlbut says her biggest challenge is maintaining working capital. The company is committed to making its products in the United States, which makes it difficult to keep

costs low. In addition, there are no barriers to entry, so Beneterre must constantly innovate and find new ways to help consumers be environmentally conscious.

The average American generates more than four pounds of garbage a day (U.S. EPA, 2009); about 40 percent is paper and plastic. Sounds like a promising target for Beneterre's new-product development team.



Louise Hurlbut, MBA '79, Cofounder, Beneterre

What's that buzz?

If you've ever kvetched on Facebook about the hotel your company books for its annual meetings, or reviewed the incredible taco place next door, Ashish Gambhir is all ears.

His startup, newBrandAnalytics (newBrandAnalytics.com), harvests customer feedback on businesses in the hospitality industry (also in the works: retailers, casinos, and spas). The company gleans customer feedback from social media and traditional sources (such as guest surveys)

and develops proprietary customer satisfaction metrics and insight to help service providers improve operations and revenue.

Gambhir, who had an entrepreneurial bent even before embarking on his MBA, found his calling in the fall of 2007 while chatting with retail and software veterans Neil Kataria and Kam Desai. Kataria and Desai



Ashish Gambhir, MBA '09: Co-Founder and EVP, newBrandAnalytics

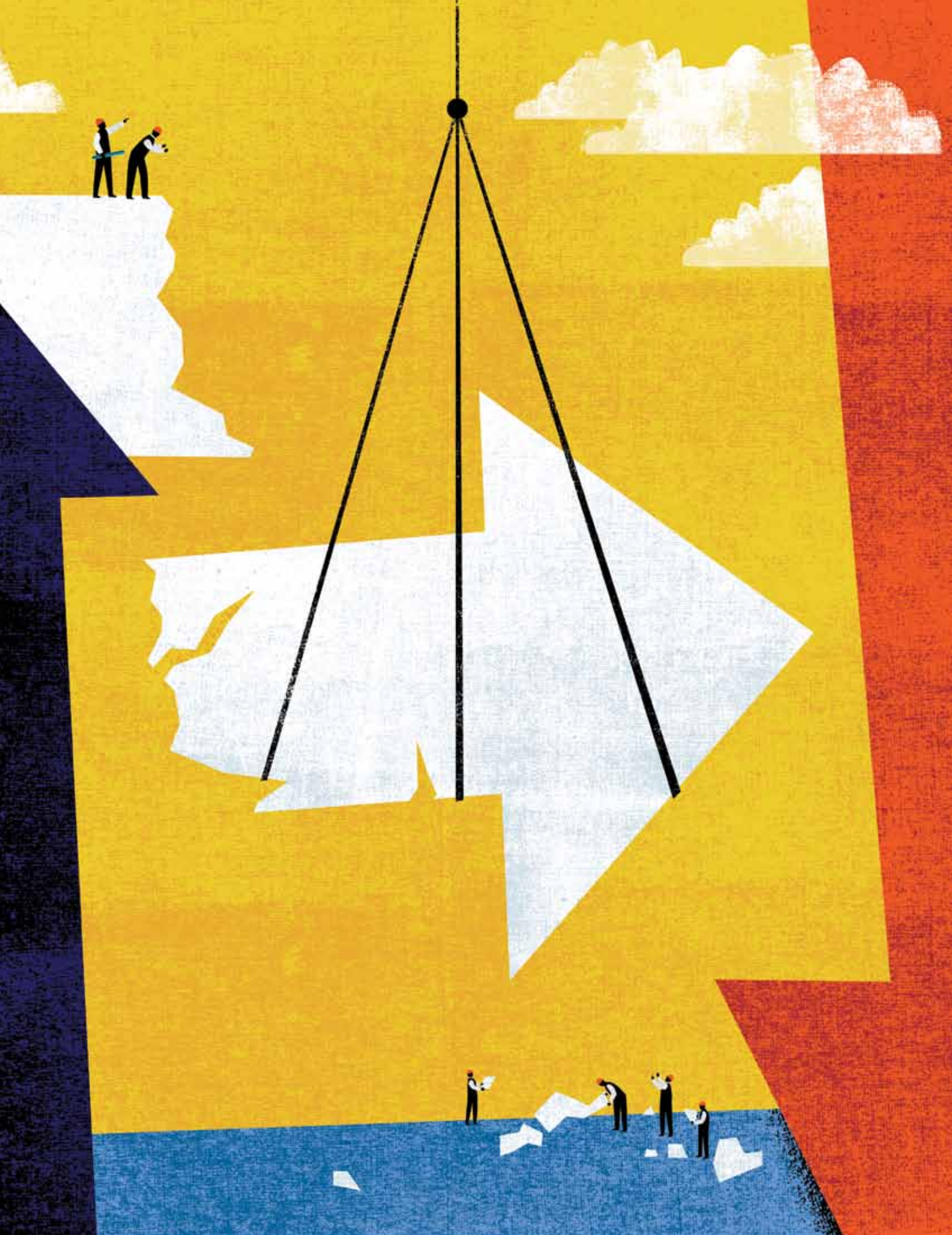
mentioned that the Web was growing in importance as a source of customer feedback. At the time, Gambhir, whose experience was in finance and consulting, was intrigued with the idea of analyzing Web content to help students make more-informed application decisions. They synthesized the two ideas and launched newBrandAnalytics in 2008.

NewBrandAnalytics' focus on the hospitality industry, specifically from an operations perspective, has led to its rapid growth. The company can, for example, turn thousands of unsolicited and unstructured customer comments per month into a “food presentation” score for a restaurant or a “concierge service” score for a group of hotels. “Our technology can identify, read, and catalog every single word of every single credible mention on the Web about a specific store to extract industry-specific performance feedback real time,” says Gambhir.

He has found a great source of support in his Johnson classmates throughout the startup process, and tapped into faculty expertise during the company's infancy. “Three members of the Brand Passport program are members of our advisory board; and we have new team members and advisors from the Cornell School of Hotel Administration,” adds Gambhir.

Gambhir has helped his company secure over \$18m in venture financing to date, including a Series B led by NEA.

— IRENE KIM



KEEPING THE LINKS INTACT

World-shaking natural disasters point to the need for supply chain strategies designed to manage risk. By Merrill Douglas



When a massive earthquake and tsunami rocked northern Japan last March, they also rocked manufacturing businesses around the world.

In the U.S. and Europe, for example, automakers slowed or halted production due to lack of crucial parts produced in the quake-damaged region. In June, Sony announced a ten percent drop in first-quarter revenues, blaming it mainly on inadequate supplies of parts for LCD TVs. A shortage of toner cartridges from its supplier, Japanese electronics manufacturer Canon, hurt laser printer revenues at Hewlett-Packard (HP) in the third quarter of its fiscal year 2011.

In the aftermath of the Tohoku quake, many businesses took steps to make sure that a natural disaster would never again leave them scrambling for materials and parts. According to the *Wall Street Journal*, for example, HP's supplier, Canon, seeking to protect its own end-user product lines, started to rethink its practice of single-source procurement.

Not only disasters, but other challenges as well, have spurred manufacturers in recent years to re-evaluate strategies for managing supply chains. Higher costs for labor, transportation, and key commodities are changing calculations about where to source and where to produce. Additional factors, such as volatile demand and the uncertain world economy, also complicate the picture.

RISKS AND TRADEOFFS

The risk of supply interruption is nothing new. "It came to the forefront recently because of the earthquake and tsunami, but it's the same issue we've had for some time," says L. Joseph Thomas, Anne and Elmer Lindseth Dean at Johnson and professor of operations management. Disasters stop the flow of goods, but so do more

mundane events, such as delays in ocean shipping. When products travel long distances, that magnifies the uncertainty.

In managing supply chains, companies work toward several intertwined goals. They want to purchase, transport, and produce goods economically, and they want to keep inventories low. But they also want to fill customer orders promptly and bring new products to market quickly.

"For a long time, these things have not all been possible at once," Thomas says. So companies make tradeoffs, considering variables such as labor costs, transportation costs, days in transit, the risk of a supply interruption, and the level of customer demand.

Complex ties among trading partners increase the chance of supply chain headaches. "You set up a global network, and a disruption in one node may have a substantial ripple effect all around," says Jamie Hintlian Jr. '82, MEng '85, MBA '86, vice president, pharmaceuticals, at AspenTech, a provider of manufacturing and supply chain software in Burlington, Mass.

Supply chains are especially vulnerable today because they're so long, says Vishal Gaur, Emerson Professor of Manufacturing Management and associate professor of operations management at Johnson. Managers might be able to see what's happening only one or two links down the line. "I may know my suppliers, but I may not know who their suppliers are," he says. "The earthquake and tsunami created many such surprises, where people didn't even know that they were buying from that region."

A natural disaster arrives with little warning. More predictable events with longer time lines create a different variety of risk. One major challenge is the rising cost of labor in the Chinese factories that produce so much of the world's merchandise today. A related issue is

“Dual sourcing keeps both suppliers honest in terms of the quality, pricing, and delivery performance.”

— Jamie Hintlian Jr. '82, MEng '85, MBA '86, vice president, pharmaceuticals, AspenTech

the high cost of fuel, which increases the price of transporting product from plants on one side of the world to markets on the other side.

Higher costs for commodities such as corn, soy, cotton, and steel also make life rough for manufacturers. So do the shaky economy and its effect on customer demand. Sudden drops in demand might leave a company holding too much inventory. Sudden spikes can leave it desperate for greater supply.

Bruce Stirling, MBA '73, a supply chain consultant with the Cincinnati Consulting Consortium and former vice president, global purchasing, at Procter & Gamble (P&G), recalls when increasing demand for P&G's hair care products coincided with a worldwide shortage of silicone, a key ingredient. P&G obtained its silicone from a single supplier, Stirling says. “We had to go to the vendor and say, ‘Yours is the only one that works in our product applications. How do we get more?’” To satisfy P&G's demand, the vendor had to cut off supplies to some other customers, he says.

REDUNDANCY, REDUNDANCY

In the face of so much uncertainty, companies must map out solid contingency plans. One common strategy for controlling the contingency of supply interruption is to build in redundancy.

The process might start with product design, says Suresh Muthulingam, assistant professor of operations at Johnson. “If you have a modular design and one supplier goes down in Japan, because you understand your design you can identify another manufacturer who makes a similar component.”

Analyzing for supply risk isn't easy. “If you make a complicated product, like an automobile, you get parts from everywhere, and you have perhaps thousands of items in the finished product,” Thomas observes. Still, a company must identify where the risks lie, define what would happen if supplies stopped flowing, and decide how to mitigate the danger.

Auxilium Pharmaceuticals in Malvern, Pa. performs exactly this kind of calculation on its products. “We look at the key items that



Jamie Hintlian Jr. '82, MEng '85, MBA '86

we purchase, both the commodities and the specialized materials,” says Krista Hamilton, MBA '94, Auxilium's senior director, supply chain. “We do a risk evaluation and look at risk mitigation strategies, whether that's carrying additional inventories or having multiple sources approved for use.”

Auxilium sources materials both for its own production and for use by contract manufacturers. Identifying alternative sources is a labor-intensive job that includes testing to make sure vendors' products meet Auxilium's requirements, Hamilton says.

Routinely buying a component from more than one vendor

— rather than simply keeping a backup vendor in the wings — provides a hedge against possible shortages. “They're making it on a regular schedule, and you know they have the capacity to increase the quantities they're sending you,” Hamilton says.

Dual sourcing also sets up a healthy competition, says



Suresh Muthulingam, assistant professor of operations



OUTSOURCING: A WORLD OF OPTIONS

With Chinese factory wages and global transportation costs on the rise, will fewer U.S. products sport a “Made in China” label in the future?

A study published by the Boston Consulting group (BCG) in September predicts that by 2015, U.S. manufacturers will no longer find it cheaper to make or procure products in China than at home. Rising wages in China, a stronger yuan, greater productivity in the U.S. and business incentives in certain states will make the U.S. a more attractive location for production, the study says.

In the future, companies might start sourcing in Vietnam, India, or other Asian markets where labor is still inexpensive for simple commodities such as textiles, says Bruce Stirling, MBA '73, supply chain consultant with the Cincinnati Consulting Consortium and former vice president, global purchasing, at Procter & Gamble. But for products that require more sophisticated manufacturing processes, and for products that rely heavily on automation rather than labor, it's a different story. “People are looking at bringing those things in this direction.” That could mean manufacturing in Mexico or Canada as well as in the U.S., he says.

Of course, many companies have not embraced the philosophy of “backshoring” — bringing production back to a company's home turf — or “nearshoring” — bringing production to nearby countries where wages are lower than at home. The cost differential between manufacturing in lower-wage countries and in the U.S. is still too great to prompt such a move, says Ray Ernenwein '90, MBA '96, director of supply chain strategy at Hewlett-Packard. “U.S. corporate tax rates relative to other countries also discourage us from altering our current supply chain configuration.”

Moving production to Mexico to take advantage of that country's lower wages while reducing transportation costs might not save a U.S. company as much money as expected, says Suresh Muthulingam, assistant professor of operations at Johnson. Those savings might be offset by the cost of importing raw materials or components to Mexican factories from overseas.

Of course, not all U.S.-based firms have embraced the philosophy of “manufacture elsewhere to sell here.”

For example, at Illinois Tool Works (ITW), a global producer of everything from

auto components to power systems to cooking equipment, the guiding principle is to make products close to the customers who need them. “If you're in Mexico, we're in Mexico. If you're in China, we're in China,” says Roland Martel, MBA '82, executive vice president at ITW in Glenview, Ill.

“Producing in Asia for Asia, producing in North America for North America, producing in Europe for Europe is a prudent thing to do,” agrees Walter Galvin, MBA '73, vice chairman at Emerson in St. Louis, another highly-diversified global manufacturer. Emerson does ship products from one region of the world to another, but by no means does the flow run entirely from lower-wage nations to more developed markets. “We export a lot from the U.S. to China,” he says. The U.S. might suffer a trade deficit, but Emerson's U.S. operations definitely do not. “Our U.S. subsidiaries export more to our subsidiaries outside the U.S. than our international subsidiaries export back to the U.S.”

Hintlian. “It keeps both suppliers honest in terms of the quality, pricing, and delivery performance.”

Besides sourcing from multiple suppliers, a company might avert interruptions by insisting that a single vendor produce a crucial product at more than one location. That's what global manufacturer, Emerson, did when a supplier review determined that one of its contract manufacturers was standing in a flood plain.

“We had the supplier move 50 percent of our sourcing from that location to another one of their locations,” says Walter Galvin, MBA '73, vice chairman of St. Louis-based Emerson. “We also had

components that were critical stored at another location.” If a flood halted work at the first plant, assembly could continue at the second, and the contractor could still get the parts it needed to do the work.

Contingency strategies might also hinge on collaboration, says Gaur. He cites a case in 1997 when a fire shut a plant in Japan that produced a crucial part for Toyota. Since Toyota had only a couple of days' worth of inventory in stock, the supplier's disaster also halted the automaker's production.

Toyota quickly assembled a team that included representatives of its various suppliers, Gaur says. The group developed a plan to

HOW HP RODE OUT THE POST-QUAKE CRISIS



Hewlett-Packard was one of the many companies that saw the flow of important components slow to a trickle after the earthquake and tsunami in Japan last March. Constant contact with partners, suppliers, and customers helped the Cupertino, Calif.-based technology firm survive the emergency, says Ray Ernenwein '90, MBA'96, HP's director of supply chain strategy.

"We worked closely with suppliers to better understand the expected size and duration of the disruption," Ernenwein says. "As a result, we were able to manage expectations around product availability with our customers. In addition, we collaborated intensively with our suppliers to mitigate the effects of the parts shortages and logistics obstacles. In certain cases, we were able to identify alternative sources of supply."

Based on lessons learned from its experience this spring, HP has updated its Business Continuity Planning (BCP) processes to help it avoid similar problems in the future, Ernenwein says.

HP conducts recurring Enterprise Risk Management (ERM) and BCP processes to prepare for common disruptions, such as severe weather in the northeastern U.S., he says. But, of course, it's not possible to foresee every potential interruption.

"For events such as the volcanic eruption in Iceland [in 2010] and others that are far less likely to predict, we rely on our nimble and responsive organization," says Ernenwein. "For instance, we form crisis response 'war rooms' and teams to respond effectively to unforeseen events."

bring the Toyota plant back on line. "Meanwhile, they figured out whether the component could be manufactured by some of the other suppliers temporarily. They worked collectively and solved the problem very quickly."

MANAGING COSTS AND VOLATILITY

Longer-term challenges, such as higher costs and volatile demand, require different mitigation strategies. The challenge of rising wages in China, for example, has prompted some manufacturers to switch production to lower-cost countries.

But for certain industries that move won't work, says Muthulingam. A classic example is the global toy industry, which still does 70 to 80 percent of its manufacturing in China, in spite of the uproar and scrambling to get tighter reins on quality control following the lead paint fiasco several years ago.

"All the skills related to the manufacture of toys are concentrated in China," Muthulingam says. "Even if you want to go to another place — let's say Africa — people there probably don't have the necessary skills."

Higher fuel prices, combined with production costs in China, have spurred some U.S. manufacturers to bring production back home or to nearby countries such as Mexico (see sidebar). Companies may also redouble their efforts to manage transportation costs.

"We look to maximize economical modes of transportation, such as ocean vessels and trains, versus air freight and trucks," says Ray Ernenwein '90, MBA '96, Hewlett-Packard's director of supply chain strategy.

For savings on fuel and raw materials, a company might turn to the futures markets. For instance, back when Emerson operated its own trucking fleet, the company hedged its costs by purchasing

financial instruments based on the price of fuel, Galvin says. Emerson also uses the commodities markets to lock in prices on copper and other materials, he says.

Some customers want Emerson to use hedging to keep the prices of its finished products steady. Others, preferring to accept both the risks of high costs and



Ray Ernenwein '90, MBA '96, director of supply chain strategy, Hewlett-Packard



“We do a risk evaluation and look at risk mitigation strategies, whether that’s carrying additional inventories or having multiple sources approved for use.”

— Krista Hamilton, MBA '94, senior director, supply chain at Auxilium

the rewards of low ones, ask for pricing with built-in material cost escalators. “It all has to be worked through the communication of what the customer wants,” Galvin says.

Enterprise-wide sourcing also may help a company manage commodities prices. At the diversified manufacturing corporation, Illinois Tool Works (ITW), each of the many business units sources most of its materials independently. But ITW is considering how to use its strategic sourcing organization to give the businesses greater

negotiating clout when buying widely used commodities such as steel and plastic resin, says Roland Martel, MBA '82, executive vice president at the Glenview, Ill. firm.

The strategic sourcing group doesn’t tell the business units which suppliers to use, Martel says. Rather, ITW uses the group as an information clearinghouse. “And they have the ability to pull together representatives from these various ITW businesses, letting them sit as a group with steel suppliers in order to get better pricing.”

Pharmaceutical companies looking to control the cost of ingredients and packaging are applying lessons they learned in earlier initiatives to control indirect spending — the purchase of office supplies, lab supplies, and other non-manufacturing items, says Hintlian. Such initiatives have yielded new practices and tools for procurement, approval, and other activities, he says. “That has carried over to the direct side of the business — relationships with chemical and ingredient suppliers, equipment suppliers, packaging component suppliers — where there is shared accountability for cost and quality, for example.”

As for volatile customer demand, one coping strategy is to make the same product in more than one country. A facility that serves a local market can double as a backup for sister facilities, ramping up production and exporting to other markets if demand abroad should suddenly surge.

QUEST FOR THE HOLY GRAIL

Ultimately, information technology might provide the key that companies need to match their sourcing and production to demand, says Stirling. Companies want systems that track each end-user purchase and automatically place replenishment orders for materials and packaging, exactly as needed.

Although supply chain software is growing increasingly sophisticated, that particular solution remains elusive. “I don’t know anybody who really does it,” Stirling says. But manufacturers are pushing in that direction.

“The overall objective is getting to this Holy Grail, which is ‘produce to demand’ and ‘replenish to demand,’” Stirling says. “And to build flexibility into the system so you can replenish quickly, from the consumer all the way to the oil well or the agricultural product.”

Flexibility, redundancy, integration, diversification — what these strategies have in common is the need to make substantial investments in the management of supply chain risk. “Preserving a couple of pennies sometimes is not as good for the longer-term cycle,” says Galvin. “You need to preserve your company.”

FREELANCE WRITER MERRILL DOUGLAS COVERS SUPPLY CHAIN ISSUES AS A CONTRIBUTING EDITOR FOR *INBOUND LOGISTICS* MAGAZINE.



TRACKING THE

**In this economy,
manufacturers, retailers,
and consumers are
grabbing for the reins**

BY ROBERT PREER

MAVERICK MARKETPLACE

In the fall of 2008, Scott Hansing, MBA '01, acted on a bold idea. He was a member of a sales team in Minneapolis for the household products company, SC Johnson, stationed in an office next to Target Corp. headquarters, and the team's assignment was to sell to the retail giant.

What Hansing pitched to Target executives was this: SC Johnson would use one of its recently acquired subsidiaries, the Caldrea Company, to make a line of environmentally friendly premium cleaning products for Target. The line would include dish soap, all-purpose cleansers, candles, and other household products.

After some initial talks, Target bought the idea. The retailer and manufacturer collaborated on the new products, which were designed with fragrances, packaging, and pricing that differ from Caldrea products sold in other stores. In March 2010, Target launched the Caldrea Essential Collection.

"Caldrea products had been mainly in smaller retailers, mom-and-pop stores," Hansing recalls. "We saw an opportunity for growth by taking it into a retailer with national distribution. At the same time, Target was looking for unique brands. If a product can be found best at a specific retailer, then the consumer is most likely to shop there to purchase the product."

The Caldrea Essential Collection line, now in its second year, has boosted the bottom line of both retailer and manufacturer. "It worked out well for both of us," Hansing says.

Such partnerships are part of today's shifting retail landscape of product manufacturers, retailers, and consumers. Retail today is dramatically different from what it was for most of the 20th century. And powerful forces buffeting the industry portend continued change in years to come.

"The relationships involving manufacturer, retailer and consumer have no definitive start and end," says Rob Hill, '91, senior vice president at Nielsen, the global marketing information services company. "It is ever-evolving."

Cooperating and competing to reach consumers

For product manufacturers and retailers, incentives to work together are strong now, according to Ocean Spray Cranberries chief executive Randy Papadellis, MBA '81. "Our goals are similar," he says. "They want to sell as much product as they can, and we want to sell as much product as we can."

But conflicts arise in the dynamic environment. "There are disincentives to cooperation," says Associate Dean Randy L. Allen, senior lecturer in management. "The

retailer wants to have a store that is attractive to consumers with a variety of products. The manufacturers clearly want more of their products versus someone else's."

Consumers also are more discerning. The prolonged economic slump has had a profound effect on consumer behavior; battered by four years of economic distress, they do not part with their dollars easily. They are placing new demands on those who make and sell products. They want goods to be produced and distributed in ways that are both friendly to the environment and responsible to society.

"The recession shifted consumer purchases within categories," Hill says. "The big shifts were away from luxury items or merchandise customers really didn't need and toward the center of the store." Consumers bought more flour, sugar, and vinegar to cook things themselves, and they also bought more alcoholic beverages, according to Hill. "People want to treat themselves to a nice meal, but they can't afford to go out, so they'll eat at home and have a glass of wine."

According to Larry Ruff, MBA '82, chief strategy officer for Levi Strauss & Co., consumers are not necessarily looking to buy the cheapest product. "There is a stronger focus on value," he says. "It can be thought of as price, and it can be thought of as quality. For



Scott Hansing, MBA '01, category manager (marketing director) for Raid Insecticide at SC Johnson

the manufacturer, it means making sure the brand quality is what it needs to be.”

“Consumers are being more conscious in their decisions,” says Ruff. “In some cases, they are buying less. In some cases, they are being more deliberate. There also is an increasing focus on sustainability.”

Kraft Foods CEO and Chairman Irene Rosenfeld '75, MS '77, PhD '80, says, “There’s been a significant shift during this downturn to value — with a capital V. In fact, we view the current environment as an opportunity to invest in quality, marketing, and innovation to enhance the value proposition of our brands.”

From big brands to big retail

For much of the 20th century, retail relationships were simple: Big brands dominated. Using national advertising and print and broadcast media, companies such as Proctor & Gamble, General Foods, and Kellogg’s marketed their products directly to consumers.

“The retailer was almost seen as a pass-through,” says Scott Sainsbury, MBA '77, owner of the retail consulting firm Beacon Associates. “Manufacturers worked with retailers on promotions, but the manufacturer then really held the upper hand.”

In the 1970s and 1980s, several broad trends in American business and society would turn this basic retail relationship on its head.

As population shifted outward from cities, retail moved from downtown to suburban shopping centers. Stores got dramatically bigger. Retail ownership also changed, from small, private companies to large, publicly held corporations with a mandate to deliver profits.

“It happened in fast food, home improvement, and groceries,” Sainsbury says. “It happened pretty much across the board. Now there was a new boss speaking, one who was really attentive to earnings.”

Information shifts to the retailer

As the retailers grew, they began to act more like the companies that had been supplying them. “They started to hire smart people from the manufacturers or develop them themselves, and they started to really look at data,” Sainsbury says.

To deliver profits, retailers had to maximize sales, which prompted retailers to begin collecting and analyzing data about their customers.

“It used to be that the person with the most information was the product manufacturer,” Papadellis says. “Now, it is the retailers who have more information about consumer behavior, product movement, and micro-demographics.”

Sainsbury was working at Frito-Lay in the 1980s when he saw the balance shift from manufacturer to retailers. He was



Scott Sainsbury, MBA '77, owner of Beacon Associates, a marketing research firm

involved in launching the Tostitos brand when stores began demanding to be paid for shelf space. “Retailers were saying to us, ‘We’re not just a pass-through anymore. We own this space, and it has value.’”

Assistant Professor of Marketing Manoj Thomas saw the change also. “Graduates in marketing from a business school like ours used to go to places like Unilever and Proctor & Gamble and become brand managers. Now we have people who are going to retailers and doing the exact same thing there,” he says.

In the past, retailers could not survive without products from the big manufacturers, according to Hansing. “The mom-and-pop stores had to have Proctor & Gamble products,” he says. “Now, a company like P&G can’t survive without their products being in Wal-Mart.”

Power over the product

SC Johnson’s decision to deploy a sales team outside Target headquarters is an approach used by many product makers. Most big manufacturers today have operations near the headquarters of big retailers. More than 600 suppliers have set up shop in Bentonville, Arkansas, the corporate home of Wal-Mart.

“We are literally in the building across the street,” says Hansing, who is now SC Johnson’s marketing manager for the Raid insecticides.



Manoj Thomas, assistant professor of marketing

In matters of product design and features, manufacturers now typically defer to the big retailers.

“The power is wielded by the representative of Wal-Mart or other large retailers,” Professor Thomas says. “Wal-Mart is in a position to say, ‘This is the kind of product we want.’ The manufacturer will have to come up with it.”

The new world of retail has produced an unusual job: the category captain or category manager. Category captains are employed by the product manufacturer, but, in effect, they work for the retailer. The category captain’s job is to manage all of the products in a retailer’s category — including those of competitors.

“It is something that’s arisen over the last ten years,” says Associate Dean Allen. “A category captain is really a phenomenon of the mass retailers, such as drugstore and grocery chains.”

The category captain decides what products go into the section. Often, though not always, the category captain comes from the strongest brand in the category.

“What’s really strange is that those people have to wear two hats,” Sainsbury says. “They are paid by the manufacturer, but they also may represent the retailer and have to act on the retailer’s behalf. Sometimes they are asked by the retailer to provide information and not share it with their own boss.”

The risks and rewards of going global

To counter Big Retail, manufacturers have found strategies of their own. “One way to turn the relationship back in your favor is to get bigger yourself,” Hansing says.

Product manufacturers have grown through acquisitions and mergers, and also by expanding overseas, something retailers have found difficult.

SC Johnson, a mid-size manufacturer, sells products in virtually every country around

the world. “There are not a lot of retailers that are global,” Hansing says. “The bigger we can be, the better we can work with the retailers in each of the countries we compete in.”

Product makers have found other advantages in going global. A product developed

in one country often can be sold in other countries. Packaging and marketing often can be transferred to other countries with minor alterations.

But the global marketplace can create problems for manufacturers, especially when

SELLING

SOCIABLE

Cumberland Farms, a chain of 600 convenience stores spread across 11 states in the Northeast and Florida, has developed new ways to differentiate itself as a destination, rather than just a merchant of national brand soft drinks and snacks. In fact, in some smaller communities, the company’s stores are local landmarks and meeting places known affectionately as “Cumbys.”

Cumberland Farms knows its audience — mostly young teenagers — and has developed a loyal following, connecting with its young customers via social media, says Kate Ngo, MBA '07, senior manager of brand strategy for Cumberland Farms. The company’s multi-flavored Chill Zone frozen drinks, dispensed in customer-operated machines inside the stores, have proven such a hit in the last few years that the company now is rolling out Chill Zone flavors in carbonated packaged drinks. Cumberland Farms has an active Chill Zone Facebook site, as well as a Chill Zone YouTube channel. “We have over 150,000 Facebook fans,” Ngo says. “It’s something we’re quite proud of. Not only does our audience continue to grow, but we’ve been able to develop a following that is very, very engaged.”

“Because our flavors and characters are unique to Cumberland Farms, we can offer something that national brands do not,” says Ngo. “We do have a cola, but it’s identified with a character, so it’s a different purchase from what the Coke customer is seeking.” That would be Mad Cola, an angry-looking, reddish cartoon figure with bushy eyebrows and thick biceps. Other flavors include energy drink NRG Kick, pineapple-flavored Sucka Punch, cherry drink Red Rage, and Berry Backlash, which besides having a pleasant raspberry taste turns the customer’s tongue blue.

Cumberland Farms’ online relationship with its customers has not been without complications. “Although it’s a blessing to be able to communicate instantaneously with your customers, once you establish that dialogue, they expect you to continue,” Ngo says. “Engaging in social media means embracing the good and the bad, even if we can’t necessarily fix the bad. We’ve found that with negative feedback, most people just want to be heard, and for us to say ‘we’re sorry.’ We strive to be authentic in order to build trust with our customers.”

Kate Ngo, MBA '07, senior manager of brand strategy for Cumberland Farms



THE AMBIDEXTROUS

APPROACH

In a retail environment characterized by sharp divisions between product manufacturers and retailers, some companies, like Levi Strauss, are both.

"We have essentially a hybrid model," says Larry Ruff, MBA '82, chief strategy officer and senior vice president of strategy and business development for Levi Strauss & Co. "We sell about 70 percent of our products through partners — big accounts like Macy's or JCPenney — and about 30 percent through our own stores or through e-commerce or franchise stores."

Levi jeans are sold in over a hundred countries, and Dockers, the company's second largest brand, are sold in over fifty. In most parts of the world, the company uses a hybrid retail approach — a strategy that allows the maker of iconic blue jeans to have substantial control over presentation of the brand, while also permitting widespread distribution of Levi Strauss products in the largest stores in the United States and around the world.

Although Levi Strauss works closely with the big retailers, sometimes they present Levi Strauss products in a way the jeans maker likes, and sometimes they don't. "They have their own agenda," Ruff says. "They have a way they want to lay out their floor. They may or may not have a sales associate in the jeans section."

"It is a very strong, ongoing collaborative planning process with our partners," Ruff continues. "We try to make sure that we are meeting the needs of the customers in their stores, while at the same time putting forward a compelling case for our brands."

The company also makes store-specific brands, such as its Signature line of jeans for Kmart and Wal-Mart. Levi Strauss recently introduced its dENIZEN line in US Target stores; previously, these were sold only in Asia.

The direct-to-consumer retail side of Levi Strauss — both company-owned

and franchise stores — has been expanding, according to Ruff. "It is an important part of our growth strategy and our consumer experience strategy," Ruff says. "In this environment, you have your hands on all the levers. You control the assortment. You control how the brand is presented, as well as the product navigation and the on-floor support. You can have a much more holistic and better-integrated consumer experience."

Other manufacturers selling products in their own stores have met with varying degrees of success. Apple, Nike, Microsoft, Dell, and Reebok all have opened retail outlets.

Larry Ruff, MBA '82, chief strategy officer for Levi Strauss & Co.



global demand is weak and variable, and prices for raw materials are rising.

"Because of the economic uncertainty, many types of retailers are demanding shorter lead times from suppliers," says Vishal Gaur, professor of manufacturing management. "They ask manufacturers if they can postpone order placement to a later time."

Manufacturers are also in a bind with prices, according to Gaur. Prices for the commodities that manufacturers need to make products have been rising, but manufacturers are afraid to pass the increases on to retailers.

"Manufacturers worry that the retailer will start sourcing from somewhere else," Gaur says, adding that this fear is warranted. "Retailers are unwilling to pass on price increases to their customers because they are afraid demand will drop, so they have become more willing to change suppliers."

Private labels expand

Emblematic of the shift in power from manufacturer to retailer is another important trend: the proliferation of products made under the retailer's brand.

"They are common in the grocery industry, but it is happening in other industries too," Gaur says. "Even department stores have brands of their own."

Says Allen, "The trend has been going on for a long time, but it has been increasing as there has been retail consolidation. It's easier to justify with bigger volume because you can get better prices."

Store brands — sometimes called private label or corporate brands — typically are cheaper than major manufacturer brands, and the economic downturn has helped to drive their success.

"The recession helped to spike that trend," says Hill of Nielsen. "Corporate brand share went over 20 percent then. It has now leveled off at 17 and a half or 18 percent. It's not going away."

Private labels now enjoy a better reputation, according to Hill. “The quality of the corporate brand from a packaging and content and functionality standpoint is very strong now,” he says.

For the product manufacturer, trying to compete directly with the store brand is unwise, according to Papadellis. “We don’t try to dissuade a retailer from selling their private label,” he says. “Our data suggest there is a consumer who prefers private label based on price, and there’s a consumer that prefers a branded product. There’s less interaction between the two than one might think.”

For manufacturers, a boost from technology

Despite their setbacks in recent years, manufacturers have gained new tools as they look to the future. By using the Internet and social media, manufacturers can bypass the retailer altogether and connect directly with consumers.

“Brands now are able to reach their consumers through social networks or by setting up their own Internet sites or through Internet shopping,” Gaur says. A social media strategy can give product manufacturers a competitive edge, according to Ruff of Levi Strauss. “It has to do with how your brand shows up and engages consumers. It means being more transparent and more accessible.”

Retailers also have turned to the Internet and social media, but for retailers with brick-and-mortar stores, the track record has not been good, according to Gaur. No retailer can ignore the Internet. But Amazon.com is so dominant and the price competition so high, that it is challenging to convert it into a profitable venture and integrate it with brick & mortar stores,” he says.

Online sellers have another big advantage, according to Stephen Barlow, MBA ’77, a former grocery chain owner who now owns a shopping center in southeast

“Category captains are paid by the manufacturer, but they also may represent the retailer and have to act on the retailer’s behalf. Sometimes they are asked by the retailer to provide information and not share it with their own boss.”

— Scott Sainsbury, MBA ’77, retail consultant and owner of Beacon Associates

Minnesota: For most transactions they don’t have to collect sales tax.

“For retailers, the sales tax was not a big deal unless you were near the border,” Barlow says. “Now, it is a huge deal because of Internet sales. You are spotting somebody three to seven percent. In retail, that’s quite a bit.”

New leverage for the customer

Consumers, too, have been part of the wave of change in retail. And consumers are no longer passive players. With social media, smartphones, and other technological advances, shoppers have gained new clout. They can and do demand greater transparency from both manufacturers and retailers.

“I would argue that the shopper now has the power and more control than anybody who sells to them,” says Martin Cregg, president and chief executive of ChaseDesign, Inc., in Skaneateles, N.Y.

When they make their purchase decisions, consumers have more tools than ever, according to retail specialists. Smartphones are proliferating, and smartphone applications can yield a wealth of product information. With a smartphone a consumer can not only compare prices but also access reviews by other consumers, as well as social media, ratings from magazines, or testing Web sites.

“You are going to be able to scan a bar code, and it is going to tell you more about the product in an instant than you would ever have learned from advertising or traditional forms of consumer communication,” Papadellis says.

“Shoppers can get information they have high confidence in without ever talking to anyone in the store,” Cregg says. “Shoppers can assess whether or not they’re being treated fairly, whether another retailer has the item in stock, who has the best price, and what the satisfaction is with the product after purchase. This tells me the shopper is in control.”

William Lee, MBA ’03, vice president of retail marketing for Nickelodeon, says reaching consumers today is a complex undertaking yet a rewarding challenge. “It requires lots of communication and lots of collaboration. There is a lot of innovation now in retailing, in social media, and in packaging. It’s an exciting time to be in this industry.”

ROBERT PREER, A CORRESPONDENT FOR THE *BOSTON GLOBE* AND CONTRIBUTING WRITER FOR *COMMONWEALTH* MAGAZINE, WRITES REGULARLY ABOUT TRENDS IN FINANCE AND BUSINESS FOR *CORNELL ENTERPRISE*.

WHAT DOES AN **MD** DO WITH AN **MBA**?

Three heart surgeons earned Johnson MBAs to add business and leadership skills to their rigorous medical training.

HERE'S WHY.

By Linda Brandt Myers

It takes ten years to train to be a heart surgeon: four to get an MD degree and another six to gain the skills and certification to operate on patients.

But nowhere in that arduous process are doctors taught how to run a heart surgery practice, manage a staff at a busy hospital, or develop a device that will improve patients' health.

"Medical school and residency training programs produce physicians highly capable of taking care of individual patients and doing deep analytic thinking, but they do not prepare doctors for systems thinking or working cooperatively and collectively in a hospital environment," says Dr. Robert Alan Lancey, MBA '07, heart surgeon and head of the Bassett Hospital Network in central New York state.

Lancey is among a growing number of established MDs who have earned MBAs to get the business skills crucial to assessing the whole picture, and to bringing about change where needed. He and two other heart surgeons, profiled here, are graduates of Johnson's Cornell Executive MBA program, offered on alternate weekends in Palisades, N.Y.

"Physicians are smart people, and they want to make a difference, but we are in a challenging environment for them to practice in," commented Dr. John E. Prescott, chief academic officer at the Association of American Medical Colleges, in a *New York Times* story last September about more MDs going for their MBA degrees. "Most want to modify it, but some want to leave it."

These Johnson alumni are committed to staying, and they have already brought about positive change in their organizations.

Dr. Robert Alan Lancey, MBA '07: **Strong leaders for tough times**

Dr. Robert Lancey aims to have a positive impact on the national medical environment. When he first came to Bassett as head of cardiac surgery and heart care programs at the medical center in Cooperstown, N.Y., he decided to pursue an MBA to gain the requisite skills to help control burgeoning medical costs.

"Doctors generate about 80 percent of all costs in healthcare with their pens, when they order tests and procedures," observed Lancey. "The fact that many don't have good business knowledge is just shocking. But in med school they are trained to be autonomous individuals taking care of their patients, not taking care of patients in the global view of the healthcare industry." On the flip side, nonclinical administrators who make big organizational decisions often don't understand what's involved in caring for patients.

The "global view" Lancey refers to means tackling the sometimes overwhelming challenges hospitals and medical practices face today, among them reduced insurance and Medicare reimbursements and demands for more efficiency and cost savings from third-party payers, including the government.





What's needed says Lancey, are "strong physician leaders who understand the clinical world and the professional demands that doctors face, yet also have the ability to bring doctors to the table with non-clinical experts in a healthcare organization, and collectively make it succeed.

"The healthcare environment's tough right now — with reimbursements going down and a lot of hospitals closing," Lancey observes. "Doctors and administrators need to sit down and figure these things out together because we're in it together."

A career supercharge

"The Cornell MBA opened doors for me in a way I never would have predicted," says Lancey, who completed his Executive MBA while a full-time, practicing surgeon at Bassett, performing heart surgery five days a week.

The biggest payoff was being appointed to his current position as medical director for the entire Bassett Network, which includes six hospitals and 22 regional health centers over a 5000-square-mile area in central New York State. "I'm now in a leadership role, tasked with the clinical integration of all the hospitals and regional centers — team building, which is what I think an MBA is all about," Lancey says.

Earning his MBA provided Lancey with the skills he'd lacked and motivated him to initiate change, he says. "I gained an intimate knowledge of finance, marketing, strategic planning, and operations, and the skill set to be a leader in these areas and in the organization," says Lancey. "I came back to Bassett and performed a complete cost accounting of the cardiac surgery program, which enabled us to see where we could become more efficient, saving money while continuing to provide high quality care. It was revealing, and it helped," he says.

"My relationship with my CEO also has become more professional," Lancey says. "I inundated him with white papers and executive summaries, sharing with him my thoughts about how we can benefit the organization, and he's been open to it."

The MBA gave Lancey a new, broader perspective and has helped him care for patients in a different way — by improving hospital services. "I have learned not only to become a contributing member of the hospital administration team but, more important, how to lead teams and committees," he says.

Clearly, Lancey's opinions are more valued by colleagues. Since earning his MBA he has been appointed to the Bassett network's Business Development Group, Service Excellence Council, and Quality Management Council. On the latter, he works on such issues as patient wait time and how to ensure each patient is treated with respect. "My success in these roles is linked directly to what I learned at the Johnson School," Lancey says.



"I performed a complete cost accounting of the cardiac surgery program, which enabled us to see where we could become more efficient, saving money while continuing to provide high quality care. It was revealing, and it helped."

— Dr. Robert Lancey, MBA '07,
cardiac surgeon and medical
director for the Bassett Network

with an mba?

Dr. Ramachandra “Ram” Reddy, MBA ’07: Learning the language of business



Dr. Ramachandra “Ram” Reddy, a cardiac surgeon affiliated with Mt. Sinai Medical Center in New York City, was drawn to heart surgery early on because of its lifesaving potential. “You operate on someone who is dying, someone with no hope of recovery, and the next morning that same person is smiling at you. Doctors who are smitten by it can never do anything else. It’s instant gratification,” he says.

But he was not unaware of his field’s commercial side. “Medicine is big business. Mt. Sinai’s operating budget is over \$1 billion a year,” he says.

As a physician, he is accountable to everyone in his medical facility, Reddy noted. To be more effective, he wanted to

“I’ve been able to ask for and acquire new technology by making the calculations and demonstrating a good return on investment.”

— Dr. Ram Reddy, MBA ’07, cardiac surgeon, Mount Sinai

understand the language of business and learn more about what running a medical center entailed, including budgets, insurance reimbursements, facilities, staffing, and people management. “I thought that getting an MBA would help me do that,” he says.

Reddy, who currently performs heart surgery five to six days a week, also envisions spending less time operating later in his career, and becoming more involved in administration. “Having an MBA will be a huge advantage at that point,” he says.

Tools to calculate costs of new technology

Reddy credits his EMBA experience with giving him the knowledge and presentation skills to stand up in front of a roomful of people and make both the medical and financial case for adopting new techniques, technologies, and programs, a skill he calls invaluable. “I’ve been able to ask for and acquire new technology by making the calculations and demonstrating a good return on investment,” he

says. In one instance, he showed that even though the technology to do a minimally invasive operation might cost the hospital more in the short term, it enabled patients to get back on their feet sooner, a long-term budget benefit.

Having an MBA also “opened my mind to how people in other fields think,” says Reddy. His classmates and professors have become a valued network he turns to when he needs help on business-related questions. And he’s happy to return the favor. “It’s good to be able to reciprocate when they want my help on healthcare issues,” he says.

Dr. Randall Green, MBA ’11: Team-leading and business startup skills

Dr. Randall Green, a cardiothoracic surgeon with an entrepreneurial bent, was initially motivated to get an MBA because he wanted the skills to build and market medical devices he knew would improve patients’ lives.

Green, who heads his own private practice and also directs the cardiac unit at St. Joseph’s Hospital in Syracuse, N.Y., grew up in San Francisco and lived in Palo Alto for six years in the 1990s while doing his general surgery and cardiothoracic surgery fellowships at Stanford. “It was an exciting time to be out there, a very entrepreneurial time, and many new medical device companies were starting up,” he says. The climate inspired him to think about launching his own device business.

“We are bred to be technicians and caregivers, but we see a need [for better medical devices] every day at the hospital bedside,” Green says. “The real problem is, how do you go from recognizing a clinical need to taking a product to market? It’s an intricate process. Formal education such as an MBA is a tool that makes all that possible.”

Although Green sought an EMBA at Johnson to get the hard business skills he thought he would need as an entrepreneur, his perspective and reasons for pursuing the degree broadened in January 2011, after he said yes to an offer to become program director of cardiac surgery at St. Joseph’s Hospital in Syracuse, one of the busiest heart programs in New York State.

“It’s the ultimate leadership position for cardiac surgeons, one that allows you to finally apply all those ideas and strategies that you’ve had and make your program the best one,” he says.

But it was not without challenges. “I was now managing dozens of physicians’ assistants in the operating room, the ICU and elsewhere,” Green says. “I wanted them to be passionate about what they were doing, to transform the people who show up every day into a cohesive team.” While that didn’t happen overnight, “I learned observational skills, in a class on managing teams taught by Professor Beta Mannix, that helped me understand better what motivates people. I came to recognize that every individual is different and that success as a team leader wasn’t necessarily about giving



someone more money or time off but about reaching a common understanding and shared goals.”

Green didn’t abandon his entrepreneurial ambitions, and he credits his MBA experience with helping him understand how to evaluate new business opportunities in cardiac surgery. “I learned how to ask questions like: ‘How big is the market? How much is the reimbursement? How do I sell the product to hospitals and come up with a financial strategy that looks at costs and anticipated revenues?’”

Being immersed in Johnson’s MBA environment also aided Green when he launched his first medical device company.

“I learned how to ask questions like: ‘How do I come up with a financial strategy that looks at costs and anticipated revenues?’”

— Dr. Randall Green, MBA ’11, cardiac surgeon, director of cardiac surgery at St. Joseph’s Hospital, and entrepreneur

“We were about to pitch our business plan when a visiting EMBA professor, Steven Gal, a California entrepreneur who had started multiple companies, offered to look it over and gave me a few pointers.”

Now, in addition to his work at St. Joseph’s and his medical practice, Green heads two startups: Secant, which seeks to develop a catheter-based mitral valve repair device; and Vapsys, which plans to make a ventilator-associated pneumonia prevention device.

But perhaps the biggest impact of his MBA is how Green now views his role in fixing some of healthcare’s budget challenges. A class in economics with Professor Robert Frank made him aware that: “We need to be better stewards of our resources. I’ve since transitioned my thinking from treating every patient with everything we have all the time to recognizing that healthcare resources are scarce, and even clinicians have a role in their utilitarian use.

LINDA BRANDT MYERS, FOUNDING EDITOR OF CORNELL ENTERPRISE AND FREELANCE WRITER, ENJOYS INTERVIEWING JOHNSON ALUMNI ABOUT HOW THEY ARE USING THEIR MBA DEGREES.

WHAT MED STUDENTS DO WITH MBAs

Acquiring the tools to improve healthcare cost management and delivery are powerful reasons for an MD to get an MBA. Recognizing this, a growing group of medical schools, in conjunction with business schools — Weill Cornell and Johnson among them — now offer joint MD-MBA programs in which students add a fifth year to obtain a management degree to their four years of medical school. Here’s what a few MDs who obtained their MBAs this way — through Johnson’s Accelerated MBA (AMBA) program — are doing with their combination of skills and knowledge now.

DEAN ARNAOUTAKIS, MBA ’10, MD ’10 (Weill Cornell Medical College), is doing his residency in general surgery at Johns Hopkins University. He hopes to remain in academic medicine and eventually lead a department or division of surgery. “I knew I would need business skills as a practicing physician,” he says, “and I wanted to learn them now rather than later when it might be more difficult to take time off from work.”

SAM ASGARIAN, MBA ’11, MD (Tulane University School of Medicine), is a consultant with Deloitte specializing in consulting for health care-related companies. “In one year of MBA training I got a new skill set that offered me another career avenue when I decided not to go into clinical medicine,” he says.

GLORIA KWON, MBA ’11, PHD ’11 (Weill Cornell Graduate School of Medical Sciences), is a consultant with Easton Associates, advising health care-related companies on good investment bets. “One of my interests was business, to learn more about how all this knowledge about medical science that I gained through my PhD could get applied in a real world setting,” says Kwon.

SCOTT MOFFAT, MBA ’11, a consultant with Citi Healthcare Investment Bank in Nashville, Tenn., completed four years at Columbia Medical and a year of residency as a hospitalist. “I knew early on that I wanted to study business and medicine,” says Moffat. “That’s why I applied to Johnson’s AMBA program. A lot of the courses I took are applicable daily in my job at Citi — financial modeling, financial statement analysis, and accounting. That’s what I do now, day in and day out.”



PROFILE IN LEADERSHIP: JON MOELLER '86, MBA '88

RUNNING STRONG

Since joining Procter & Gamble twenty-three years ago, Jon Moeller has steadily climbed up the ranks. Now, as P&G's Chief Financial Officer, he is helping to guide the nation's 26th largest company through the worst economic downturn in eight decades.

BY DOUG MCINNIS

When Jon Moeller wants to unwind from his job as Procter & Gamble's CFO — he runs. And runs. And runs.

He rises at 5 a.m. to pound the streets of whatever city he's in that day, whether it's Cincinnati, where P&G is based, or Paris, or Singapore. "It helps me relax and combat the ill health effects of constant travel and a traveler's diet," says Moeller, adding that it gives him time to think and organize priorities at work.

"I started running to get in shape for high school basketball," says Moeller. "It was also a way to get any peace and quiet or time alone in a family of eight brothers and sisters. But I never stopped."

As CFO, Moeller needs the diversion that running offers. His job has a global reach and could eat up every hour of every day if he chose to let it. The sun never sets on P&G's global sales territory — 180 nations where the company sells everything from Tide to Gillette razors to Pampers Baby Diapers. The job is especially difficult these days, with Middle Eastern upheavals, market volatility, and sovereign debt crises roiling the financial waters.

As CFO, Moeller regularly deals with issues that include credit markets, foreign exchange, and commodities pricing. "With the current volatility, each area requires a concerted effort to manage, and each has a significant impact on our ability to deliver against our financial commitments," Moeller says.

He's paid to help craft solutions and to help the company seize opportunity in the midst of turmoil. "We market products in some 38 consumer categories. But in the average country in which we operate, we sell products in only 19 of those categories. And in some countries, it's just ten. The whole developing market dynamic creates massive opportunities to expand our portfolio and grow."

Moeller also helped P&G to seize rock-bottom financing — a byproduct of the economic crisis. "Jon was very instrumental in lock-

ing in low interest rates when we had the opportunity to do so," says Bob McDonald, Procter & Gamble's chairman, president, and CEO. "In our most recent bond issue, timed to coincide

with debate on the debt ceiling and the resulting interest in high-quality corporate debt, we secured a historic low coupon rate." Those low rates help P&G lower its breakeven point, a crucial consideration when consumer spending is lackluster, and a second recession is a possibility.

Moeller also worked on P&G's new strategy to offer products that will appeal to a broad spectrum of income groups. "We have this bifurcation in income," says McDonald. "We need a full portfolio of products to satisfy all those income groups. Otherwise you can get caught by surprises, depending on how the economy fares."

"Jon's a great leader," McDonald adds. "He's very smart — one of the smartest people I know. Yet he's also very collaborative. It's a rare combination in a leader to have incisive intelligence and the ability to collaborate. As a leader, you have to have patience with people who are not as smart as you, and he does a great job at that. There's no arrogance whatsoever."

Moeller has the talent of listening well, making up his mind, then clearly telling subordinates what he wants, says Saurabh Saksena, P&G's manager for business planning simplification in the corporate finance division. "He's an extremely good communicator up and down the chain," says Saksena. "He was my boss in China and I learned a lot from him. When I had just started working for him, he called me in after I had given a presentation. He closed the door and told me first, that it hadn't gone well, and second, that he would work with me and train me how to communicate effectively. He cared enough that he gave me that kind of feedback when I needed it, and then he took the time to make me better."

This degree of mentoring is expected at P&G. It recruits its employees right off college campuses and promotes from within. For that reason, the company rises and falls on how well today's leaders recruit and train P&G's future leaders. "This breeds real caring for individuals and their development. If we screw that up, we don't have a company," Moeller says. "If you look at how my performance is evaluated — it's 50 percent for my contribution to the business and the other 50 percent is based on how well the people I'm responsible for succeed."

"I spend as much time working on organizational dynamics as I do on the business. When I was in China, I probably spent 80 percent of my time working on the organization. That was done to build what has become our second largest business venue after the U.S. If we hadn't spent time on the organization in the beginning, there's no way that would have happened."

P&G's promote-from-within system also encourages and rewards hard work. "I always knew that if I did the best job, if I grew the business and grew the organization, then the next job was mine to have," says Moeller. "No one was going to come in from outside the organization and take that job from me. That made me work that much harder because the link between contribution and success was so much clearer than in a system where anyone from anywhere could be hired in to do the next job."

As Moeller moved through the ranks, his time in China proved a pivotal opportunity to develop as a leader, manager, and decision maker in a company that has increasingly looked outside the U.S. for growth. "I remember him telling us how lucky he felt that he had this opportunity to travel and work outside the U.S., because he would learn things he didn't know," says Saksena.

"He was extremely good cross-culturally," Saksena adds. "I was from India. He had several Chinese managers. And there were other nationalities as well. He was able to work across the cultural differences." This skill, he adds, is extremely important in a global economy.

"In his current role as CFO, his ability to communicate cross-culturally is even more important now than it was then," Saksena says. For one thing, Moeller is operating on a much larger playing field. "He's dealing with investors, analysts, governments, and foreign partners around the world. And the global economy is more integrated than it was then."

Moeller's choice of P&G wasn't accidental. A classmate, who later became his wife, Lisa Sauer '87, MBA '88, persuaded him to

**"I ALWAYS KNEW
that if I did the best job, if I grew the
business and grew the organization,
then the next job was mine to have."**

look at the company after she had interned there. Moeller followed up with an internship and soon became enamored with the company as well. It proved a good choice for both of them; Sauer is now P&G's vice-president for global purchasing.

Moeller picked P&G for several reasons. Part of it was the challenge. "The role of finance at P&G was much broader than at many other companies," he says. P&G also met his personal goals. "The purpose and values of the company were consistent with my own, which made it a natural fit. The purpose is to improve the lives of consumers in small ways every day. What would life be like without the products that P&G was providing — without diapers and detergent?"

P&G hired Moeller 1988 and moved him through 15 jobs before naming him CFO in 2009. "That variety was essential," he says. "And it was intentional. To be an effective finance leader, it's important to understand all aspects of the business. It's how we approach the development of all our financial managers." He began as a cost analyst, looking for ways to save on ingredients used by the food and beverage division. Along the way, he also served as finance director in China for the laundry products unit, and as the company's treasurer.

Several things helped prepare Moeller for his career. One was his Cornell education. Another was his father's belief that children should pay for their own college educations. "He felt we would take our academic pursuits more seriously if they were on our dime," says Moeller. "He felt it would be an experience that would help us to get serious and grow up a little bit faster, which it sure did."

Moeller was able to do this by enrolling in Cornell's College of Agriculture and Life Sciences. He majored in biology with the intention of becoming an exotic animal vet, and paid his tuition by working summers at Sea World's Ohio center. But he also loaded up on business courses as an undergraduate. When push came to shove, he picked business, and stayed at Cornell for his MBA from Johnson. While there weren't many jobs for exotic animal vets, he says, "The business world was wide open."

He and P&G have served each other well. "For me, he's an indispensable partner," says P&G's McDonald. "I couldn't do without Jon. I feel very blessed to have him as CFO of the company."

DOUG MCINNIS WRITES ABOUT BUSINESS AND TECHNOLOGY.

HE HAS WRITTEN FOR *THE NEW YORK TIMES*, *POPULAR SCIENCE*, AND SCORES OF OTHER PUBLICATIONS.

What's News With You?

Please send updates about your career, family, honors, or other news. Your classmates want to hear from you!

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235 Sage Hall, Ithaca, NY 14850

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").

(A) denotes a graduate of the Accelerated MBA program

(E) denotes a graduate of the Executive MBA program

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

THE 1940s

CLASS OF 1948

Peter Miller writes: "In July **Bill Knauss '45** met Nancy and me at the Sagamore Hotel on Lake George. ... We had fun reminiscing about the early years at Johnson as well as reviewing Cornell legacies in both families. Bill has a family camp near Fort Ticonderoga and Nancy and I have a similar situation at Blue Mountain Lake. Bill is very lively, spends summers in the Adirondacks and the rest of the year on Florida's west coast. We hadn't seen each other for maybe 45 years but have stayed in touch and had a great visit catching up on careers and families." Peter looks forward to Reunion 2013, "which will be 1948's 65th!"

THE 1970s

CLASS OF 1976

Joe Alvarado was appointed president and CEO of the Commercial Metals Company, which manufactures, recycles, and markets steel and other metals. He also was appointed to the firm's board of directors.

Kenneth Flatto, first selectman of Fairfield, Conn., was appointed executive director of the Connecticut Division of Special Revenue by Governor Dannel P. Malloy.

Paul Murphy was elected to the board of the National Peace Corps Association, which advocates for the Peace Corps and the 200,000+ volunteers who have served in 139 countries. Paul was a volunteer in Malaysia from 1971 to 1983. He retired as chief of the construction grants branch of the U.S. Health Resources and Services Administration in 2010. He and his wife, Marjorie, live in Annapolis, Md.

CLASS OF 1977

David M. Bowen was named to *Information Week* magazine's "Government CIO 50," which identifies the leading IT decision-makers in federal, state, and local government. David is the CIO of the Federal Aviation Administration in Washington, D.C., and oversees that agency's \$3 billion annual information technology budget.

Wendy B. Libby '72 was inaugurated as Stetson University's ninth — and first female — president.

CLASS OF 1978

Jane Freeman '75 joined the board of the Russell Investments Exchange Traded Funds, as chair of the audit committee. She is also treasurer of the Taproot Foundation, an organization dedicated to improving not-for-profits by increasing pro bono service by business people.

Rick Sherlund '77 was named managing director and head of the U.S. technology equity research team of Nomura Holdings, Inc.

THE 1980s

CLASS OF 1980

Surong Bulakul, MEng '79, is CEO of Thai Oil.

Joris M. Hogan, JD '81, joined the law firm of McCarter & English as a partner in the New York City office of their corporate, securities, and financial institution practice.

Irene Rosenfeld '75, MS '77, PhD '80, is CEO of Kraft Foods, Inc. She was featured in a *Wall Street Journal* article, "Activists Pressed for Kraft Spinoff," along with several other

WSJ articles focused on Kraft's announcement that it would split in two.

Jeffrey C. Scheininger was named chairman of the New



Jersey State Chamber of Commerce board of directors. He is president of Flexline/U.S. Brass & Copper Co., in Westfield, N.J.

CLASS OF 1985

Jim Goldman, president and CEO of Godiva Chocolatier Inc., was named a member of the board of directors of Domino's Pizza.

Michael J. Hills was promoted to CEO of Endicott Interconnect Technologies, an advanced electronic packaging supplier in Endicott, N.Y.

CLASS OF 1986

Robert Mathes joined the Carlton Group as managing director. He assists individuals,

Lois Scott '82, MBA '83:

BALANCING

chicago's books

When Lois Scott agreed to become CFO of the City of Chicago under Mayor Rahm Emanuel and serve on its newly created Economic, Budgetary, and Business Development Council in May of this year, she knew she was taking on the biggest creative challenge of her career. The city was running a \$600 million deficit, as the result of nearly a decade of bloated budgets, and was just now feeling the sting of the 2008 economic downturn, as federal stimulus monies dried up. If she signed on, the task of cleaning up the fiscal mess would fall heavily upon her. Co-founder of Scott Balice Strategies, a hugely successful financial advisory firm, Scott had already established herself as one of the most respected and creative public finance professionals in the country. But the opportunity to shape the financial future of her

beloved adopted city was too tempting to pass up: "You plan and exercise and train for years, and when they ask you to play in the Super Bowl, you say yes."

Long-term investments, a fierce commitment to schools, safety, and jobs, and no-nonsense, innovative problem-solving are the benchmarks of the economic team's approach to balancing Chicago's books, says Scott. "The mayor talks a lot about change, about having an honest dialogue. There will be no more sacred cows, no more sweetheart deals." Proposed cost-saving measures include the consolidation of redundant city and county call centers, and competitive bidding for city-run services like blue-cart recycling. "There are bad choices here, and worse choices," says Scott. "We're dealing in hard truths."

Though she has lived in Chicago for nearly thirty years, Scott was raised in Owego, a tiny town in upstate New York — an environment that impressed upon her the necessity of looking after one's neighbors, of taking the time to listen, and care. As she and her team have been creating the city's 2012 budget, Scott says she tries to always keep the moral component to governing front of mind, and feels "a great sense of responsibility" for the fortunes and futures of her fellow Chicagoans.

Undoing the fiscal damage incurred over the past decade isn't going to be easy, Scott says, but one thing is for sure — it's necessary.

"We think the public understands that the time of kicking the can down the road is over."

— MARK RADER, MFA '02

partnerships, companies, and institutional funds to raise debt and equity in connection with acquiring, refinancing, or recapitalizing real estate investments. The Carlton Group is an international real estate investment bank based in New York City.

Mary Meeker joined Arianna Huffington, Dennis Crowley, Charlie Rose, and several other leaders in media and technology onstage at the TechCrunch Disrupt NYC 2011 convention. TechCrunch Disrupt NYC is a technology conference that gives attendees the chance to learn about new technology solutions and listen to experienced industry professionals. Mary is a partner at VC firm Kleiner Perkins Caufield & Byers, and was formerly managing director of equity research at Morgan Stanley. She became known as "Queen of the Internet" after being dubbed so by *Barron's Magazine* in 1998.

Cliff Torng '84 joined the executive team of TigerLogic Corp. as VP of marketing. The company provides data management and application development products.

CLASS OF 1987

Bret Edwards was appointed director of the division of resolutions and receiverships at the Federal Deposit Insurance Corp. He served as acting director of the DRR, and has been the director of finance since 2007.

CLASS OF 1989

Tony Price joined L.A. Realty Partners as a director. He previously held a senior leasing posi-

tion at Douglas Emmett Inc. at Warner Center Towers.

THE 1990s

CLASS OF 1990

Michael J. Grisius was appointed managing director and chief investment officer of Saratoga Investment Advisors, the management company overseeing the portfolio of Saratoga Investment Corp., a business development company.

CLASS OF 1991

Peter Atkins has written a book, *Life is Short and So Is This Book: Brief Thoughts on Making the Most of Your Life* [Kindle Edition]. He says it “isn’t an investment or a business book per se, but it draws on my experience investing in, and before that, helping to develop and manage, Internet-related companies. ... [It] happens to be on the best sellers list on Amazon.com under ‘creativity and genius’ which...may not mean much since my friends seem to like it and are recommending it to their friends...but...it’s not a bad sign either!”

Gligor Tashkovich '87 was named to the Top 50 list of people from the greater Bedford, N.Y., region, under the Business & Leadership heading, in the March-April issue of *Bedford Magazine*.

CLASS OF 1992

John Montigny was promoted to chief marketing officer of Honeywell Safety Products. He leads HSP's efforts in developing and executing global growth

strategies across all product lines and regions, and overseeing communications, branding, and overall marketing capability.

CLASS OF 1993

Yoshi Takashige is VP, strategy and partners alliance, at Fujitsu, a computer hardware and IT services company in Tokyo. After Japan's massive earthquake and tsunami, he quickly was back at work, helping the company facilitate a quick response that would help its customers and others in need. He says, “Although the situation is absolutely very sad, the crisis could ...also force us to think about why we need to change and what kind of society we should build from scratch.”

Devin Thorp has joined **John Clawson, MBA '92**, to launch White Coat Nutrition (whitecoatnutrition.com), offering a “high quality line of nutritional supplements exclusively from its website to create an efficient channel of distribution, allowing for competitive prices.” Devin is founder and director, and John, who also serves on the board of directors, is founder and president.

CLASS OF 1994

John Christmas says, “Since 2005, I have been a private investor residing in Spain and Malta. I was employed by Parex Bank of Latvia through 2004, when I blew the whistle on them for fraud and fled the country. I am one of a small circle of dissidents fighting the oligarch government of Latvia, which is very similar to the oligarch government of Russia and even involves some of the same oli-

garchs. Emails and transcripts from my whistleblowing are a highlight of Latvian dissident websites. I have been interviewed by the FSA of the United Kingdom and the FBI of the United States regarding Parex Bank and I have email evidence of that. Both organizations failed to act. The fraud grew larger until 2008 when Latvia went to the IMF for emergency funds to repay Parex depositors. My most recent activity in the continuing effort to force government change in Latvia was delivery of two ethics lectures at the Higher Colleges of Technology (the main higher education system) in Abu Dhabi on April 10. I was invited by Dr. Karl Sarkans, who is also a Latvian dissident.” On another note: in August John published his first novel, *Democracy Society*, a dystopian political thriller.

Brent Meyers is founder and CEO of Competitive Dynamics LLC, providing strategic and marketing consulting to middle-market companies in Northern California. Brent lives in Moraga, Calif.

CLASS OF 1995

Les Gorman '94, JD '97, was appointed co-head of BMO Capital Markets, the investment and corporate banking arm of BMO Financial Group.

CLASS OF 1996

Tejpreet Chopra reports from New Delhi that after more than 14 years at GE, including serving as CEO of GE India, he left to start a clean energy utility called Bharat Light & Power. His plan is to build, own, and

operate clean energy power plants in India.

CLASS OF 1997

Gregg Hirano was appointed country head and chief representative for Thailand by MasterCard Worldwide. Gregg's responsibilities include strengthening business alliances with MasterCard's customer base in Thailand, enhancing MasterCard brand awareness, and promoting the growing usage and acceptance of MasterCard payments cards in this market.

Ashwin Shirvaikar (A), CFA in investment research and analysis at Citigroup, discussed the outlook for IT and business process outsourcing services for investors in an interview in Yahoo! Finance: “Software Maintenance and Outsourcing Services Sector Rebounds to 1.5 to 2 Times GDP,” excerpted from the Wall Street Transcript's Business and Application Software, Services, and Peripherals.

Olivier te Boekhorst is VP of IDEXX Laboratories, an animal health company based in Westbrook, Maine. He is the general manager of IDEXX Livestock and Poultry Diagnostics (LPD), responsible for commercial,

Correction:

The Spring 2011 issue of *Cornell Enterprise* incorrectly listed the class years for Scott Rosenzweig and Laurent Moquet. Both are Class of '91.

R&D, and manufacturing operations for the company's international business. LPD provides test kits to governmental and private laboratories, for diseases such as BSE ("mad cow disease"), swine influenza, and foot-and-mouth disease. Olivier lives in Cape Elizabeth, Maine, with his wife, two daughters, and 8 pets.

CLASS OF 1998

John Larkin joined Susquehanna Financial Group, LLLP (SFG), the institutional broker-dealer member of the Susquehanna International Group of Companies (SIG), as an equity research salesperson.

Kaushik Roy (A), senior VP At Wedbush Securities, discussed the outlook for IT investors in an interview in Yahoo! Finance US, excerpted from the Wall Street Transcript's Date Hosting Centers & Data Storage Report.

Hernan Saenz '97, MIL'98, was named one of *Consulting* magazine's top 25 consultants for 2011. Hernan is a partner and head of Bain & Company's Dallas, Houston, and Mexico City offices. In addition, he mentors Bain consultants of Latino descent, and co-founded *Latinos@Bain* in 2008.

CLASS OF 1999

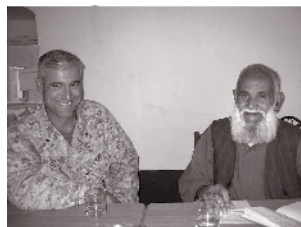
Jeff Broadhead '91 says he sold his business earlier in the year and is "having way too much fun being unemployed....the bars in Aspen/Snowmass are on a much firmer financial footing after my one-week-that-turned-into-three-months vacation. Currently looking to acquire companies

and make direct private investments. Also looking for a wife. If you have ideas regarding either, please send me an email."

Bill Davis says that he and his family "are pulling up stakes after three years in Qatar and moving back to Houston. I closed a big deal for ExxonMobil so now it's time to work at HQ, though my team spans 13 time zones and six countries. Of course, we will miss the exotic vacations, like the outstanding holiday we enjoyed this year at a remote and idyllic beach in Malaysia. But we hope to make the most of our return to Texas as Roxanne, Patrick, 6, and Lulu, 4, brush up on Texas drawl and BBQ skills."

Michael de la Cruz is senior marketing manager in Intel's World Ahead business development organization. He manages a San Francisco-based team focused on driving the adoption of low-cost PCs and classroom solutions in the global education market. He says, "more and more countries are realizing the positive effect of students using PCs and other technology to enhance their learning," adding, "this type of progress hits home for me, since I'll have four children in primary school over the next four years"

Luis G. del Valle is a Lt. Col. in the USMC Reserves, and manager of business development with International Power. He writes from Afghanistan, where he is on assignment as director of the Civil-Military Operations Center in the upper Sangin Valley: "The problems and issues in the district were never-ending



— everything from power, water, battle damage, land issues and the list just continued." In October, "if all goes well...Becky and I will move to Houston, since International Power was acquired by GDF Suez."

Joe and Deborah King Garber live in Eagle, Idaho with their daughter, Sydney, 4. Joe is director of market strategy with Autonomy, a software manufacturing company; Deborah is an associate product manager with Wyeth Healthcare. The family traveled to Fiji for a week in May and stayed at Jean Michael Cousteau's in a bure (a Fijian hut) overlooking the ocean: "very relaxing, great scuba diving and the primary key to success — an amazing kids program!"

Ian Mehr (A) is director of business development with Paradigm Graphics in Raleigh, N.C. He also wrote a children's book called *Otto the Otter* which he's having converted to an interactive iPhone/iPad app. "As a promotion we're conducting an Apple iTunes gift card giveaway sweepstakes that's free to enter." (www.ottotheotter.com)

Keir Meisner reports that he "left the corporate world after a dozen years (J&J and Bausch & Lomb) and reentered the world of higher education." He is the executive director of marketing and communications at the

Simon Graduate School of Business at the University of Rochester. He says, "My loyalty always lies with the Johnson School, so I promise to get Simon up to one ranking behind Johnson and no higher." On the family front: "Kids are huge, of course. Hunter was only 15 months when we got to Cornell and Lauren was born there and they just finished 9th and 7th grades, respectively."

Tom Mikulka '90 is director of marketing and business development with IDEXX Laboratories. He says, "Work continues to go well as IDEXX survived the recession(s) without much fuss." Tom and his wife, Melissa, "continue to be challenged and rewarded with our jobs." They live in Port Elizabeth, Maine, where they spend time coaching their kids in various sports and working on never-ending home improvements.

James Mirenda Jr. reports that new daughter, Georgia, was born in Springfield, Vt. "because she didn't want to be a Dartmouth baby, which is where we were headed. It was a memorable midnight drive through the back roads and Vermont fog. She and Mom are great, and brother, Teddy, and sister, Sofia, are elated. Dad is almost entirely gray-haired now and needs to go fishing."

Charles Mordy is director of shopper engagement with Clorox's Walmart team. He and his wife, Christine, baby son, Calvin, and daughter, Amelia, 3, live in Rogers, Ark.

Jamila Piracci, JD '00, joined National Futures Association (NFA) as VP of OTC Derivatives, a new position created to oversee the regulation of swap dealers (SDs) and major swap participants (MSPs). Jamila comes to NFA from the Federal Reserve Bank of New York.

Mayrav Lavid Smith is a marketing manager with Pfizer, in Morristown, N.J. She and her “soul mate and partner in crime, Adam,” have three children: Jacob, 8, Carmel, 5, and Evan, 2, “aka frick, frack, and maniac.”

Paul Snyder has a new job at Inter-Continental Hotels Group in Atlanta as VP of corporate responsibility for the Americas, “which I am really excited about,” he says. Paul’s wife, **Amy (Mal-kin)**, is a marketing consultant with the Zyman Group. Daughters, Abby and Maddie, “continue to grow up. Everything in Atlanta is more than copasetic.”

Laura Sullivan has joined classmate **Jeff Bass** at Illumination Research, the company he started with his wife after leaving P&G. She says, “Illumination helps clients uncover deep, meaningful consumer insights and use them to create exceptional business-building ideas. We implement consumer segmentation efforts, upstream ideation, concept development, new product testing, marketing/advertising campaign testing, and packaging/in-store communication testing.”

Cathleen Tobin is a consultant with Women’s World Banking, a non-profit microfinance organization that works globally to economically empower poor women and their families. Cathleen uses her marketing background to help microfinance banks develop strategies to connect low-income women with savings accounts. She is based in New York, but travels regularly to client sites,

including Nairobi, Kenya and Gujarat, India.

Mike Torek manages a national consulting practice at Oracle in Cleveland, Ohio, and his wife, Cristine, has started her own independent media consulting company. Mike reports that the family, including sons, Michael, 3, and Wally, 2, “are enjoying the outdoors, where it’s harder for the boys to break stuff.”

Paul Zhang (A) joined the partnership at Easton Associates as a managing director. He says, “I also opened our Beijing office last year and manage the development of this new market, which means a lot of flying between EWR and PEK on Continental. The healthcare market in China has been growing at 25%+ clip over the past few years, and is now the number four market in the world. But it is also a very challenging one

for international firms with its peculiar dynamics.”

THE 2000s

CLASS OF 2000

Ben Assanasen '94, MEng '95, is COO at Ace Life Assurance Co. Ltd. in Thailand, and has worked in Asia for the past eight years.

Alex Chen reports, “I have officially hit my mid-life crisis and left John Hancock last May. I am a candidate for a master’s in education at Harvard and plan on being a middle school or high school math teacher.” His wife, **Denise Kampf**, is director of operations and client services at Windward Investment Mgmt. Alex and Denise live in the Boston area with their children, Olivia, 6, and Peter, 3.

Perry Lin Chui (A) was promoted to partner at Steamboat Ventures, a venture capital fund affiliated with the Walt Disney Company. Perry and his wife welcomed their second daughter, Celine, Feb. 28. He and his family live in Shanghai.

Craig Edelman is president of PopsyCakes (www.popsycakes.com), maker of gourmet cupcakes on a pretzel stick, a confection created in 2008 by Jessica Cervantes, then a high school student. The firm, located in South Florida, has grown through sales in gourmet catalogs, gift shops, and online stores, and is now going national. QVC, the shopping network, is picking up PopsyCakes, and Craig says, “Most companies

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notes

would love a shot to get on QVC and we were able to get on QVC within just over a year.”

Matthew Flippen is chairman of Anaya Development, in Cedar Park, Texas. He has launched a business venture in Haiti, TopLine Matériaux de Construction, to produce aggregate, concrete block, and ready-mix concrete. The company “supplies materials to redevelopment efforts and contributes a majority of our profits back to humanitarian groups in Haiti.”

Joe Hupcey (A) '90, MEng '91, senior product marketing manager with Cadence Design Systems Inc. in Mountain View, Calif., was featured in a video interview in June on business-to-business and EDA-centric social media, titled “Social media, networking edging into EDA tools.”

Jóster Macedo was appointed director general of TOPIGS do Brasil. He has more than 20 years of experience in Brazil's agro-industrial sector, having served as president of Tyson Foods in Brazil and as president of Macedo Agribusiness.

Daniela Peiser lives in Cape-town, South Africa. She runs her



own business, Bold Aspirations, focused on change management consulting and executive coach-

ing. She also co-founded another company, FS-C Solutions, which provides talent resourcing and consulting, and is “loving the mix of consulting, executive coaching, and now recruiting!”

Faisal Sattar is CTO of Wateen Telecom in Lahore, Pakistan. He says, “Wateen is a broadband service provider and our mission and passion is to get broadband connectivity across Pakistan. We are currently deploying the Pakistan Education and Research Network (PERN) along with the Higher Education Commission of Pakistan, which is connecting some 68 main universities with fiber optic, allowing gigabyte speed connectivity for the first time. In addition we are rolling out broadband WiMAX connectivity in smaller towns and cities across the country with the Universal Service Fund of the Government of Pakistan. Recently we also got our fiber optic cable connected to Afghanistan, and hope to provide much cheaper internet access to the service providers over there. So while the news on many fronts from Pakistan is not too great, it is our faith and great hope that we will prevail over the challenges that beset us.” On the family front, Faisal's son, Shameer, was born in January.

Lee Shufro is senior VP of sales with Doodledeals, “a site focused on mothers and kids in conjunction with Diapers.com....We are a startup and in the midst of raising our Series B. Johnson's lessons in teamwork has prepared me well for the ‘startup experience,’ as I love sharing a desk with three others. Who needs an office?”

Robert Winslow (A) is the managing director of Wellington West Capital Markets. In an interview with *The Energy Report*, “Potash Stocks Grow as Grain Prices Rise,” he weighs in on the rise of potash stocks and shares some small-cap names where investors can plant capital and reap rewards.

CLASS OF 2002

Melinda Byerley, vice president of marketing for Plantsense, a company that brings sensors and simplified Web technology together to help home gardeners, was featured in the Huffington Post as one of “27 Women in Tech You Need to Follow on Twitter.” Her Twitter name is @melindabyerley.

Jodi Glickman's book, *Great on the Job: What to Say, How to Say It: The Secrets of Getting Ahead*, which offers advice on workplace communication and job success strategies, was cited by *Examiner* columnist Miriam Salpeter. Jodi is a faculty member in Johnson's Leadership Skills Program, and an entrepreneur, author, public speaker, consultant, and regular blogger for *Harvard Business Review*.

Chia-Lin Simmons joined Harman International as VP, marketing and content, for its Aha division, which brings content such as Facebook, Twitter, podcasts, music services, and more to Internet-connected cars. Before joining Harman, she launched a new mobile social gaming product for Menlo Ventures-backed Playphone Inc., as general manager, North America, and VP of marketing. Along with classmate

Melinda Byerley, Chia-Lin was selected as one of “27 Women in Tech You Need to Follow on Twitter” by the Huffington Post and its readers. Her Twitter name is @chialinsimmons.

CLASS OF 2003

Adam Rimmer was named VP, customer services division, at Terex Aerial Work Platforms, a business segment of Terex Corporation, which manufactures aerial work platforms and lifts.

Filipe Teixeira launched an Internet art gallery, artchezmoi.com, offering a wide variety of artwork for sale, including paintings, sculptures, and photography. He says, “Instead of only considering a few local artists when building your collection, you can now broaden your choice significantly by truly selecting what best fits your taste.”

CLASS OF 2005

Charles Gay (E) is a financial advisor with Merrill Lynch in Stamford, Conn.

James Nixon Jr. was named one of the *Network Journal's* “40 Under Forty in 2011,” as a top African-American professional under 40 years old selected for his outstanding career, entrepreneurial leadership, and community service. James is director of products, strategy & partnerships at CNN Digital.

Rocky Russell (E) is managing director with Structured Insights (Pte) Ltd., Singapore. He and his family moved back to Toronto from the U.K., and he is working to expand his consulting and business incubation services to

Latin America, the Middle East, and Asia. He writes: “We are involved with a number of exciting startups and hope that we create more successful companies for our partners.” Rocky’s son, Ethan, is now 4, “and we are going through the usual anxieties of the school admission process in NYC.”

Laura Sandoval, global brand manager, Interactive Media Group, at the Walt Disney Co., was featured as a New Media Pioneer in a magazine article, “New Media Pioneers Talk Innovation” (*Hispanic Business*, Nov./Dec. 2009). The article notes that she is “in charge of enriching the experience of interacting with many of Disney’s best-known brands, mostly franchises related to the Disney Channel, and ensuring that the entertainment giant is reaching kids and teens through their preferred methods of communication.”

Raghuram “Ram” Selvaraju (A) joined Morgan Joseph TriArtisan LLC as senior VP. Morgan Joseph is a merchant bank providing financial advice, doing private equity investing, and raising capital.

CLASS OF 2006

Liz Craft is an organizational development specialist at Advanced Micro Devices in Austin, Texas. She designs training and development programs for co-ops, interns, and recent college graduates, and also leads AMD’s MBA Leadership Development Program, now in its second year. “By providing the MBAs with a rotational program that exposes them to different functions,” she says, “they are able to learn skills in multiple disciplines, build

Marshall Stocker, MBA ’99:

ON THE EGYPTIAN real estate frontier

the world, Marshall Stocker watched the action from a friend’s balcony, five minutes’ walk from Tahrir Square. Stocker says he knew some sort of change could sweep through the country, but had assumed it would be a military coup, or a shift to Islamic theocracy. “I did not expect it would start as a progressive, liberal sort of revolution.”

In 2009, Stocker founded Emergent Property Advisors, a private equity management company, and moved to Cairo in 2010 intent on buying some of the country’s many belle époque rent-controlled properties, rehabbing them, and then selling them to higher-end clients. For years, as an investor manager living in Boston, Stocker had



successfully invested in emerging markets like Indonesia and Portugal. But he craved more direct involvement. “I wanted to be the first guy off the plane with a suitcase full of money when a country’s economy was opening to investors, as was the case in Egypt,” Stocker says. “I wanted to be *in it*.”

The project thus far has been “very personally rewarding,” says Stocker, but “very hard work.” Even before the uprising, the bureaucratic challenges were daunting. Now that Mubarak has been ousted, the country’s near future is uncertain. The Egyptian stock market plummeted as a result of the revolution, yet Stocker relishes his position as the only buyer in the urban real estate market. The upside to the economic slow-down and revolutionary uncertainties, of course, is that some properties can be bought at highly discounted prices. Whether there will be a market for the rehabbed properties a few years down the road remains to be seen.

As debates over election protocol and the institution of a national Constitution drag on, Stocker says he hopes for a “civil, pluralistic, fairly elected government that reflects the will of the people,” and an economic system that respects private property rights and a legal system that facilitates the enforcement of contracts — staples of the Western system. He remains hopeful that his business model will take hold soon, and, in the meantime, keeps one eye on other high-risk, high-reward emerging markets, like Venezuela, should it undergo a change in leadership.

“As long as the potential rewards outweigh the risks,” Stocker says, “I’m going to keep at this.”

This past January, as footage of the protests in Cairo, Egypt was beamed all over

— MARK RADER, MFA ’02

notes

on their MBA curriculum, and expand their network.”

CLASS OF 2007

Saad Aslam (E) reports that he and his wife, **Janelle**



Hanneman, MBA '08 (E), welcomed a son, Azeem, who joins big sister, Sanaah.

John Carr '01, MEng '02, and his wife, **Alison Carr '01**, welcomed their second child, Lillian, in June; Lillian joins big sister, Charlotte, 2. On the job front, John is VP with Lionheart Ventures, a private equity firm focusing on the manufacturing sector, in Cambridge, Mass. The Carrs are also involved with their family's cranberry-growing operation near Cape Cod. They live in the Boston suburb of Hanover.

Erin Daly is enjoying her work as a product manager at Google with-in Travel. She lives in Somerville, Mass., and works in Cambridge. She is raising funds for the Life is Good Festival to help children overcome life-threatening challenges. “I hope everyone is doing well and let's stay in touch via Google,” she writes.

Christian Fulmino (E) announced the birth of his son, Vincent William Fulmino, Oct. 4, 2011. “Both Mom and baby are doing great!” he writes. “Looking forward to catching

up with everyone at the holiday party this year.”

Christina Keller spoke about her experience as an entrepreneur at the TEDxGrandRapid conference, an independently organized event in Grand Rapids, Mich., that hosts local talks from thought-provoking innovators in the community. Christina leads the TripleQuest Business Unit at Cascade Engineering, which focuses on providing high-quality products to markets in developing countries.

Meredith Ryan-Reid (E) welcomed Elle Davidson Reid to the



world Oct. 27, 2010. “We’re enjoying every minute!” she writes. Meredith is VP with Marsh and McLennan in New York City.

Sumitro Sarkar (E) is a managing partner with TechStrategyLabs Inc., an executive advisory and incubation firm in Nutley, N.J., founded at Johnson in 2007 to help corporations formulate financially backed comprehensive strategies to improve IT effectiveness or launch new offerings. The firm recently launched its Indian subsidiary, to function initially as the analytics lab, and also spun off its incubation business as a separate company, TechIncubationLabs. TechIncubationLabs provides seed capital and business advice to help universi-

ties incubate startups based on innovations in their computer and information science schools.

Ako Ufodike (CQ) and his wife, Chioma, welcomed twin boys, Kodichi (Kodi) Quincy and Kosisochi (Kosi) Qvention, May 10. “Mom, both boys, and doting big sister, Zara, 2, are all doing great.” Ako is managing partner at Ufodike Professional Corp. in Calgary, Alberta.

CLASS OF 2009

Jenna Barclay is studying mathematical finance at Columbia University.

Jim Bridenstine (E), a Navy pilot and former executive director of the Tulsa Air and Space Museum, has formed an exploratory committee to assess his prospects of running for the U.S. Congress in the First District of Oklahoma.

Kate Capossela is an associate product director with Johnson & Johnson in Philadelphia.

Alice Chen, BArch '05, is an associate director, head of strategic consulting, with Jones Lang LaSalle in Tianjin, China. She provides consulting service for developers and investors, helping them on project positioning, trade mix, and phasing on their real estate projects.

Joanna Cheng '04 and Nad Ajlani report that Nad is working on a crude oil deal “which will take him to Thailand aboard an oil tanker to watch and supervise a ship-to-ship transfer of many millions of dollars worth of black gold.” Joanna is working on an events-planning business,

Apple Soiree, which she and Nad set up together to plan weddings, social, and corporate events. Joanna, Nad, and daughter Addison, 7 months, live in Singapore.

Ben Fielding, assistant VP at New York Life Insurance Co., writes: “After a rotation in NYL international, I plopped down in corporate strategy for a month before my manager was asked to head the newly created customer insights unit and took me with her.” On the family front, daughter, Ella, 2, “has grown into a humorous child who is acutely aware of the .000004% of the time when she is not the center of attention, and lets you know she knows.”

Andrea Findley, MPA '09, is a consultant with Accenture. The firm is based in New York City, but Andrea mostly works remotely from her upstate home. She leads a project for Accenture Development Partnerships, and says, “my client is a large healthcare provider that has been successful in getting the poor in America access to healthcare, but is now starting to explore...supporting health challenges in the developing world.”

Taryn Goodman lives in San Francisco and works for RSF Social Finance doing sustainable investing. She says, “I have found my true passion and have been focusing a lot on investing in sustainable food systems...[which] has translated into me fully indulging in San Francisco’s amazing food and wine offerings.”

Abbi Hills, MHA '09, is a consultant with Deloitte Consult-

ing, and has relocated to Denver, Colo. She says, "I transferred within Deloitte to a much smaller office, and am beyond happy."

Ryan Kelley reports he is changing jobs, to become director of HR development for Group SOCOTA, a textile, design, garment, real estate, and sea food conglomerate in Madagascar.

Jason Krieger is a senior consultant with Gallup Consulting in Chicago. He and his wife, Holly, returned from a year in London, which included travels in Europe. He says, "Holly worked for the NHS, so saw firsthand what national healthcare looks like, and I had clients in the automotive, insurance, and retail banking sectors, so it was a big learning experience for both of us."

Amit Mathur is a senior manager, corporate finance and strategy, with Alexion Pharmaceuticals, Milford, Conn.

Stacie Palmer reports she is finishing her last rotation at Liberty Mutual, and will join her group as director of state operations, "responsible for the states of Minnesota and Missouri [to] establish and monitor all aspects of the states' growth and performance."

Mike Pezone married Anne in a ceremony held near Santa Barbara on May 28. "It was a beautiful day," he writes. "Thank you all so much for the well wishes." The couple planned a September honeymoon in Croatia.

Salli Schwartz, MBA '05:

INVESTING IN INVESTOR communication

some financial prognosticators to warn of a global recession and made the market vulnerable to wild fluctuations — a direct result of widespread investor anxiety. As global head of investor relations at Moody's Corporation, Salli Schwartz has to deal with that anxiety on a daily basis — and respond to it calmly.

Before taking this position in February, Schwartz worked in the company's corporate development division, evaluating potential investment opportunities for Moody's businesses. Now she focuses more on communication than analysis, responding to questions and concerns of investors, equity research analysts, and journalists, and passing relevant information up the line internally. About her role as a liaison between senior management and the outside world, Schwartz says: "I like having that vantage point."

In early 2007, Moody's stock traded around \$70; currently, the stock hovers around \$30. The decline is the result of many factors, including the real estate crisis and the black eye all three of the biggest rating agencies received in the wake of the bankruptcy of AIG and Lehman Brothers, and the recession that followed. "We've shared our piece of the blame," says Schwartz. "Everyone [in] financial services has been put on the chopping block in one way or another."

The sorts of questions people ask Schwartz include how Moody's business has changed in the wake of the financial crisis; what impact the European sovereign debt issues have had on Moody's; and how, and when, the US RMBS (residential mortgage-backed securities) market will come back. The challenging part of responding to inquiries, Schwartz says, is to provide meaningful information without violating any of the company's strict disclosure policies. "We have to be very careful that we share our information equally."

Mother to two young children — Simon, 2, and Isaac, born this July — Schwartz says facing the unpredictable challenges both at work and home is "tough, but doable." She feels fortunate that Moody's is supportive of employees maintaining a healthy work-life balance.

Undoubtedly, Schwartz says, the mess created by huge levels of debt in the U.S. and abroad won't be "cleaned up tomorrow." But, she has hope for a positive outcome. "We'll see how it all plays out."



The credit rating downgrades of Greece, Portugal, and the United States this past summer have led

— MARK RADER, MFA '02

Mamadou Ndiaye, MBA '06 (E):**BRINGING IT TO
west africa**

In 1994, Mamadou Ndiaye left Dakar, Senegal with a bachelor's degree in mathematics, and dreams of developing a successful career in the United States. Seventeen years later, he returned home, holder of masters degrees in statistics, computer science, and business from Columbia, Polytechnic University of Brooklyn, and Johnson at Cornell University (respectively), as the country's first-ever IBM country general manager.

Since accepting the position this past January, Ndiaye's mission has been to help improve Senegal's IT infrastructure — specifically, by working with the telecommunications, banking, and government sectors. To that end, Ndiaye's team and a local business partner



recently implemented IBM's first major project in the country: a new import and export tracking system for the government, driven by two IBM z10 mainframe computers, which allows customs officers to see what's happening across all its borders in real time. The mainframe solution has significantly increased efficiency, reduced power consumption, and cut operating costs. Expectations for similar projects continent-wide are high, Ndiaye says.

In most markets, the primary imperative is to increase market share. In West Africa, and Senegal, specifically, it is different, says Ndiaye. "Here we are helping to develop the market. Most importantly, we communicate that IBM is not only a hardware company, but a solutions provider. What we tell our clients is that there are huge amounts of information out there, and that we can harness this information not only to create growth, but to connect people."

The job of running IBM's Senegalese operations means long hours, Ndiaye says. But the rewards of being back home are enormous. For the past five years, Ndiaye's schedule allowed for only a few visits a year — including a trip home to distribute textbooks and computers he purchased for the winners of a regional math competition he founded. Now, Ndiaye regularly drops by the homes of his lifelong friends to chat after work, and, every other week, he makes the 150-mile trip to visit his father, who still lives on the peanut and millet farm where Ndiaye grew up.

Ndiaye sees progress everywhere he looks in Senegal. "There's a lot of new infrastructure and new technology here," he says, of his native country. "Some countries would love to have what we have." While he would love to stay as long as he can, he knows IBM may someday offer him the chance to tackle new challenges elsewhere.

"If the business calls me," he says, "I will go."

— MARK RADER, MFA '02

Brandon Richter '04 and **Andrea Tebay Richter** report that Brandon left the Bank of America and joined a small private equity firm, Hamilton Robinson Capital Partners. The firm, based in Stamford, Conn., focuses on the industrial sector. Andrea is an associate brand manager with Pepperidge Farms in Norwalk, Conn.

Katie Rohrer leads the development efforts for the Lundquist College of Business at the University of Oregon in Eugene, Ore.

Keith Romero '00 works for the Clinton Foundation. He writes: "I started a year and a half ago as a Consultant I. I am now a Consultant II...not only maintained my consultant title, but the skill and prestige level associated with it has increased by one."

Annabell Satterfield works at Yahoo! "trying out an entirely new role in the business management side of the Search Products group — a really nice opportunity to learn more about the development of the products I used to market."

Aparna Sharma is an account manager with Verticule, a marketing agency in Singapore.

Daria Lee Sharman (A) '00 works in marketing at USAA, a financial services firm for members of the military and their families, based in San Antonio, Texas. In addition, she is fundraising event coordinator for the Austin Sheltie Rescue, from which she adopted a Sheltie named Duke.

Yifan Sun is business development manager with Sunmodo Corp., a solar racking systems company based in Vancouver, Wash. She recently moved from Boston to Jersey City. “I’m helping [Sunmodo] set up operations and business development on the East Coast,” she writes.

Tayfun Uslu (A) is a consultant and business developer in Istanbul, Turkey. He says, “I have been working for an investment bank focused on renewables for the last six months and traveling within Turkey when possible.”

Vikram Venkatasubramanian (A) is manager of strategic alliances (Office of Strategy and Technology) at RSA Security in Bedford, Mass., where he is “learning to come up with new business opportunities for one of the premier security software vendors in the world. In my role, I set up/manage partnerships and work to conceive, produce and take to market new product ideas produced in conjunction with my partners. ... Returning to a large corporation has not dimmed my enthusiasm for entrepreneurial efforts either. I continue to keep my connections alive by continuing my participation as a co-chair of a year-long entrepreneurship workshop in the Boston area: TiE Launchpad. On the domestic side, we visited India over the New Year’s break — our first visit in several years — and spent time relaxing with family.”

THE 2010s

CLASS OF 2010

Taimur Ali Ahmed writes: “I made it out to photograph three National Parks: Big Bend in Texas, Smoky Mountain in Tennessee, and Glacier National Park, Montana in the last four months. This doesn’t include a trip to Morocco on my way to Pakistan back in January of this year. Pictures of my travels and the two travel articles published this year are on my site: [www.alipics.com]. My wedding photography business continues to grow (now doing videography) and brings me to NYC often from Chicago.”

Tyler Baier is a manager, strategic projects, with bright Star Schools, an operator of public charter schools, in Culver City, Calif. He writes: “After graduation I took an Education Pioneers fellowship to introduce myself to the space.” He and his wife, Rochelle, celebrated their first wedding

anniversary June 12. They live in Los Angeles, where she is pursuing an acting career.

Will Brassel Jr. '02 is an associate brand manager on the First Aid Portfolio at Johnson & Johnson. He has developed a new communication strategy, solidified an innovation pipeline, and led the development of a new media-buying partnership in the digital space. Will and his wife, Jill, live in Newtown, Penn.”

Paco Cortes and his wife, Renata, welcomed their first baby, Sara, April 26.

Katie Drossos is senior manager of partner marketing at Blackboard, Inc., in Washington, D.C. She writes: “I’ll be rolling out marketing campaigns for Blackboard’s premier partners such as NBC Learn, Barnes & Noble, McGraw-Hill, and others.” Daughter, Maddie, is one year old, and Katie and husband, Matt, “have become official baby-wrangers, as Madeline is on the verge of walking.”

Noel Fairbanks (E) writes: “I moved to San Angelo, Texas as the plant controller for Ethicon (Johnson & Johnson). We specialize in automated production and sterilization of absorbable products worldwide — it’s great to be able to walk out on the production floor every day and see products being made that help save people’s lives. The Medical Device Sector is fascinating, especially at a manufacturing site! I’m also loving the new lifestyle that a small-town community brings... enjoying some ‘free time’ in the new boat, decorating the new house, and getting involved in the local community! I definitely miss friends and family up north, but luckily, lots of visitors are coming to experience the southern hospitality. All are welcome — call if you’re in the area. ... A special hello to the Cornell EMBA Ladies — I miss our luncheons, but appreciate the phone calls, and look forward to this year’s girls trip!”

Many who wrote in to tell us the identity of the young men in the 1965 mystery photo we printed in the spring 2011 issue wrongly guessed that Professor Jerry Hass and Dean Joe Thomas were pictured. A couple guessed Professor Emeritus Tom Dyckman, and one joker wrote they were Tom Peters and Ken Blanchard. But the most convincing identification came from Christopher T. Emmet, MBA '67, who identified the student in the light sports jacket as Francis T. Stadelberger '65, MBA '68, a friend of his, and he believes the student in the dark sports jacket is George Carvalho Jr., MBA '67 — “but that is just a guess.”

Thanks to all who responded!



notes

Kaye-Ann Grant (E) welcomed a son, Kevin Robinson Potter, Sept. 2. Kaye-Ann is a hedge fund analyst with HSBC Private Bank in Norwood, N.J.

Padmaja Krishnan is an associate in JPMorgan Chase's finance associate leadership program.

Michelle Lim (E) and **Carlos Fernandez, MBA '11 (E)** were



married in spring 2011.

Padraic McConville returned from Zurich in January to join Partners Group's New York City office.

Brian McMeekin '02 is manager, global customer care, at Emerson Process Mgmt. He says, "life in Minneapolis is great, our Cornell contingent is growing with a few members of the class of '11 accepting full-time offers." He and his wife, Katy Cornell '01, took on a major renovation to their house, after returning from her 10-year undergraduate reunion.

Neil Morrissey '04 is an assistant brand manager at SC Johnson in Kenosha, Wisc. He writes: "Everything is well at SC Johnson with some challenging assignments and projects. The Cornell-Johnson network is still strong and we have a great group of [Johnson] interns." On the family front, Neil and his wife,

Heather, and son, Jimmy, are enjoying southeastern Wisconsin, including trips to Milwaukee and Chicago.

Kristin O'Planick married Andre Mershon June 18. She writes: "The ceremony was lovely and the party fantastic, with a solid gang of Johnson alumni hitting the dance floor and closing down the after-party."

Dave Pisacich works in Boston as a project manager in Fidelity's financial leadership program. Before beginning his second Fidelity rotation, David and his wife, Sarah, enjoyed their first visit together to San Francisco and Napa and Sonoma County, where they caught up with Bay Area classmates **Anna Bruno**, **Paul Schutzman**, and **Jackie Hood**. David has taken over the reins of the Boston alumni club from **Brett Blumenthal, MBA '04**, who served as club president for 7 years.

Hiroshi Takahashi (E) and his wife welcomed their first



daughter, Miray Christina, Aug. 11. "Both Miray and my wife are well," he writes. "But she changed my life completely. I'm now enjoying sleepless days as father. (Lucky that I got used to 'sleepless days' throughout the EMBA course.)" On the professional front, Hiroshi is

VP, head of strategic planning department, Mizuho Trust & Tanking Co. (USA), in New York City. He says, "I was promoted to be department head of general affairs in addition to my work as department head of strategic planning."

Megan Willems manages a small team in settlements security operations at Goldman Sachs, while learning a lot about the firm's international operations in Canada, Mexico, and Brazil. She returned a favor to Johnson by leading the Goldman Sachs SSO Trek last semester, and was also assigned a Johnson MBA '12 intern as her summer buddy.

Amador Zuazua works at JPMorgan in strategic investments, a 12-person team divided between New York City and London, which uncovers technology solutions to improve JPM's operations. Amador does everything from strategy research consulting to investment banking deals, and his work plays a central role in JPM's mission to improve technology.

Peter Zullo is "helping to build a solar energy company. The startup creates personal energy products for the developing world, and I'm using my SGE immersion experience to its fullest. Angaza Design is a very exciting venture to be a part of, and we have big plans for the future!"

CLASS OF 2011

Marcelo Bernal (E) has joined the LatAm DCM team at Goldman Sachs. He was formerly a VP with HSBC, originating, structuring, and executing



international bond transactions for the Brazilian sovereign, quasi-sovereign, corporate, and financial institutions.

Marlon Nichols is with Intel Capital's Accelerated Leadership program. He was featured in the *Cornell Chronicle's* graduation issue as one of the Class of 2011 graduates.

Laura Schaffer has joined the marketing team at Mountain Hardwear to lead the PR department. Laura worked in sales for REI and previously served in the publications department of the Salt Lake Organizing Committee for the 2002 Olympic Winter Games and as the PR director at Snowbird Ski & Summer Resort. She received her MBA with a concentration in Sustainable Global Enterprise.



John Miers '66, MBA '68

Michael Urbanic, MBA '68

William T. Greene '74,
MBA '77

Ronald L. Olmstead, MBA '81

Mario Alfano '80, MBA '84

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.

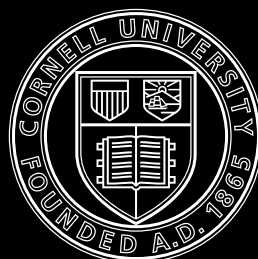
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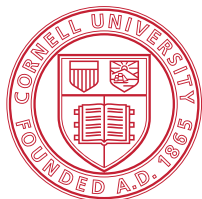
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SAGE HALL'S TOWERS VIEWED THROUGH
SNOW-LADEN EVERGREENS

Robert Barker, Cornell University Photo