World Wired Wallet

Mobile technology is creating new access to financial services

How Difference Makes a Difference
Harnessing the power of teams that are diverse in myriad ways

From launchpad to liftoff
Entrepreneurship and Innovation Institute Fellows candidates help to turn ideas into startups

Suh Kyung-Bae, MBA ’87,
CEO OF AMOREPACIFIC CORPORATION
Bringing beauty to the world, inside and out
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The Cornell Executive MBA Program is held in the New York Metro Area. Classes meet on alternate weekends for 22 months, with comfortable overnight accommodations and ample facilities for study and networking.

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JOHNSON
Cornell University
Discover the strength of many.
How technology is changing our expectations and our lives

We are in the midst of a technology revolution that is happening on multiple dimensions. We are reaching a level of global connectivity that is almost universal; the Internet is no longer just the privilege of the few, or the rich. Today, there are almost six billion mobile phones in the world; almost every adult human being has a mobile phone, and a lot of them are connected to the Internet. Young people today are growing up in a world that is much more global, transparent, interactive, real time — qualities that shape their expectations, and affect almost everything in the world around us.

New technologies like mobile phones are transforming financial services, as our cover story, World Wired Wallet (p. 18) shows. Ubiquitous collaborative technologies are transforming the way we work and boosting innovation and creativity by facilitating cross-cultural and cross-functional interactions. Our alumni and faculty share their experiences and perspectives on this in How Difference Makes a Difference (p. 28).

We also see changes in education. More and more e-learning courses are being used to complement traditional, classroom-based courses; companies are also using e-learning more. We will likely see a radical transformation in education models in the near future as MOOCs, or Massive Open Online Courses, become more widespread.

Johnson’s Cornell-Queen’s Executive MBA program offers one example of how we use technology to enhance education for students. In this learning model, 30 percent of classes are held on-campus in classical, face-to-face formats, and the rest are held via multi-point, real-time, interactive videoconferencing sessions. Technology enables professors in Sage Hall to deliver lectures and interact with students in more than 27 locations across the U.S., Canada, Mexico, and Colombia.

Young people today are growing up in a world that is much more global, transparent, interactive, real time — qualities that shape their expectations, and affect almost everything in the world around us.

There are many advantages to this model. The classes are international, multi-cultural, and multi-functional, and the students value the different perspectives they hear from one another. It also enables us to give our students flexibility; they can keep their current jobs and yet get a degree from Cornell. It’s a win/win model for us, and for our students. Such an innovative program is part of what makes Johnson unique.

We have a partnership with eCornell, a university-wide initiative to deliver the excellence of Cornell faculty via e-learning programs. Several Johnson faculty members have created online learning modules with eCornell which are marketed worldwide. We are also in discussions with leading technology companies to explore how we can partner in creating new education models.

Johnson seeks to be at the forefront in using new technologies in education. As an institution, we cannot afford to stand still. The challenge for us is to continually scan the environment, look at what’s happening, and use technology both to provide the best learning experiences for our students and to create new education models. Technology is going to be an important part of Johnson’s future.
World Wired Wallet

Around the globe — and especially in poorer countries — mobile technology is creating new access to financial services.

By Robert Preer

From launchpad to liftoff

Entrepreneurship and Innovation Institute Fellows candidates help to turn ideas into startups

By Sherrie Negrea

How Difference Makes a Difference

Diversity can make a team creative and strong. But it takes time and conscious management to harness the power of diversity.

By Merrill Douglas
Profile in Leadership —
Suh Kyung-Bae, MBA ’87:
Bringing beauty to the world, inside and out

For the CEO of South Korean cosmetics firm AmorePacific, these are core tenets that symbolize the brand and the man himself.

By Irene Kim

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Auke Cnossen, MBA ’04
Growing Greenhouses in China

COVER ILLUSTRATION: ©DAVE CUTLER
Web Extras

Video: Ajay Banga, president and CEO of MasterCard, Distinguished Global Leader Speaker: “Do you believe in a world beyond cash?”: While cash remains the dominant method of payment throughout the world, Johnson students and faculty heard from Ajay Banga on the misperceptions around the cost of cash and the value of electronic payments when he spoke on campus on March 4.

Video: Solar Flare, winning team at Johnson’s Shark Tank competition: Watch the winning pitch that Solar Flare team members Mikayla Diesch ’16 and Carlos Wang, MBA ’13 (A), delivered at the Johnson Shark Tank competition (while fellow team member Pallavi Nambiar, MBA ’14 (E), cheered from NYC).

Leadership Expedition to USMC Quantico: Fifteen Johnson students traveled to the United States Marine Corps Base in Quantico, Va., in April for two days of intensive training and practice in leading under pressure. This slideshow and story relates their experience on the Marines’ famed leadership reaction and combat training courses.

Entrepreneurship@Cornell Celebration 2013

• Data driver Cognical wins the 2013 Cornell Venture Challenge: Johnson’s BR Venture Fund judges selected winner and finalists from a record-75 highly qualified applicants

• Disruptive Innovation in Education: Moderator: Ralph Terkowitz ’72, general partner at ABS Capital Partners. Panelists: Chris Proulx ’91, CEO of eCornell; Brian Kanney ’95, principal at Court Square Ventures; Victoria Van Voorhis, founder and CEO of Second Avenue Software; and Wallace E. Boston, CEO of American Public University System

• HealthTech Startups: How Reinventing Healthcare Will Change Lives: Moderator: Jenna Rose ’05, project manager at Healthbox. Panelists: Tim Fu, MEng ’05, CEO of Home Team Therapy, and Stephen Bloch, general partner at Canaan Partners

• When Does Social Value Translate into Market Value? Moderator: Emma Frisch, CEO and founder of PEAKS. Panelists: Eric J. Miller, founder of Finger Lakes Naturals, and Elisa Miller-Out, CEO of Singlebrook Technology

How can an organization achieve high performance while maintaining high integrity?: Day Family Ethics Lecturer Ben Heineman Jr., former VP and general counsel at General Electric, spoke about incentivizing ethical behavior in a large corporation.
Abby Joseph Cohen '73, president of the Global Markets Institute and senior investment strategist at Goldman Sachs, gave a powerful analysis and forecast of the U.S. and global economy and financial markets when she spoke to Johnson students via videoconference as a special guest for Cornell Lectures in Finance on Feb. 6.

Cohen predicts that the U.S. economy will experience sustainable growth. "Personal consumption will not retrench," she said, pointing out that the average household’s debt service payment relative to disposable personal income has reached a level comparable to that of the mid-1990s, indicating an improvement in the affordability of debt. Apart from the dramatically improved outlook for the consumer balance sheet, exports and business investment in equipment have been increasing at a solid pace.

On the other hand, the high unemployment rate in the U.S. is one of the biggest concerns. Declining government spending has played a contributing role. "Private employment has been recovering since 2010, [while] government employment has been declining," Cohen said. She also drew attention to the highly differentiated unemployment rate with regard to education level. While the unemployment rate for people with a bachelor's degree or higher is about four percent, it is about 12 percent for people without a high school diploma.

"Companies have been issuing an enormous number of bonds, taking advantage of extraordinarily low interest rates. ... Business leaders, policymakers and investors need to seriously contemplate the implications of higher inflation and higher interest rates."

On the financial market side, Cohen noted that the S&P 500 index was close to the highs first reached in March 2000. Stock prices fell sharply after their 2000 peak, but Cohen believes that will not be the case this time. She showed the audience that nominal GDP (measuring overall growth in the U.S. economy) has increased 66 percent since 2000, and the S&P 500 operating earnings per share have almost doubled. "You need to scale share price relative to earnings, cash flow, and a number of fundamental factors," she said. "...Our conclusion, using several sophisticated valuation models, is that the S&P 500, even though it has more than doubled in price since March 2009, is still not reflective of the fundamentals that we think are in place.

"We have some serious concerns, however, about the fixed-income market," said Cohen. "Companies have been issuing an

[continued on page 7]
Cornell NYC Tech: changing the game

Dean Soumitra Dutta spoke at length to the Financial Times (Mar. 18), emphasizing the important role that Cornell NYC Tech will play in Johnson’s future. Dutta discussed how Cornell Tech will create a more interdisciplinary basis for business education, leverage entrepreneurial opportunities in New York City, and offer both Cornell and Johnson the chance to redefine education in the years to come. The Financial Times noted that, while Dutta faces numerous challenges based on crises in higher education and the economy in general, Cornell Tech represents a genuine opportunity to transcend the current bounds of traditional MBA education. Poets and Quants, one of the most popular websites for business school applicants, also recently spoke to Dutta about Cornell Tech. Poets and Quants described Cornell Tech as a “game-changing strategy,” validating Dutta’s vision for the future of business education at Johnson. In whatever ways Cornell Tech impacts Johnson, one thing is clear: Business school students, applicants, alumni, and other stakeholders are all passionate about debating the significance of Cornell Tech.

The evolving role of career services

An article in The Wall Street Journal (Mar. 6) noted that the process of matching business school graduates to jobs is becoming more personalized. Frederick Staudmyer, director of the Career Management Center, noted that companies are not hiring en masse as they used to do and are often more interested in finding business school graduates with highly specific skills. Essentially, the process of matchmaking is becoming more specialized, and career services organizations such as those at Johnson are evolving in order to ensure better fits between graduates and their future employers. Staudmyer’s comments suggest that this is a good time for students to keep honing their specialized skills.

Frozen Assets: Part of Johnson’s unique experience

An article in Bloomberg Businessweek (Mar. 14) highlighted Frozen Assets, an all-female ice hockey time comprised of Johnson students. Bloomberg Businessweek called attention to the unique camaraderie among Frozen Assets members, who often play against faculty. The Johnson experience is remarkably well-rounded, offering opportunities for recreation and leadership in many different venues, and Frozen Assets offers a fun-filled means for female students to play, lead, and relax.

More acquisitions predicted

Murillo Campello, Lewis H. Durland Professor of Management and professor of finance at Johnson, was interviewed in CNN Money (Feb. 12) about the trend of large companies holding on to large amounts of cash. Campello noted that companies began by keeping large amounts of cash in hand as a hedge against another market implosion but currently lack a sound strategic reason for continuing to hoard cash. Campello predicted more acquisitions as a result of the glut of cash held by companies such as Apple, Microsoft, Google, Cisco, and Oracle. Currently, however, Campello suggested that these cash-rich companies are unsure of how to spend their money.
enormous number of bonds, taking advantage of extraordinarily low interest rates.” She predicts that inflation and interest rates have probably “bottomed out,” though they will not change dramatically in the next year or two. “Business leaders, policymakers and investors need to seriously contemplate the implications of higher inflation and higher interest rates,” she said.

According to Cohen, Goldman Sachs projects that global GDP growth will be around 3.3 percent in 2013. The main weakness will come from the EU and Japan. “We are less nervous about Europe than we were six to 12 months ago,” she said. “We think the actions taken by the ECB are a good sign in terms of promoting confidence in sovereign debt. … But we are concerned about the impact of severe austerity policies taken in some nations where economies continue to shrink.”

Despite the “intense economic and financial market distress around the world,” Cohen was pleased to observe that “there has actually been very little movement towards outright protectionism. …Economic policy going forward has to really look for symbiotic rather than competitive relationships.” Nations must be on guard to see that this continues.

At the end of her presentation, Cohen concluded that the opportunity for U.S. economic growth lies in a metropolitan-level perspective. “Each community has its own skills and strengths. One uniform approach for the entire nation simply does not work well.”

“It’s nice that she gave us the methodology of her approach,” said Carolyn Lu Chen, MBA ’14, after the lecture “She did not only tell us why she thinks equity is underpriced and fixed income is overpriced; she gave us the reason why she thought so. It’s great for us to learn the methodology of her forecast.”

— YUEZHOU HUO ’15
Management Committee appointments

Thomas and Kadiyali Named Associate Deans for Academic Affairs

Dean Emeritus L. Joseph Thomas and Professor Vrinda Kadiyali were named associate deans for Academic Affairs, effective July 1.

Thomas, professor of operations management, has served multiple roles at Johnson since he joined the faculty in 1967, including dean of the school (2007-12), associate dean for Academic Affairs (1996-97 and 2002-07), director of the doctoral program, and director of executive education. Thomas is one of the nation’s foremost experts in operations management and manufacturing.

Vrinda Kadiyali is Nicholas H. Noyes Professor of Management and professor of marketing and economics. Her research focuses primarily on consumer choices and firms’ competitive strategies. She serves on the editorial board of *Journal of Marketing Research, Management Science* and *Quantitative Marketing and Economics*.

Thomas and Kadiyali succeed Sachin Gupta, Henrietta Johnson Louis Professor of Management and professor of marketing, who “served admirably for three years,” said Dean Soumitra Dutta.

Mannix Named Associate Dean for Executive Education

Elizabeth “Beta” Mannix, Ann Whitney Olin Professor of Management, was named associate dean for Executive Education, effective Dec. 15, 2012. In this role, Mannix, who has taught extensively in both programs, is responsible for the design, strategy, and academic excellence of Johnson’s Executive MBA and Cornell-Queen’s Executive MBA programs, as well as strategy and development of non-degree Executive Education. Her research and teaching interests include effective performance in managerial teams, diversity, power and alliances, negotiation and conflict, organizational change and renewal, and the effects of power in diverse teams. Mannix has served as director of Cornell’s Institute for the Social Sciences, published extensively in peer-reviewed journals, and is co-editor of the book series *Research on Managing Groups and Teams*, now in its 15th volume.

Carolyn O’Keefe Named Chief Marketing Officer

Carolyn O’Keefe was named Charles and Janet Jarvie Executive Director of Marketing in January. As chief marketing officer, she is responsible for all marketing and communication activity for Johnson. As a member of Johnson’s Management Committee, she works with the dean and the school’s leadership team to develop and communicate the future vision for Johnson in Ithaca, at Cornell NYC Tech, and globally. O’Keefe comes to Johnson with more than 20 years of strategic brand and marketing experience from companies such as Pepsi, Disney, Taco Bell, Baskin-Robbins, and IHOP. As a seasoned professional in the business world of franchising and licensing, she is particularly skilled in working with numerous constituents to create and execute winning strategies.

Faculty Honors

Maureen O’Hara, the Robert W. Purcell Professor of Management and professor of finance, received an honorary doctorate from the Universität Bern for her pioneering contributions to the field of market microstructure.

Nagesh Gavirneni, associate professor of operations management, was appointed Emerson Professor of Manufacturing Management. The appointment reflects his distinguished service as a leading scholar of manufacturing and operations management.

Technology industry leaders and the government of Israel presented Dean Soumitra Dutta with the Global Innovation Award “for his impressive academic achievements and his major contribution to driving global business growth through the right combination of innovative people and technology,” at the iNNOVEX2013 conference in Tel Aviv in January.

Mark Nelson, Eleanor & George Landew Professor of Management and professor of accounting, received the *Auditing: A Journal of Practice & Theory*’s Best Paper Award for his paper, “A Model and Literature Review of Professional Skepticism in Auditing.”
A Fond Farewell to Jerry Hass

Jerome “Jerry” E. Hass, Professor Emeritus of Finance and Business Strategy at Johnson and Cornell University’s Alan Krause Faculty Fellow in Real Estate Finance, died unexpectedly on Monday, Jan. 22, in Ithaca. Previously Johnson’s James B. Rubin Professor of Finance, Jerry was a beloved faculty member at Cornell, where he taught many generations of grateful students beginning in 1967.

Jerry retired to emeritus status in 2008, yet remained actively involved at Johnson. At a celebration in the Dyson Atrium of Sage Hall in June of that year, Jerry quoted the Beatles: “You say goodbye, I say hello, hello, hello,” he said. “It’s a strange kind of retirement, because I’m not going anywhere!”

Professor Emeritus of Accounting and long-time colleague Tom Dyckman said that “Hass has taught more courses and more students than anyone in the history of the Johnson School.”

Indeed, Jerry continued to actively teach at Johnson; it was a vocation about which he was passionate. He was scheduled to teach Cornell Lectures in Finance in spring 2013, a popular course, which brought high-level finance professionals to his Sage Hall classroom.

While Jerry’s engaging teaching style was legendary among several generations of MBA students, he was also a nationally recognized expert in the areas of corporate finance, energy and regulatory economics and policy, applied microeconomics, managerial finance, security analysis and investment management, and business strategy. He had testified more than fifty times in state and federal regulatory and judicial systems, as well as before both houses of Congress.

Jerry received a BA degree from St. Mary’s University in Winona, Minn., an MBA from the University of Pennsylvania (Wharton), and a PhD degree in economics from Carnegie-Mellon University. During his distinguished career at Cornell University, he served Johnson in many capacities, including director of the Public Administration Program (1979-1982); director of the Managerial Skills Program (1994-95); coordinator of the Investment Banking Immersion Program (1998-2001); and academic director of the Executive MBA Program (1998-2000).


The post-retirement years saw Jerry actively consulting, serving on boards, tending his farm, enjoying his five children and ten grandchildren, and traveling with his wife, Jo. He also continued working as company treasurer for Ithaca Agway, a business owned by his daughter and son-in-law, Marna and Andy Boerman.

Jerry shared his love of country living with the Johnson community for 26 years at an annual Johnson Graduation Picnic, held each May on the Hass Farm, 16 miles north of Ithaca. “Like Cornell’s graduation,” Jerry wrote in his annual invitation, “We defer this picnic only when a tornado has been spotted.” The Hass family welcomed graduates, visiting family members, children, faculty, staff, friends — all were invited to the annual celebration. “We expect more than 250 people, but have virtually unlimited capacity,” Jerry wrote. That unlimited capacity extended far beyond the party, to virtually every area of a life lead with utmost generosity.

— Shannon Dortch

Professor Jerry Hass was known for his ability to clearly explain complex concepts, as he was doing in this photo from 1986.
Speak Up!
Why Voice Matters
New research sheds light on the result of employees speaking up at work, and how companies may benefit

James Detert, associate professor of management and organizations at Johnson, is a leading scholar on the phenomenon of “voice” — that is, speaking up to higher-ups to suggest changes or new ideas intended to improve an organization. His earlier research in this area, “Implicit Voice Theories: Taken-for-Granted Rules of Self-Censorship at Work” (co-authored with Amy Edmondson), was named 2011 Best Paper both by the Academy of Management Journal, and the Organizational Behavior Division of the Academy of Management. Detert’s later contribution, “When Does Voice Lead to Exit? It Depends on Leadership” (co-authored with Elizabeth McClean and Ethan Burris), establishes some new focus areas for voice research. Its publication is forthcoming in the Academy of Management Journal.

“We’ve gone from analyzing the antecedents of voice (who speaks up or withholding, and why) to the outcomes of voice (for what individual and business outcomes does voice matter),” explained Detert. “Focusing on the outcomes of voice should help us determine the most effective leadership styles and employee behaviors.”

If you accept the premise that the best-run organizations are those that can find a way to solicit, incorporate, and improve on feedback from all employees (those whom Detert calls the “eyes, ears, and brains” of an organization), voice research can be of profound importance. While nearly all leaders pay lip service to the value of voice, whether or not they really seek it, welcome it, and utilize it properly are open questions, Detert notes.

Detert’s research is expanding to consider how employees in places like India and China view and practice voice behavior to their bosses. He expects that the empirical findings will debunk at least some of the conventional view of voice as strongly, and perhaps predominantly, influenced by national culture conditioning.

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“On some initial comparisons between Chinese and American respondents’ reported beliefs about speaking up, the means are quite similar,” Detert explained. “There are big variations across individuals within each country, but the distributions are fairly similar across the two countries on a lot of basic beliefs about the safety and appropriateness of challenging the boss to do something differently.” Detert suspects these findings (to be further explored in upcoming work) may reflect the fact that some aspects of hierarchical communication are fairly universal and based on human nature. For example, the vast majority of humans (and the primates with which we share significant similarities) readily understand that angering people who have higher power or status is generally a risky proposition.
Detert is studying voice not only as a business scholar; he is also incorporating what he has learned into his pedagogy. His classes tend to include two basic forms of teaching around voice. First, Detert seeks to dispel misperceptions about why people speak up (or don’t) and what bosses and subordinates alike can do about it. For example, students typically assume that an employee’s perceived relationship with the boss is the prime antecedent of voice, whereas in fact the most important antecedent may be long-held employee beliefs about speaking up that have little to do with the current boss. Second, Detert helps students understand how to express their own voice more effectively when they do speak, and how to better solicit and make use of others’ voices when they are leading.

The Grade Inflation Conundrum

Even elite universities face issues around grade inflation

By John E. Young

Universities that take the wrong approach to reducing grade inflation — the steady upward creep in average marks that is widespread in American higher education — may actually make it worse, according to economist Vrinda Kadiyali, Nicholas H. Noyes Professor of Management at Johnson. Kadiyali analyzes competitive strategies using game theory and econometric modeling.

Grade inflation is a particularly notable phenomenon in elite institutions. According to the Boston Globe, for example, in 1950, about 15 percent of Harvard students got a B+ or better; in 2007, more than half of Harvard grades were in the A range.

Kadiyali believes that inflated grades lead to failures in the “matching markets” that connect graduates with employers and more advanced academic opportunities. Grades that fail to accurately convey academic performance mislead employers and others, and could distort hiring and salary decisions.

This leads to economic losses and reduced overall welfare, argues Kadiyali. “Employers lose if new hires underperform, and low-performing students may be set up for failure if they are matched with opportunities that are too demanding,” she explains. “Better students also stand to lose if their grades don’t accurately communicate their abilities to employers.”

Universities have tried to address grade inflation via two general approaches. One is grade rationing, the deliberate restriction of how many high grades are awarded. By “forcing” grading curves, grade rationing reins in lenient professors. The second approach is what Kadiyali calls “putting grades in context”: providing information on grade distribution.

Cornell University took the second approach in 1996 when its Faculty Senate voted to publish median undergraduate course grades on the Internet and include them on student transcripts (technical issues delayed the latter until 2008). Though reducing grade inflation was not necessarily the primary impetus for the move, the university committee that recommended it said “more accurate recognition of performance may encourage students to take courses in which the median grade is relatively low.”

In a 2009 paper, “Grade Information and Grade Inflation: The Cornell Experiment” (Journal of Economic Perspectives), Kadiyali and her colleagues Talia Bar and Asaf Zussman (currently with Binghamton University and Hebrew University, respectively)
“What the model reveals is that increased information does not always lead to optimal results. The crucial question is to whom the grade information is given.”

— Professor Vrinda Kadiyali

documented what actually happened after this change: students, on average, avoided more difficult courses. “The effect wasn’t pervasive — higher-ability students were less likely to shop for easier courses — but, overall, it drove up enrollment in leniently graded classes, and pushed up Cornell’s average grades,” Kadiyali says.

The researchers termed this phenomenon “compositional grade inflation,” to distinguish it from “classic grade inflation,” in which individual instructors simply raise the grades they give. They found that compositional grade inflation accounted for about half of a .16-point increase in grades between 1998 and 2004. Their work eventually led Cornell (in 2011) to stop publishing median-grade information on the Internet, though it is still provided on official transcripts.

The same team’s most recent paper, “Putting Grades in Context” (Journal of Labor Economics, 2012), explores the dynamics of the process that drove up Cornell’s average grades, using an economic model based on game theory to predict the outcomes of a variety of grading-policy scenarios.

“What the model reveals is that increased information does not always lead to optimal results,” says Kadiyali. “The crucial question is to whom the grade information is given.” Employers may use it to figure out which students are truly academically distinguished. But providing it to students may backfire, she argues, because a significant share of them will use it to choose easier classes and thus attain a higher GPA. An important side effect is that instructors might respond to declining enrollment in their courses by making them easier.

Speeding student response to such information is today’s nearly instantaneous electronic communications. A few years ago, median-grade information would have been provided only in print, and locating and analyzing it would have required significant time and effort. Today, most students can have this data in their smartphones on the day of its release — websites like CourseRank.com and others track courses, professors, and grades for them.

Cornell’s faculty may have been surprised that students of such a selective institution would actively seek out easier courses. But it seems clear that with relentless pressure to keep their GPAs high, even elite students are sometimes inclined to choose an easier path. Perhaps some students select easier courses in order to take on heavier course loads or additional student activities.

A final consideration is that universities compete with each other. “If only Cornell cracks down on grade inflation, and our competitor schools do not, how will our students fare on the job market as they compete with those with higher GPAs?” asks Kadiyali. “This is a classic prisoner’s dilemma, where each school acts in its own self-interest, but overall we’re all worse off.”

Healthy skepticism leads to sound judgment among auditors

Research on professional skepticism in auditing named “best paper” by top auditing journal

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“When major audit failures have occurred, a lack of professional skepticism is often cited as a root cause. The clues were there, but weren’t followed up, or management assertions were not corroborated sufficiently.”

— Professor Mark Nelson

“When major audit failures have occurred, a lack of professional skepticism is often cited as a root cause,” Nelson said. “The clues were there, but weren’t followed up, or management assertions were not corroborated sufficiently. Auditors need to be able to critically evaluate evidence and know when they need to probe more deeply.”

Nelson was asked to speak about how his model might inform auditor independence and firm rotation to the Public Company Accounting Oversight Board, an entity established by Congress to oversee audits of public companies. The PCAOB has been considering whether public companies should be required to rotate auditing firms in order to increase auditor independence.

Nelson testified that his research, on balance, does not present a persuasive case for mandatory audit firm rotation to increase auditors’ professional skepticism.

“Overall, the model and extant research highlight multiple ways that mandatory rotation could increase or decrease auditors’ PS by affecting auditors’ knowledge and incentives,” he said. “Under a very short rotation period, I think it is likely that the costs associated with obtaining and setting up new clients would dominate the benefits. Under a longer rotation period, the costs are spread over more years, but the benefits of rotation are reduced.”

Nelson encouraged board members to consider alternatives to mandatory firm rotation that might prove more effective in increasing PS. These include changing the “frame” by which audit procedures are outlined, from positive to negative. For example, a procedure described with a positive frame is “determine whether client assumptions are reasonable,” while the same procedure described with a negative frame is “determine whether client assumptions are not reasonable.”

Nelson has conducted follow-up research with Eldar Maksymov, a Johnson PhD student, and Professor William R. Kinney Jr. of the University of Texas, that investigates the effectiveness of reframing audit procedures.

“Our results indicate that auditors given a positive frame plan significantly fewer hours than do auditors given a negative frame, particularly with respect to procedures that the auditors view as less verifiable, like those that assess the reasonableness of managements’ assumptions,” Nelson said.

Audit managers under pressure to design especially efficient audits also tend to plan significantly fewer hours than their counterparts experiencing less pressure, which also may lead to reduced PS, Nelson said.
Quantifying happiness
Should governments monitor citizens’ happiness and use that data to inform policy? Many say yes; the question is how.

By Ori Heffetz

Most of our students at Johnson may be too young to remember, but in 1988, for the first time in history, an a cappella song made it to the #1 spot on the Billboard Hot 100 chart. Many of our alumni however won’t forget the huge success of Bobby McFerrin’s “Don’t Worry, Be Happy.” The artist’s brilliant singing abilities aside, the song became an instant hit much thanks to its simple message that immediately resonated with everybody. After all, nobody wants to worry, and everybody wants to be happy.

But if everybody wants to be happy, shouldn’t governments be constantly monitoring the public’s level of happiness, assessing how different policies affect it, and perhaps even explicitly designing policies to improve national happiness (and reduce national worry)? Wouldn’t it make sense to add official happiness measures to the battery of indicators governments already closely track and tie policy to — such as GDP, the rate of unemployment, and the rate of inflation?

Researchers increasingly think so. Some advocate conducting nation-wide “happiness” surveys (or “subjective well-being” (SWB) surveys, to use the academic term), and using the responses to construct indicators that would be tracked alongside GDP-like measures. Although these proposals are controversial among economists, policymakers have begun to embrace them. In the past two years alone, for example, the U.S. National Academy of Sciences’ Committee on National Statistics convened a series of meetings of a “Panel on Measuring Subjective Well-Being in a Policy-Relevant Framework”; the OECD, as part of its Better Life Initiative, has been holding conferences on “Measuring Well-Being for Development and Policy Making”; and the U.K. Office of National Statistics began including the following SWB questions in its Integrated Household Survey, a survey that reaches 200,000 Britons annually:

“Overall, how satisfied are you with your life nowadays?”
“Overall, how happy did you feel yesterday?”
“Overall, how anxious did you feel yesterday?”
“Overall, to what extent do you feel the things you do in your life are worthwhile?”

These and other efforts follow the French government’s creation, in 2008, of the now-famous Stiglitz Commission — officially, the “Commission on the Measurement of Economic Performance and Social Progress”— whose members included a few Nobel laureates, and whose 2009 report recommends the collection and publication of SWB data by national statistical agencies. No wonder Gross National Happiness, a concept conceived in Bhutan in the 1970’s, is back in the headlines.

Can a few simple questions on a national survey, such as the British (Fab) Four above, be the basis of a reliable indicator of national well-being? Will the Bank of England soon tie its monetary policy to the “rate of happiness” (or to the “rate of anxiety”), making central banks that still tie their policies to traditional indicators, such as the rate of unemployment, seem outdated?

Not so fast. While demand for SWB indicators is clearly on the rise — witness Ben Bernanke’s discussion of “the economics of happiness” in several speeches in recent years — efforts to construct and apply survey-based well-being indicators are still in their infancy. Among the most urgent still-unresolved practical questions are: Which SWB questions should governments ask? And how should responses to different questions be weighted relative to each other? The four questions above, for example, ask about life satisfaction, happiness, anxiety, and life being worthwhile. But does the public consider these the only — or even the most — important dimensions of well-being? And even if it does, how would people feel about — and will they support — a government policy that increases, say, both happiness and anxiety at the same time?

These are the questions that my colleagues — Dan Benjamin and Nichole Szembrot here at Cornell, and Miles Kimball at the University of Michigan — and I address in our working paper, “Beyond Happiness

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“Efforts to construct and apply survey-based well-being indicators are still in their infancy. Among the most urgent still-unresolved practical questions are:

Which SWB questions should governments ask? And how should responses to different questions be weighted relative to each other?”

and Satisfaction: Toward Well-Being Indices Based on Stated Preference” (2012). The idea behind our proposed method for answering the two questions — the “what to ask” question and the “how to weight different answers” question — is simple and democratic, and consists of two steps: first, gather a list, as long as you can, of potential SWB questions that governments could potentially include in their surveys; and second, let the public determine, through a special-purpose survey that we designed, the relative weights.

To demonstrate our method, we followed these two steps. We began by compiling a list of 136 aspects of well-being, based on key factors proposed as important components of well-being in major works in philosophy, psychology, and economics. While far from exhaustive, our list represents, as far as we know, the most comprehensive compilation effort to date. It includes SWB measures widely used by economists (e.g., happiness and life satisfaction) as well as other measures, including those related to goals and achievements, freedoms, engagement, morality, self-expression, relationships, and the well-being of others. In addition, for comparison purposes, we included “objective” measures that are commonly used as indicators of well-being (e.g., GDP, unemployment, inflation).

Next, we designed and conducted what economists call a stated preference (SP) survey to estimate the relative marginal utility of these 136 aspects of well-being. In plain English, what that means is that we asked a few thousands of survey respondents to state their preference between aspects from our list (e.g., if you had to choose, would you prefer slightly more love in your life or slightly more sense of control over your life?). With enough such questions, we could estimate the relative weight our respondents put on each of these aspects of life.

Among other things, we found that while commonly measured aspects of well-being such as happiness, life satisfaction, and health are indeed among those with the largest relative weight (or marginal utility), other aspects that are measured less commonly have relative marginal utilities that are at least as large. These include aspects related to family (well-being, happiness, and relationship quality); security (financial, physical, and with regard to life and the future in general); values (morality and meaning); and having options (freedom of choice, and resources). Using policy-choice questions in which respondents vote between two policies that differ in how they affect aspects of well-being for everyone in the nation — rather than state which of two options they prefer for themselves — we continued to find the patterns above and in addition found high marginal utilities for aspects related to political rights, morality of others, and compassion towards others, in particular the poor and others who struggle. We also explored differences across demographic-group and political-orientation subpopulations of our respondents.

But these findings themselves are perhaps less important. After all, our sample was not representative, and we had to make practical compromises in our data collection and analysis that governments would not have to make. The main contribution of our work, we believe, lies in outlining a new method, and in demonstrating its feasibility. Our method for evaluating SWB questions and for determining their relative weight in a well-being index can now be discussed, criticized, and, as a result, improved on. The familiar conventional indicators such as GDP, inflation, and unemployment did not start in the refined state we know them today: they have been continually fine-tuned over many decades.

We hope that our work will contribute to a similar process regarding a SWB-based index.

Many practical obstacles still have to be overcome before standardized, systematic measurement and tracking of SWB for policymaking purposes becomes a reality. But if the endeavor is successful, then perhaps our children — who I doubt will have heard of Bobby McFerrin’s #1 hit — will at some point consider a DWBH index — “Don’t Worry Be Happy” index — as standard as GDP and other indicators.

Ori Heffetz is an assistant professor of economics at Johnson whose research interests lie in the social and cultural aspects of economic behavior. His work examines how our predictions concerning the behavior of economic agents change once we incorporate into our models the observation that agents never operate in social isolation, and that economic decisions are always made in a cultural context. In addition to his research on subjective well-being, he has studied the empirical relationships between spending patterns of U.S. households and the extent to which spending on different consumer products and services is visible or displayable to other members of society. Heffetz holds a BA in physics and philosophy from Tel Aviv University and a PhD in economics from Princeton University. He has traveled extensively in developing countries, studying problems that lie at the crossroads of economics, society, and culture.

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Startups deliver a dynamic work experience

By Allison Romano

Startup companies can be exhilarating, innovative work environments for the right type of person. Employees often juggle many responsibilities, and companies can change direction quickly. Some people will thrive under such conditions, while others will be frustrated. Doing an honest self-assessment and a little research can help determine if you’re startup material.

“If you’re a creature of challenge, ambiguity, and chaos, a startup might be right for you,” says Rhett Weiss, executive director of the Entrepreneurship and Innovation Institute and senior lecturer of management at Johnson.

Are You Startup Material?

Before considering a position with a startup, do a thorough self-evaluation. Lynne Allen, Johnson’s Executive MBA and alumni career advisor, urges job hunters to assess their “workplace values” and list what they liked or loathed about previous jobs. “Determine what culture you have previously been most comfortable in,” Allen says. If you value flexibility and informal structure, then a startup could be a good fit.

Talk to people who work at startups, advises Laurie Sedgwick, senior associate director in Johnson’s Career Management Center. Ask about their work environments, what they do and don’t enjoy, and how they see the benefits and risks of working for a fledgling company.

Biggest Benefit: Professional Development

A major benefit to working for startups, veterans say, is that they offer unrivaled professional development. Because most startups operate with small teams, employees often have direct contact with top executives and investors. “You will get a much broader exposure to the business as a whole, and as much responsibility as you can handle and are willing to take on,” says Steve Gal ’88, visiting associate professor of clinical entrepreneurship.

With a small staff as a given, a startup relies on every person to pitch in, says Steve Kropper, MBA ’86, CEO and co-founder of Windpole Ventures. “A good startup will give a new MBA experience in everything from pitching investors to cleaning the white board in first 6 months,” he says. “You typically don’t get that breadth of responsibility at a large corporation.”

A perceived risk of working for a startup is job instability, but Weiss says that is an unfair assumption. Large companies, he notes, can lay off workers or slash salaries. At a well-funded startup, he says, employees may be more insulated because staffs tend to be small and expenses are tightly controlled. To evaluate a company’s financial stability, Gal advises looking for a company that is venture-funded or has raised money in the last two years.

Job Hunting, Startup Style

Landing a job with a startup takes creativity and communication. You can identify possible contacts by scouring Johnson’s alumni database, JConnect, and Cornell alumni lists, as well as LinkedIn, Allen says. At conferences and events, make a point of speaking to a lot of people, ask for the attendance list, and follow up. Family, friends, and former co-workers may also have connections in your industry.

Emailing is not enough, Allen says. Arrange phone calls, Skype chats and, whenever possible, face-to-face meetings. Introduce yourself, explain your interests, and ask about your new contact’s experience. Then, stay in touch by emailing every 6 to 8 weeks. Even if that person is not hiring, Allen says, he or she might suggest another company, website, or contact.

When you land an interview, be ready to discuss the business and show how you can help it grow, Gal advises. Do extensive research on the company, its market, competitors, and customers. Gal says the best applicants are so prepared that they call 10 to 20 potential customers.

In addition, candidates should promote their adaptability. Startups need versatile employees to help them grow, so promote your willingness to pitch in. As Weiss puts it: “Either you’ve done it before or you’re willing to do it.”
Startup Snapshots

Engineering his own niche

Working in a large engineering firm in the late 1990s, Gregory Crowley had a revelation. “I was surrounded by other engineers who seemed chained to their desks for the next 20-plus years, and I thought, ‘Is this all there is? There’s more I want to do,’” says Crowley.

Crowley, with his master’s degree in mechanical engineering, was a natural for Johnson’s Accelerated MBA (then called the Twelve-Month Option). Earning his MBA in 2000, Crowley caught the startup bug: “I felt there was an opportunity to get out there and start a business.”

In 2003, while working as a manufacturer’s representative for PPG Industries, Crowley launched Crowley Engineering Group to provide equipment and services to clients, typically facilities requiring water-treatment systems. His main competition came from manufacturers’ reps who usually weren’t engineers. His point of differentiation: strong engineering know-how.

Over the years, the manufacturers Crowley represented began to demand higher and higher volumes of equipment sales and clients began requiring more consulting help. In response to both trends, Crowley changed the firm’s focus to a more consultative approach in 2011. No longer limited to a vertical market like water treatment, Crowley Engineering LLC now offers “third-party engineering for our clients — typically industrial, manufacturing, or municipal organizations with thin internal-engineering resources,” says Crowley. “When an issue arises for which they need additional support and resources, we come in and help out.”

Crowley is proud to run a minority-owned business: Of the four engineers in the firm, two are women and one is Latina. “One thing I’ve tried to do is provide a channel to encourage minority participation in science, technology, engineering, and math (STEM) fields,” he says. Crowley himself was supported in his interest in science and engineering at an early age by his single mom. “I was the only kid in my neighborhood with a telescope. Getting a chemistry kit and a geology kit as a kid really sparked my interest to explore,” says Crowley. “These young engineers working for me enjoy the work and the opportunity. And I’m happy to provide that opportunity.”

Handling the supply side of airport security

A true entrepreneur, Steve Milt spotted a niche and created a business to fill it. Working in the homeland-security industry after earning his MBA, he became familiar with trace detection systems, the equipment used by airport security to check passengers for minute amounts of explosive or narcotic materials.

Sparked by growing vigilance against terrorist threats after 2001, demand for trace-detection systems skyrocketed. The companies supplying the systems were focused on meeting the demand for new equipment, and that was where Milt found his opportunity. “The industry had become highly focused on the initial sale and deployment, but much less effective at delivering consumables, maintenance supplies and training to keep their own detection machines up and running,” says Milt. “Drawing on Jan Suwinski’s strategy and operations classes, I knew there was a niche opportunity in this sector.”

Milt (COO) and two partners founded DSA Detection, formed a team, and launched in 2006. “We built a line of products, services, business processes, and a global distribution network that, from launch day, has delighted our customers,” says Milt.

Trace-detection systems require supplies that are manufactured to very strict specifications. DSA provides the entire suite of supplies needed for a wide range of detection systems — from swabs for passengers’ baggage and laptops, to filtration systems, to basic screening products like the gray screening bins for holding personal objects. DSA Detection was recently acquired by Industrial Safety Technologies, allowing Milt to start thinking about his next venture. Having worked in the early days of “Big Data” prior to attending b-school, he hopes to use this knowledge for his next business. “Combining disciplines is something I really enjoy,” says Milt.

By Irene Kim
Juanita lives in a small town in the Philippines and helps run her family’s building supply business. When she needs to do banking, she uses her mobile phone — a big convenience since she often works at home to care for a child with special needs. Her older son attends college in a distant city, and when he needs to buy books, she sends cash by phone. In the past, she had to travel to a branch to withdraw cash, then wait until his next visit to give it to him.

Juanita participates in a pilot program run by a Philippine microfinance bank and Grameen Foundation, a Washington, D.C.-based nonprofit. Juanita and the other participants in the program use keypads on their older generation cell phones to communicate with the bank.

“Mobile technology has the potential to radically break the cost curve for providing financial services to the poor,” said Alex Counts ’88, founder and CEO of Grameen Foundation, which promotes microfinance and financial innovation to fight poverty.

“Because banks using this service can operate much more efficiently, the poor have the ability to save and borrow, and they can do so at much better rates.”

For millions of people in emerging markets, mobile technology is bringing access to financial services for the first time. In developed countries, mobile also promises to increase access for the so-called unbanked and under-banked. Some 10 million households in the United States do not have bank accounts, often because they can’t maintain minimum balances.

For the well-to-do in developed countries, mobile technology is bringing a surge in new financial tools. Depositors need only snap a picture of a check with a smartphone camera — no visit to an ATM or bank branch required. Paying for parking doesn’t have to mean feeding quarters into a meter — a few taps on a phone will often take care of it.

With Internet-connected phones or tablets, an investor can research a stock, track its movement, and, in seconds, execute a trade, anywhere, anytime.

The first commercial cell phone network was launched in Japan in 1979, and cell phones have been common in the United States since the 1990s. The spread of mobile to the developing world has occurred mainly in the past decade. Last year, the World Bank estimated that 75 percent of the world’s population had a cell phone, including 5 billion people in less-developed countries.

“Mobile phones are the most disruptive, broadest platform in the history of mankind,” said Rocco Fabiano, MBA ’82, president of Firethorn Mobile, a company now owned by Qualcomm and a pioneer in mobile banking. “If you consider how many people in

— MARK B. MILSTEIN, CLINICAL PROFESSOR OF MANAGEMENT AND DIRECTOR OF JONSON’S CENTER FOR SUSTAINABLE GLOBAL ENTERPRISE
the world are carrying mobile devices now, there has never been anything that reached so many people so quickly."

A big leap in the developing world
While the impact of the mobile revolution in financial services is being felt around the globe, the most profound changes have been in the world’s poorer regions.

“In developing countries, mobile networks have expanded much faster than land lines,” said Mark B. Milstein, clinical professor of management and director of Johnson’s Center for Sustainable Global Enterprise. “The confluence of technology and access has provided people a new way to engage financial services.”

In emerging markets, access is arriving by way of basic cellular phones — the kind prevalent in the United States before smartphones. These simple phones use SMS — short messaging service — which allows users to text information to a bank. By dialing a number and inputting a PIN, users can move money between accounts, pay bills, or send funds to another person.

Cellular phones have spread rapidly throughout the developing world in part because they do not require a costly infrastructure. They often work in remote areas that may not be served by landlines. The phones are cheap — as little as $10 — and the minutes are prepaid.

“In a country like India, even people who are pretty darn poor have mobile phones,” said Counts.

Even if you don’t have a phone, there is a good chance someone you know — a relative, friend, or neighbor — will have one. Some places have so-called “human pay phones” — entrepreneurial individuals with phones they rent to others in the community.

“This is a huge leap forward for the end customer in these countries,” said Avinash Eratapalli, MBA ’10, a vice president for mobile solutions at Citi transaction services.

“Making money digital changes the game and makes it much more secure,” said Counts.

When a person in a developing country is able to open a bank account, saving money becomes easier, and qualifying for a loan becomes possible.

“Entering the formal banking system makes a difference in that a person can demonstrate their income and in the future apply for a microloan for a small business or a small consumer loan,” said Nicolas Beltran, MBA ’10, director of mobile financial services at Canada’s Scotiabank.

“Better than cash
Financial services by phone have important advantages over cash, long the dominant format for transactions in developing countries.

“Cash can be lost, stolen, burned, or accidentally destroyed,” Counts said. “In the United States, we don’t think much about losing change in a sofa or on an airplane. But for the poor, even a little bit of money is precious.”

When the poor need cash, they often have to travel long distances and are at risk of being robbed. Also, cash transactions are hard to track, increasing possibilities for fraud.

“Making money digital changes the game and makes it much more secure,” said Counts.

Through Tcho Tcho Mobile we’ve been able to provide Haitians with a service they needed and we’ve learned a lot about a segment of the population that we previously had not worked with.”

— Nicolas Beltran, MBA ’10, Director of Mobile Financial Services at Canada’s Scotiabank
FOR BANKS, A NEW SOURCE OF VALUE

Banks traditionally have not sought the poor as customers. Low balances and tiny transactions often don’t cover the cost of servicing the accounts.

“The banks don’t want a lot of poor depositors who clog lines at branches to withdraw tiny amounts,” Counts said.

Mobile banking reduces the bank’s cost of servicing customers by 50 to 70 percent, according to a 2012 study by McKinsey & Co. By lowering costs so dramatically, a bank can derive profit from a small transaction — especially when it is combined with hundreds of thousands of other such transactions.

The potential for growth is huge. Estimates of the number of people in the world who have cell phones but not bank accounts range from 1.7 billion to 2 billion.

“When people at the bottom of the pyramid started adopting mobile, governments and financial institutions in many emerging economies saw this as an opportunity to drive financial inclusion” Eratapalli said.

In 2010, Scotiabank launched a mobile banking program in 20 countries in the Caribbean. Adoption rates have been higher than expected, according to Beltran.

One of the most successful countries for Scotiabank’s initiative has been Haiti, where the bank partnered with a local mobile operator to launch Tcho Tcho Mobile, a mobile wallet service aimed at people who have not had bank accounts. Today more than 400,000 people have registered.

“In a country of 10 million people, this is a wide adoption rate,” Beltran said. “These customers are in the lower income tier and previously not qualified for a bank account.”

In Haiti, young people who live and work in the city use the service to send money to parents in the countryside. When the parents receive money on their phone, they can go to an agent — often a local shopkeeper — and get cash.

Is the program profitable for the bank? “The focus of Tcho Tcho mobile was not profitability, it was about promoting financial inclusion and helping Haiti rebuild,” Beltran said. “Through Tcho Tcho Mobile we’ve been able to provide Haitians with a service they needed and we’ve learned a lot about a segment of the population that we previously had not worked with,” Beltran said.

“By getting to know this segment and their banking behavior, we can design products to better serve them in the future.”

MAKING MICROFINANCE MORE EFFICIENT

While smartphones are ubiquitous in the United States and other developed countries, they are scarcer in less developed countries. But smartphones are having an impact in some emerging markets. In India, a small company called Artoo uses smartphones to make microfinance organizations more efficient.

“The process of approving a microfinance loan is time-consuming and paper-based,” said Artoo’s Kavita Nehemiah, MBA ’12. “Agents go into the field, sign up customers, come back to the branch office, then send the application by courier to the home office, where it is outsourced and entered into the system.”
Artoo works with microfinance companies to provide Android and cloud-based software for the agents’ smartphones. The agents take the loan applications on the phones, and then send the forms via the Internet to the home office. A process that took one to three weeks now takes two to five days.

“By improving the field agents’ productivity, they can give out more loans,” Nehemiah said. “It also makes the microfinance companies more efficient. By reducing their operating costs, we help them become more affordable to the borrower.” Nehemiah’s official title with the five-person company is “Rainmaker.” Her responsibilities are business development, sales, and client relationships.

Nehemiah sees a growing need for mobile technology in microfinance. “There are very few companies that develop technologies for enterprises that have a social purpose,” she said. “Most firms are either too expensive or they don’t understand the needs of these enterprises. We believe mobile technology has great potential. It is becoming more innovative every day.”

**WILL WE PAY FOR EVERYTHING WITH SMARTPHONES?**

With the proliferation of smartphones and tablets in developed countries, financial companies are racing to deliver innovative mobile services. “In the developed markets, we have had access to basic tools for some time, and they work well,” Citigroup’s Eratapalli said.

“The challenge here is providing value that didn’t exist before — leveraging the capabilities of mobile.”

The location capability of smartphones is a feature many players are eyeing. “Imagine you are walking by your favorite fashion outlet,” said Eratapalli. “The store would be able to send you an offer on your phone based on your previous purchase history.”

Banks are finding long-term advantages when customers go mobile, according to Beltran. Mobile users tend to check their balances more often and generally interact more with the bank, he said. “More engaged customers tend to use more services. There is a correlation between lower levels of attrition and the use of mobile banking,” Beltran said.

Many banks now offer remote deposit, which allows a customer to take a photo of a signed check and deposit it electronically. A similar service allows users to scan a bill and send the image to the bank, which pays the bill.

Several large-scale initiatives are underway to make mobile phones the dominant platform for merchant transactions, replacing both cash and credit cards. Banks, credit card companies, retailers, and mobile providers all are involved. Google entered the arena in 2011 with its Google Wallet smartphone application.

Experts say it is too early to know which, if any, of the mobile payment services will prevail. Despite some modest successes in getting consumers to pay for things with phones, users have not rushed to cut up their credit cards and ATM cards.

“It always comes back to what is your next best alternative,” Fabiano said. “Swiping a piece of plastic at point of sale is still not a very bad solution for a consumer. Mov-
While cash remains the dominant method of payment throughout the world, MasterCard President and CEO, Ajay Banga, emphasized the misperceptions around the cost of cash and the value of electronic payments when he addressed Johnson students and faculty as a Distinguished Global Leader Speaker on March 4.

“Cash is only a friend of the rich man, cash is not a friend of the poor man,” Banga said, citing costs involved in printing and securing currency. In fact, the cost to society of using cash is between .5 and 1.5 percent of the GDP annually.

During a fireside-chat-style conversation on the question “Do you believe in a world beyond cash?” Vrinda Kadiyali, Nicholas H. Noyes Professor of Management and professor of marketing and economics, challenged Banga noting, “A common misperception, and arguably to some extent true, of going cashless is with credit cards, retailers have to pay interchange fees, consumers have to pay annual fees, and if they don’t use their credit cards responsibly they have high interest rate charges.”

Countering the argument, Banga highlighted that there is a common misperception that cashless equals credit cards. Even in the U.S. there are more debit cards than credit cards, and retailers pay lower interchange fees — the charge for accepting electronic payments — with debit transactions than with credit purchases, but don’t necessarily pass the savings back to consumers.

While 85 percent of the world’s retail transactions are conducted with cash and checks, each country is different. Fifty percent of retail transactions in the U.S. are made with cash; that figure is 99 percent in India. Only in South Korea and Scandinavia are electronic payments more common than cash, and that is because the governments actively pushed the evolution of society away from being cash-reliant, according to Banga.

The growing popularity of mobile devices is also driving the shift to electronic payments. While devices like the Square have created payment mechanisms on mobile phones, Banga said the industry needs to overcome many obstacles before smartphones are commonly used as payment devices.

“It will take a long time for consumer behavior to change, for people to adapt to it, and for the infrastructure to be built for it,” Banga said.
Investment expert Jeff Parker ’65, MEng ’66, MBA ’70, agrees that mobile is an important tool for investors. “It’s like having a stockbroker in your hip pocket,” he said.

Parker is managing director of the Parker Family Limited Partnership and a partner at GrandBanks Capital, a Boston venture capital firm. He said mobile solves what had been a long-standing problem for investors — orders filled late or not at all.

“Today, if I go on Fidelity’s website with a phone or an iPad or a laptop computer, and I decide to buy a stock, sometimes the order is filled by the time I finish the keystroke,” Parker said.

Prasad said that while he believes mobile is important, Merrill Edge considers it only one channel in a broader approach to serving clients. “You can interact with us in different ways in the same week. Today you may walk into a bank. Tomorrow you may take a picture of a check and deposit it. The next day you might check your balance on the computer.”

**BARRIERS TO GROWTH**

While mobile financial services have grown rapidly in recent years, there are obstacles that could slow its advance, according to experts.

“These are new services, and doing financial transactions in a virtual way may seem quite different to some people,” Milstein said. “There may be trust issues because virtual money is not tangible. You can’t hold it.”

Security is another concern. Like computers, mobile devices can be hacked or stolen. With many people conducting business and using their phones on open wireless networks, the possibility of security breaches is real.

To protect against hackers, banks are adding safeguards to mobile applications and mobile systems. Customers are advised to choose strong PIN numbers and change them often. Future security measures could include biometric identification, such as voice recognition or fingerprinting.

“The reality is that a phone is much more secure than a piece of plastic,” Fabiano said. “Studies have shown that if you lose your credit card, you won’t realize it for 11 hours on average. If you lose your phone, you realize it in about eight minutes.”

Phones also are better for detecting fraud because of their location capability, according to Fabiano. When someone uses a phone for a transaction, the bank can know precisely where the phone is and whether this is a place the phone’s owner can be expected to shop.

**“AN EXCITING TIME”**

According to some in the industry, the key to advances in mobile will be coordination among the many interests involved.

“There are several players from different industry segments that need to come together to drive mobile commerce adoption at scale — mobile operators, phone manufacturers, payment networks, banks, merchants,” said Eratapalli. “One of the key challenges is development of standards and business models that drive coordinated participation from all these players.”

Fabiano agrees. “It’s a very complex ecosystem, with a lot of entrenched incumbents who have competing interests. To the extent there has been slow adoption, most would agree it has been due to the challenge of navigating that ecosystem.”

The shift to mobile finance means adding new players to the current mix, including handset manufacturers and carriers, and these new players are looking for profits, according to Fabiano. “Either an existing participant has to be displaced or you have to add expense, and consumers are not going to accept additional expense,” he said.

Eratapalli believes this challenge will be resolved as value is added to mobile transactions, perhaps leveraging the phone’s location capabilities.

Despite these challenges, the potential remains strong for mobile to grow, according to Fabiano. “It is an exciting time,” he said. “We are seeing a democratization of the financial services industry.”

Milstein also sees many benefits as mobile financial services spread around the world. “It doesn’t miraculously solve all of the problems of financial services for everyone, but it improves access for many people,” he said.

**“IT’S LIKE HAVING A STOCKBROKER IN YOUR HIP POCKET.”**

— JEFF PARKER ’65, MENG ’66, MBA ’70, MANAGING DIRECTOR OF THE PARKER FAMILY LIMITED PARTNERSHIP AND A PARTNER AT GRANDBANKS CAPITAL, A BOSTON VENTURE CAPITAL FIRM
The idea came to Mikayla Diesch ’16 when she was a high school sophomore in Battle Creek, Michigan. She and her sister had just won a NASA competition to create a nutrition bar for astronauts, and their apple-cranberry concoction had been sent into orbit aboard the last flight of the Space Shuttle Endeavour. Why not add DHA Omega-3 fatty acids to the organic granola bar, she thought, so that it could boost the mental energy of students studying for exams?

After arriving at Cornell last fall as a freshman engineering major, Diesch presented her proposal for her Brainstorm bar to Rhett Weiss, executive director of Johnson’s Entrepreneurship and Innovation Institute (EII). Impressed with her idea, Weiss engaged two MBA students from the newly created EII Fellows Program to help turn Diesch’s product into a viable business.

Working with Diesch via videoconferences, e-mail, and occasional campus meetings, Pallavi Nambiar, MBA ’14 (E), and Carlos Wang, MBA ’13 (A), contacted industry analysts, manufacturers, suppliers, and distributors to learn how to move the energy bar to market. In February, their team, Solar Flare, won the Johnson Shark Tank Competition, designed to showcase products designed by Cornell students. Their next goal: a debut of the nutrition bars in Cornell coffee shops in time for finals week.

“This program has been a fantastic experience,” says Nambiar, a vice president with Nomura Securities International in Manhattan, who attends classes in the Executive MBA program in Palisades.

I saw the EII Fellows program as a great opportunity for MBA students to collaborate across the four MBA programs and to engage students in our Executive MBA programs.”

— RHETT WEISS, EXECUTIVE DIRECTOR, ENTREPRENEURSHIP AND INNOVATION INSTITUTE
N.Y. “It’s given me the opportunity to work with students from Ithaca that I never would have met. It’s really breaking down barriers and exposing me to things I may never have had the chance to do before.”

Bringing together students from Johnson’s four MBA programs to work on entrepreneurship projects was just what Weiss, an entrepreneur himself, had in mind when he created the EII Fellows Program in 2011. Although Johnson offers several other fellows programs, Weiss noticed that none of them engage students from all of its MBA tracks.

“I saw this as a great opportunity for MBA students to collaborate across the four MBA programs and to engage students in our Executive MBA programs, because they didn’t have classes on Cornell’s campus,” Weiss says. “Many were yearning to be more connected in Ithaca.”

After 14 students joined the program in its first year, more than 60 students signed up for the second cohort of fellows candidates last fall. The majority — 35 of them — came from the Executive MBA and the Cornell-Queen’s Executive MBA programs, a response that did not surprise Weiss. “They are busy people with full-time careers,” he says, “but as the cliché goes, busy people get things done.”

Coming from Silicon Valley, where he had been a senior team leader in strategic development at Google Inc., Weiss believed a fellows program would expose Johnson students to hands-on experiences creating their own companies and working with other startups. Weiss, who founded Dealtek Ltd., a consulting and business software company, also saw the EII Fellows program as a way to offer students a glimpse of the growing high-tech economy.

“When it comes to meshing business and technology with what can be gleaned from academic pursuits — I saw how that all came together in Silicon Valley,” he says. “This is the way the world has been for a long time and it’s what our students want — more education and classroom experience with exposure to entrepreneurship.”

Many of the EII Fellows candidates arrive at Johnson with a startup or two already under their belts. As an undergraduate at Tufts University, Shigeki Abe, MBA ’13, for example, helped a friend launch WineBuzz, a company that enabled consumers to buy, trade, and sell vintage wines on a social platform similar to eBay.

After closing the business and working as an analyst at Alliance Bernstein for three years, Abe decided to return to the entrepreneurial world when he started his MBA. Since joining the fellows program, Abe has developed a pilot program between EII and General Assembly, a New York City-based powerhouse that provides incubator space and technology and business workshops to entrepreneurs throughout the world.

For his capstone project, Abe arranged for four videos produced by General Assembly, on topics such as monetizing mobile applications and effectively using advertising, to be shown at Sage Hall, which drew students interested in entrepreneurship from across campus. “The videos really gave [aspiring] entrepreneurs the know-how on how to execute some of these things,” Abe says.

Besides the capstone project, which can involve launching a startup or working with another company, fellows candidates must take 12 credit hours of courses and work on EII projects that promote or raise money for the institute, or that expand its outreach. For her EII project, Nora Hansanugrum, MBA ’13, created an e-newsletter for the institute, while Balaji “Bala” Jayaraman, MBA ’14 (E), is working on further expanding the Mentors in Virtual Residence, a database of business professionals who have volunteered to share their expertise with Cornell students, faculty, and alumni.

While the students earn a certificate at the end of the program, what may be more useful is the opportunity to meet and collaborate with other classmates, faculty, alumni, and business owners involved
in entrepreneurship, says Zach Shulman ’87, JD ’90, EII’s associate director. “One of the most valuable parts of their education is the network of people that they develop,” Shulman says. “We want them forming tight bonds with each other, and this is a great way to do that.”

With a wealth of scientists and engineers rolling out new inventions in laboratories across campus, the EII Fellows candidates have a ready-made opportunity to work with potential startups right at Cornell. After taking the helm at EII, Weiss decided to build on the existing connections between Johnson and the Cornell Center for Technology Enterprise and Commercialization (CCTEC) by launching a formal collaboration between the institute and CCTEC to provide business expertise to commercialize technology invented by the faculty. Weiss then turned the project, BR Tech Transfer, into a student-led initiative.

Hansanugrum credits the EII Fellows program with giving her the confidence and skills to imagine that she could start her own business. “It really forced me to look at myself as an entrepreneur and classify myself as an entrepreneur,” she says. “That probably wouldn’t have happened if I hadn’t been part of this program.”

Nambiar, who has been collaborating on the Brainstorm project, also hopes to become involved in a startup after graduating, although she has held executive positions at two financial services companies in the past eight years. “What I’ve learned is there is nothing to fear if you’re ready to jump in and roll up your sleeves. If you’re passionate about an idea, you can make it happen.”

In EII’s evolution as a hub of entrepreneurship at Cornell, the institute is looking to practice more of the skills it teaches fellows candidates as the institute itself becomes a self-sustaining enterprise over the next five years. The fellows candidates would play a major role in achieving that goal by using their capstone projects to generate revenue, according to Weiss. “I see the fellows program as having the potential to help solve that problem,” he says. “We could charge companies and organizations for our services if we can create value for them. We’ve already started to do this, to help cover EII’s program costs.”

Weiss believes the fellows candidates will step up to the task, given their experience, energy, and love of entrepreneurship. “There’s a certain edginess or a little bit of an unorthodox streak to the group as a whole,” he says. “We look at the world’s opportunities not as, ‘That can’t be done,’ but as, ‘Let’s get it done.’ I’m just very intrigued by the prospects this combination of people presents, not only for their own education but for the advancement of entrepreneurship and innovation at Cornell.”
Diversity can make a team creative and strong. But it takes time and conscious management to harness the power of diversity.

By Merrill Douglas
and “fit” has become an important concept in the workplace. According to a January 3, 2013 story by Logan Hill on Businessweek.com, many companies today make a point of hiring people who blend well with the prevailing corporate culture. Their philosophy assumes that we work best with the kinds of people we would naturally choose as friends.

But working only with colleagues who look and think like you or share your tastes might actually stifle performance. For example, Hill says, a 2009 study at the University of Illinois found that companies with strong racial diversity did 15 percent more in sales, on average, than more homogeneous firms.

Groups made up of people with similar backgrounds might get along easily, but their members lose opportunities to stretch their thinking, says Nsombi B. Ricketts, senior director of Johnson’s Office of Diversity and Inclusion. “They often tend to analyze problems in the same way. They’re leveraging the same knowledge, gained from their shared history, for problem solving, rather than seeing a problem from different vantage points.”

When a team unites people who are different — in terms of ethnicity, professional backgrounds or specialties, communication styles, attitudes, or other dimensions — that team can become a powerful, innovative force. But capitalizing on diversity isn’t easy. Heterogeneous teams and their leaders must work hard to resolve conflicts, promote good communications, and foster an atmosphere of respect.

A SKILL TO FIT EACH JOB

One advantage a diverse team might enjoy is a broad range of skill sets that makes it easier to match the right people with the right tasks.

That’s the case at Google, where Chao Wang, MBA ’12, works as a senior financial analyst at company headquarters in Mountain View, Calif. Wang belongs to a global business intelligence team that provides strategic, analytical, and technical support in all business intelligence activities for sales and product teams at Google. Divided between Mountain View and several countries around the world, the multicultural team includes people with backgrounds in engineering, technology, and business management.

“We all have unique functions within the projects we’re running,” says Wang, whose specialty is management. “I probably add the most value with my people skills — being able to bring together engineers, product managers, and people in finance, sales and operations.” Team members with engineering and technical backgrounds are better equipped to talk in-depth with engineers about their requirements.

The team always assigns at least two members to any given project, Wang says. “Then you know you’ll have people with different perspectives or backgrounds.”

Eyal Knoll, MBA ’01, saw diverse approaches yield fresh solutions at Cisco Systems, where he spent 11 years managing the Emerging Markets delivery team — 50 people spread across a dozen countries.

Consider, for example, when the team was trying to figure out how to boost Cisco’s service bookings in Eastern Europe, says Knoll, now a partner at jwc, a consultancy in Cologne, Germany focused on the global trade show industry.

“Somebody in South Africa had ideas, and initially the folks in Eastern Europe said, ‘That’s not going to work here,’” he recalls. But when pushed to explain why those ideas wouldn’t work, the Eastern Europeans examined the problem and came up with a third solution that they would not have reached if their colleague in South Africa hadn’t nudged them in that direction, he says.

Not all diversity confers the same benefits, cautions Elizabeth “Beta” Mannix, associate dean for Executive Education, Ann Whitney Olin Professor of Management, and professor of management and organizations at Johnson. “It won’t necessarily help a group of people be more creative on a problem that has nothing to do with the kinds of things they’ve met each other and had down time — they’ve talked about their children and pets — they build a sense of trust that ‘that person is just like me.’”

— EYAL KNOLL, MBA ’01, PARTNER AT JWC, A CONSULTANCY IN COLOGNE, GERMANY
of diversity we’re bringing to the problem.” The jury is still out, for instance, on whether a team that is diverse in terms of race or gender will find a better solution to a strictly scientific question than a team that isn’t.

“You have to be careful about saying, ‘If I put a group of people together who are very different, I’m absolutely going to get the iPhone,’” Mannix says. But if you mix people with different educational and functional backgrounds, and those people learn to manage their diversity well, they will probably be more creative than a team of similar members, she says.

**CONFLICT AND RESPECT**

That caveat about managing diversity is crucial. “It’s not always the case that they’re going to be able to do that,” Mannix says.

Diversity can spur the kinds of conflicts that make it hard to reach decisions. “There certainly have been studies done where like groups have been given a problem, and they solved the problem faster than more diverse groups,” says Amy George, MBA ’84, vice president, talent, diversity and inclusion at Terex Corp. in Westport, Conn.

But fast and smooth operation doesn’t always translate into better results. In the March 2012 issue of Administrative Science Quarterly (ASQ), published by Johnson at Cornell, Heidi K. Gardner of the Harvard Business School shows that teams that seek quick consensus by focusing only on their common knowledge don’t perform as well as teams that embrace the domain-specific expertise each member brings to the table.

In one case at Cisco, it took careful management to help some members of Knoll’s global team take advantage of knowledge held by others. The challenge was cultural: team members in Jordan and Egypt weren’t used to collaborating with women, Knoll says. “And we had very experienced women working in Russia and Eastern Europe.”

Once a few individuals got over that hurdle, team members started sharing valuable information. “The power of diversity is that you get the ‘machos’ in Jordan to be able to respect great opinions and insights that come from female team members, and act on them, because the Eastern Europeans have experience in things that the folks in the Middle East haven’t done yet,” Knoll says.

Sabina Chadha, MBA ’00, executive vice president, sales and marketing at Haldor Advanced Technologies, an Israeli firm with U.S. headquarters in Cherry Hill, N.J., also recalls a conflict that arose when two people from different cultures arrived with different expectations.

The incident occurred during Chadha’s tenure as vice president for the health care sector at Aeroscout, another Israel-based technology firm. One of Chadha’s team members in the U.S. had gotten into a conflict with a colleague in Israel. The problem lay not in a difference of opinion but in the tone of the conversation.

“In Israel, there’s a lot of weight placed on whether you are showing respect. And it appeared as though the person on my team wasn’t being respectful,” Chadha says. After talking with the colleague in Israel, Chadha explained the problem to her team member and counseled him to communicate more carefully. “He said, ‘Thanks for the coaching. I didn’t know that was the case.’”

**MIXING IT UP**

For a company that wants to reap the benefits of diversity, the obvious first step is to make sure that unlike minds have a chance to meet.

“I have a requirement that when we fill positions, the hiring manger has to have a diverse hiring pool,” says Ted Becker, MPA ’77, global compliance director at asset management firm Legg Mason in New York. Managers can define “diversity” any way they want, but some sort of variety is a must. “We are looking for them not to hire clones of themselves, but to hire someone who brings a new dimension to the team.”

Becker also mixes people up in work groups. So when lining people up for activities at an offsite session in March of
this year, he made a point of pairing, for example, a U.S. resident with someone from abroad, or a man and a woman.

"I want different points of view," says Becker, who is a member of the Johnson Diversity Council. "I also want people to work together who maybe aren't that comfortable working together because they haven't had the opportunity."

Once a diverse team forms, the leader must foster open communication. "The issue is creating a safe space and building trust between team members, where everyone feels they can share ideas freely," says Ricketts.

In the June 2012 issue of Administrative Science Quarterly, Ethan S. Bernstein of Harvard University describes how workers in a mobile phone factory in China started to perform better when given enough privacy to encourage "productive deviance, localized experimentation, distraction avoidance, and continuous improvement." Like those workers, members of a diverse team who feel safe in their environment become free to experiment with "productive deviance." They can voice divergent opinions, suggest unusual ideas and hold lively debates.

At Google, frequent one-on-one meetings with managers and colleagues, plus weekly meetings for teams and sub-teams, encourage communication and constructive criticism, says Wang. When Wang gives a project update, for example, a colleague might critique Wang’s approach, suggest alternative strategies, and refer him to people who can serve as resources.

"That comes across all the time," Wang says. "So I make sure I have a weekly meeting to synch up with everyone on the team to see if someone else can provide me with insight."

**CROSS-CONTINENTAL TEAMS**

When a team includes members based in different locations, face time can be crucial to building trust.

George kept that principal in mind when her department launched a project to develop a training program for supervisors at its manufacturing plants around the world.

To make sure the program would work equally well in the U.S., Brazil, China, and elsewhere, the company convened subject matter experts from Terex operations around the world.

They launched the project with an offsite meeting in Atlanta, where a facilitator helped the team craft the outlines of the new program. "After we’d established that rapport, and those relationships, we found that we were able to work well via webcast or over the phone," George says.

Knoll also swears by the advantages of personal contact. At Cisco, he insisted on sending each new hire on a "meet-your-theater" tour, as soon as possible, to visit with colleagues in other countries. Then, at least once a year, he would try to bring the whole team to one location to work together and also relax together.

Although technology helps far-flung colleagues collaborate, teams don’t really click until members get acquainted in person, Knoll says. "If they’ve met each other and had down time — they’ve talked about their children and pets — they build a sense of trust that ‘that person is just like me.’"

Flying new hires around the world to bond with colleagues and work out the kinks in collaborative relationships took time and cost a fair amount of money, but the investment paid off. "I had examples that I could show where groups within our Emerging Markets team were by far outperforming their European and U.S. counterparts in execution," Knoll says.

**GETTING TO KNOW YOU**

Team-building activities designed for fun can also help diverse colleagues gain trust. Once members grow comfortable with one another, when they sit down to work, they understand that they can agree to disagree, Chadha says. "They know that there’s no intent other than coming up with the best
solution, and people can have different viewpoints.”

One activity that Chadha used in the past, while managing the worldwide eCommerce team for HP, involved an offsite cooking session. “We said, ‘Someone’s on point for desserts, someone’s on point for appetizers,’ People had to work together,” she recalls. “Then we all got together and ate the meal.”

Another way that leaders capitalize on team diversity is by paying attention to the communications style of each member, making sure that all voices are heard. Extroverts tend to talk a lot and dominate the conversation,” says Ricketts. “The introverted people might take a little longer to contribute to the discussion. You need to give them space to share their insights.” Because they often take more time to process problems before giving feedback, introverts might arrive at insights that the extroverts miss, she says.

If you want to ensure that the group is hearing all voices, you might simply need to turn to an introvert and ask, “What do you think?” Leaders must understand that a quiet demeanor doesn’t mean that a person has nothing to contribute, Ricketts says. “You need to be able to observe the room and the personalities of the people on the team, and make sure you’re actively engaging everyone.”

Leaders also can use various exercises and tools to improve the dynamics of diverse teams. Becker recalls a time when a company merger brought his own team together with a group from a distinctly different corporate culture. To help integrate the two, the merged company engaged a facilitator to lead members through an exercise called a stereotype analysis.

“Each of us was asked to write down 15 adjectives that we would use to describe the other team and 15 that we would use to describe ourselves,” Becker says. “Of course, we all thought the other team was horrible and bureaucratic!” The activity was fun, he said, and it helped the two groups start to blend.

At Terex, the training program for supervisors that George is helping to create includes a module on communications styles. It provides an assessment to determine whether a person is primarily an “analyst” (someone who likes to use facts and figures), a “futurist” (someone who focuses on large concepts), a “doer” (someone who wants to get work done quickly) or a “supporter” (someone who concentrates on the human dimension).

“We teach that all four styles are valid, all four styles are needed, all four styles are things that come into play in different situations to a greater or lesser extent,” George says.

While helping people understand their own preferred styles, the tool also encourages them to rely on more than one approach. “If your supporter area is less strong, what are some things you can do to beef that up a little bit?” George says.

Once a group has used this tool, meetings generate less stress. “You know the guy at the meeting who’ll always says, ‘Let’s step back a second and look at the big picture’ — and everybody groans, ‘Oh God — let’s make some progress?’” George asks. When members understand the value of different communications styles, that sort of conflict melts away, she says: team members are more prepared to explore issues through different perspectives.

**Tough, But Valuable**

Forming a productive team from a diverse group of individuals takes a great deal of effort and energy. “It’s really hard to coordinate and communicate with people who are different from you,” Mannix says.

The good news is, the struggle is worth it. In fact, the effort that team members expend to overcome the challenges that diversity presents may be the very thing that gives diverse groups their edge.

According to Mannix, one of the secrets to making diversity work is not to avoid conflict, but to court constructive disputes. Brining differences into the open gives
“DIVERSITY IS A GIFT,” says James E. Yang, ’14 (CQ), a student in the Cornell-Queen’s Executive MBA program. Members of student teams pursuing a dual graduate degree from Johnson at Cornell University and the Queen’s School of Business in Kingston, Ontario enjoy that gift every time they meet. So do their counterparts in Johnson’s Executive MBA program, based in Palisades, N.Y.

Cornell-Queen’s Executive MBA students come from 25 cities and regions in the U.S., Canada, and Latin America, and 40 to 50 percent of them hold passports from countries other than the U.S. or Canada, says Joseph Babcock, the program’s director. Palisades-based Executive MBA students are less geographically diverse, but like the Cornell-Queen’s Executive MBA, the program draws students from a broad range of industries and professions, and its members exhibit the whole spectrum of communications and work styles.

The effort to profit from diversity begins at the very start of the program, when each team meets with a coach. Over several hours, members explore one another’s individual learning and management styles, discuss best practices for working as a team, and start crafting a contract to govern how that team will operate.

“We outlined each person’s strengths and weaknesses in terms of professional skill sets and personality,” says Mariami Laliashvili, MBA ’14 (E), of her team’s first encounter in Palisades. “We discussed how we each deal with stress, how we express ourselves, how our minds work, how we generate ideas, our working and thinking styles, our cultural backgrounds.” That discussion gave the team a solid foundation when it came time to work on projects: members knew who had expertise in which subjects and understood how they complemented one another.

One strategy that coaches teach to help diverse teams thrive is learning not just to tolerate differences — that is, grit your teeth and put up with them — but to genuinely accept them, says Janet Gilfillan, lead team coach for both graduate programs. And one key to acceptance is understanding that each member comes to the team with good intentions.

“We spend a lot of time teaching them to be curious,” Gilfillan says. That’s an important skill when, for example, a person who values decisiveness feels frustrated with a teammate who likes to reflect on issues at length.

The best way to approach that sort of difference is to ask open-ended questions, Gilfillan says: Where are you taking us? Why are you looking at things from that point of view? “If all you do is become able to see the other person’s perspective, you’re already going to have a more productive outcome.”

On Yang’s San Francisco-based Cornell-Queen’s Executive MBA learning team, exercises designed to build trust and respect at the start of the program helped persuade the group that a diverse team could produce better results than any one member could, he says. “Once we got past that, it really just became a matter of setting some team norms to ensure that our voices would be heard and that we had the right structure to facilitate that.”

Rather than avoid differences of opinion, the San Francisco team encourages them, Yang says. “We’ve been able to acknowledge that differences are often the key to better decision making. Embracing that idea has allowed us to naturally seek out the dissenting voice and continually strive to avoid groupthink.”
Pairing beauty with happiness has deep roots in Suh’s family and in AmorePacific, a company that has been a household name to generations of Korean consumers. Founded in 1945 by Suh’s father, Suh Sung-Whan, AmorePacific boasts high-quality, high-ticket product lines for skin care, cosmetics, health care, and personal care. The company’s decades-old brand is based on native botanical ingredients and a focus on women’s well-being. “The most rewarding aspect of the beauty industry,” says Suh, “is that it presents beautiful changes to people and makes them happy.”

Suh spends just as much time listening as he does speaking, and carefully balances thought with action. That has proved a wise path in today’s business landscape, where authenticity is highly valued, gimmicky products and unsubstantiated claims can be unmasked across the globe in seconds, and a strategic misstep can cost millions of dollars. Suh’s
Suh Kyung-Bae,
MBA ’87, CEO of AmorePacific Corporation

“...I visit our stores, both domestic and international, and listen to the voices of our clients and partners as much as possible.”

AmorePacific in the Korean market. Internally, the company’s corporate structure had become unwieldy through runaway growth into ancillary businesses, and management was fighting fires in the form of ongoing labor disputes.

Suh’s leadership during the 1990s was instrumental in shepherding the company through its growing pains to remain the undisputed champion in Korean cosmetics and a heavyweight contender in the international market. “I have no doubt that Suh Kyung-Bae’s strategic insight and inspirational leadership have played a crucial role in turning AmorePacific into an excellent company after overcoming the danger of going bankrupt in the 1990s,” says Song Jae-Young, professor at Seoul National University’s College of Business Administration, who first met Suh when serving as a consultant to AmorePacific in 2003 and later became a non-executive director.

Since 1997, when Suh took the helm as president and CEO, AmorePacific has chalked up growth of approximately 10 percent per year and grown to employ about 9,000. In 2012, the company posted sales of 3.43 trillion won (more than $3.17 billion).

Rooted in Tradition; Growing Through Innovation
Restructuring the company in the ’90s, says Suh, was the biggest challenge he’s faced as a leader. “Shortly after I joined AmorePacific, the company underwent major changes following the decision to sell off various businesses, with the exceptions of beauty and health, so as to better focus our core capabilities on them,” he says. Businesses that were sold included the company’s brokerage arm, sports teams, and fashion division. “I went back to basics and decided to concentrate on what we could do best and what I personally enjoy the most: the beauty business,” says Suh.

That focus allowed AmorePacific to build solidly upon its established brand: cosmetics created from the natural properties of native plants. The brand legacy extends back to the 1930s, when Suh’s grandmother, Yun Dok-Jeong, first hit upon the idea of selling camellia oil as a beauty treatment.

Suh’s father expanded on this theme after establishing the company in 1945, cultivating native plant ingredients and investing heavily in research into botanicals and dermatology. Believing that a solid grounding...
in science and technology is essential to competing in the global arena, he established Korea’s first cosmetics R&D center in 1954; it is now the biggest R&D center in the Korean cosmetics industry. The firm continues along that path today, striving to develop products that not only take advantage of the latest findings in botany and healthcare, but that can be processed with the least impact on the environment.

That strategy is working. AmorePacific has developed a wide range of product lines designed to promote health and beauty for women all over the world, and now reaches customers in 101 countries with a total of 13 global brands. The company has put down roots in the form of R&D centers, administrative offices, and retail outlets in numerous strategic locations in the U.S., Europe, and East Asia. Its flagship cosmetics lines — AmorePacific, Sulwhasoo, Laneige, Mamonde, Innisfree, and Etude House — target consumer segments broken down by cultural background, age, and income bracket. It has also expanded its international market footprint and product offerings through its fragrance brands Lolita Lempicka and Annick Goutal.

When Suh enrolled at Johnson, he was determined to make AmorePacific successful in the global arena, and eager to gain the knowledge he needed to do so. “I believed that ‘Asian beauty’ was our point of difference and worthy of being loved by customers around the world,” says Suh. “So, I chose Johnson, where I could study with students from all over the world, under the guidance of the world’s greatest scholars in business management.” He remembers his Johnson days fondly, and continues to serve as president of the Johnson Club in Korea. In 2010, he established the AmorePacific Professorship at Johnson to help today’s students gain a global perspective on business practices.

PROMOTING WOMEN’S WELL-BEING

Simultaneously leveraging AmorePacific’s emphasis on women’s welfare and building the brand’s identity, Suh established three nonprofit foundations: the Korea Breast Cancer Foundation, the AmorePacific Welfare Foundation, and the AmorePacific Foundation. The company also provides microcredit programs for single mothers, assistance for immigrant women, career support for female scientists, and financial and social support for breast-cancer patients.

“Kyung-Bae Suh always takes an interest in various areas of the society and promotes corporate social responsibility,” says Noh Dong-Young, director of Seoul National University Cancer Center Hospital and chairman of the Korea Breast Cancer Foundation. “It is in line with AmorePacific’s values and philosophy because AmorePacific works for women’s beauty and health and supports financial independence of women and AmorePacific customers.”

AmorePacific also founded the “Make Up Your Life” campaign, which provides makeup and styling guidance to cancer patients. “It helps patients who feel depressed and have lost their confidence [due] to the changes in their appearance,” says Suh. “The campaign affects not only the patients, but also AmorePacific beauty counselors — sales staff who participate in the campaign. Many have been deeply touched and overjoyed by the positive way in which patients have changed.”

LEADING BY LISTENING

Suh continues to carefully cultivate AmorePacific’s growth: “Our goal is to grow beyond being number one in Korea to become number one in Asia, and one of the world’s top seven cosmetics companies by 2020,” he says. He pinpoints three essential elements to achieving that: a world-class product line, research and expertise regarding Asian ingredients, and clear communication with customers, experts, and staff.

AmorePacific strives to implement a customer-centric way of thinking, Suh says, by soliciting customer input through surveys and other means. “We try to constantly observe and study, and communicate closely with customers. Understanding the skin types of customers around the world and their use of cosmetics is important — yet comprehending the culture of each country is just as important,” says Suh. “I visit our stores, both domestic and international, and listen to the voices of our clients and partners as much as possible.”

In addition, Suh meets with experts from diverse fields — professors, consultants, artists, photographers — to profit from their experience and guidance. “I gain a new insight into business management through talking with them, as they often see the world from different points of view,” he says.

Suh is also deeply committed to communicating with his staff, in monthly meetings and via the company’s intranet. He bonds with staff on hikes, and at company-sponsored public events, such as the Pink Ribbon Love Marathon, part of a campaign to prevent breast cancer. He believes that everyone in the company should be thinking about and preparing for the future, and he challenges them to do so, says Daniel Cavil, a French consultant to AmorePacific. “He once asked employees to give serious thought to innovation,” Cavil recalls. Within a few days, meetings were held to discuss their ideas. “The most impressive part for me was the power that his message exerted over the whole organization,” says Cavil. “There was an atmosphere of mutual trust.”

“Suh Kyung-Bae listens humbly, yet sincerely, to the voices of people in and outside the company, and he does so with an open mind,” says Song. “His leadership by listening is what distinguishes him from other CEOs I have met.”

The company’s website describes AmorePacific’s brand, in part, as: “a perfect harmony of contrasting qualities: inner beauty with outer beauty; traditions with the future; emotion with reason; and nature with science.” It’s no coincidence that this also describes Suh’s leadership.
What’s News With You?

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Call us at 607.255.9437, or fax us at 607.255.2075

Email us at alumni@johnson.cornell.edu

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

(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

CLASS OF 1963

G. Walton ’62 and Jean Spring-er Cottrell ’63 have included Johnson in their will, establishing the G. Walton and Jean Cottrell Advised Bequest. Walt says, “I really benefited from the courses I took at Johnson. …I used that knowledge in my entire working career.”

CLASS OF 1968

Bill Boerum was elected chairman of the board of directors of health care districts north of San Francisco. Bill recently launched a new enterprise, California Wine Services, promoting the export of California wines, and consulting in the industry. He and his wife, Nancy, live in Sonoma.

CLASS OF 1955

Donald C. McCobb ’54 says he can’t stop working. “Got my real estate license last year and keep busy finding customers a place to live.”

Henry P. Renard ’54, executive vice president of Inverness Counsel LLC, was honored as recipient of the Samuel C. Johnson Distinguished Service Award, a lifetime achievement award in recognition of his extraordinary, sustained, and exemplary commitment to Johnson and its alumni, at Johnson’s 6th Annual Alumni Recognition and Celebration Dinner at Guastavino’s in New York City, Jan. 24, 2013. “Henry is a tremendous champion for alumni affairs and engagement and a long-time supporter of alumni programming,” said Dean Dutta in his message in Inside Johnson in January. “He has subsidized countless alumni events and programs over many years, with particular attention to enabling younger alumni to attend events in the United States and in Europe. I appreciate his vision in understanding the importance of drawing alumni together into a cohesive, interactive whole, as well as the substantial support he has provided for facilitating that goal.”

CLASS OF 1956

Harry R. Kirsch ’54 and his wife, Chris, spend summers in New England and winters in Florida. He still plays tennis competitively, now in the 80-and-over category.

CLASS OF 1966

William Gonzalez retired after 35 years as an executive in academic medical centers, and 12 years consulting and site visiting with the commission on accreditation of healthcare management. He continues to speak, teach, and consult on leadership and management.

CLASS OF 1970

Thomas F. Judson Jr. is chairman and CEO of the Pike Co. Inc., a construction company based in Rochester, N.Y., founded by his great-grandfather, John B. Pike. Profiled in Inside Johnson’s Paying It Forward (January 2013), Tom says he supports Johnson because he loves the school and the time he spent here, and he’s proud to support a New York State educational institution. He is staunchly committed to doing business in New York, not an easy task in these economic times: “In business, change is inevitable. You can decide to say that it’s not fair or you can see it as an opportunity.”

Robert Spencer ’69 retired as CFO of Baker & McKenzie, a global commercial law firm. He still consults to the company,
When M. Scott Crocco, MBA ’90, first interviewed with Air Products in 1990, he could hardly have imagined that 23 years later he would succeed his interviewer, Paul Huck, MBA ’79, as Air Products’ senior vice president and chief financial officer (CFO).

Looking back at that interview, Crocco recalls, “I was Paul’s first interview of the day. My background at that time involved working at General Electric in a program called Manufacturing Management Program, and I leaned on that as my premier experience.” Just when Crocco was about to walk Huck through his experiences at GE, Huck said unexpectedly: “I know about that program, tell me — what else do you got?”

“That pushed me to go beyond the basics that I was going to take him through,” says Crocco. “Over the next 23 years, he continued to push me and the company to go beyond that initial offering and to push us for ‘what else you’ve got.’”

Unlike some other companies where the CEO is the principle point of contact with the investment community, Air Products entrusts to its CFO responsibility for managing investor relationships, says Huck. Crocco praises his mentor for bringing “external perspective from the investment community” to the leadership team.

Huck also established cash priorities, a discipline Crocco plans to carry on. “[We will continue to] spend cash first on projects that have good returns and are in our core business, increase our dividends, strive to maintain an ‘A’ fund rating, and with the excess cash, buy back shares,” says Crocco.

Air Products’ clients span the globe and represent a wide range of industries, from food and beverage, health and personal care to energy, transportation and semiconductors. The company is actively expanding its client base in emerging markets, and is particularly proud of new contracts and projects in China.

“The biggest challenge the industrial gas industry has now is how well we address the Chinese market, [where] there are a lot of opportunities for growth,” says Huck. Another challenge: the uncertainties inherent in today’s global economic environment. Since 2008, the ability to predict has been extremely difficult, but decisions still have to be made, says Huck.

To address these challenges, Crocco believes that Air Products needs to “understand what our strengths are and focus on the areas that we can win and add value to our customers and shareholders.”

As the new CFO at Air Products effective March 1, Crocco manages the company’s financial functions, including controllership, accounting, decision support, treasury, risk management, taxes, and internal audit. He appreciates having worked in each of Air Products’ major businesses and established relationships with people across the company. “It’s very important to understand the business itself, not just financials,” he says.

Relationship-building comes naturally to Crocco, who remarks on “a similar culture between Air Products and Johnson.” Both have “a team-oriented and collaborative environment that promotes everybody’s success,” he says.

“Johnson has been the best school we recruit at in the past few years,” says Huck, noting Johnson’s success in teaching students how to apply theory to practice. That ability helped him apply his knowledge immediately after joining Air Products, he says. Now, more than a dozen Johnson graduates work at Air Products, and internships provide hands-on opportunities for Johnson students to learn about its finance operations.

“The proudest achievements in my career are the people and the strong financial function I left at Air Products,” says Huck. Now, with Crocco in place, he is focusing his energies serving on the boards of a local hospital and a scholarship foundation, as well as on Johnson’s Advisory Council. And he’s enjoying spending more time with his family, including his three grandchildren.

— Yuezhou Huo ’15
traveling to California, Arizona, New York, Spain, England, Bermuda, and Colorado.

CLASS OF 1973
John Norris, JD ’71, is CEO of Health Discovery Corp.

CLASS OF 1976
Robert Falter is a broker associate, realtor, and educator with Era Key Realty Services in Parsippany, N.J. He is “enjoying my time as a certified Mass. real estate instructor, and working with buyers and sellers. The real estate market is improving!”

CLASS OF 1977
Brit Bartter, PhD ’77, vice chair of J.P. Morgan Investment Banking Group, says he made a generous gift to Johnson’s Annual Fund because he believes his rigorous education in finance has played a key role in his successful career as an investment banker. “Business keeps changing and we keep inventing new securities and new ways to analyze things,” he said in a profile in Inside Johnson (March 2013). “A strong theoretical grounding in finance allows you to embrace new ideas and keep learning.”

David Hansen is a managing partner with DNH Partners LLC, in Wellesley, Mass.

Eric Senkowski works in the consulting field, and is a business development manager with RGP in Parsippany, N.J.

CLASS OF 1978
F. Warren Ellish ’77 was appointed to the board of directors of Buffets Inc.

CLASS OF 1979
Ross Lanzafame ’77, MPS ’79, is an attorney and partner at Harter Secrest & Emery LLP in Rochester, N.Y. He is chairman of the American Lung Association’s board of directors, having served the association for more than 17 years in various capacities at the local, state, and national level.

Susan Schlotterbeck Ross says, “work took a back seat to personal life last year with our oldest daughter graduating from college and our younger son starting.” Susan has worked for more than 30 years in marketing, and “while I still take on projects, particularly in financial services and with nonprofits, I am beginning to think about what comes next.”

CLASS OF 1980
Walter Lincoln is president and treasurer of the Army and Air Force Mutual Aid Association (AAFMAA), a nonprofit, member-owned association that provides life insurance and survivor services to the U.S. Armed Forces communities. He is also chairman of the board of AAFMAA Wealth Management & Trust.

CLASS OF 1981
Byron Grote, MS ’77, PhD ’81, has retired from his position as executive vice president at BP after 33 years with the company. Grote formerly served as BP’s chief financial officer.

David Pefley is CFO of Adaptive Planning, a market leader in cloud/SaaS corporate performance management, automating planning and analysis with 1,500 customers with 45,000 users in 69 countries.

CLASS OF 1983
Maynard Brown ’76, a former professional basketball player, and chairman of SC Johnson, was the keynote speaker at Johnson’s 6th Annual Alumni Recognition and Celebration Dinner at Guastavino’s in New York City, Jan. 24, 2013, where he was also honored as recipient of the 2012 L. Joseph Thomas Leadership Award. In his presentation, “The Goodwill of People, the Only Enduring Thing in Business,” Fisk said that while most corporate leaders would say their role is to maximize shareholder value, he works as hard as he can to engender trust in his company and make it an instrument for the greater good. “I just don’t see [creating shareholder value] as the ultimate purpose of our enterprise,” he asserted. “That doesn’t mean that we don’t make difficult decisions that highlight successfulness to stay competitive, but … we’re about something much larger and more important.” He said his father would be very proud of this recognition from Johnson and Cornell and accepted the award in his honor from Dean Soumitra Dutta and Dean Emeritus L. Joseph Thomas, for whom the award is named.
Earle Weaver ’82, MEng ’83, is group president at Harbour Group, a St. Louis private equity firm that invests in middle-market manufacturing and distribution companies. His role is to manage multiple portfolio companies.

Fredrick Weber is director of administration at Chapman and Cutler LLP in Chicago. He says, “life is good,” and he looks forward each year to the Chicago Predictions Dinner.

CLASS OF 1985

**Linda Latsko-Lockhart** is founder and CEO of Global Give Back Circle, an empowerment and education program for at-risk girls in Kenya. She says, “Through a Clinton Global Initiative Commitment that I made in 2008, the Global Give Back Circle has grown to become the largest tertiary education program in Kenya for at-risk girls, and 500+ once-disadvantaged girls have scholarships to college plus dedicated mentors. In return, the girls make annual Give Back Commitments to help their local communities and mentor girls who follow. USAID, Microsoft, and MasterCard Foundation are our flagship partners and over 21 private sector organizations in Kenya also support the initiative as an investment in human capital development. The Circle will move to Rwanda in 2013.”

**CLASS OF 1986**

Michael Berman ’79 has joined the board of directors of InspireMD Inc.

Keith Duclos is deputy director, NASA Aerospace Education Services Project (AESP), at Penn State University. He “is pleased to report [that] I successfully completed my doctorate in educational leadership. …It took the better part of a decade to get it done, which as an intentional plan I cannot recommend.”

Donna Spinella ’78, co-founder of AlpenVista Inc., and president of the Johnson Club of Rochester, N.Y, accepted the Henry P. Renard ’54, MBA ’55 Regional Club of the Year Award at Johnson’s 6th Annual Alumni Recognition and Celebration Dinner in New York City, on Jan. 24, 2013. Donna says the club likes to get creative while planning events, and is particularly proud of a green energy panel discussion held a few years ago, “the kind of event the club will be aiming for.”

Gregory Swift is president of Omega U.S.A., Swatch Group, a luxury watch company located in Weehawken, N.J. He and his family live in Newport Beach, Calif.

**CLASS OF 1988**

Anand Chandrasekher ’86, ME ’87 is chief marketing office at Qualcomm. He was featured in a Wall Street Journal interview (“Q&A: Qualcomm’s Display Ambitions,” Dec. 10, 2012).

**CLASS OF 1989**

Robert S. White was appointed to the board of directors of Arricure Inc, a medical device company and leader in cardiac surgical ablation systems.

**THE 1990s**

**CLASS OF 1990**

Michael J. Grisius ’91 was promoted to president of Saratoga Investment Corp., a business development company.

**CLASS OF 1991**

John Sammi was promoted to CEO at Gorges Inc., a software developer in Syracuse, N.Y.

Sonny Sonnenstein ’90 is EVP and chief information officer at Umpqua Holdings Corp., a financial holding company based in Portland, Ore.

Gligor Tashkovich ’87 had a busy year. He traveled to Beirut, Lebanon to help inaugurate a seven-building joint school and orphanage named for his late godfather. He was a guest of the government of Mauritius to speak at their Business Process Outsourcing conference. The U.S. State Department sent him to the Republic of Georgia to observe parliamentary elections: “I was stationed on the Administrative Border Line dodging landmines between Russian-controlled Abkhazia and Zugdidi Province (if you crave some adventure, you can sign up).” Finally, he gave two public lectures at Cornell, as part of Cornell’s Entrepreneurship Seminar Series, and at the Cornell Institute for Public Affairs.

**CLASS OF 1993**

Helen Shan joined Marsh & McLennan Companies Inc. as VP and treasurer. She was previously at Pitney Bowes, where she served as VP and treasurer, and later became VP of finance with responsibility for corporate development and investor relations.

**CLASS OF 1994**

Kamal Ahmed works in Los Angeles as a partner at GTK Partners. He says, “after 17 years at big Wall Street banks, I have joined a boutique bank focused on technology M&A and financing.” He and his wife, Nahid, live in Los Atos, Calif.

John Christmas is the director and co-founder of Directors Chambers in Pieta, Malta, “an association of approved investment committee members for asset management companies and non-executive directors for investment funds…able to provide services throughout the European Union.” He notes that Malta has become one of the most popular jurisdictions for licensing funds.
Peter Kuyper Jr. is CEO and president of the Motion Picture Licensing Corp. He manages MPLC’s day-to-day operations.

Pelin Thorogood ’90, MEng ’91, a new media marketing and analytics expert, was named CEO and board director of Anametrix, the first cloud-based, real-time digital analytics platform. Pelin is a Mentor in Virtual Residence with Johnson’s Entrepreneurship and Innovation Institute.

CLASS OF 1996

Alok Prasad is managing director at Bank of America and head of Merrill Edge, which he helped conceive and launch. Merrill Edge is a Bank of America and Merrill Lynch hybrid that offers clients banking and brokerage services in one, integrated program.

David Strickler was appointed president and CEO of MedAssist Provider Group, part of the healthcare practice of Firstsource, a business process outsourcing company.

CLASS OF 1997

Paul Escobar is a senior investment consultant. He “moved to Orlando to take a role with the Newport Group, consulting on investment issues for fortune 100 retirement plans and insurance.”

Jeffrey Marx Kabel, executive director of J.P. Morgan in London, U.K., was honored as recipient of the 2012 Robert J. Swieringa Young Alumni Service Award at Johnson’s 6th Annual Alumni Recognition and Celebration Dinner in New York City, Jan. 24, 2013. Jeff serves on Johnson’s Advisory Council, and is active with the Cornell Club of London. He hosts events, and also runs a scholarship program that connects Cornell Club of London alumni with second- or third-year U.K. university students and enables them to spend the summer studying in Ithaca.

CLASS OF 1998

Chris Martenson (A), a neurotoxicologist, has created a website, PeakProsperity.com, which offers a “crash course” explaining why the global economy most certainly will crash in our lifetimes. According to Marketwatch’s Al Lewis, who reviewed PeakProsperity, “When the global economy finally collapses, we might look back at the work of…Chris Martenson and say, … that guy was right.”

Rishi Piparaiya was appointed director, marketing and “bancassurance” at Aviva Life Insurance in New Delhi, India. He is responsible for Aviva’s marketing strategy, including brand marketing, communications, channel marketing, digital and online strategy, analytics, and product propositions.

Hernan Saenz, MILR ’98, managing partner at Bain & Company, head of Bain Consulting’s Dallas, Houston, and Mexico City offices, and founder of Latinos@Bain to encourage greater diversity in company hiring, was honored as recipient of the 2012 Distinguished Latino Award at the 2012 Johnson Diversity Symposium, Oct. 27, 2012. A member of Johnson’s Advisory Council, Hernan was named one of the “Top 25 Consultants” by Consulting Magazine in 2011. He says the goal of any successful consultant is to serve and advise his clients, and to work together with them to generate exceptional economic value. “Ultimately, it is the trust that these clients place in us, and their willingness to partner with us, that gives meaning to our careers,” Hernan says. “Without that pillar, we have nothing to stand on.”

Frederick Sandford was named president and CEO at Command Center Inc., a national provider of on-demand and temporary staffing solutions.

Lisa Schwartz and David Walker Jacobsen were married in Key West, Fla. Their wedding was featured in the New York Times Vows section, Feb. 3, 2013.

Simon Yoo is CFO of Kabbage Inc., a provider of working capital for small businesses.

CLASS OF 1999

Paul Belle Isle ’90 and his wife, Amy, celebrated their one-year move-to-New England anniversary in December. Amy and another woman are growing their nonprofit, Operation Shower, “into a national presence, and I have been getting my feet underneath me at Fidelity. It’s definitely an adjustment returning to the big-company environment, but overall the industry change
to financial services from telecom has gone smoothly.”

Marshall Chapin is COO of a new venture capital and operation company, Bayesian Ventures, “creating life sciences companies initially targeted at brain and breast cancer. He says, “We’re still keeping a relatively low profile with just a placeholder website, but we’ve partnered with the Whitehead Institute, the Koch Institute / MIT, and Brigham & Women’s Center / Harvard on a number of patents, and two companies are already formed. It’s inspiring work and I’m looking forward to a return to the startup world.”

Bill Davis and his family live in Houston, and enjoy being back in the U.S. He writes: “After managing a business analysis team, I got an exciting new assignment in ExxonMobile and travel frequently to D.C. In Houston, Gloria Guo (at Chevron) and I work nearby and apparently share the same work ethic — I ran into her on the street way late on the evening before Thanksgiving break; both of us were on our way home from work.”

Luis Del Valle and his wife, Becky, have two children, Emma and Kurt. Luis says: “Our life has changed dramatically but for the better. I still am able to do all the politically incorrect things such as shooting and hunting, and once the kids get older we’ll all go camping.”

Joe and Deb King Garber report that Joe is VP of marketing for Renew Data, and Deb is global brand manager at HP.

Wendy L. Schoppert ’88, MBA ’89

When Wendy L. Schoppert mentors young professionals hoping to follow in her footsteps, she always offers the same advice: “Make yourself uncomfortable,” she says, “because if you’re not uncomfortable, you’re not learning.”

That philosophy has guided Schoppert through a series of companies to the position that has been her career goal since earning her MBA: CFO, a title she assumed two years ago at Select Comfort, a Minneapolis firm that designs, manufactures, and retails the Sleep Number bed.

“I very deliberately sought out new areas to learn instead of taking a vertical route,” Schoppert says. “I decided to move around into different functional areas to build up my toolkit for future roles.”

At Select Comfort, Schoppert followed her own advice when she became CIO, although she had no previous leadership experience in information technology. It was 2008, the height of the economic meltdown, and Schoppert boldly slashed IT expenses by more than 50 percent — a tough move that ultimately contributed to a turnaround of the company. “We literally saved the company by focusing on our core business and building a lower cost structure,” Schoppert says. Last year, Select Comfort increased sales by 26 percent and earnings-per-share by 34 percent.

Schoppert attributes the company’s growing market share to three key strategies: increasing awareness of the Sleep Number brand, optimizing and expanding the retail store portfolio, and adding innovative products, such as the adjustable pillow and memory foam series.

Although Schoppert’s career has spanned the travel industry, financial services, and consumer products and retail, one common thread is her appreciation for analytical, data-driven decision making. She recalls her fascination for math as a child growing up near Princeton, N.J.; she later majored in math at Cornell. “I loved the problem-solving aspect of math,” she says.

When she isn’t working, Schoppert loves to go on adventure tours with her 12-year-old son, Brett. So far, they have visited Alaska, France, Spain, Italy, and the Galapagos Islands. “What I enjoy providing for my son is an appreciation of the world outside the U.S.,” says Schoppert, who was recently appointed to the University’s President’s Council of Cornell Women. “I want to make sure he has a global perspective as he grows up and decides how he wants to contribute to the world.”

— Sherrie Negrea
Auke G. Cnossen, MBA ’04

GREENHOUSE GROWING in China

China has 22 percent of the world’s population but only about eight percent of its arable agricultural land. How to generate enough food to supply the world’s largest country is a dilemma for which Auke G. Cnossen claims to have a solution: investing in companies that intensify agricultural production.

As the chief financial officer of Le Gaga Holdings Limited, based in Hong Kong, Cnossen has helped lead one of the largest greenhouse vegetable companies in the world. With 1,768 acres of greenhouses (which allow food to be grown in winter) in southern China, the company produces 275 million pounds of vegetables each year, primarily peppers and tomatoes grown in all shapes and sizes.

The company’s vegetables are distributed to wholesalers and supermarkets in China and Hong Kong, where a food shortage persists. “It’s so extremely fragmented — there are millions and millions of small farms,” Cnossen explains. “These are small farmers who don’t own their land. It’s owned by the community. And they have very little technological know-how.”

Serving a market of more than 1.3 billion people, Le Gaga has doubled its greenhouse capacity since the company was listed on the NASDAQ in October 2010, three months after Cnossen was hired. The IPO raised $78 million, which was invested in greenhouse expansion and has fueled an annual growth rate of 20 percent.

Raised on a dairy farm in Holland, Cnossen arrived in Hong Kong in 2006 as head of food and agribusiness research for Rabobank International, a Dutch company. While working from Hong Kong makes it easier to travel to Le Gaga’s greenhouses, Cnossen finds that living in one of the world’s most densely populated areas doesn’t allow him to pursue his favorite hobbies — flying planes and biking through the countryside.

Instead, he still runs marathons and enjoys making his own beer, which he learned from a class he took at Cornell. “I’m an outdoors person,” he says. “I like to do sports, and that’s difficult here. But work-wise, I really enjoy it because there’s so much opportunity.”

— Sherrie Negrea

In their free time they do “lots and lots of skiing. Now that our daughter is six she can participate in the ski-racing program at Brundage Mountain where we have a cabin. Therefore, we are on the slopes every weekend!”

Molly Rihn Meyer and her husband, Bill, “were thrilled to welcome baby Kate into our family on Labor Day of last year. She joins Even, 5, and Ellie, 4. Obviously, I spend my days juggling kids, and on the side I’ve been busy planning seminars and retreats for women.”

Scott Neuman ’93 and his family have moved to Prague for Scott’s two-year international assignment with IBM to head up marketing for Central and Eastern Europe. He and his wife, Amy, “took a trip over in early January to find a place to live and visit the international school for Annie, eighth grade, Henry, sixth grade, and Emma, fourth grade.”

THE 2000s

CLASS OF 2001

Anuj Dua, MEng ’94, works at Intel Corp. as chief of staff to the CEO. He says, “18 years at Intel, and two degrees from Cornell, have defined my years in the U.S. Along the way I’ve had the good fortune to meet remarkable people, make lifelong friends, and start a beautiful family.” Anuj and his family live in San Jose, Calif.

Trisha Husson is a senior VP with Fox Networks group in Los Angeles.
CLASS OF 2003
Brett Blumenthal ’95, BArch ’96, is CEO and founder of Sheer Balance. She shared her insights on a more successful approach to New Year’s resolutions in the Huffington Post, Dec. 18, 2012.

Jeff Brown was appointed head of Aetna Voluntary Plans at Aetna. He is responsible for product strategy, pricing, and positioning, and overall operations for the business line.

Stephen Marx is VP and executive director of Goldman Sachs and Co., Jersey City, N.J.

John Morgan is managing director and senior analyst with Epoch Investment Partners. He and his wife, Amy, have three children: John, 5, Nicholas, 4, and Mackenzie, 2.

CLASS OF 2004
Melissa Kollitides was promoted to EVP at Collette Vacations. She is responsible for overall brand development, acquisition and retention strategies, and marketing and advertising across Collette’s global operations.

Jose Montero (E) was appointed CFO at Copa Holdings. Copa Holdings, through its operating subsidiaries Copa Airlines and Copa Airlines Colombia, is a Latin American commercial aviation provider of passenger and cargo service.

CLASS OF 2005
Troy Glover was appointed senior VP at New York Life, in charge of the company’s long-term care insurance operation, based in Austin, Texas.

CLASS OF 2006
Hitendra Chawla is a marketing director at Medtronic, Inc., Northridge, Calif. He was promoted to director for international marketing in June, with responsibility for commercial marketing and market development. In October, he “relocated to my homeland for an assignment for Medtronic for about two years. I will be based in Mumbai...my role will involve hiring, building, and training the local marketing and SFE teams...to help build the marketing and sales infrastructure for growing the India business.”


Jeremy L. Hlavacek has been named VP of operations and strategic partnerships at WeatherFX, The Weather Company (TWC). He is responsible for “corralling TWC’s mammoth weather data and making it available to the company’s marketer clients, as part of the technology platform that will power WeatherFX across all TWC’s channels.”

Robert Kirby is COO of Kemnay Advisory Services. Kemnay is a family office investment adviser located in New York City.

CLASS OF 2007
Eric Ferguson is VP, media client services, at Nielsen. Eric lives and works in New York City.

Janet Helms ’88 is a business development specialist with Pfizer. She reports that she “walked a 10K in Iceland, while Jen Chang, MBA ’07, ran a marathon.”

Eliecer Palacios, SVP and energy strategist with Maxim Group in New York City, has been appointed to EnerGulf’s board of directors.

Dinesh Singh is the director of student engagement at Sunstone Business School, which has centers throughout India. He lives in New Delhi.

Enzo Villani gave a presentation, “US JOBS Act and Crowdfunding: Reforming Capital Creation and Access,” on March 12, as part of the Cornell Entrepreneurship Seminar Series. Enzo is founder, chairman, and CEO of Sustain Communications LLC, and director of corporate strategies for the SoHo Loft Capital Creation events.

CLASS OF 2008
Joana Baquero is a shopper marketing brand manager at Colgate Palmolive. He “moved to Rhode Island last August for a new role” with the company.

Jim Bride and his wife welcomed their second child, Carolyn, in September.

Liz Edwards ’03 is a brand manager for Constellation Brands’ Robert Mondavi Winery, having “switched from my job in the spirits industry in New York City to the wine industry. …I work out of San Francisco, but also out of the winery in Napa every week. It’s still completely unreal to work on one of the world’s most iconic wineries and help to shape its future.”

Karolina Kocelevski (E) is the director and marketing lead of transaction services at PwC LLP, the U.S. firm of the worldwide PricewaterhouseCoopers organization. Kocelevski manages a small team and develops integrated marketing programs, including monthly e-newsletters and webcasts on key M&A issues that support PwC’s business priorities. “This year, I re-vamped and re-launched our external website and I am also working on a new, online, digital-display campaign that will bring our target audience back to our thought leadership or webcast archives for insight on key M&A issues,” Kocelevski said in a profile in Inside Johnson (October 2012).

CLASS OF 2009
Muqtadar Ahmed has “moved to Ernst & Young these days, still in consulting, and I have moved from Austin to Chicago.”

Nad and Joanne Cheng Ajlani ’04 had a busy year, moving into “what we hope to be our semi-forever apartment in November,
right after daughter, Addison’s, second birthday…[we] have lived in 7 apartments in the last 8 years.” And “our second daughter, Emma Kanghui, decided to surprise us New Year’s Eve, almost three weeks early!”

Karen Albright joined Towers Watson as the product manager for the firm’s usage-based insurance program. “The best part is I get to work out of my home.” Karen’s husband, Chris, enjoys working at Goodrich Aerospace. Their daughter, Sarah, turned one in December.

Ambrish Bansal and his wife, Arshi, welcomed a daughter, Ayaana Singh, Dec. 20, and Ayaana is “now training her parent during night shifts.” Ambrish writes: “Professionally doing well, got promoted to VP last year, and have been involved in Johnson recruiting for Citi.”

Erin Bina and her husband, Shane, welcomed a son, Grayson Kean Kelly, Jan 8. “Grayson teaches us every day how much we have to learn about being parents. Erin is still having a great time at GE Renewables and working with the Aspen Institute as part of the First Movers fellowship program.”

Santiago Canela says, “Hi, got married.”

Michael Chang lives in New York City, and is “starting year 4 at Citigroup.”

Alice Chen has been “moving across continents.” In 2010, she settled in Tianjin, China, to work with a real estate firm, Jones Lang LaSalle, in their strategic consulting and research team. “I learned to adjust to China’s real estate development speed, including serving clients in developing a ‘Manhattan knock-off’ in the Tianjin port areas.” Her next move will be “further west to the Middle East (not sure if that’s the wrong direction from where I am now)…to Oman to continue my real estate ventures.”

Andrea Findley, MPA ’09, and Jeff Fuchs, MBA ’08, were married over Labor Day in Andrea’s hometown of Lake Arrowhead, Calif. On the professional front, Andrea “continues with Accen- ture Development Partnerships leading up an awesome initiative with the largest Catholic healthcare company in the U.S. to help shape their contribution to the global health of the world’s most neglected people.” She is based in Albany, NY.

Jeff Gangemi and his wife, Shannon, welcomed a daughter, Maya Beatrice, Nov. 20. Jeff and Shannon live in Burlington, Vt., working on sustainability consulting and songwriting.

Taryn Goodman ’00 is director of impact investing at RSF Social Finance in San Francisco.

Sarah Scudder Heddenston and her husband, Jonathan, welcomed a daughter, Norah Elizabeth, Nov. 7. She writes: “We are all adjusting well…even taught our dog to retrieve diapers.” Sara is a manager at Deloitte Consulting, and lives in Fairfax, Va.

Tim Hlavacek joined Bank of America as a relationship manager, and relocated from Hoboken to Boston.

Maggie Chan Jones is senior VP, North America marketing, at Level 3 Communications, a multinational telecommunications and Internet service provider company in Broomfield, Colo. She sees herself as “an entrepreneur in the corporate world.” As she put explained in her profile in Inside Johnson, “Change is a constant in the technology/telecom industry. We’re moving at a very fast pace and you have to be flexible and able to react quickly.” Maggie recently accepted Cornell’s invitation to join the President’s Council of Cornell Women (PCCW).

Chris Kriers is a senior consultant in Boeing’s new “professional services” (airline consulting) business, and enjoys the work, most of which is international. Chris’s wife, Elizabeth, son, Oliver, one-and-a-half, and new daughter, Alice Elizabeth, are settling into their new home in Bellevue, Wash.

Jason Krieger reports that all is well in Chicago. Son, Finn, is one-and-a-half. “Work is going well for me, and [wife] Holly is enjoying her work days as well, which are filled with diapers, play dates, and cartoons!”

Ray Lansigan was promoted to associate partner at Rosetta Marketing Strategy & Insights.

Alvin Lin joined Alexion’s Soliris U.S. marketing team, and is based in Connecticut.

Peter Marmer received a promotion at Walmart, and works on an operations finance team supporting one of the company’s divisions. He says, “despite what you read and see in the news, Walmart is a great company to work for! Northwest Arkansas continues to be the best place I have ever lived…a ton going on around here.”

Amit Mathur is co-founder and general manager of Counter Variance. He and his family live in Mumbai, where he is “connecting with those moving back to India after their stint in the Western world, and enjoying being part of the India growth story.” His son, Aryan, is 4, and wife, Priti, is an architect.

Saurabh Mundhra and his wife, Deepshikha, welcomed a daughter, Vanshika, Dec. 27. Another highlight of 2012 was attending a Cornell event in Mumbai, hosted by Ratan Tata and attended by President Skorton and “accomplished alumni from all over India.” Saurabh works in the renewable energy industry as a project developer in solar power at Simplex Infrastructures Ltd.

Susan Ngo is a senior consultant with Deloitte in their Boston office, and has moved to Manchester, Vt. Gary Gordon, MILR ’09, recently visited Susan to help celebrate her birthday.

Stacie Palmer is a director of state operations for Minnesota and Missouri at Liberty Mutual, and works in the firm’s Boston office. Her husband, Andrew, is an in-house counsel for a digital media company in Boston. They live in Boston’s Back Bay. Their son, Michael, is now a toddler.
and “with Michael’s ever-expanding toy collection we expect to head for the suburbs...as long as someone agrees to sell us their house.”

Alex Pan joined an early-stage video game startup, and has been working many late nights and weekends. He says, “I’ve been a gamer all my life so it’s pretty exciting that I’m working with the creator of Lemmings and Grand Theft Auto. Our game is called ChronoBlade, and we’re launching this spring.”

Brandon ’04 and Andrea Tebay Richter welcomed a daughter, Avery Catherine Madigan, Nov. 16. Andrea is with Pepperidge Farm, working on the Goldfish brand. Brandon is with Hamilton Robinson Capital Partners, a private equity firm in Stamford, Conn.

Ben Rollins is working full-time on his explosives/drugs detector company, Vaporsens.com, which just received a grant from the National Science Foundation. He is also part of a “migraine glasses” company, AxonOptics.com, with two researchers from the University of Utah. Ben and his wife, Nicole, live in Utah with their three children, Luke 9, Caleb, 6, and Greta 3.

Richa Sharma works at Chevron in the San Francisco Bay Area as area planner for West Coast operations, which means she “spends her days (and nights) coordinating tankers, refineries, and traders.” On the personal front, she married her long-time sweetheart, Eduardo, bought a house, and adopted a very active dog.

Daria Lee Sharmar ’00 is director of market strategy for the USAA Federal Savings Bank.

Ping Shen moved to Seattle and took a job in customer strategy at T-Mobile. He says that although it is a bit gray in the Emerald City, “the sight of Puget Sound, Mount Rainier, or the REI flagship store never fails to bring a smile to my face.”

Phil Sieper is a project manager at Sopheon in Denver, Colo.

Sara Standish and Ben Hansen were married in New Orleans Oct. 13, and honeymooned by traveling to 16 national parks from Alaska to Florida, “hiking, avoiding bears, and eating a lot of ramen noodles.” On their return to Boston, Ben was promoted to group manager in finance global strategy in Gillette, and Sara joined a startup, health care nonprofit HealthLeads.

Liz Schuster Sytsma works for CultureWorks Greater Philadelphia, a nonprofit that provides management services to arts, culture, and heritage organizations. She writes: “We recently opened a co-working space for the cultural community that is starting to take off.” Liz and her husband also spend a lot of time sending and painting their 100-year-old fixer-upper in Mt. Airy, Pa.

Adam Treadwell works for Cigna on the international side of the business, and “the family and I are still livin’ the dream in Wilmington, Del.”

Sarah Finley Tutjer is the merchandise manager for Skagen stores worldwide, managing a buyer and selecting products to be featured in the stores and on the Web—right now, only watches, but Skagen plans to bring in other product categories. Sarah writes: “It’s pretty much my dream job, filled with lots of European travel. Finally, I’m being paid to go shopping.”

Tayfun Uslu is “very much located in Istanbul.” He co-founded an e-commerce (private shopping) company, which now has more than one million members.

Ryan Cole and Ann Tracy were married in a ceremony presided over by newly ordained Ryan Legg.

Brandon Ray and his wife, Jaclyn, welcomed their first child, Sloan Marie. Brandon works for Booz & Company in their Washington, D.C. office.

Erik Simanis, PhD ’10, managing director of market creation strategies at Johnson’s Center for Sustainable Global Enterprise, contributed a chapter to the 2013 edition of A Planet for Life Series — Sustainable Development in Action, a compilation of 30 contributions from 53 authors from all across the world. Erik’s chapter, “Bringing the Bottom of the Pyramid into Business Focus,” critically assesses the proposition that corporations can simultaneously grow sales and profits and alleviate global poverty by developing products for those at the “Bottom of the Pyramid” — the four billion poorest consumers globally.

Jennifer Walvoord is an underwriting officer for Liberty Mutual, focusing on growing the company’s specialty products business in Latin America.

Peter Ward (E) is global head of marketing communications at Newedge and president, Newtown Youth Basketball Assoc. After the Newtown tragedy, Peter helped to organize a week-long free-play program in a large facility owned by the Newtown Youth Academy, and welcomed more than 4,000 children from the area to participate in sports, games, and other activities — anything to get their minds off of what had happened days before. Longer-term support plans were already in development, Peter says, “but I knew we had to do something immediately to give kids and their parents a sense of security.”

Michael D. Baldoni (E) is a VP with Bank of America Merrill Lynch.

Kate Chevarley, MILR ’11, is an HR manager with American Express in New York City.

Priya Dasgupta joined Enterprise for a Sustainable World to help establish their Indian Institute for Sustainable Enterprise in Bangalore, India.

Kelly Dwyer got married.

Nathan Iglesias is at Forward Operating Base Ripley, Tarin Kowt, in Uruguan province, Afghanistan. He is completing the
second half of his deployment attached to a Navy Seal team, providing intelligence support.

Miran Koo is a manager, strategic alliances, with Adobe Systems in San Francisco. She says, “Jim and I are adjusting to West Coast life well and are enjoying settling into our new place — our first home together.”

Rachel Mozdy ’93 is a commercial operations manager for Gorilla Glass at Corning Inc. Her daughter, Rebecca, is a freshman at Cornell, studying engineering.

Juliana Rodriguez is team lead of the Mexico/Caribbean revenue management group at American Airlines.

Tyler Williams, MPS ’11, has left the real estate investment banking group at Bank of America Merrill Lynch to join the real estate private equity group at Guggenheim Partners.

CLASS OF 2012

Alessandro Anzani is a managing member of Smartup Capital LLC, “starting the fourth U.S. company in less than two years, focused on wealth management for Brazilian individuals.”

Ryan Davis is a U.S. Navy lieutenant commander. He says he is transferring to commander, U.S. forces in Japan, and will be living in the Tokyo area.

Vladimir Gotlieb (E) and Oleg Pavlov, MBA ’11 (E), PhD, co-authored an article about offshore medical schools, the high quality of the training they provide, and the important role their graduates (90 percent of whom are American) play in providing primary care in New York state. In “A Caribbean remedy for financially sick N.Y. hospitals and the primary care shortage” (MedCity news, March 6, 2013), the authors argue against restricting these medical students from taking clerkships at state teaching hospitals. Vlad is the chief of hematology and oncology and a fellowship director at the Nassau University Medical Center. He is also an assistant clinical professor of medicine at Weill Cornell Medical College and associate clinical professor of medicine at New York College of Osteopathic Medicine. Oleg is an associate professor of economics at the Healthcare Delivery Institute at Worcester Polytechnic Institute. His expertise is in multi-sector computational analysis that accounts for feedback and resistance to change often exhibited by complex systems.

Natalie Grillon is in Gulu, Northern Uganda, for the second part of her fellowship with Acumen Fund. She manages the organic sesame, chili, and cotton businesses at GADC, an agricultural development company.

Muni Madhdhipatla is a VP at Avaya, a business communications company. He leads a business unit focused on secure communications.

Edward F. Arps ’56, MBA ’57
Bernhard Bock, MBA ’54
Thomas Y. Ellis ’55, MBA ’56
Jacques Habit, MBA ’71
Dale Johnson, MBA ’54
William B. Kent ’48, MBA ’54
Richard A. Kneen ’60, BMEng ’61, MBA ’62
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