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MARKS OF DISTINCTION: OUR CENTERS AND INSTITUTES

In this issue, we're proud to feature Fisk Johnson, CEO of SC Johnson, and the campaign he's leading to end plastic ocean waste. Other stories that highlight the importance and impact of corporate social responsibility include a profile in leadership about Christina Keller, MBA '07, CEO of Cascade Engineering; an op-ed about the Business Roundtable's statement on "the purpose of a corporation" elevating the needs of all stakeholders by Chris Marquis, Samuel C. Johnson Professor in Sustainable Global Enterprise; a review of a new book on how peer pressure can drive positive social change by Robert Frank, Henrietta Johnson Louis Professor of Management; and an overview of a report on the environmental impacts of overtourism by Mark Milstein, clinical professor and director of the Center for Sustainable Global Enterprise (CSGE), and Megan Epler Wood, managing director of CSGE's Sustainable Tourism Asset Management Program.

These voices resonate at Johnson, where business for good has been a cornerstone of our values for decades. Our Center for Sustainable Global Enterprise, established in 2004 through the generosity of Sam Johnson, Fisk's father, enriches our students' experience in many ways, including through the SGE immersion, two speakers series, the Environmental Finance and Impact Investing Fellows program, and student clubs such as Big Red Microenterprise.

Johnson's other centers and institutes also distinguish our school through thought leadership and unique learning opportunities. The Parker Center for Investment Research, the Smith Family Business Initiative, and the Emerging Markets Institute are great examples that profoundly affect our faculty and students. Now, as part of the Cornell SC Johnson College of Business, we have the opportunity to extend the impact of Johnson's centers and institutes across the Dyson School and the School of Hotel Administration (SHA), as well as to benefit from the activities of their centers and institutes, including Dyson's Cornell Institute for China Economic Research and SHA's Center for Hospitality Research.

Our Office of Diversity and Inclusion (ODI) is another area of distinction we have invested in at Johnson. ODI is celebrating its 20th anniversary this year, and we are proud to be the first top business school with an organization devoted to attracting and supporting women and minorities in business.

We are always looking for opportunities to adapt, change, innovate, and improve, and I'm happy to announce that we have identified fintech as our newest area of distinction. We



have launched a college-wide fintech initiative that will tie together all the fintech-related expertise, research, curriculum, and outreach activities of the schools in our college and that will offer new opportunities to attract greater engagement and support and increase our impact in the fintech arena. Through this initiative, we can prepare tomorrow's fintech leaders; serve as a hub for ongoing engagement for students, alumni, and industry; and create and share groundbreaking research.

As a school with deep expertise in fintech, Johnson is playing a key role in developing this new fintech initiative. We already offer fintech-related courses, and several members of our faculty are fintech thought leaders, including Will Cong, Rudd Family Professor of Management, who has published extensively on blockchain; Maureen O'Hara, Robert W. Purcell Professor of Management, an authority on high-frequency trading as well as bitcoin transaction fees; Andrew Karolyi, Harold Bierman Jr. Distinguished Professor of Management, who, as executive editor of the *Review of Financial Studies*, inspired new approaches to research in fintech; and Drew Pascarella, Rempe Wilson Distinguished Lecturer, who led Johnson's inaugural fintech intensive on the Cornell Tech campus in New York City.

Alumni of all three schools in our college contribute to our centers and institutes in many ways and play a critical role in how we engage with our many stakeholders. I am deeply grateful for all your participation and support and look forward to engaging with you in these and other exciting Johnson initiatives!

A handwritten signature in black ink that reads "Mark W. Nelson".

Mark W. Nelson

Anne and Elmer Lindseth Dean

JOHNSON CELEBRATES 20 YEARS OF DIVERSITY AND INCLUSION

Johnson's Office of Diversity and Inclusion marks 20 years of supporting woman, URM, and LGBTQ leaders.

[By Janice Endresen]



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CHINA SHAKES THE WORLD

Emerging markets remain strong as China's economy takes the lead and holds fast to its growth trajectory.

[By David McKay Wilson]

FISK JOHNSON, CEO OF SC JOHNSON: A CHAMPION IN THE CRUSADE AGAINST PLASTIC OCEAN WASTE

Fisk Johnson talks about his own and SC Johnson's commitment to end plastic waste.

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The Sabanci Bridge immersive telepresence technology connects classrooms in Ithaca and New York City. [By Janice Endresen]

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**PRESIDENT AND CEO OF
CASCADE ENGINEERING**

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Ann Richards actively promoted diversity at Johnson and was the first point of contact with students around the world. [By Linda Brandt Myers]

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Anne and Elmer Lindseth Dean

Mark W. Nelson

**Chief Marketing Officer and
Associate Dean of Marketing
and Communications**

Cornell SC Johnson College of Business

Barbara Scott

Editor

Janice Endresen, MA '85

Copy Editor

Ellen Henrie

Design

margotgrisar.com

We welcome feedback from readers.

Address letters to:

Cornell Enterprise

Johnson at Cornell University
Breazzano Family Center
for Business Education

209 Dryden Road, 5th Floor
Ithaca, N.Y. 14850

Phone: 607.254.8936

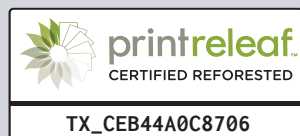
Email: Enterprise@johnson.cornell.edu

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A NONPARTISAN APPROACH TO FIXING THE POLITICS INDUSTRY

David J. BenDaniel Ethics Lecturer Katherine Gehl advocates for political innovations like ranked-choice voting to break partisan gridlock.

[By Merrill Douglas]

“Washington isn’t broken. In fact, it’s doing exactly what it’s designed to do,” said Katherine Gehl, delivering the 2019 David J. BenDaniel Lecture in Business Ethics at Johnson in Sage Hall on November 19. The real problem, Gehl maintains, is that our political system is designed to serve the interests of the two major parties and their biggest supporters — not the public interest.

“It was never designed for us,” said Gehl. “The system has been designed and continuously fine-tuned and optimized by and for the benefit of two private gain-seeking organizations: the two major political parties and their industry allies, which together comprise what we call the ‘political industrial complex.’

“Politics in America has become a major industry, and it functions in many ways similarly to other industries,” Gehl told the audience of students, staff, and faculty from across the Cornell SC Johnson College of Business. This particular industry is a duopoly, she said, and although its customers, the American people, might not like what it delivers, the marketplace offers no viable alternatives.

Change the rules to foster innovation

To attack this problem, Gehl recommends that Americans change the way we run elections. “The rules have been made up to serve partisans and not to solve problems,” she said. “To transform the system, we have to reengineer the rules of the game to incent healthy competition on dimensions that serve

the public interest.”

Gehl’s views on political competition grow out of a long career in the private and public sectors. She is the former CEO of Wisconsin-based Gehl Foods, a \$250 million food manufacturing firm, which she sold in 2015 to devote more time to political innovation. As CEO, Gehl led an aggressive growth strategy, driving transformations across the company ranging from management and processes to facilities and information systems. Before that, she held roles at Bernstein Investment Research and Management, the City of Chicago, the Chicago Public Schools, and Oracle Corporation. Gehl also serves on the board of directors of the Overseas Private Investment Corporation, a federal agency.

According to Gehl, the political duopoly undermines the great American experiment. It’s not that government leaders don’t agree on the outlines of solutions to issues such as poor K-12 education, inadequately skilled workers, and high rates of infant mortality, she said. “It’s that we no longer have any ability to get things done.”

That’s because our politics are rigged mainly to help major party candidates win elections, Gehl said. When a legislator votes for solutions that would benefit a broad range of constituents, rather than bow to demands from special interests and highly ideological voters, that legislator will likely face a primary challenge from the extreme left or right in the next election.

Because they need to stoke party



Katherine Gehl, former CEO of Gehl Foods and co-author of *The Politics Industry: How Political Innovation Can Break Partisan Gridlock and Save Our Democracy*, delivered the 2019 David J. BenDaniel Lecture in Business Ethics at Sage Hall, November 19, 2019.

loyalty to win votes, elected officials often prefer *not* to solve our country's problems, Gehl maintained. "If the industry keeps alive divisive issues, like immigration, guns, and healthcare, and they continue to fester, then partisans and special interests on both sides are energized to continue to vote and engage along those very compelling product lines."

The politics industry needs healthy competition

In a healthy industry, when businesses don't deliver what customers need, entrepreneurs jump in with fresh ideas. But our political duopoly makes such competition impossible, Gehl said.

Gehl explores this dilemma in a report co-authored with Michael Porter, Bishop William Lawrence University Professor at Harvard Business School: "Why Competition in the Politics Industry is Failing America: A Strategy for Reinvigorating Our Democracy." In 2020, the two will publish a book on the subject, *The Politics Industry*:

How Political Innovation Can Break Partisan Gridlock and Save Our Democracy (Harvard Business Review Press, June 2020).

One example of how our system kills competition is its treatment of third-party candidates, Gehl said. According to recent rules set by the two major parties, any donor can contribute up to \$847,500 to either party or to both. "But if you would like to support an independent candidate, you are limited to \$5,400 once every two years," she said.

Top-five primaries and ranked-choice voting

Suggesting election reform as a means to break the political duopoly, Gehl described two potential innovations: top-five voting in primaries and ranked-choice voting in general elections.

Under top-five voting, candidates of all parties would compete in one primary election. The five who won the most votes would proceed to the general election, where voters would

rank candidates in order of preference. If no individual won more than half of the first-place votes, there would be an instant, computer-driven series of runoffs until someone achieved a majority.

Among other advantages, this new design would eliminate the "spoiler argument" that discourages votes for third-party candidates. It would also let elected officials vote for measures they believe make sense, with no fear of being "primaried," Gehl said.

People who want to change the rules of our political game, to reclaim the American Dream, need to get active in the campaign, fund the effort, and evangelize for the cause, Gehl told the audience. "I sold my company in part to do this work. And I hope that a good number of you will be all in, too."

The David J. BenDaniel Lecture in Business Ethics was established and endowed to emphasize Johnson's strong interest in ethical business leadership and commitment to educate moral leaders.



Drew Pascarella

MBAS FOR A CHANGING WORLD

Drew Pascarella, associate dean for MBA programs, Rempe Wilson Distinguished Lecturer and senior lecturer of finance, predicted that 2020 “will be a period of increasing uncertainty” due to “the U.S. presidential election, economic and environmental impacts of climate

change, the shifting landscape of global trade and alliances, uncertainty around a possible recession, etc.” Quoted in a Poets & Quants article, “B-Schools Predict What 2020 Has in Store” (Dec. 23), Pascarella continued: “To navigate these complex issues and their uncertain outcomes, the corporate world will need more courageous, dynamic, empathetic, cross-functional, data-driven executives who are skilled at leading through volatility, uncertainty, complexity, and ambiguity. ... As uncertainty continues to create unforeseen problems and opportunities, the need for problem-solving MBAs experienced in leading through change will be greater than ever before.”



Andrew Karolyi

CLIMATE FINANCE: KEY TO MITIGATING CLIMATE CHANGE

Andrew Karolyi, deputy dean and college dean for academic affairs at the Cornell SC Johnson College of Business and professor of finance and Harold Bierman Jr. Distinguished Professor of Management at Johnson, was featured in a Q&A in

Accounting for Sustainability (Dec. 10) about the importance of climate finance research. “Climate finance ... is about the need to mobilize trillions of dollars in public and private capital for infrastructure investments for adaptation and mitigation of climate change,” said Karolyi, who edited a special volume of the *Review of Financial Studies* on climate finance (to be published in early 2020). “Finance scholars need to see the opportunity in building programs of study structured on the fundamental questions featured in the climate finance volume in the *Review*, in writing innovative new case studies of companies and investment management firms dealing with hard questions related to climate change and global warming, and in featuring as guest speakers the corporate officers dealing with these issues. I am confident there will be many more such courses launched in the next five years.”



Kaitlin Woolley

FOOD, LONELINESS, AND LONG-TERM GOALS

Research by **Kaitlin Woolley** showing that restricted diets predict loneliness was cited in several publications, including articles in *Psychology Today*, PsychCentral, and *U.S. News & World Report*. “Despite being physically present with others,

having a food restriction leaves people feeling left out because they are not able to take part in bonding over the meal,” Woolley said in the *U.S. News & World Report* story, “Festive Foods Can Leave Those on Restricted Diets Out in the Cold” (Dec. 29). An article published in Medium cited another paper co-authored by Woolley, “Immediate Rewards Predict Adherence to Long-Term Goals,” published in the *Personality and Social Psychology Bulletin*. “The researchers found that enjoyment predicted people’s goal persistence two months after setting the goal far more than how important they rated their goal to be,” noted the Medium article (“Study Shows How to Make Your Long-Term Goals More Achievable,” Dec. 14).



Hyunseob Kim

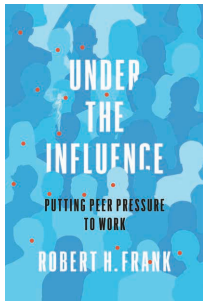
LAYOFFS SET WORKERS BACK UP TO SEVEN YEARS

Hyunseob Kim, an assistant professor of finance who has expertise in corporate finance, governance, and labor economics, was quoted in the *Washington Post* about Forever 21 workers who are organizing for protections in the face of the fashion retailer’s bankruptcy, “Forever 21

is filing for bankruptcy. But its employees aren’t going down without a fight.” (Oct. 4). “The threat of being laid off with little to no severance isn’t the only financial pressure workers face,” said Kim in the article. “The impact on a worker’s income can last as long as seven years when taking into account lost earning potential, the unpaid time and resources spent looking for a new job, and the periods full-time workers may spend earning less if only part-time work is available, he said. Skills specific to a particular store or industry don’t always translate across industries, further reducing a worker’s earning potential.”

UNDER THE INFLUENCE: HOW BEHAVIORAL CONTAGION CAN DRIVE POSITIVE SOCIAL CHANGE

By John E. Young



Under the Influence: Putting Peer Pressure to Work by Robert H. Frank
(Princeton University Press, January 2020)

For all our high-minded talk about free will, humans often don't behave all that differently from sheep: whether it's where we live or what we drive, we tend to follow the flock. Through a well-documented process of "behavioral contagion," our friends' and neighbors' choices profoundly affect our own, argues Professor Robert H. Frank in his newest book. And those choices, added up, have enormous economic, social, and environmental consequences.

Frank, the Henrietta Johnson Louis Professor of Management and professor of economics at Johnson, takes a fresh approach to the economics of this phenomenon in *Under the Influence: Putting Peer Pressure to Work* (Princeton University Press, January 2020). Behavioral contagion has concerned economists at least since Thorstein Veblen decried "conspicuous consumption" in *The Theory of the Leisure Class* in 1899. Like Veblen, Frank is shocked by the waste of today's arms-race-like competition for 5000-square-foot homes, luxury SUVs, and other "positional goods." But while conscious of the absurdity of today's consumption excesses — like the proliferation of "destination weddings" and bachelor and bachelorette parties — he views moral arguments over positional spending as a political dead end.

Instead, as with his previous, well-known work on income equality, Frank is motivated more by societal opportunity than moral unease. Blaming people doesn't change their minds, and there are often perfectly rational reasons to follow the herd, such as when the hunt for good schools drives people into the same, ever-more-expensive neighborhoods. Although individual choices may make perfect sense, in combination, they amount to economic madness and "profound waste."

In that waste, Frank argues, lies great opportunity. A vast sum — he estimates it at more than \$2 trillion per year — could be freed up by imposing higher tax rates on top earners. Such taxes could curtail costly "expenditure cascades" created by demand for those goods. "It's free money!" he says, noting that when the wealthy all build bigger houses, the effect is merely to raise the bar that defines adequate.

Frank sees the tax phobia that prevails among many well-off Americans as rooted in the belief that higher taxes would

make it harder for them to buy what they want. He calls that seemingly plausible belief "the mother of all cognitive illusions." It would, of course, be true, he says, if only one person were taxed. But if top earners all faced higher rates, their relative purchasing power would be unaffected. And because the ability to bid successfully for life's special extras depends only on relative income, the same penthouse apartments with 360-degree views would go to the same high bidders as before. But the same tax changes would reduce the environmental and social costs of larger houses and bigger vehicles.

Frank also proposes that "Pigouvian taxes," named after the English economist who first proposed them, be targeted at socially damaging activities — such as drinking, smoking, and polluting — ideally at a level equivalent to their externalized costs. He recommends a tax on the carbon content of fossil fuels, a Pigouvian measure that would have ripple effects throughout the economy, wringing excess fossil energy use out of a wide range of goods and services. A large share of the proceeds of such taxes could underwrite the transition to a carbon-free economy.

In short, Frank argues that behavioral contagion could be a crucial policy tool in the fight against the most important externality of all, global warming. Though cognizant of the dire prognosis offered by climate scientists today, Frank takes hope in how behavioral contagion has driven social change far more rapidly than ever expected in areas like smoking prevalence and acceptance of gay marriage. Just as the number of one's friends who are smokers has a strong influence on one's likelihood of using tobacco, the degree to which friends and neighbors adopt solar panels and energy-efficiency technologies and practices is a powerful predictor of whether an individual adopts them.

Robert H. Frank is the Henrietta Johnson Louis Professor of Management and professor of economics at Johnson.



For more than a decade, his "Economic View" column appeared monthly in *The New York Times*. His research has been widely published in leading professional journals and his books, including *Choosing the Right Pond*, *Passions Within Reason*, *Microeconomics and Behavior*, *Principles of Economics* (with Ben Bernanke), *Luxury Fever*, *What Price the Moral High Ground?*, *Falling Behind*, *The Economic Naturalist*, *The Darwin Economy*, and *Success and Luck*, have been translated into 23 languages.

BREAKING THE CHAINS OF SHAREHOLDER PRIMACY

The 181 CEOs who signed the Business Roundtable's statement on "the purpose of a corporation" can take inspiration from the B Corp movement.

[By Christopher Marquis]

A core tenet of American capitalism has long been that a public company's foremost duty is to generate profits for its shareholders. The logic behind this belief is powerful: shareholders own the company and have wagered hard-earned capital on its success, so the corporation owes them nothing less than the greatest possible return. It turns out, however, that it also owes them quite a bit more.

On August 19, 2019, the Business Roundtable, an influential trade group that represents 200 of America's largest companies, changed its statement on "the purpose of a corporation" to reflect that corporations should not just meet the needs of shareholders but also those of its stakeholders, such as employees, consumers, and society. The 181 CEOs who signed this statement are joining a widespread movement against shareholder primacy that includes not only a surprisingly diverse set of business leaders but also politicians from both parties. For instance, while Senators Marco Rubio and Elizabeth Warren don't agree on much, they do agree that shareholder primacy is the cancer that's killing American competitiveness, American communities, and American workers. It is exciting to see the Business Roundtable also begin to recognize this issue, although many commentators have noted their statement is short on specifics of how companies will factor broader sets of stakeholders into their decision making. Unless they outline a more detailed plan, they run the risk of just being another example of business leaders giving lip service to making the world a better place while continuing to operate in the same old way.

Fortunately, over the last decade, a grassroots movement led by U.S. non-profit B Lab has created a set of innovations that allow companies to meet the challenge of not only delivering profit but also focusing on a broader purpose. This movement has created a new kind of company that has a triple bottom line — people, planet, and profits — woven into its DNA. At the center of this

work is a rigorous assessment whereby companies certify their environmental, social, and governance performance and become B Corporations. This assessment — the B Impact Assessment (BIA) — has no other parallel in the world. Although other certifications do exist (e.g., Fair Trade, Organic, and others), the BIA is the first assessment that encompasses all aspects of corporate



performance. Well-known multinational companies have already signed onto this movement, including business units of Danone, Unilever, Campbell's Soup, Procter & Gamble, Nestlé, and Gap; established independent firms such as Patagonia, Eileen Fisher, and New Belgium Brewing; and more recent startups such as Allbirds, Kickstarter, and Casper. Currently, there are close to 3,000 Certified B Corporations across the globe, more than 50 percent of which are outside the U.S. Aside from those that have been certified, tens of thousands of companies around the world have used the BIA to measure and manage their social, governance, and environmental impacts.

The CEOs from the Business Roundtable can take two inspirations from the B Corp movement to move their initiatives from the domain of talk to the domain of action:

1. Stakeholder governance mechanisms

These companies must develop mechanisms to align their governance structures to create stakeholder value. Without such alignment, it's hard to believe that such lofty talk will ever be implemented. The most rigorous way would be to become a registered benefit corporation — a new type of corporation that places social benefits and the rights of workers, the community, and the environment on equal footing with financial shareholders. This corporate form, developed by B Lab, is being adopted globally. Over the last decade, 35 American states, plus Italy and Colombia, have passed benefit corporation legislation, and more than 10,000 U.S. companies have incorporated using the benefit corporation form. Political figures across party aisles have supported the passage of benefit corporation legislation in their states, including then-Governors Deval Patrick (D-MA),

Mike Pence (R-IN), and Nikki Haley (R-SC). This new corporate form also inspired many of the ideas in Senator Elizabeth Warren's (D-MA) Accountable Capitalism Act. For companies with dispersed shareholders, it may be difficult to change their corporate form in the short run. But certainly they can align performance standards inside the firm with stakeholder-oriented objectives, and most importantly, begin discussing these objectives with investors and government leaders. For wide-scale change to occur, it is essential to convince the capital markets and policymakers of the importance of stakeholder-aligned governance structures.

2. Accountability, transparency, and performance standards

Unless businesses measure and report on their environmental, social, and governance activities, there is no way to judge their actions. The Council of Institutional Investors' critique of the Business Roundtable statement was that "accountability to everyone means accountability to no one." Stakeholder governance would be hollow without some form of accountability and performance standards. Such standards are what separates true stakeholder governance that exists in B Corporations from corporate social responsibility (CSR). While becoming a B Corporation may initially be a stretch for many of the Business Roundtable companies, there are a number of steps they can take in the short run. Like many of their peers, for instance, they could use the BIA as a stakeholder performance management tool. This would allow them to assess parts of their business and/or suppliers, which would then also provide a road map for key areas of improvement. Moving forward, these companies could commit to year-on-year improvements on the key

stakeholder metrics of their choosing.

Today, many corporations have become more powerful and have accumulated more wealth than some of the world's largest nations. For decades, under the banner of serving shareholders first, they have compartmentalized different aspects of their business and the rest of society, and as a result, there has been unnecessary and extensive damage to the environment, communities, working conditions and, in some extreme cases, human rights. It is wonderful that members of the Business Roundtable are beginning to recognize the important role they play in creating a more equitable and sustainable world. The accountability and governance tools developed by the B Corp movement provide some easy first steps for them to take their principles to the next level. I challenge the CEOs of the Business Roundtable to use the innovative tools and advancements made by the B Corp movement to find new ways to integrate stakeholder principles into their daily operations and place real actions behind their decisions.



Christopher Marquis, SC Johnson Professor in Sustainable Global Enterprise and professor of management at Johnson, is the author of an upcoming book, tentatively titled *Better Business: How the B Corp Movement is Remaking Capitalism One Company at a Time* (Yale University Press, 2020).

This op-ed was originally published in Conscious Company, Sept. 26, 2019.

REDUCING THE “INVISIBLE BURDEN” OF OVERTOURISM

As global tourism grows, the tolls on infrastructure related to transportation, lodging, energy, water, and sewage threaten natural and cultural icons.

[By Jeffrey Gangemi, MBA '09]

Without an economic system to fund their protection and maintenance, tourist destinations from Belize to Barcelona risk becoming victims of their own success. That’s the key message in “Destinations at Risk: The Invisible Burden of Tourism” (March 2019), a report co-authored by Mark Milstein, clinical professor of management and director of the Center for Sustainable Global Enterprise (CSGE), Megan Epler Wood, managing director of CSGE’s Sustainable Tourism Asset Management Program (STAMP), and Kathleen Ahamed-Broadhurst, senior writer and researcher at EplerWood International. Commissioned by the Travel Foundation, the report was co-published with CSGE and EplerWood International.

A tourist destination like Ambergris Caye in Belize, with its crystal blue waters and barrier reef, generated about 18 percent of that country’s GDP in 2018. But the majority of tourism revenue gets funneled back to the national government, leaving the island without the funds to improve water and sanitation systems for residents and visitors. This has resulted in pollution and the degradation of water quality, damaging the Caye’s famous reef system and fisheries that attract tourists in the first place.

For many tourist destinations around the world, this “invisible burden” on the local economy threatens the attraction itself, while potentially leading to a decrease in per-tourist revenue, even as overall tourism numbers increase. When local businesses must foot the bill for infrastructure and other improvements without support from the tourism economy, it impacts their ability to operate profitably. Or worse, tourists grow weary of overcrowding and pollution, then stop visiting entirely.

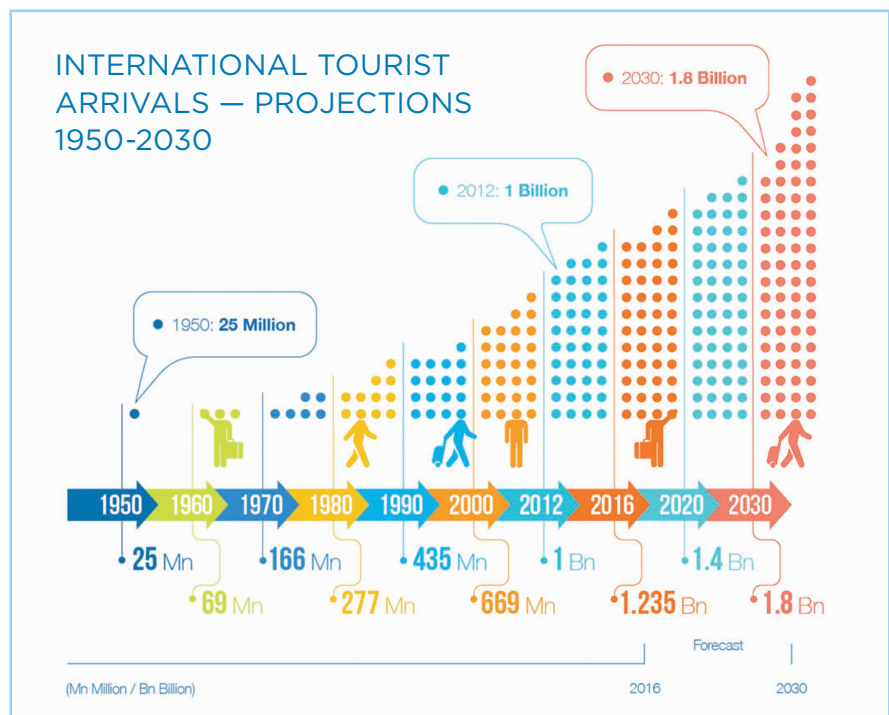
“This is a challenge of investing for the long-term health of a critical global economic sector,” says Milstein. “Future success will require collaboration among business, government, and civil society so that destinations are managed as the valuable, yet vulnerable, assets that they are.”

Put simply, “The Invisible Burden” report argues that the tourism industry needs an entirely new accounting and financial system. “The invisible set of local budgetary obligations is placing destinations in a position of financing additional required infrastructure for energy, waste, wastewater, and the protection of natural and cultural resources, without recompense from the tourism economy,” notes the report. Failure to address tourism’s real costs puts ecosystems, cultural wonders, and community life at increasing risk and places the tourism industry on a weak foundation that could crack under its own weight.

Addressing a growing crisis

As the world’s largest industry, tourism already makes up more than 10 percent of global GDP, and continued growth is straining destinations around the world. “We unhesitatingly say this is a crisis,” says Epler Wood. “Everyone thinks the system will adjust. Actually, it won’t unless there is a policy change.”

With ready access to digital tools that facilitate easy travel booking, a growing global middle class will contribute to 4 percent annual tourism growth globally between now and



SOURCE: UNITED NATIONS WORLD TOURISM ORGANIZATION (UNWTO), 2015



Andy Korteling / Shutterstock

San Pedro, Ambergris Caye, Belize, June 16, 2019:
Single-use plastic in the sea

2030. But some developing countries, particularly across Asia, could see growth rates topping 10 percent, according to the UN World Tourism Organization's (WTO) most recent Tourism Highlights report (2018), cited in "The Invisible Burden."

Such growth projections make developing new, local accounting systems that assess a fuller range of tourism-related costs even more important, notes the report, which encourages innovative financing mechanisms to fund critical infrastructure investments.

The report also points to an acute need for skills diversification in an industry that has traditionally been almost solely focused on marketing; many tourism bureaus have traditionally tracked only a few metrics, focusing primarily on visitor growth. "That's a pretty homogeneous approach to a heterogeneous problem," says Milstein. "But if we're talking about prioritizing sustainability, then that means being able to employ new analysis systems that will allow folks to better understand their costs and ensure they are seeing net positive outcomes," he says.

STAMP charts a new path

With expertise in hospitality and tourism, agriculture, and development, combined with Johnson's strength in general management and finance, the Cornell SC Johnson College of Business is well positioned to develop the talent and resources to address tourism's diverse set of challenges. Beyond funding "The Invisible Burden" study, CSGE's STAMP program, which was launched in 2017, will bring more resources to Cornell SC Johnson to develop business models, student projects, and research to inform an industry that Milstein says "really hasn't employed very rigorous analysis of the impacts on the assets on which it depends."

Because it's so multifaceted, touching issues and industries from transportation to lodging, energy, water, sewage, and infrastructure, tourism presents a unique opportunity to make a difference. Funding research and on-the-ground project work

enables STAMP to create rigorous, replicable models that drive lasting impact. "Let's not assume that our one study was definitive," says Epler Wood. "The [invisible burden] is a very complex problem, and it cannot be solved with quick fixes."

As noted in the report, even enlightened leaders intent on protecting a region's underlying assets face inadequate budgets and staff. Faced with visitor numbers more than doubling between 2010 and 2017, Thailand's newly appointed minister of tourism, Weerasak Kowsurat, called for crowdfunding to assist his efforts, despite the fact that tourism brings in \$57 billion USD annually to the economy. Kowsurat has just 130 staff members, most of whom lack the professional training to manage the next 20 to 30 years of growth, and there have been no infrastructure upgrades during this dramatic growth period to protect Thailand's spectacular coastal areas, according to the report.

The lack of investment has caused a crisis that led to international press attention. The popular book and movie, *The Beach*, drove hordes of hard-partying tourists to Phi Phi Leh Island, near Phuket, Thailand. As a result, overcrowding and pollution damaged the local ecosystem. Tourists complained of smelly areas where sewage was flowing without management. This caused an indefinite closure. Such emergencies are making it increasingly essential to finance efforts to rehabilitate the region and limit visitors to help islands such as Phi Phi Leh regain their original beauty and ecosystem health.

As recommendations from "The Invisible Burden" gain traction around the world, and as STAMP continues to generate and inspire new research and develop new business models, more destinations like Phi Phi Leh Island stand to benefit tourists, businesses, and governments for generations to come.



Mark Milstein, clinical professor of management and director of the Center for Sustainable Global Enterprise (CSGE) and Megan Epler Wood, managing director of CSGE's Sustainable Tourism Asset Management Program (STAMP) and principal of EplerWood International, co-authors of "Destinations at Risk: The Invisible Burden of Tourism"

DO PEOPLE REGRET THEIR UNHEALTHY BEHAVIORS?

If you want to change your behavior, anticipating the regret you'll feel before you act can be a strong deterrent.

[By Louise Lee]

Think about that sinfully delicious cake you will have for dessert tonight. You probably feel guilty already.

Indeed, that level of regret you feel even before you indulge may be higher than what you'll feel just after you actually consume all those calories, according to new research by Manoj Thomas, Nakashimoto Professor and associate professor of marketing at the Samuel Curtis Johnson Graduate School of Management, and Helen Chun, associate professor of services marketing at Cornell's School of Hotel Administration.

Chun and Thomas co-authored the research with Joowon Park, MS '15, PhD '17, who earned his graduate degrees at Johnson and is an assistant professor at the City University of Hong Kong. ("Cold Anticipated Regret versus Hot Experienced Regret: Why Consumers Fail to Regret Unhealthy Consumption," *Journal of the Association for Consumer Research*, University of Chicago Press, vol. 4, no 2. [April 2019]: 125–135).

Because regret helps us remember our mistakes and avoid repeating them, it can play an important role in helping us modify behavior, especially unhealthful or otherwise undesirable conduct such as overeating. But regret is hard to pin down. "Regret is a momentary experience that changes with timing and context because of various latent psychological processes," says Thomas.

Specifically, the researchers say, when you think about engaging in self-defeating or otherwise undesirable behavior, you're temporally distant from it and can evaluate it calmly and deliberately, producing a "cold" and unemotional "anticipated" regret. The same is true when you think about something bad you did a few hours or days ago. But immediately after you commit an undesirable action, you're red-faced and in a state of emotional and "hot" regret. Your natural psychological defensive mechanism kicks in, putting you in a state of denial to preserve your sense of self.

"As human beings, we want to protect our ego and identity, so after engaging in behavior that threatens our sense of self, our immediate response is to deny," says Chun. That defensive psychological response reduces the intensity of your "hot" regret to a level even lower than what you felt prior to your action.

And that reduction has real consequences for our future behavior, adds Thomas. "By lowering regret, that psychological immune system also lowers regret's beneficial effects of helping you remember and avoid mistakes," he says.

The researchers conducted a field study of about 400 diners at the upscale restaurant in Cornell's Statler Hotel, Taverna Banfi, known for its dessert buffet of tiramisu torta, chocolate crunch, and other treats. Customers in the "anticipated regret" group, who took a survey before the meal, stated whether they planned to eat lunch and dessert and indicated on a numerical scale the level of misgiving they anticipated about having

Because regret helps us remember our mistakes and avoid repeating them, it can play an important role in helping us modify behavior.



dessert. The “experienced regret” group, who took surveys after the meal, indicated if they had lunch and dessert and how much regret they actually felt. The surveys also asked guests if they were trying to lose weight.

Results showed that among both dieters and non-dieters, the levels of regret anticipated prior to the meal were higher than levels of actual regret experienced just afterwards. Differences in regret levels were greater among those aiming to lose weight, suggesting that those dieters who ate dessert realized that their behavior derailed their progress and had a “hot” psychological reaction that suppressed their immediate post-dessert regret.

The results suggest that efforts to change behavior should focus on confronting people before they act, when their level of regret is high. An antismoking initiative, for instance, might encourage smokers to “think of the next time you smoke and the harm you’ll do to your lungs” instead of asking them to “think about that last cigarette you smoked and the harm you caused to your lungs.” Because of the intense negative emotion that accompanies regret, creating a high level of misgiving in smokers prior to a cigarette may boost their chances of quitting, the researchers say.

“Making people anticipate regret beforehand would be a

stronger motivator to change their behavior than making them reflect on how bad they feel afterwards,” says Chun.



Manoj Thomas, Nakashimoto Professor and associate professor of marketing at Johnson, is a behavioral scientist who trains executives and MBA students to use behavioral science for smarter marketing decisions. An expert on behavioral pricing, he has identified several interesting psychological effects that provide insights into how consumers evaluate prices and make purchase decisions.



Helen Chun is an associate professor of services marketing at Cornell’s School of Hotel Administration. Her research focuses on managing and enhancing consumer experience in the service setting with particular interests in the customer experience design, the role of emotions in consumer experience, branding, and prosocial and sustainability-related marketing issues.

TRANSACTION FEES CHANGE THE CULTURE OF BITCOIN

Bitcoin fees designed to speed transactions resulted in the same backlogs plus massive, redundant energy use.

[By Melanie Lefkowitz]

Bitcoin transaction fees — financial rewards for adding certain records to a blockchain ahead of others — keep the cryptocurrency functioning but may threaten its long-term viability and contribute to its energy waste, according to a first-of-its-kind study from Cornell researchers.

As bitcoin has grown over the past 10 years, users must wait longer for their transactions to be added to the blockchain — a constantly updated list of records distributed among a network of computers. This lag spurred the emergence of fees, which users pay to move to the head of the line.

“Bitcoin now works essentially how markets work, because if you want something to happen faster, you have to pay for it,” said Maureen O’Hara, the Robert W. Purcell Professor of Finance and professor of economics at Johnson and senior author of “From Mining to Markets: The Evolution of Bitcoin Transaction Fees,” which was published in October in the *Journal of Financial Economics*.

“Transaction fees are not part of the original system — they just evolved,” O’Hara said. “A system that’s designed by a computer scientist for security problems may not be well designed to trade in the markets, so the development of fees is actually a good thing. But it also created all kinds of problems.”

While the fees help some deals get processed faster, the cost could make most transactions impractical, O’Hara said. For example, to use bitcoin to buy a \$4 latte at Starbucks, you might have to either wait several hours for the purchase to go through or pay \$5 to speed it up.

“One of the biggest challenges for bitcoin has been that the fees are too high for it to be used as a simple transaction account, and it takes too long,” O’Hara said. “The number of bitcoin transactions that can be added in any given time is orders of magnitude smaller than, say, Visa cards.”

The paper was co-authored by David Easley, the



Scarborough Professor of Social Science in the College of Arts and Sciences, and Soumya Basu, a doctoral student in computer science.

Bitcoin was designed in 2008 by a pseudonymous programmer, Satoshi Nakamoto, as a decentralized digital currency that relies on peer-to-peer interactions, rather than a bank or financial institution. It was intended to be corruption-proof, since all transactions are verifiable by anyone on the network.

Users known as miners solve complicated math problems to add records to a block — the first miner to solve the problem is paid in bitcoin to complete the transaction. In bitcoin's early years, miners competed to add transactions and they were added quickly.

Today, more than 17 million bitcoins are in circulation, with 100,000 companies accepting payments in bitcoin. But for security reasons, the size of each block is limited, and as the cryptocurrency has grown, the volume of transactions outstripped miners' ability to add them quickly. Transaction fees emerged as a way to speed the process.

O'Hara compared the fees to a parade in which one onlooker stands to get a better view — causing all the other onlookers to stand, too.

"If everyone is standing up, you're not seeing any better than you were when you were sitting down," she said. "And if everybody's paying a transaction fee now, then you may end up in the same situation that you were in before — the fees got high and you have to wait anyway."

Another problem with the transaction backlog is the amount of energy it requires. Blockchains are notorious consumers of power — running bitcoin for a single year uses the same amount of energy as all of Switzerland. The mathematical problems miners solve to add transactions to the block use enormous amounts of computing power, and when multiple miners are competing to solve the same problem, power is wasted.

"Only one miner gets paid, but all the others use massive amounts of electricity," O'Hara said. "And with more fees, mining becomes more profitable, which then induces more miners to enter, which then uses more electricity."

In the study, the researchers developed a new economic model to explore the reasons behind the rise of transaction fees and their impact on bitcoin's ecosystem. They then tested their model's results with data describing all bitcoin transactions and validations between 2009 and April 2017.

The research was partly supported by the Initiative for Cryptocurrencies and Contracts and the National Science Foundation.

This article was originally published in the Cornell Chronicle, October 30, 2019.

Maureen O'Hara, the Robert W. Purcell Professor of Finance and professor of economics at Johnson, focuses her research on issues in market microstructure



and is the author of numerous journal articles, as well as the classic book, *Market Microstructure Theory* (Blackwell, 1995). Her recent research looks at the how ETFs affect market stability, liquidity issues in corporate bond markets, and transaction costs in bitcoin. The author of *Something for Nothing: Arbitrage and Ethics on Wall Street* (Norton, 2016), O'Hara publishes widely on a broad range of topics, including banking and financial intermediaries, law and finance, experimental economics, and finance and ethics.



DWIGHT HARRIS JR., MBA '95
CEO AND CO-FOUNDER, RPA CONSULTANTS

BETTING ON BOTS

[W]atching “Family Ties” growing up, Dwight Harris saw a lot of himself in Alex P. Keaton, the wise-beyond-his-years teen entrepreneur portrayed by Michael J. Fox.

At an early age, “I got really enamored with stocks and bonds and finance,” he recalls. “When I was five, I knew I was going to get my MBA.”

The UC Berkeley undergraduate made good on that promise, attending Johnson on a scholarship and consulting for GE Capital, Barclays, and Dun & Bradstreet following the Great Recession. After receiving a business transformation award at Dun & Bradstreet, he was recruited to Citigroup’s corporate office in Manhattan to transform the financial service giant using robotic process automation (RPA). That experience of streamlining and simplifying Citi products and processes gave Harris the impetus to go all-in on RPA.

“Bots, in some instances, can do what people can’t do, and in other instances complement what people can do,” Harris says. Together with partner Carlos Barreto, Harris founded RPA Consultants around the credo to be a “force of good.” “We are not marching toward a hopeful outcome — we stand for something

already positive,” he says. “In order to secure consensus buy-in for RPA, our clients have to know and believe that both the interests of the company and the individual are aligned.”

Among RPA Consultants’ first customers was a privately held group of wound medicine facilities in Louisiana, Texas, Mississippi, and Missouri. Using RPA, the business has automated the time-consuming and costly process of going through medical records to identify patients with procedural opportunities. Moving forward, Harris says, bots can handle everything from scheduling procedures to maintaining inventories to requisitioning vendors.

In the coming year, he hopes to expand RPA Consultants’ footprint in markets across the globe, building on footholds in South America, Australia, Toronto, and the Northeast United States.

“RPA is fundamentally going to change everything,” he says, comparing its potential for disruptive innovation to the internet. By applying high-tech solutions to everyday processes, “Jobs will be lost, but entire industries and careers will be developed. Maintaining bots will be an entire industry.”

— Dick Anderson

GUT INSTINCT

[F] or more than a decade, Bruce German, PhD '83 (CALS/food science), and his colleagues at the Foods For Health Institute (FFHI) at the University of California, Davis, have studied the infant gut microbiome and its critical interaction with human breast milk. German, a professor of food chemistry at UC Davis, and a group of analytical chemists, microbiologists, and nutritionists discovered that 15 percent of the nutrients in milk are not digestible by humans — a surprising development, given the huge tax on a mother's body to make milk.

These nutrients require digestion by a specific gut microbe that is now missing in the majority of infants born today due to the unintended consequences of C-section delivery and

antibiotic use. Consequently, German's team set out to develop a product that could be given to infants to restore the missing bacterium that modern medical practice had unintentionally removed from most American babies over the last 100 years.

Just your typical startup, right?

That's how Evolve BioSystems was born — or spun out, in business lingo — from the FFHI research. German and his fellow scientists continue to advise the probiotics developer, which has brought two products to market, Evivo for humans and GlycoGuard for horses and pigs, under the direction of CEO Tim Brown, '84, MBA '92, who joined Evolve in May 2016 as chief operating officer.

In a space often fraught with pseudoscience, Brown is taking Evolve's data-driven message directly to thought leaders. He points to an upcoming meeting with the American Academy of Pediatrics "to show them that less than 5 percent of American babies have this bacterium which, 100 years ago, all of us had.

"In the developed world, we believe the loss of this bacteria is

TIM BROWN '84, MBA '92
CEO, EVOLVE BIOSYSTEMS



Tim Brown '84, MBA '92, CEO (right), and Sandy Argabrite, MBA '85, chief financial officer, at Evolve BioSystems. Brown and his team created the Evivo brand to promote a product that restores an important gut bacterium to infants.



Bruce German, PhD '83 (CALs/food science), a professor of food chemistry at UC Davis, and his colleagues discovered that 15 percent of the nutrients in breast milk are not digestible by humans because a gut microbe is missing in most infants born today. So they developed Evivo to replace the missing bacterium.

manifesting as an increase in autoimmune diseases,” he adds. “In the developing world, where the state of nutrition is not as good, the loss of this bacterium may be a primary risk-driver for stunting.”

Brown — who spent 17 years working at Procter & Gamble in its pharmaceutical and OTC medicines divisions — came to Evolve from Mead Johnson Nutrition, maker of Enfamil infant formulas. “I was recruited into the company to translate the idea and findings around an important gut bacterium to an actual product and to build a commercial organization,” says Brown, who succeeded David Kyle, chairman and chief scientific officer, as Evolve’s CEO in August 2017.

Brown and his team created the Evivo brand in two forms — a powder designed to be mixed with breast milk that is marketed to consumers and an oil suspension for hospital use, sold in vials. Two years after launching Evivo, the company has sold well over 1.5 million servings to consumers and over 30,000 hospital feedings.

With the support of two of the world’s largest charitable organizations — the Bill and Melinda Gates Foundation and Horizons Ventures, the venture capital arm of the Li Ka Shing Foundation — Evolve has completed four rounds of fundraising totaling \$70 million. “Working with organizations like Gates and Horizons is really gratifying because it feels like we’re doing something important,” Brown says. “It’s not easy to be in a startup because you haven’t yet broken through. But it’s worth it when you feel like you’re making a change in the world.”

Last April, fellow Procter & Gamble and Johnson alumnus Sandy Argabrite, MBA '85, joined Evolve as its chief financial officer. Argabrite worked for P&G internationally for half of his career, including posts in Japan, China and Canada; more recently, he spent nearly two years as CFO of Quest Nutrition, makers of the popular Quest Bar.

Comparing the pace and scope of a startup to a corporate

behemoth, Argabrite says, “There is more work to do here every day than we can possibly get done. But I absolutely love the combination of this fantastic mission that we’re on as well as the opportunity to do things that I’ve never done before.”

“At my last job with Mead Johnson, I was in charge of 10 countries from Pakistan across to the Philippines, an organization of more than 2,000 people (including contractors) and a nearly \$1 billion business,” Brown says. “It’s quite a shift to go from that to an organization of about 45 people

with growing revenue, but it’s exciting. We can get the key decision-makers in a room and make a decision in 15 minutes that typically would take weeks to make at a larger company.”

In another important step in bringing their message to the pediatrics community, Evolve’s paper on chronic enteric inflammation in newborns was selected by *Nature’s Pediatric Research* as the cover feature for the December issue. “We’re challenging the dogma that as long as babies are vaginally delivered and breastfeeding, then everything’s fine,” Brown says. “But we have now

demonstrated and published that those babies who look fine on the outside actually have an issue in their gut. Doctors and moms are reticent to take any action if it seems like the baby’s happy and eating and pooping, and we’re saying you need to intervene.”

As Evolve expands its pipeline of next-generation microbiome-based solutions, Brown and Argabrite believe that its potential impact cannot be overstated. “Once people understand our story, they turn around and ask, ‘Why isn’t everybody using this particular product?’” Argabrite says.

Brown concurs: “If we’re right, this is one of the most important public health initiatives since vaccines or antibiotics. And we believe we are right.”

— Dick Anderson





KAYA LADEJOBI, MBA '13
FOUNDER, EARN INTO WEALTH

GUIDEPOSTS TO WEALTH BUILDING

[M]om, wife, and entrepreneur Kaya Ladejobi is not the traditional face of financial planning — but she's doing her part to change that perception. In September 2015, she founded Earn Into Wealth, a financial planning firm for a Gen X and Y clientele whose annual household income ranges from \$175,000 to \$1 million or more — a group known as HENRYs (High Earners Not Rich Yet).

Of the approximately 80,000 Certified Financial Planners measured by the CFP Board, Ladejobi says, “maybe three and a half percent of these folks are underrepresented minorities.” She is particularly passionate about helping women and people of color build wealth: “These segments have been underserved by the wealth management industry, and I want to be on the forefront of turning that around.”

With a background in finance and private wealth, Ladejobi focused her studies at Johnson on entrepreneurship and consumer behavior. When it came time to start her firm, she says, “It was an easy transition because of the education,

confidence, and network I gained while I was at Johnson.”

Ladejobi launched Earn Into Wealth following a stint as an associate brand manager at Unilever and says she's found her calling in serving the next generation of wealth-builders. “I see a lot of people in their 30s and 40s navigating life transitions and the financial complexities associated with them,” she says. “The ball is in our court to secure our own financial futures.”

Earn Into Wealth aims to help people manage behaviors that make it hard to build wealth — such as borrowing up to your limit or couples living on 100 percent of both salaries. Over time, she hopes to grow a team of “elite advisers” supporting one-on-one client relationships and launch a second service model focused on group financial coaching.

The best part of her work, Ladejobi contends, is giving people “the breakthrough that says, ‘If you take these steps, you're going to reach your goals. You will be able to buy that home. You will be able to start that company.’ I love to deliver good news.”

— Dick Anderson

JOHNSON CELEBRATES

JOHNSON'S OFFICE OF
DIVERSITY AND INCLUSION
MARKS 20 YEARS OF
SUPPORTING WOMAN,
URM, AND LGBTQ
LEADERS.



20 YEARS OF DIVERSITY AND INCLUSION

Twenty years ago, Johnson launched the Office for Women and Minorities in Business (OWMB), predecessor to the Office of Diversity and Inclusion (ODI), with Angela Noble-Grange, MBA '94, a serial entrepreneur, as founding director. She proposed creating the new office to increase programming designed to attract and retain diverse students and to foster a greater understanding of what it means to create an inclusive environment among Johnson students, faculty, and staff. OWMB was established with the support of Dean Bob Swieringa, associate dean for corporate rela-

tions Dick Shafer, and director of admissions Natalie Grinblatt.

"If those people hadn't said yes, we would not be celebrating 20 years of the Office for Diversity and Inclusion right now," says Noble-Grange, now a senior lecturer at Johnson. "It was a signal to the inside and outside world that the Johnson School cared about diversity and we were going to change the face of corporate America. That was our vision: to make corporate America look more like America."

From the outset, as the first organization

Jamie Joshua, director of Johnson's Office of Diversity and Inclusion (ODI), Angela Noble-Grange, MBA '94, senior lecturer and founder of ODI, Jessica Krom, ODI's associate director, and Caitlin Fields, ODI's office and program coordinator

devoted to women and minorities in business, ODI has been a model for other business schools interested in launching similar offices. Early on, when admissions colleagues at competitor schools looked here for inspiration and approached Noble-Grange, she decided to freely share what she learned in getting the office off the ground, thinking “the more of us who do this, the better it is for everybody,” she said.

“What happened as a result of creating this office is that people felt free to express who they were,” Noble-Grange said when she spoke at the 20th anniversary celebration at the Inter-Continental New York on December 9. “They felt like they belonged. And as a result of that, they were able to contribute great things to the Johnson community rather than spending all of

20TH ANNIVERSARY REFLECTIONS

Many alumni shared their gratitude for the Office of Diversity and Inclusion in writing, at the 2019 Diversity Symposium and Awards Dinner, and at the 20th anniversary celebration in New York City. Here are just a few.

“Angela Noble-Grange was extremely important in my decision to attend Johnson. During my visit to campus, Angela always made me feel so welcome, with a smile, kind word, or introduction to a great student or professor. Angela was a strong advocate for my admission to the school, as well as for me to receive the Park Fellowship. From the beginning, she was a sources of inspiration, motivation, and encouragement. She was a guide and mentor who helped me to overcome imposter syndrome, to confidently own the spaces in which I existed, and lean in to my leadership potential. I am forever indebted to her.”

— Shartoyea Scott Dixon, MBA '06, vice president, Management Leadership for Tomorrow

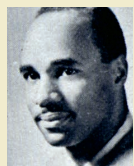
A TIMELINE OF DIVERSITY AND INCLUSION AT JOHNSON

The timeline on these pages encapsulates some of what ODI's influence, support, and programming has achieved over the years.



1948 Jane Stevens, MBA '48, the only woman in the inaugural class of 41 students in the Graduate School of Business and Public Administration (Johnson's predecessor), graduates as the first woman to earn a Cornell MBA. Stevens became a founding member of the Johnson School

Alumni Executive Council (now the Johnson Advisory Council).



1950 Wilbur Parker '50, MBA '50, graduates as the first African American to earn a Cornell MBA. A Tuskegee Airman and New Jersey's first black CPA, Parker worked to make a difference by combating racial injustice and helping others throughout his career.

1980 The Black and Hispanic Graduate Business Students Association is launched.

1984 The Cornell Business Women's Association is founded. By 1990, it is renamed the Women's Management Council.

1994 Johnson joins the Robert Toigo Foundation's MBA program for underrepresented minorities who plan to pursue a career in finance and who are enrolled in a two-year MBA program.

1999 Johnson launches the Office for Women and Minorities in Business (OWMB), now known as the Office of Diversity and Inclusion (ODI), with Angela Noble-Grange, MBA '94, as founding director.



2000 Johnson hosts its first Johnson Means Business event, a fall recruiting weekend designed to bring prospective underrepresented minority and LGBTQ applicants to campus and connect them with current students and faculty.

The Black Graduate Student Association is created under the leadership of Marmeline Petition-Midy, '95, MBA '00.



Team building at Johnson Outdoor Experience, August 14, 2014

their energy worrying about whether they belong. And the magic that I never could have imagined just started happening over and over and over again.”

The timeline depicted on these pages encapsulates some of what ODI’s influence, support, and programming has achieved over the years.

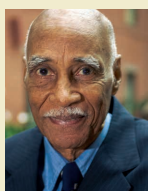
Today, the Office of Diversity and Inclusion is really fundamental to life at Johnson, affirms Dean Mark Nelson. “It’s part of the fabric of our community,” he said, speaking at the ODI anniversary celebration. It begins with attracting prospective students “who reflect the diversity of business and the

“I will never forget Ann Richards encouraging all of us at Johnson Women in Business 2017 to be ‘fierce and fearless.’ Angela exemplifies what it means to be a mentor and a coach: supportive, tough, generous, honest, strong, and courageous. Learning from her was an absolute delight.”

— Sara Schmitt, MBA ’19, senior program manager, global specialty fulfillment-delivery at Amazon

2001 The Women’s Power Lunch series begins, offering a forum for current students to network with each other, female faculty, and prominent alumnae.

2003 The Black Graduate Business Association honors Wilbur Parker ’50, MBA ’50, Cornell’s first African American MBA Graduate, with the inaugural Distinguished Alumni Award. The award, subsequently named in his honor, recognizes African American alumni who demonstrate outstanding professional



achievement and commitment to their community, and who embody Johnson’s

shared values of mutual respect, collaboration, integrity and trust, pride and accountability, professionalism, and investment in self.

The Hispanic American Business Leaders Association (HABLA) is founded under the leadership of Marcella Ayala, MBA ’04, to serve the needs of Hispanic American students born in the United States.

The Out for Business (O4B) club for lesbian, gay, bisexual, transgender, and queer (LGBTQ+) Cornell Johnson students, their partners, and active allies, is founded.

Partnership begins with Management Leadership for Tomorrow (MLT), a nonprofit focused on ensuring that high-achieving women and men from underrepresented communities

reach their full leadership potential.

2004 Partnership begins with Forté, a nonprofit focused on advancing women into leadership roles through access to business education.

2005 Deniqua Crichlow is named director of ODI; Angela Noble-Grange joins Johnson’s

faculty but remains actively involved with ODI.

The Office for Women and Minorities in Business is renamed the Office of Diversity and Inclusion.

2008 Irma Almirall-Padamsee is named director of ODI.

2009 Johnson hosts its first annual Diversity Symposium.



Johnson students and ODI staff at the Reaching Out MBA conference, Oct. 12, 2019

world, and we have fabulous people coming in who are a mosaic of what the world looks like.”

Once students begin their program, “You have to be intentional about the experience that you create,” he continued. “And once again, ODI is fundamental to making that happen.” ODI raises awareness of diversity and inclusion issues and concerns right at the outset, during orientation, Nelson said, and continues to build awareness and support throughout the Johnson experience in numerous ways. Among these are bystander and ally training and hosting open conversations about “fiery topics,” where students, faculty, and staff confront some of the headlines of the day. ODI asks students, faculty, and staff to think about the unconscious biases diverse students might be facing and to think about ways we can be aware and combat that and

“When I think about ODI, the first thing that comes to my mind is the creation of safe spaces where all Johnson students feel fully engaged and empowered to positively contribute to the academic environment. I firmly believe that a truly diverse and inclusive environment promotes critical thinking and yields more authentic communication and interaction by exposing and challenging all students, faculty, and staff to consider the experiences and perspectives of others.”

— LaTranda Martin, MBA/MILR '11, organization design and change management director at the Estée Lauder Companies and former student president, Black Graduate Business Association

make sure that we’re treating everyone equally, respectfully, and fairly. ODI hosts major events like Johnson’s Diversity Symposium and the Diversity Awards dinner that bring alumni back to campus to interact with current students. ODI staff support many student clubs and their activities and events; in fact, in 2019, the office hosted or

collaborated on 67 events overall.

In addition, ODI’s office in Sage Hall operates as a safe space where people come together. “They create that safe space for current students, alumni, guests — anybody,” said Noble-Grange. “They’re always there. Every time I come downstairs after teaching, it always feels like a little bit of a party in



Laura Wilkinson MBA '85, JD '86, Wilbur Parker '50, MBA '50, Angela Noble-Grange, MBA '94, and John Rodney Clark Sr., MBA '72, at the Black Graduate Business Association Symposium, Oct. 15, 2004, when Clark was honored with the Wilbur Parker Distinguished Alumni Award. Wilkinson and Noble-Grange were named awardees in 2006 and 2011, respectively.

Nsombi Ricketts is named director of ODI (December).

Johnson joins the Consortium for Graduate Study in Management, a nonprofit that promotes diversity and inclusion in global business education and leadership.

2010 Ken Gurrola, MBA '95, is honored with the inaugural Distinguished Latino Alumni Award, created to recognize alumni for exceptional achievements and significant contributions to their professions, community, and society as a whole; for their demonstrated commitment



to Johnson; and for promoting the advancement of Latinos in the business world.

Johnson holds its first annual Johnson Women in Business (JWiB) hosting weekend.

Johnson holds its first annual MBA Women in Investing Conference, founded by Lakshmi Bhojraj '95, MBA '01, Breazzano Family Executive Director of the

Parker Center for Investment Research.

2012 Angela Noble-Grange, MBA '94, founder of ODI, is honored with the Wilbur Parker Distinguished Alumni Award.

Johnson MBAs win the Consortium T.E.A.M. (together, everyone achieves more) trophy in recognition of their commitment to enhance diversity and inclusion in global business education and

leadership. In 2018 and 2019, Johnson residential MBA classes go on to win the Consortium trophy two years in a row.

2013 Co-founders Melissa Carr Adeyanju and Sarah Markels Maynard, both BA '14, launch the first annual Johnson Women in Tech conference to engage, connect, and inspire women to pursue their passion in technology.



Women of Johnson at the Forté MBA Women's Leadership Conference 2018

there. Students are studying and people are just joyful and happy.”

Nelson credited ODI director Jamie Joshua for driving the strategy that raises awareness and brings people together and for creating an inclusive culture that supports and nurtures diverse students throughout the Johnson community. “It’s just this incredible blend of energy, inside knowledge, and dedication from Jamie that sustains our current efforts at ODI,” he said.

“While Jamie is considering different parts of our community, she’s not focusing only on subsets,” Nelson continued. “She’s focusing on the community overall. She’s not identifying silos — she’s bringing people together. And that’s what it means to be part of Johnson.”

“With the consistent support of our administration and our students, faculty, staff, and alumni, we’re still here today and we’re growing every

day,” Joshua said when she spoke at the ODI anniversary celebration. “We continue to support underrepresented minorities, women, LGBTQ+, and veterans. We look to reduce the barriers of attending diversity conferences for our underrepresented students. We work closely with our student clubs to make sure that there’s programming for their membership and the community. We continue to see how we can support our international student population because we’re aware of the challenges that face them, especially in this current sociopolitical climate. I’m also excited to announce that this year’s class has started a new club, Access Johnson, to support and have conversations about the experiences of students with disabilities and neurodiversity.

“As we celebrate this milestone, we are also looking to the future and how we want to continue to change the

business landscape for the next 20 years and beyond,” Joshua said.

“JMB is the reason I fell in love with Cornell. It’s unlike any other diversity programs from any other places I’ve visited, and I really appreciate how everyone, from current students to faculty to staff, made me feel like I was already part of the Johnson mosaic.”

— Baron Muñoz, MBA ’21



(left to right) Keba Rogers, associate director of ODI, Risa Mish ’85, JD ’88, professor of practice of management, and Nsombi Ricketts, director of ODI, at Johnson Women in Business 2013



2014 The Distinguished Latino Alumni Award is renamed in honor of Carlos R. Quintanilla, MBA ’80, who was honored with the award himself in 2011, in recognition of his championing the school’s efforts in Latin America and his philanthropy in developing student scholarship opportunities.

Tyi McCray is named director of ODI.

2015 Johnson partners with Reaching Out MBA to award select students with ROMBA LGBTQ Fellowships.

2016 Jamie Joshua is named director of ODI.

2017 Fiery Topics discussion series launches to provide a forum for students, faculty, and staff to confront headlines of the day.

Sandwiches and Sage Advice is founded by Johnson woman faculty members as a way to connect informally with woman students.

2018 The Diversity Council is founded to bring student affinity group leaders into conversations about administrative decisions and initiatives.

ODI launches Women of Johnson Wednesdays to celebrate Johnson’s progress in advancing female leadership in business and to generate awareness about issues facing women in the workplace. Johnson Allies for Women



Johnson’s 2018 Consortium members with their T.E.A.M. trophy

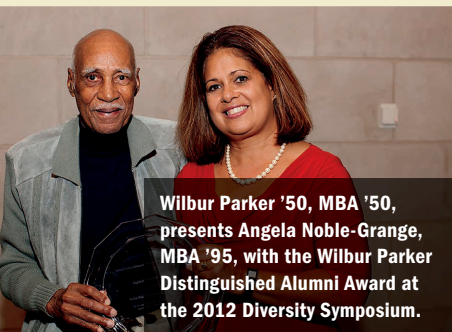
(JAWS) launches to engage male allies in supporting Women’s Management Council initiatives.

2019 ODI expands its reach to include one-year Johnson Cornell Tech MBA students.

Access Johnson, a business club for self-identified neurodiverse and disabled students and their advocates, is founded to increase support and awareness of disability and neurodiversity.

ODI hosts or interacts with 67 events, 2018–2019.

2020 The Johnson Diversity Symposium is renamed the Johnson Inclusion Summit.



Wilbur Parker ’50, MBA ’50, presents Angela Noble-Grange, MBA ’95, with the Wilbur Parker Distinguished Alumni Award at the 2012 Diversity Symposium.



CHINA SHAKES THE WORLD

**EMERGING
MARKETS REMAIN
STRONG AS
CHINA'S ECONOMY
TAKES THE LEAD
AND HOLDS FAST
TO ITS GROWTH
TRAJECTORY.**

BY DAVID MCKAY WILSON

**“Let China
sleep, for when
she wakes,
she will shake
the world.”**

— Napoleon Bonaparte

The rise of the Chinese multinational corporations, fueled by advances in technology and cutting-edge scholarly research, has changed the face the global economy. As Chinese companies have expanded across the globe, they have risen to dominance in several sectors of the international economy, from banking and transportation to engineering and mining.

Lourdes Casanova, senior lecturer and Gail and Roberto Cañizares Director of the Emerging Markets Institute (EMI) at Johnson, and Anne Miroux, a faculty fellow at EMI, highlighted these developments in EMI's Emerging Market Multinationals Report 2019, “Emerging Markets: Building Constructive Engagement.” The co-authors presented highlights from the report to students, academics, and corporate leaders from around the world at the 9th annual Emerging Markets Institute conference, held at the Bloomberg Center on the Cornell Tech campus on November 8.

The event included panel discussions featuring scholars and business leaders from around the world who discussed economic issues in China and Latin America, including Chinese banks' growing clout in the global economy; the spread and the promise of fintech in reaching underserved populations through mobile

phone applications; the impact that rising trade tensions have in the international marketplace; and the need to develop constructive engagement between the emerging markets and the developed economies in North America and Europe. The event also included an international student case competition in which business school teams from Colombia, China, and France, as well as Johnson's Executive MBA Metro NY, were tasked with developing a business plan to expand operations internationally for a Chinese consulting firm.

"The story of emerging markets is becoming the story of China," said Ravi Ramamurti, director of the Center for Emerging Markets at Northeastern University in Boston, one of the conference's co-sponsors.

That story includes the development of China's might in the world of technology, the rise of Chinese researchers publishing cutting-edge academic papers, and the emergence of high-quality Chinese manufactured goods that compete in the international marketplace with products of similar quality but at lower prices.

"The Chinese will now be fighting with price, and that will be very disturbing," said Casanova.

DEALING WITH THE PERILS OF GLOBAL TRADE TENSIONS

EMI's Emerging Market Multinationals Report 2019 report warns that the escalating trade war between the U.S. and China will further disrupt the global economy and blunt GDP growth, with tariffs and the disintegration of international free trade partnerships having an impact on export-import businesses around the world. The trade tensions, which have continued since early 2018, have had a "major destabilizing impact on the global economy," wrote Casanova and Miroux.

"In the long term, the sustained loss of confidence in the rule-based global trade system stemming from the trade war is even more damaging than the economic losses by themselves," the report's authors wrote. The global trade wars have marked a return to mercantilism, warned Bryce Quillin, head of global economics at pharmaceutical giant Pfizer, referring to the 17th century economic theory that viewed trade as a generator of wealth, an outcome governments encouraged through protectionism.

However, Quillin believes that the escalating tariff fight that has roiled the global economy could be addressed with a change in policy. "It's a volatile time," said Quillin. "But at least the issue is policy-induced, not induced by the economy."

Charles Ferraz, CEO of Itau USA Asset Management, said the trade wars could be part of a structural change in the global economy, which for decades has seen the United States as the dominant economic power. The rise of China has

threatened U.S. economic hegemony.

At the same time, the tariffs have hurt China, where economic growth dipped slightly to 6.7 percent in 2018, according to the report.

"This structural shift has huge implications for business and financial markets," Quillin said. "We can't predict what will happen. And we need to figure out how to minimize its impact on the economy."

EMERGING MARKETS LEAD IN GROWTH

Despite the trade tensions, economies in the emerging markets were strong in 2018, with average GDP growth at 5 percent, compared to 2.1 percent for G7 nations. The World Bank forecasts a slide in the growth rate for developed economies to 1.5 percent growth by 2021.

Peter Cornelius, managing director at the Carlyle Group, said that business expansion is increasingly occurring in the emerging markets, with those national economies now responsible for 55 percent of the world's economic growth.

Their prosperity, said Cornelius, will benefit the developed economies as well.

"They will need to bail us out," he predicted wryly.





Lourdes Casanova (right), senior lecturer and Gail and Roberto Cañizares director of the Emerging Markets Institute (EMI) at Johnson, and Anne Miroux, a faculty fellow at EMI, co-authors of EMI's Emerging Market Multinationals Report 2019, "Emerging Markets: Building Constructive Engagement."

CHINA'S ECONOMIC CLOUT CONTINUES TO RISE

China's strong economy, bolstered by government support and expanded investments overseas, has buoyed the growth of its multinational corporations.

As Casanova and Miroux point out in the EMI report, Chinese corporations now challenge U.S. companies in world rankings in several industries. A look at the Fortune Global 500 list from 2005 to 2019 details just how far Chinese multinational corporations have come. In 2005, the list included 175 U.S. corporations, compared to just 16 based in China. By 2019, the number of U.S. corporations had slumped to 121, while China's rose to 119, with 23 companies added just since 2015.

In 2019, Chinese firms took the top spots in banking, transportation, engineering and construction, petroleum refining, mining, metals, and insurance. "The current landscape confirms the global leadership position attained by Chinese firms," wrote Casanova and Miroux.

CHINA INVESTS IN LATIN AMERICA AND AFRICA

China's ambitious One Belt One Road initiative, launched in 2013, is certainly helping to drive its strong growth. The initiative includes infrastructure development and investments in 152 countries, including nations in West and Central Africa as well as Latin America and the Caribbean.

By 2019, 30 African countries had signed onto One Belt One Road, with China looking to build myriad rail lines, pipelines, and port facilities. These proj-

ects aim to connect rural areas with ports on the continents' east and west coasts.

Casanova and Miroux found that 21 percent of China's foreign direct investment went to Latin America, compared to 2 percent invested in Africa, where lending was the most important mode of investment. China focused its lending in Latin America predominantly in the energy sector, and most loans went to Venezuela.

The Industrial and Commercial Bank of China (ICBC), a top bank listed in the Fortune Global 500 at #26 overall, has emerged as a major international player with operations in 60 countries, said Yuqiang Xiao, chairman of ICBC's U.S. Management Committee, speaking in a panel discussion about Chinese financial institutions' global expansion.

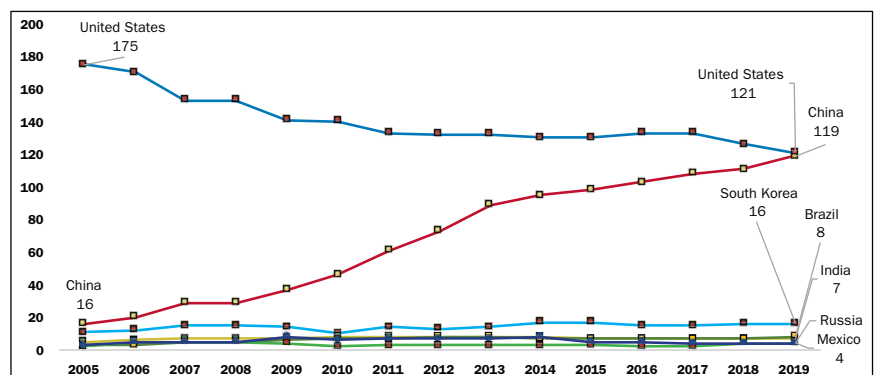
Chinese utility company State Grid invested in Brazil's biggest ultrahigh-voltage electricity line, while also buying a controlling interest in its third-largest electricity generator. Another Chinese company bought a major Brazilian ride-sharing company, while a Chinese lithium firm purchased a \$4 million stake in a Chilean mining company.

Chinese banks also see a major opportunity in providing services to the underbanked throughout the world, Xiao said. "We understand the bar for banking has been low," he said. "And the challenge is: how can we bring on 300 million who don't have access to markets?"

"China is now leading investment, lending, and trade to the global south," Casanova and Miroux wrote in the EMI report. "A rebalancing is in order, but the trend lines suggest that the asymmetry promises to continue in the years ahead."

The growth of Chinese multinationals was also reflected in their greenfield investments — the subsidiaries they created abroad. Over the 16-year period from 2003 to 2019, China was second to the United States in such investments, ahead of Japan, Germany, the UK, and France. In 2016, Chinese

GROWTH IN REPRESENTATION ON FORTUNE GLOBAL 500 (2005-18)



Source: Author's analysis based on 2019 Fortune Global 500 data 2005-2019, <https://fortune.com/global500/2019/>, accessed August 2019.

corporate greenfield investment exceeded spending abroad by U.S. companies, but by 2019, Chinese investment had declined, while U.S. and Japanese investment had grown.

Among Brazil, Russia, and Mexico, the top three firms from each of those countries accounted for more than half of foreign investment. China's investments, by contrast, were spread among many firms, similar to those made by companies from the U.S., India, and Japan.

"The former group shows vulnerability due to the lack of diversification, while the latter proves more resilient to economic shocks," wrote Casanova and Miroux.

CHINESE INNOVATION HITS NEW HIGHS

China has vaulted into global leadership on the frontiers of science and technology research and generated innovations that are fueling the growing Chinese economy. In 2018, for the first time, two Chinese technology firms — e-commerce company Alibaba and internet platform Tencent — were listed among the world's top 10 multinational corporations, based on market capitalization.

A new emphasis and investment on scholarly research is driving innovation in China, which has surpassed the United States in three key areas beginning in 2017: the number of scientific researchers, number of patents, and number of scientific papers published. Beijing's Tsinghua University produced more of the top 1 percent most-cited papers in mathematics and computing, as well as the biggest share of the most-cited papers in science, technology, engineering, and mathematics, notes EMI's report.

"China's global achievements would not have been possible without a disciplined effort to acquire new technology as well as a significant investment in homegrown innovation," wrote Casanova and Miroux, who presented the report at the conference.

The 2019 Global Innovation Index, published in collabora-

tion with Cornell and INSEAD by the World Intellectual Property Organization and widely recognized as the most comprehensive measure of a country's innovation capability, ranked China at #14 overall, up from #34 in 2012. South Korea, by contrast, was ranked #11 in 2019. China achieved its best showings for "innovation output" and "knowledge and technology outputs," with a #5 ranking in each category.

Telecom giant Huawei led the way in Chinese technological advancement. Ranked as the world's second biggest seller of global communications equipment, 24 percent of Huawei's revenues come from Europe, the Middle East, and Africa. A leader in the development of 5G mobile technology, its attempt to enter the U.S. market was famously blocked by the Trump administration in 2019, after fears arose that Huawei's technology could be used for espionage by China.

FINTECH'S PROMISE AND PITFALLS

The rise of innovation in fintech (financial technology) has expanded the reach of financial institutions to billions of customers as mobile phones have become increasingly affordable and accessible in the emerging markets, and that is a great boon to many. Fintech also helps governments improve their delivery of social welfare programs. However, as speakers at EMI's conference warned, the risk of mobile technology scams rise hand in hand with the promise of expanded access.

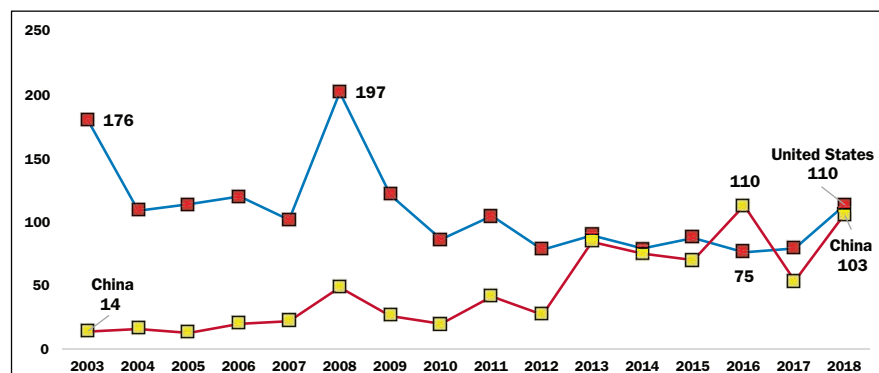
Among the world's 7.5 billion inhabitants, 1.7 billion remain outside of the banking system while another 3 billion are underserved, said Momina Aijazuddin, global head of micro-finance and financial inclusion at the International Finance Corporation. In reference to the spread of mobile technology that provides opportunities to reach the unbanked, she noted that half of the population in Africa have mobile phones.

Jacqueline Lee, a senior director of marketing in Latin

America for telecom giant Qualcomm, added that 5G networks under development will expand the reach of e-commerce, opening opportunities for mobile food delivery and ride-sharing companies to capitalize on new markets.

To illustrate the power of fintech to improve the lives of low-income people around the world, Nina Nieuwoudt, senior business leader in global product development at Mastercard, described a debit card system that Mastercard developed for the Republic of South Africa's 13 million social-aid recipients. The country's partnership with retailers,

TOTAL VALUE OF ANNOUNCED INTERNATIONAL GREENFIELD PROJECTS ABROAD BY SELECTED COUNTRIES (USD MILLIONS) BY THE U.S. AND CHINA



Source: Authors based on data from Financial Times fDi Markets, accessed August 2019.

Emerging Markets Case Competition participants devise different strategies for growth

Imagine that you work for an established Chinese consulting firm looking to expand into the international arena, and you're charged with creating the best business plan for success. Fifteen MBA student teams from universities on four continents took on that challenge as participants in the third annual Emerging Markets Case Competition.

The top two finalists proposed vastly different approaches.

The team from Universidad de los Andes in Colombia won the \$5,000 first-prize award for their plan, which focused on growth through acquisition of consulting firms in South Korea and Indonesia, where China plans to make substantial investments in its One Belt One Road initiative.



Lourdes Casanova (center) and Anne Miroux (right, standing) with Emerging Markets Institute staff and students, including Johnson's Executive MBA Metro NY team, Big Red EMI

The runner-up was Johnson's Executive MBA Metro NY team, whose plan focused on expanding in China's smaller cities before expanding abroad. The challenge offered "a fun opportunity" to apply the business skills they'd learned in class, said Sophia Van Doren, MBA '20. "We all came together to solve the business problem." Team participants also included Zach Bubolo, David Wei Wu, Yuki Takeyasu, Maiko Minami, and Daniel Joo, all MBA '20.

which served as ATM centers for cardholders, was key to the project's success. The social-aid recipients knew their local shops, so they became more comfortable using the cards there. "You get the people to trust you," she said.

But Nicole Van Der Tuin, CEO of First Access, a software platform that allows lenders to digitize loan origination, warned that unscrupulous fintech companies have taken advantage of digital finance platforms. For example, some mobile phone users in East Africa ended up with loans for as little as \$2 that they were unaware they had obtained. After they defaulted, interest rates jumped to as high as 120 percent. "They took out \$2 loans, and it took six months and \$20 to get back into the banking system," she said.

STRATEGIES FOR SUCCESS FOR EMERGING MARKET STARTUPS

As emerging markets' economies expand, entrepreneurs have new opportunities to prosper. But investing in these startups can be risky, according to several conference participants. And finding one's niche in an unfamiliar country can take time.

"If you are thinking of going international, build evidence first in your home market," advised Pierre DuPont, a partner at Cerity Partners. "Show that it works and that people care to use your product. Then investors in your home country can speak on your behalf."

The emerging markets can provide opportunities both for entrepreneurs looking to have a social impact and for companies interested in impact investing, says Alberto Gomez-Obregon, director of portfolio for Acumen and manager for the investment

company's global investment platform. Acumen, for example, uses its capital to back companies involved in healthcare, education, and energy. "We use capital as a means to address social issues," said Gomez-Obregon. "We add value to solve problems."

When reviewing new impact-investing opportunities, it's important to identify entrepreneurs who have the business skills that are essential to achieving those social goals. "You need to align your mission with a business model that you can bring to scale," Gomez-Obregon said.

Guest contributors to EMI's 2019 report

In addition to co-authors Lourdes Casanova and Anne Miroux, several members of the Emerging Market Research Network contributed the following chapters to EMI's Emerging Market Multinationals Report 2019:

- Mexican Multinationals, by Evodio Kaltenecker and Miguel A. Montoya of EGADE/Technologico De Monterrey
- Social Innovation in Latin America, by Veneta Andonova, Juana Garcia Duque, and Maria Emilia Correa of Universidad de los Andes
- State Capitalism or Technology Springboard: Chinese Multinationals Influenced by Both Institutions and Resources — an exploration of the driving forces behind the massive growth of Chinese Multinationals, by Limin Chen, professor in the School of Economics & Management, Wuhan University
- Better business for 2030: Putting the SDGs at the Core, a discussion of how the private sector can contribute to meeting the United Nation's Sustainable Development Goals (SDGs) by putting them at the center of decision-making, by the OECD Development Centre's Emerging Markets Network

Download the full report from the Emerging Markets Institute website: www.johnson.cornell.edu/emerging-markets-institute/

FISK JOHNSON,
CEO OF SC JOHNSON:

A CHAMPION IN THE CRUSADE AGAINST PLASTIC OCEAN WASTE

BY JANICE ENDRESEN

As one who's witnessed changes in the world's oceans firsthand over several decades, the alarming proliferation of ocean plastic waste is tangible for Fisk Johnson '79, MEng '80, MS '82, MBA '84, PhD '86, CEO of SC Johnson. He's seen the rise of plastic debris on the ocean surface and below the waves; he's seen plastic shopping bags and other plastic film floating through and covering sections of coral reefs; he's walked on beaches covered in plastic waste; and he's measured the density of microplastics in the most remote corners of the world's oceans.

"I've been diving for 47 years now, and I have probably done over a thousand dives," says Johnson. "I've had a chance to see how the ocean has changed over those years, and I have seen more and more plastic waste in the ocean. I have seen more and more pressure on the health of the ocean ecosystems. Human life on this planet depends very heavily on the health of the ocean ecosystem, and the changes that are taking place are scary, whether it's ocean acidification, plastic in the ocean, overfishing — all of those things."





SC Johnson Chairman and CEO Fisk Johnson investigating firsthand the effects of plastic pollution in Panama

The ocean plastic crisis has inspired Johnson, who is the fifth-generation leader of SC Johnson, the family-owned manufacturer of household consumer brands, to take action and do everything in his power to end plastic waste. “As a lifelong diver,” Johnson says, “it’s only natural for me to want to do what we can to protect the ocean.”

THE EXPONENTIAL GROWTH OF PLASTIC WASTE

It’s hard to break the disposable plastic habit because plastic packaging is so useful and convenient. It helps to preserve foods. It provides clean, leak-free containers for a host of consumer products, ranging from household cleaners and shampoos to sour cream and salsa. It’s used for sterile packaging

“As a lifelong diver, it’s only natural for me to want to do what we can to protect the ocean.” — Fisk Johnson

for medicines and medical supplies. Single-use plastic bottles used for water and a multitude of beverages are among the most ubiquitous uses of plastic.

It’s astonishing to learn how much plastic we’ve manufactured in a relatively short period of time. Plastic production skyrocketed from 2 million tons in 1950 to 381 million tons in 2015. Over that same period, cumulative production reached 7.8 billion tons of plastic, according to the nonprofit Our World in Data. That’s more than one ton of plastic for every person alive

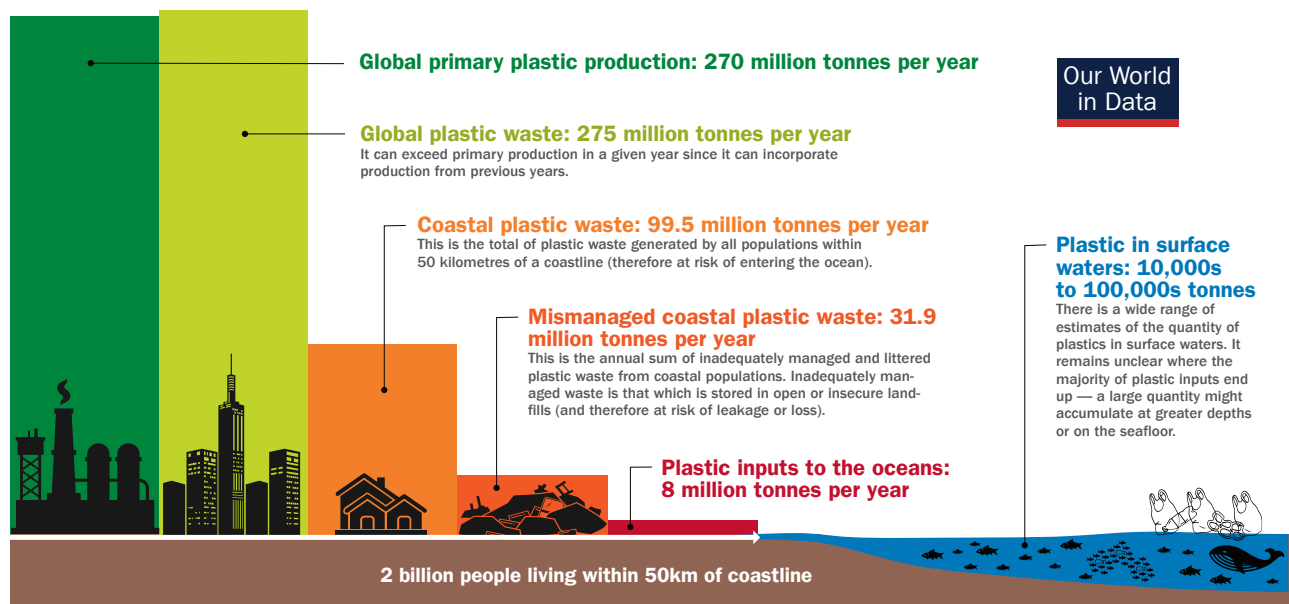
today, as the website notes.

Plastic packaging is by far the biggest generator of plastic waste, and most of it feeds an exponentially increasing profusion of plastic waste. According to the UN Environment Programme’s Beat Plastic Pollution website, “Only 9 percent of all plastic waste ever produced has been recycled. About 12 percent has been incinerated, while the rest — 79 percent — has accumulated in landfills, dumps, or the natural environment.”

While high-income countries are by far the biggest producers of plastic waste,

The Pathway by Which Plastic Enters the World’s Oceans

Estimates of global plastics entering the oceans from land-based sources in 2010 based on the pathway from primary production through to marine plastic inputs.



Source: based on Jambeck et al. (2015) and Eriksen et al. (2014). Icon graphics from Noun Project. Data is based on global estimates from Jambeck et al. (2015) based on plastic waste generation rates, coastal population sizes, and waste management practices by country. This is a visualization from OurWorldinData.org, where you will find data and research on how the world is changing. Licensed under CC-BY-SA by the authors.

they also tend to have well-managed waste collection systems. Consequently, they tend not to be big contributors of plastic pollution to external environments like the world's oceans.

Nevertheless, eight million tons of plastic waste winds up in the oceans every year. How? "A lot of this waste comes from rivers where they don't have good waste collection systems upstream," says Johnson, standing on a waste-strewn beach in Latin America in a brief video, *Ocean Plastic: Root Cause*, on SC Johnson's website. "People use the river to get rid of their trash, and it flows out into the ocean and then collects on this beach."

Most of the plastic that makes its way down rivers and into the oceans — 86 percent globally — originates in Asia, followed by Africa at 7.8 percent, and South America at 4.8 percent, according to Our World in Data. The concentration of global mismanaged plastic waste in Southeast Asia is one big reason why Indonesia plays a big role in SC Johnson's efforts to address plastic ocean waste.

SC JOHNSON'S COMMITMENT TO REDUCE, REUSE, AND RECYCLE PLASTIC

Compelled by what he has seen, Johnson has made it his business, and SC Johnson's business, to address the proliferation of plastic waste and, ultimately, create a circular economy for plastic.

"Plastic waste is probably the single biggest environmental issue for our company," says Johnson.

SC Johnson proudly points to its deep-seated and many-faceted commitment to end plastic waste in articles and videos throughout its website. As Johnson says there: "Together with the Ellen MacArthur Foundation and other global organizations, we are making ambitious commitments and taking united action to create a new plastics



Fisk Johnson at the site of a river barrier built to prevent plastic from reaching Panama Bay and, eventually, the ocean

"Plastic waste is probably the single biggest environmental issue for our company." — Fisk Johnson

economy that helps stop plastic from becoming waste."

In fact, Johnson joined Dame Ellen MacArthur and Erik Solheim, United Nations Environment executive director, to launch the New Plastics Economy Global Commitment at the Our Ocean Conference in Bali, Indonesia, in October 2018. Led by the Ellen MacArthur Foundation in collaboration with the UN Environment Programme, the Global Commitment establishes a common vision for companies to help eliminate plastic waste and create a circular economy for the plastics we use. As the Ellen MacArthur Foundation defines it, "a circular economy is

based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems." The New Plastics Economy Global Commitment now unites more than 400 signatories, including many well-known consumer businesses representing 20 percent of all plastic packaging produced globally.

In 2018, SC Johnson also partnered with Plastic Bank, a nonprofit dedicated to stopping ocean plastic by monetizing waste while simultaneously improving lives. Through this partnership, SC Johnson has opened nine new plastic recycling centers in Indonesia with the goal to stop plastic before it ever

gets into the ocean. SC Johnson chose Indonesia for the partnership because it has the world's highest levels of marine biodiversity, yet also faces high levels of plastic pollution in its oceans.

The system incentivizes waste collectors to gather plastic waste and bring it to a recycling center where they can exchange it for digital tokens to buy goods and services. Payments in digital tokens are tracked using blockchain technology, reducing the risk of loss or theft. After it's recycled, this post-consumer plastic is trademarked and sold into the market as Social Plastic. SC Johnson is incorporating Social Plastic into bottles of Windex in both the United States and Canada.

"It was only natural for us to get involved with Plastic Bank and their effort to collect ocean-bound plastic," says Johnson. "I like it because it not only gives us a source of plastic we can recycle back into our products, but it's got a great environmental benefit and a social benefit as well."

In October 2019, SC Johnson announced that it had expanded its partnership with Plastic Bank, adding a ground-breaking, three-year deal to create a total of 509 plastic collection points across the globe. These collections centers are projected to collect 30,000 metric tons of plastic waste over three years — the equivalent of stopping approximately 1.5 billion plastic bottles from entering waterways and the ocean.

This laser focus on addressing plastic ocean waste is right in character for SC Johnson, a company that has purposefully built a reputation for its commitment to environmental and social responsibility over several generations. Upon signing the New Plastics Economy Global Commitment, the company announced a new set of commitments to reduce its plastic footprint and encourage reuse and recycling of



Fisk Johnson on stage with Roberto Ampuero Espinoza, Minister of Foreign Affairs, Chile, (center) and Dame Ellen MacArthur (right) after signing the New Plastics Economy Global Commitment at the 2018 Our Ocean Conference in Bali, Indonesia

"We are at an inflection point in the world where the plastic waste issue is much more top of mind for consumers."

— Fisk Johnson

the plastic used in its own products, including:

- *Make 100 percent of plastic packaging recyclable, reusable, or compostable by 2025 — up from 90 percent today*
- *Triple the amount of post-consumer recycled plastic content in packaging by 2025*
- *Expand the number of concentrated liquid refill options for household cleaning products that come in trigger bottles by 2025*
- *Champion curbside recycling of plastic film in the United States and promote the reuse of Ziploc brand bags, which are made to be reused many times*
- *Work with industry and other organizations to support circular plastic economy models and keep plastic out of landfills and the environment.*

STRENGTHS OF A FAMILY COMPANY

"We're uniquely advantaged relative to other companies because we are a private company and a family-led company," says Johnson. "As a private company,

you don't have to worry about next quarter's earnings or pressures to maximize shareholder value; we can focus on doing the right thing for the long term."

Johnson was fascinated by the Business Roundtable's recent (August 19, 2019) statement on the purpose of a corporation, which moves away from shareholder primacy to include a commitment to all stakeholders — customers, employees, suppliers, and communities, as well as shareholders. Johnson laughed, saying, "You know, I can't believe it's taken everybody this long to come to that conclusion."

But even companies that recognize the importance of all stakeholders are challenged by short-term internal pressures, Johnson says. "I love the fact that Paul Polman, who was the CEO of Unilever, stood out as someone who really tried to do the right thing for the long term. He got rid of quarterly reports and accomplished a lot from an environmental and social standpoint."

As Johnson sees it, doing the right thing for all stakeholders is key to building their trust — an invaluable and indispensable prize. "Trust is at an all-time low today in many sectors of society, whether it's business, civil society, or government," says Johnson.

“And trust is a mainstay of being successful long-term as a business. People look to see how a company treats people and the planet to determine whether they trust your company or not, and I think companies in today’s world who neglect doing the right thing for both people and planet really do it at their own peril.

“Younger generations today care even more about trust,” Johnson adds. “They care more about a company’s history of social and environmental responsibility, as they make their purchasing decisions.”

RAISING AWARENESS IS CRITICAL

Johnson believes consumers, companies, and governments must all work together to effectively tackle the plastic waste problem. And the first step, he says, is to raise awareness: “It’s critical that consumer awareness is more in tune to this issue and that consumers are willing to go through some changes to help create a more circular economy.”

In Johnson’s experience, getting consumers to change their behavior, even in small ways, isn’t easy. For example, SC Johnson has been trying to sell concentrates for its trigger bottles for more than a decade, test marketing in multiple locations using several different tactics, with limited success. “Those trigger bottles can be reused many times,” says Johnson, “and it’s not a big behavior change to buy a small concentrate, pour it in the trigger bottle, and fill it with water. But people have just not been aware enough of the plastic waste problem to go through that slight change of behavior.”

Fortunately, things have changed, Johnson says. “We are at an inflection point in the world where the plastic waste issue is much more top of mind for consumers,” he says. “So as a

company, we have the best opportunity now to make a go of concentrates and get people to reuse trigger bottles.”

On another front, SC Johnson is testing a refill station for laundry care products in a store just outside of London and finding that customers are receptive. “That would have never worked five years ago,” says Johnson, “but it’s working today because people are more willing today than ever to remember to bring their old bottle into the store and refill it.”

Johnson sees this as indicative of a new wave going forward. He credits younger generations as even more attuned to environmental issues and consequently more willing to make behavior changes. “It’s something that gives me more optimism than ever that we’ll be able to tackle this problem,” Johnson says. “There’s nothing — noth-

ing! — that companies respond to better than pull or demand from consumers.”

That comes full circle to why raising awareness is so critical. “One of my missions is to go out there and to keep raising awareness about the plastic waste issue among the public, and you see me doing that through social media,” says Johnson, who actively posts news and information about plastic waste on Twitter, Facebook, Instagram, and LinkedIn. He hopes to see more companies and civil society entities join in raising awareness, as well.

WHY WE NEED GREATER GOVERNMENT REGULATION

In addition to growing awareness about plastic waste, we need greater government regulation, says Johnson. “I think this is an important element if we’re really going to solve this problem,” he



Fisk Johnson with David Katz, CEO of Plastic Bank, opening a recycling center in Indonesia

THE JOHNSON FAMILY CODE AND LEGACY:

says. “We need regulations that help incentivize the incorporation of recycled materials into products, because the solutions today are not easy.”

As a company, SC Johnson has lobbied for more regulation in a lot of important areas. In 2016, the company championed the passage of critical reforms to the nearly 40-year-old Toxic Substances Control Act. In 2017, its government relations team worked on California’s Cleaning Product Right to Know Act, legislation aimed at providing consumers with greater ingredient transparency. “We need to do the same thing on plastic waste and other waste-related issues,” says Johnson.

Government regulations play an important role in providing the impetus to drive change. They can also level the playing field.

For example, the World Resources Institute and the UN Environment Programme reported that, as of July 2019, at least 127 countries had adopted some form of legislation to regulate plastic bags, ranging from outright bans to progressive phase-outs. Johnson loves that as an example of regulations that incentivize consumers to change their behavior. “It’s a nice incentive to remember to bring your reusable bag,” he says, “and it’s a great example of the kinds of things that we need to do.”

Regulations that require manufacturers to change their practices are another important piece of the puzzle. “When we put ocean plastic into our Windex bottles, it’s a 30 percent cost premium to do that, and that’s over and above the cost premium we pay to put 100 percent recycled plastic in our Windex bottles to begin with,” explains Johnson. “We’re willing to do that kind of thing. Other companies may not be so willing to do it. If we’re going to really get over the hump, we need greater regulation.”

Herbert F. Johnson Sr., second-generation leader of SC Johnson and Fisk Johnson’s great-grandfather, articulated the company’s values in a speech that has been quoted from many times since:

“The goodwill of people is the only enduring thing in any business. It is the sole substance. The rest is shadow.”

“That is the guiding light of our company from the very beginning,” says Fisk Johnson. “It’s about doing the right thing for the people who work for our company, doing the right thing for our customers, and doing the right thing for our communities. Ultimately, it’s about our company working for a better world. Our passion for doing the right thing for the planet has its roots in those values. We’ve always tried to do the right thing for the long term and work to make the world a better place because our company is here and operating in the world.”

When asked about how these values were instilled and passed down through his family, Johnson shares a picture of what it was like to grow up with parents like Samuel C. Johnson ’50 and Imogene Powers Johnson ’52: “My dad and my mother were both passionate environmentalists,” Johnson says. “And they were passionate about the outdoors, too.

“Our vacations were all very outdoors-oriented,” Johnson recalls. “My dad was a scuba diver, we went on diving trips; my dad was a big fisherman, we went out on fishing trips. We went on hiking trips, we went on naturalist trips. We saw the rainforest, we saw the jungles. We were in Africa doing safaris. We had incredible opportunities, growing up, to see the world, and particularly, to see the world outdoors, because that’s what my parents loved. Along with my parents, I’ve been hiking, climbing, kayaking, canoeing, camping — you name it,” he laughs, remembering. “If there was something outdoors, we did it.

“So I grew up, as did my siblings, taking trips to see the world with my parents and having conversations about sustainability and the environment. It’s just been part of the family DNA from early on; I don’t think I could help but absorb it as a child. I think they had me converted when I was a toddler,” he laughs.

THE CARNAÚBA EXPERIENCE

“If I could point to one particular seminal moment in my life, it had to be the 1998 trip that my father, brother, and I took to retrace my grandfather’s expedition into the interior of Brazil,” says Johnson. The trip is depicted in a poignant film, “Carnaúba: A Son’s Memoir,” that tells the story of why Fisk’s father, Sam Johnson, decided to recreate his own father’s journey and includes the quest to locate plans and build a replica Sikorsky S-38 aircraft for the trip (a feat in itself), as well as the

RESPECT AND LOVE FOR A CLEAN ENVIRONMENT

adventures the family experienced during the expedition.

"There's a point in that movie when my father says, 'It doesn't matter whether you live up to the expectations of your father; what really matters is whether you live up to the expectations of your children,'" Fisk recalls. "To hear him say that, explicitly, to hear it in the context of my father's relationship with his father, and to hear it in the context of my father's relationship with the four of us children — to really have a chance to think about the meaning of that, in terms of my relationship with my daughter, in terms of what I should do as a leader in this company — to live up to the expectations of the next generation of everybody's children; I think that really struck home more than anything else in my mind. It shed a new light on everything. To go through that

"There's a point in that movie [Carnaúba] when my father says, 'It doesn't matter whether you live up to the expectations of your father; what really matters is whether you live up to the expectations of your children.' That really struck home."

— Fisk Johnson



Fisk Johnson piloting the Carnaúba, a recreated Sikorsky S-38 aircraft, on the 1998 expedition to Brazil

experience with my father, and to hear him say that and to think about it in the context of everything, just took my passion to a new level."

DEDICATED PROPONENTS OF SUSTAINABILITY AND SCIENCE

Fisk Johnson's father was recognized as a pioneer of sustainable business. A founding member of the World Business Council for Sustainable Development, Samuel Curtis Johnson '50 (1928–2004) was appointed by President Clinton to the U.S. President's Council on Sustainable Development in 1993. He received a Lifetime Environmental Award from the United Nations Environment Programme and was inducted into the U.S. National Business Hall of Fame.

In fall 2019, Fisk was appointed to serve on the President's Council on Technology and Science. In addition to being a business leader, Fisk is a scientist in his own right who holds multiple degrees from Cornell University, including bachelor's degrees in chemistry and physics, master's degrees in engineering and physics, an MBA, and a PhD in physics. "I'm passionate about science," he says. "I spent many years of my Cornell tenure studying it. But I do see an erosion of science and scientific thought in society today, and I see this as an opportunity to make a contribution in that area. Science is so important to our future. Science is not perfect, obviously, but science education is critical, and scientific thought and objectivity is critical, as we look at solving our world's problems."

THE JOHNSON FAMILY AND CORNELL

At the Samuel Curtis Johnson Graduate School of Management, and at all the schools that are part of the Cornell SC Johnson College of Business, the Johnson family's legacy endures. The family's values and ideas shaped many of the programs and initiatives that helped transform the school — from the Johnson family's \$20 million gift in 1984 that transformed and named the Samuel C. Johnson Graduate School of Management to the \$150 million gift made by Fisk Johnson and SC Johnson in 2017 — the largest single gift to Cornell's Ithaca campus — that founded the Cornell SC Johnson College of Business, bringing together the Charles H. Dyson School of Applied Economics and Management, the School of Hotel Administration, and the Samuel Curtis Johnson Graduate School of Management.

As Hunter R. Rawlings III, Cornell President Emeritus, put it in 2017: "The Johnson family has provided remarkable leadership and support to Cornell over three generations. Their friendship, guidance, and generosity have helped to shape the university we know today — from the Herbert F. Johnson Museum of Art, to the Imogene Powers Johnson Center for Birds and Biodiversity and the Samuel Curtis Johnson Graduate School of Management, to the newly named Cornell SC Johnson College of Business."



CLOSING THE

The Sabanci Bridge Connects Two Campuses as One

**THE SABANCI
BRIDGE IMMERSIVE
TELEPRESENCE
TECHNOLOGY
CONNECTS THE
BREAZZANO CENTER IN
ITHACA AND THE TATA
INNOVATION CENTER
IN NEW YORK CITY.**

The Sabanci Bridge, the convergence of a leader-driven vision and a student-driven need, became reality through a gift fueled by gratitude, respect, success, and good memories.

In summing up his reaction to the power of the immersive telepresence technology that connects Samuel Curtis Johnson Graduate School of Management classrooms and students in Ithaca and New York City, Demir Sabanci, MBA '99, said: "This proves the death of distance."

Demir made the remark during a personal guided tour of the technology he endowed, which is named the Sabanci Bridge in honor of his father, Özdemir Sabanci. Demir first learned about Cornell University from his father, a scientist and entrepreneur who spoke of Cornell in glowing terms. He smiled at a cherished memory that connects him, his father, and Cornell: "Back in the early '80s," he recalled, "we used to watch Carl Sagan's 'Cosmos' together." Demir, an entrepreneur himself and president and chairman of investment management firm Sedes Holding, said that he always



wanted to give back to the school, and that honoring his father at the same time “is extra meaningful.”

The Sabanci Bridge endows two classrooms in Ithaca and in New York City that are equipped with integrated, immersive telepresence systems to join the two campuses — connecting room LL23 in the Breazzano Family Center for Business Education in Ithaca and room 123 in the Tata Innovation Center on the Cornell Tech campus as Sabanci Bridge classrooms. Among the key features of the technology are multiple high-definition cameras and a high-definition videoconferencing codec, 90-inch flat panel displays, ceiling-mounted beam-forming microphones, and more (see “The game-changing technology behind the Sabanci Bridge,” below).

The effect is astounding, said Drew Pascarella, associate dean of MBA programs and Rempe Wilson Distinguished Lecturer at Johnson and the first faculty member to use the Sabanci Bridge technology in January 2019, for his Fintech

Intensive Practicum. “It’s as seamless as it gets. If you’re an instructor in the ‘home’ classroom, your ability to interact with students in the ‘away’ classroom is as seamless as if they were sitting in the room. The video quality is outstanding, the audio quality is outstanding, and as an instructor, looking past the last row in the class to a video screen essentially looks like the next row in the class. The way you’re interacting is quite natural because it’s like you’re looking at the fifth row of your class; they just happen to be 240 miles away. When a student asks a question, you can have eye contact with the student and you hear the full duplex audio, so they sound like they’re a student in the room — the audio is that crisp. It’s phenomenal.”

Demir’s gift also establishes an instructional support fund to facilitate cross-campus teaching using the Sabanci Bridge technology.

“This special gift from Demir Sabanci will spur innova-



Dean Mark Nelson presented Demir Sabanci with a framed commemorative gift of appreciation depicting the two buildings that house the Sabanci Bridge technology at the Sabanci Bridge dedication, Oct. 21, 2019.

tions in Johnson’s curriculum that transcend disciplines, distance, and programs to provide a highly visible showcase for our distinct two-campus model,” said Mark Nelson, Anne and Elmer Lindseth Dean of Johnson. “Combining a \$5.25M commitment from Demir with a \$1.75M match from Fisk Johnson and SC Johnson, this support will benefit generations of Cornellians as well as our current students, staff, and faculty.”

Demir was honored for his gift on October 21 at the Sabanci Bridge Dedication during a meeting of the Johnson Advisory Council, of which Demir is a member.

A vision realized

“While I was a student here 20 years ago,” said Demir, “there was all this talk about New York City and how wonderful it would have been to be able to get the school there, to have some sort of a foothold in New York City. Now, with the availability of such technology, that gap can be bridged very easily.”

“Deans Soumitra Dutta and Mark Nelson envisioned bringing the campuses together from a technology perspective,” said Pascarella. “We have best-in-class instructors in New York City and in Ithaca and students on both campuses who want to be able to take the same class at the same time. We didn’t want to diminish the experience of the students

who weren’t physically in the classroom. So how could we build a technology solution that empowered students in the away classroom to feel just as much a part of the experience as they would in the home classroom? That was the challenge that Dean Nelson gave to Todd Kreuger [executive director of IT operations for the Cornell SC Johnson College of Business] and his team. They figured it out and did a great job with it — it’s an A+.”

Connected classes give students more options

Pascarella called the Sabanci Bridge “the perfect solution” for residential MBA students in Ithaca who want to participate in the Johnson NYC Intensives (Fintech and Digital Marketing intensives) but who don’t want to move to New York City for a semester or half a semester. “We have this amazing package of classes, and it’s really cool for a small set of people who decide to move out of Ithaca and live in New York City for a while,” Pascarella said. “That’s very appealing to some, less appealing to others. So we needed a mechanism to be able to provide the best of that curriculum to the much larger group of students in Ithaca that were not looking to live in residence in New York City. The Sabanci Bridge gives us the opportunity to deliver that content simultaneously.”

The Sabanci Bridge was also right on target for Shawn Mankad’s Machine Learning class — for many students, a

natural follow-up to Introduction to SQL, Mankad's dataset acquisition, management, and visualization class. Mankad, as assistant professor of operations, technology, and information management, teaches SQL to both One-Year MBAs and Cornell Tech MBAs during their summer session on the Ithaca campus: "We do a whole seven-week class in seven days, meeting for three hours a day, so you get to know each other pretty well," he said. His SQL students who moved on to the Cornell Tech campus at the end of the summer wanted to take Mankad's Machine Learning class the following spring. Using the Sabanci Bridge technology was, again, the perfect solution. Interaction between the two cohorts was natural; in fact, many students in the class already knew each other from taking SQL together during the summer session. The capstone of the Machine Learning class is a competition, said Mankad: "I post my own dataset to Kaggle and have the students compete to build the best model. And the cool thing was," he added, "one team was actually mixed, Cornell Tech [MBA] and Ithaca [One-Year and Two-Year MBA] students."

Lourdes Casanova, senior lecturer and Gail and Roberto Cañizares Director of the Emerging Markets Institute, began teaching across campuses in the fall of 2017, when she delivered her Leaders in Emerging Markets speaker-based class using Zoom to connect Sage Hall B08 to a classroom on the Cornell Tech campus. In the fall of 2019, she taught it using the Sabanci Bridge technology. One hundred twelve students have enrolled in her class, 18 Johnson Cornell Tech MBAs and 94 One-Year and Two-Year MBAs in Ithaca. "It's an opportunity for students in Ithaca and on the Cornell Tech campus to listen to speakers from all over the world," said Casanova. "Last year, five speakers addressed students from Ithaca, two from the Cornell Tech campus." In addition to the accessibility New York City offers when it comes to bringing in prominent leaders in emerging markets, many alumni speakers in that arena love coming back to Ithaca, Casanova said, plus there is so much expertise here in Ithaca. "Now, the technology allows us to offer these speakers to students in both places," Casanova said.

Engaging faculty and scaling up to increase cross-campus offerings

As the associate dean of MBA programs, Pascarella is actively reaching out to faculty who are teaching classes that would clearly be appealing to Johnson students in both Ithaca and New York City. "Our tech-focused faculty, in particular, are really excited about the opportunity to teach across campuses," said Pascarella. "They think the technology is cool, and they love being able to mix in students from multiple programs

because it provides a broader perspective and they can use the technology to empower a more rounded set of students and classroom experience."

For example, Pascarella recently received a course proposal for a new digital operations class from former [associate] dean Vishal Gaur, Emerson Professor of Manufacturing Management, who lives in Ithaca. "It looks like a fantastic class," Pascarella said. "The content is clearly relevant to both Johnson Cornell Tech MBA and MBA students in Ithaca, so I asked him: 'Would you be willing to simulcast your class via the Sabanci Bridge to the Cornell Tech campus?' And he immediately answered: 'Yes, I would love to.'"

Students' ability to take classes in Ithaca that are based in New York City and vice versa "certainly broadens the curriculum massively for all students," said Mankad. "That's pretty cool," he adds, "because the two campuses have different sets of expertise and focuses."

"We are in the early days of realizing the vision of the two-campus model," said Pascarella. "Now, we have this incredibly powerful, extremely unique delivery mechanism enabling us to operate within the mother ship of Cornell University and all the research and teaching it provides, and also teach in New York City, the center of the business universe."

The game-changing technology behind the Sabanci Bridge

Although Johnson has been able to do videoconferencing across campuses in the classroom for a long time, the high-definition video and sound quality that characterize the Sabanci Bridge are "really game changing," said Drew

Pascarella. “Now, instead of feeling like an encumbrance, the Sabanci Bridge technology is an enabler of learning.”

The overall objective of the Sabanci Bridge system is to “facilitate and enable two classrooms to function as one,” said Todd Kreuger, executive director of IT operations for the Cornell SC Johnson College of Business, whose team built the system. The integrated, immersive telepresence technology in each of the Sabanci Bridge classrooms in the Breazzano Family Center for Business Education in Ithaca and the Tata Innovation Center on the Cornell Tech campus includes:

- *Four 90-inch flat panel displays, each coupled with a high-definition camera and a high-definition videoconferencing codec (an encoding tool that processes video and stores it in a stream of bytes). The cameras capture four quadrants in the room, one for each side and two for the center section, enabling all participants in both locations to clearly see one another. A fifth camera and codec captures the instructor, and a fifth 90-inch flat panel display works as the instructors’ confidence monitor, displaying their PowerPoint or other visuals.*
- *Ceiling-mounted beamforming microphones allow students to clearly hear everyone in both classrooms.*
- *Custom lectern design based on Johnson faculty feedback. The ADA-compliant lecterns have stowable doc cams and slide-out extensions to maximize surface area. The new design redistributes ventilation to dissipate the hot air generated by the electronic equipment it houses, thereby eliminating the “chimney effect” of blowing hot air on the instructor.*
- *Mediasite lecture capture allows class participants to review course material anytime.*

Demir Sabanci: the inspiration behind the gift

With his gift of the Sabanci Bridge, Demir Sabanci honored both Johnson and his father, Özdemir Sabanci, whom he described as an innovative scientist as well as a great entrepreneur and industrialist.

Özdemir Sabanci graduated with a BS in chemical engineering from the University of Manchester Institute of Science and Technology and earned his master’s in chemical engineering from ETH Zurich (Swiss Federal Institute of Technology), specializing in synthetic fibers, automotives, and plastics. Building on his own father’s expertise and experience

in the textiles and cotton industry, Özdemir introduced the use of polyester and synthetic yarns, and with support from his father and brothers, launched a startup that became a large synthetic yarn and polyester factory and one of Turkey’s largest industrial plants. Later, Özdemir formed joint ventures with several Japanese automotive, construction machinery and equipment, and commercial vehicle and bus companies, including Toyota, Komatsu, and Mitsubishi.

In his first foray into business, Demir joined his father’s joint venture with Toyota in Japan directly after graduating with his bachelor’s degree in economics and international relations at Boston University in 1993. In 1996, his father died suddenly, and Demir returned to Turkey and the family business, Sabanci Holdings. A year later, Demir enrolled at Johnson.

“Johnson was a great refuge for me,” Demir said. “I had inherited a tremendous amount of responsibility from the passing away of my father. And I thought that I could be better equipped to deal with complicated things in a much shorter time frame if I attended a business school like the Johnson School.”

Overall, Demir likened his experience at Johnson to “having my brain like an open jar under this beautiful waterfall. I learned a lot, and that gave me self-confidence. In addition, I gained an awareness of how far the skills I was equipped with could carry me and where else I would need to gain additional expertise.”

Demir recalled Professor David BenDaniel as a major influence and specifically cited two maxims he first heard in his class: “Fortune prefers the prepared mind,” and “You are the product of your decisions.” He also remembers other professors very fondly, including Seymour Smidt, Jerome Hass, Alan McAdams, Robert Libby, and many others. “They all left a tremendous impression on me,” Demir said. In addition, he said, “I was always impressed with the ideas and information from not just lecturers and professors, but also from my classmates.

“It was definitely two years well spent in a beautiful part of the country,” Demir said. “I made great friends from all over the world. And I met my wife here, when she was an exchange student from Bocconi.”

Now, Demir is president and chairman of Sedes Holding, an investment management firm he founded in 2002 that is based in Istanbul, Turkey, and specializes in venture capital and real estate investments. A serial entrepreneur, Demir is also a founding shareholder of several Sedes subsidiaries.

Last summer, Demir and his family spent a week vacationing on Cayuga Lake and enjoying Ithaca and Cornell.



PROFILE **IN** LEADERSHIP

Christina Keller, MBA '07

PRESIDENT AND CEO AT CASCADE ENGINEERING

BY STEVE FRIESS

Upholding and Updating a Family Tradition of Do-Good Capitalism

Christina Keller got far more excited than anyone expected.

In an otherwise routine meeting in October, a division leader threw out the notion of creating a new product, the “smart” pallet, marrying Cascade Engineering’s location-tracking RFID chip-making arm with another subsidiary that manufactures plastic pallets. Cascade was already in talks with one major logistics firm about a large order of RFID tags for new pallets, so why not sell them both?

To Christina, the Grand Rapids, Michigan, conglomerate’s CEO and president for just over a year, it was exactly the sort of innovative and lucrative idea she’d been urging her team to bring her way.

“I jumped on it right away because I’m always looking for opportunities to scale,” she says. “It’s not about sitting back and waiting for somebody to do a report on it. If we think it’s a good opportunity and if we trust the people working for us, we ask, ‘What are the resources you need? What are the roadblocks that are in front of you? How can we break those down?’”

Steve Bushong, Cascade’s vice president of operations, recalled being amazed by how quickly Christina seemed inspired by the idea and eager to put it into action. “This was nothing more than a sketch of something that somebody had a thought of, but Christina pushed it quickly into the business,” says Bushong, one of Keller’s first major hires after taking over as president and CEO in September 2018. “She pushes the envelope on things like that.”

The smart pallet moment is a classic example of what several executives called 38-year-old Christina’s “action-biased” approach to leadership, a style that has allowed her in just over a year in the C-suite to place her imprimatur firmly on the 46-year-old company founded by her father, Fred.

Fred Keller ’66 (materials science and engineering) grew Cascade into one of the nation’s largest plastic-molding companies in North America with nearly \$400 million in annual sales and 1,800 employees spread across four states and Budapest, Hungary. The company has provided plastic components for Herman Miller chairs for 40 years, has manufactured some 30 million roll-to-the-curb trash and recycling carts, and, more recently, is finding lucrative new business in making battery casings for the power sources of electric vehicles.

AN ADVOCATE FOR A TRIPLE-BOTTOM-LINE CULTURE

Cascade Executive Vice President Kenyatta Brame says there was some nervousness around Cascade as the younger Keller took over because there was no guarantee that she would be as forcefully supportive as her father of the company’s many social-good initiatives. Fred took pride in creating what he termed a “triple bottom line” enterprise, one that accounts for its focus on improving “people, planet, and profits” through such efforts as the hiring of recently released prison inmates and welfare recipients as well as a push to build zero-waste factories. The firm is one of the world’s largest B Corps, a prestigious independent certification bestowed upon companies that meet rigorous standards in social and environmental performance, transparency, and legal accountability.

“Now that Christina has taken over, we realize our culture is strong,” Brame says. “Christina is an advocate for the culture. Although she is very analytical and puts great emphasis on the financial success of the business, her number one priority is also our people.”

In retrospect, there should have been little doubt. In her first year on the job, the company was a 2019 “Best for the World” honoree from B Corporation. Emblematic of this kind of work is an initiative she has led in the company’s garbage cart division to develop a way to make plastic bins out of landfill trash. “That process is actually carbon-negative,” she touts, “so it’s a pretty big deal. We’re finding people at Waste Management care about that. Our customers are interested in how we can solve environmental problems together, and that creates more opportunity for us to grow.”

Christina has also created a program by which Cascade puts \$3,000 toward closing costs on employees’ first-time home purchases. Such efforts draw perplexity among leaders of other corporations when she speaks about them, Brame says, but she has a ready reply: “Her answer is that we’re part of this community. Christina has always understood that we can’t be successful if there are segments of our community that aren’t successful.”

DISCOVERING THE LIMITS TO SOCIAL PROGRESS IN NONPROFIT WORK

Christina was, of course, steeped in her father's ethos growing up around the business, working on the manufacturing line between terms as an undergraduate at Boston College in the early 2000s. She admired her father's unusual approach to business, but in the years after graduation she believed working in the nonprofit world would be a more direct way to do good for the world. "She found herself in Africa putting up solar

panels and working in the carbon credits field," Fred says of his daughter's volunteerism and work for two years with D.C.-based Environmental Resources Trust (ERT). "But when she went back to see the installations she helped put up, she saw many were broken or not working properly or not being used at all. At that point, she started questioning whether the NGO world was the right place for her to spend her energy."

With that revelation, Christina enrolled in Johnson's Two-Year MBA program, where one of her most memorable

One of the nation's largest plastic-molding companies as well as a "triple bottom line" enterprise and "Best for the World" B Corp, Cascade Engineering has provided plastic components for Herman Miller chairs for 40 years. It has manufactured some 30 million roll-to-the-curb recycling and trash carts — including plastic bins made from landfill trash.

“Our customers are interested in how we can solve environmental problems together, and that creates more opportunity for us to grow.”

— Christina Keller, MBA '07



courses was one on sustainable business practices taught by none other than her father. She planned to join Cascade at some point, but it is family policy to work outside the business first, so she put in two years as a pharmaceutical compliance consultant for Polaris Management Partners in New York. Then, in 2009, at her husband's urging, Christina returned to Michigan. "He said, 'Well, if we're gonna do it, we should probably do it now because your dad's gonna retire at some point and you want to work with him,'" she recalls.

BUSINESS SAVVY INFORMS CREATIVE PROBLEM SOLVING

Immediately, Christina earned her stripes. She was assigned to figure out what to do about the Hydraid BioSand water filter, a product at risk of being discontinued because International Aid, the nonprofit for which it was developed and made, was on the verge of collapse and could no longer afford to pay for it. The device is not intended as a profit-maker, but Christina had to figure out how to at least break even on the lightweight portable device vital in developing countries because it doesn't require boiling to make water potable. She wrote a business case that landed \$1 million in outside financing to stabilize International Aid and its filter project and then rescued the product itself by tapping into the carbon offset credits market, per her experience at ERT, to generate revenue to pay for the devices. She put these pieces into place in the span of five months, demonstrating both her creative problem-solving skills and her drive to quick implementation.

"When I stepped in, the BioSand water filter would have been a loss because we would have just written off the tool and written off the relationship with the nonprofit," she says. "That was 2009, and it's still working. There are more than 75,000 Hydraid BioSand water filters in many countries, including Ghana, Kenya, and Honduras. Each unit is designed to treat water for eight to ten people per day. That means that up to 750,000 people have access to clean water on a daily basis."

Just as importantly, Fred was pleased. "It was less of a test



“We were operating as a collection of small cottage industries within a larger business, so one of the things that I did was work to consolidate so we have the same backend systems.” — Christina Keller, MBA '07

and more of a 'How do you get your feet wet? How do you get some real experience with some real consequences and what do you learn from that?'" he says.

After that success, Christina was sent to Montpelier, Ohio, for four years to be president of Cascade's most lucrative subsidiary, CK Technologies, which builds plastic components for truck bumpers, grills, chassis, and roofs. During that time, her father appointed Cascade's president, Mark Miller, as CEO — although most of the company's brass suspected Miller was holding the place until Christina was ready for it. Miller served as CEO for four years, retiring in 2018.

"I realized that she was going to be a long-term leader when we asked her to move down to Montpelier," Brame recalls. "She'd come from New York, went to high school in Switzer-

land, and now you're asking her to move her family to rural Ohio so that she could better understand how manufacturing works. And she did it."

Fred said his daughter's time in Ohio was pivotal to her leadership development outside his shadow: "The question in a father-daughter business relationship is always going to be whether there is too much interaction. It's very easy for a parent to ask every day 'How are things going, what are you doing?' It takes away the independence of the individual. Having her in a place two and a half hours away that was needing some good leadership was a great spot for her to test out her own methodology."

AN ASCENSION NEITHER FORCED NOR FORETOLD

None of this is to say Christina was groomed from youth for her role as CEO. Both father and daughter insist it was a happy alignment of skills and interests that turned the C-suite into a multigenerational affair. Christina's two older sisters showed no interest in the day-to-day management of the firm — although one, Lorissa Keller MacAllister, is on the Cascade board.

"My father was a very influential, inspirational leader," Christina says. "He would talk about what he's trying to accomplish with making a positive impact on society and the environment while also being financially successful, and I was very intrigued by that. But he wanted all of us to be happy and to pursue our passions and not feel obligated to be a part of the organization," she says. Still, the outcome of having Christina follow in his wake and to secure his legacy brings Fred immense pleasure. "I never wanted to force my children into doing something I wanted them to do," he says. "It was a joy to me to learn that Christina wanted to do this."

There are important differences in their styles. Fred earned a business degree, but his first calling was as a Cornell-educated materials science engineer who focused on the technical aspects of plastics manufacturing. Christina is a pure business-woman with some understanding of the technical side of the operations from her various jobs throughout the company dating back to her 20s. The younger Keller, then, has taken a business-school approach to some aspects of the sprawling business operations by seeking to streamline some redundancies and, most significantly, is integrating her old Ohio stomping ground, CK Technologies, into Cascade Engineering.

"We were operating as a collection of small cottage industries within a larger business, so one of the things that I did was work to consolidate so we have the same backend systems," she says. "That was probably more of a traditional business school education of making our processes the same

and harmonized across the family of companies. It was a lot harder, I will say, than I anticipated or that they talk about in the leadership books, because people don't like change."

BRINGING BUSINESS-SCHOOL PRINCIPLES TO BEAR

Brame offers the example of the way the company measures its operational equipment effectiveness, where Christina has spent her first year in charge pushing for more efficiencies and improvements.

"This is what she's good at — asking, 'What will it take to improve that number?'" he says. "She's challenged us to not only measure against ourselves but measure against other companies, and that's opened our eyes to some areas where we may not be as good as we thought we were."

In person, Christina is sunny but intense. She is known for her indefatigable travel schedule and her efforts in the community. In recent years, Fred has relinquished enough of his ownership stake to his daughters to make the company a women-owned firm, a rarity in both corporate America in general and the large-scale manufacturing sector specifically.

Customers in male-dominated industries, such as manufacturing, have asked Christina if she's the new assistant, and when she responds that she's the company president, they're clearly surprised. "You can't change that," she says. "You just figure out how you own it and live with it."

Christina's family-work balance — she has a 5-year-old and an 8-year-old — is a topic of awe among her staff. "She spends so much time on the road being the face of the organization, says Bushong, citing her involvement in the Young Professionals Network, the Network of Women in Business, and the Young Presidents' Network, among others. "She's just very driven."

Both Kellers hope Cascade can remain a family firm indefinitely so the company can stay true to its good works without having to answer to shareholders or equity investors seeking short-term gains. "We are working at what we can do to engage the next generation in opportunities, so they understand manufacturing is a great place to be," says Christina of her children and four nephews. "Hopefully, they will continue after I bridge the gap from Fred to our kids, although we're also open to non-family-member leadership. Just because you're a family member doesn't mean that you have to lead the organization. Following in Fred's tradition, you can be wherever makes you happy, whatever's the best for your skill set."

Not yet 40, though, Christina expects to stay put for a while. "This is where I want to be," she says. "I hope to be here for another 45 years."



Ann Richards speaking at Johnson Women in Business 2016 and (center back) with the Women of Johnson at the Forté Leadership Conference 2018



Celebrating Ann Richards's 32 Remarkable Years at Johnson

Known both for the warmth of her smile and her expertise, Ann Richards actively promoted the school's diversity. *By Linda Brandt Myers*

She has helped recruit and admit the best MBA students for Johnson under six deans and traveled to every continent but Antarctica in search of the strongest, most diverse MBA classes ever.

In short, Ann Richards, senior associate director of admissions, was the face of Johnson for MBA applicants since she joined the school 32 years ago until she retired last fall.

Judi Byers, executive director of admissions and financial aid at Johnson, called her "a remarkable admissions professional," when she honored her at a school-wide event to mark the 20th anniversary of Johnson's Office of Diversity and Inclusion in September 2019.

"Ann's ability to connect with and develop lasting relationships is coupled with an incredible gift for identifying exceptional talent," Byers said. "Everywhere I travel in the world, alumni remind me that it was Ann who interviewed them for admission and called to give them the news that would forever change their lives. Some even have her voice message still on their phones."

Mark Nelson, Johnson's Anne and Elmer Lindseth dean, also offers high praise. "When I watched Ann work her way through a group of prospective students, I saw how she managed to project her warmth, collegiality, and love both for Johnson and for the people here whom we think of as really important to who we are," he says. "I can't imagine anyone who could do that as an ambassador better than Ann has. She is someone who cares deeply about everyone and wants to help us all be better. And she does it," he adds, "with that smile on her face."

THE RIGHT FIT

As a member of the team that has helped the school recruit more women, underrepresented minorities, and international students, Richards says that making sure applicants find the program that's right for them has been most important to her.

"There are a lot of really amazing programs out there that will provide a fabulous MBA education," she says. "But I've observed that students will have the best overall experience and accomplish and achieve more if they've chosen the program that fits them best."

Richards put that knowledge and experience to work when she helped the Johnson admissions team develop Leadership, Evaluation, and Assessment Days (LEAD), a series of on-campus hosting events for prospective full-time MBA students launched in 2014. LEAD was designed to achieve multiple goals: portray the school authentically, give applicants an opportunity to showcase their skills and abilities, and enable the admissions team to evaluate prospective students and select high-potential scholarship candidates. "The exercises we developed allow us to see how well applicants work in teams, solve problems, manage challenges, and show leadership," explains Richards.

LEAD also gives Johnson MBA applicants an opportunity to interact with current MBA students, including those involved in diverse groups and programs such as the Women's Management Council, Forté, Black Graduate Student Association, Hispanic American Business Leaders Association, Out for Business (the business club for LGBTQ+ students), the Consortium for Graduate Study in Management, Reaching Out MBA (ROMBA), recipients of the Peter and Stephanie Nolan Veterans Scholarship, Roy H. Park Leadership Fellows, and more.

The LEAD program was such a success that it became the template for Johnson's diverse prospective student hosting events, including Johnson Women in Business, Johnson Means Business, and Johnson Military Preview, Richards says. "All those programs give our applicants the opportunity to try on the school and see if it feels like a good fit," she explains. "Our students are honest, up-front, and authentic with the candidates, who consequently get a real picture of what it's like to be a member of this community."



Ann Richards at recruiting events in Latin America: (top) in Mexico City in 2019 and (bottom) in Lima, Peru, in 2016 with alumni Jack M. Falkon, MBA '91, and Rotsen Nestor Quispe, MBA '15

PROMOTING INTERNATIONAL DIVERSITY

While the percentage of international students in Johnson's Two-Year MBA has been consistent at about 28 to 34 percent for many years, the makeup has changed, says Richards. "It closely follows a country's economic growth or situation." When a country's economy is doing well, she says, frequently

families with more discretionary income invest some of it in an MBA education for their adult children, she says. "For a while it was Korea, then Brazil, and now it's really India and China where economic opportunities are exploding."

"The value in having a culturally diverse class, with more international students, is that they add energy and vibrancy, new ideas, new ways of looking at problems and generating solutions," Richards says. "I think it's particularly valuable for students to realize that there may be more than one perspective or solution to a problem."

As to her epic travel schedule on the school's behalf, she explains: "In the last four or five years, each member of the admissions team was assigned responsibility for a particular region, and I was fortunate to get Latin America." Before that, in addition to domestic travel, she covered the globe in search of the best MBA applicants.

Looking back, Richards says: "I've really been blessed to experience the different cultures, the different educational systems, and the different professional experiences that our applicants have across the world."

She also is proud of the roles she has played identifying the best MBA candidates and helping them achieve their dreams. "It's been so rewarding to help them see what having an MBA could do for them and how to make it happen financially," she says.

"I've loved the opportunity to have input and influence over things like the application process, the construction of the class, and how we evaluated candidates," Richards adds. "I feel very fortunate that there is such a strong community at Johnson, and I've been able to maintain relationships with alums that I met as students and keep those relationships going, sometimes for over 20 years."

alumni
AWARDSJOHNSON HONORS
DISTINGUISHED
ALUMNI AT 2019
DIVERSITY AWARDS
DINNER

“Belonging in Business” was the theme of this year’s Diversity Symposium, hosted on Nov. 2 by the Office for Diversity and Inclusion (ODI) and held in conjunction with Johnson Means Business (JMB), Johnson’s diverse and LGBTQ student hosting event on the Cornell University campus. More than 170 prospective students, alumni, and friends, along with Johnson faculty and staff, attended the weekend’s events, which culminated in the Johnson Distinguished Alumni Diversity Awards Dinner honoring alumni for their outstanding professional achievement and commitment to their communities and who embody Johnson’s shared values of mutual respect, collaboration, integrity and trust, pride and accountability, professionalism, and investment in self.

“This year’s theme, Belonging in Business, speaks to both a personal sense of belonging that each professional deserves and an environment of belonging that we all must help create,” said Mark Nelson, Anne and Elmer Lindseth Dean and professor of accounting.

“This year is especially significant for our community, because it marks the 20th anniversary of the Johnson Office of Diversity and Inclusion,” said ODI director Jamie Joshua. “As the first top business school in the nation with a dedicated office working to disrupt the business landscape status quo, we are excited to celebrate the progress we have made up to this point and determined to keep that momentum building.”



Larry Ruff, MBA '82, inaugural Out in Business Distinguished Alumni Award recipient, with Dean Mark Nelson and Ryan Moran, MBA '20, Park Leadership Fellow and president of Out For Business

JOHNSON
DISTINGUISHED
ALUMNI DIVERSITY
AWARDSInaugural Out in Business
Distinguished Alumni Award

LARRY RUFF, MBA '82

In honor of ODI’s 20th anniversary, Nelson announced a new award: the Out in Business Distinguished Alumni Award. Created with the support of ODI, Alumni Affairs and Development, and Out for Business, Johnson’s LGBTQ+ student organization, the Out in Business Award recognizes alumni who have demonstrated a commitment to the LGBTQ+ community in business and society, outstanding professional achievement, and who have made a significant contribution that has impacted the Cornell MBA community.

Larry Ruff, MBA '82, who was also the keynote speaker at this year’s Diversity Symposium, was honored with Johnson’s inaugural Out in Business Distinguished Alumni Award. The founder and CEO of Larry Ruff & Associates Consulting, Ruff serves as vice chair on the board of Fair Trade USA. A former adviser to the CEO and COO of Pinpoint Predictive, a pioneer in psychometric marketing, Ruff was also board director, CEO, and president of Eat Real, a social enterprise dedicated to fighting diet-related disease. He held many executive positions over 25 years at Levi Strauss & Co., culminating with his role as

global marketing and chief strategy officer.

“During his time with Levi’s, Larry and his team received more than 50 awards for product and marketing innovation, brand building, corporate social responsibility, and sustainability,” said Nelson. “Larry is a passionate advocate for social impact, environmental stewardship, economic justice, sustainable development, diversity and inclusion, LGBTQ+ rights, and health and wellness. He is a mission-driven leader focused on building purpose-driven organizations, driving growth, developing diverse teams, and delivering impact. I can’t imagine a better person to celebrate.”

In expressing his gratitude for this honor, Ruff said: “I’m so proud to be the first recipient, and I’m so thankful that the Office of Diversity and Inclusion and the school decided to create this award.” Ruff said his journey of being out in business “required the support of family, friends, and colleagues who enabled me to be able to be who I am in a more fulsome way. And I think that’s what belonging is all about — it’s being able to show up as you are and being able to contribute to the best of your abilities. When we do that with our teams and with our people, we enable better results. So it’s a good thing to do for business, but it’s also the right thing to do for people.”

Wilbur Parker Distinguished
Alumni AwardMARLENE PETION-MIDY '95,
MBA '00

Marmeline Petion-Midy, '95, MBA '00, was honored with Johnson’s 2019 Wilbur Parker Distinguished Alumni Award, which recognizes African American alumni who demonstrate outstanding professional achievement and commitment to their community and who embody Johnson’s shared values of mutual respect, collaboration, integrity and trust, pride and accountability, professionalism, and investment in self.

Petion-Midy is head of financial plan-



Marmeline Petion-Midy '95, MBA '00, recipient of the 2019 Wilbur Parker Distinguished Alumni Award, with Dean Mark Nelson and Sophia Marseille, MBA '20, president of the Black Graduate Business Association

ning and analysis, Americas marketing, at Invesco, a global asset management firm. She joined Invesco in 2019 when it was acquired by OppenheimerFunds, where she was VP and business controller supporting sales and marketing. Petion-Midy also worked for General Motors' treasury office, rotating through various functions including capital markets, where she helped GM raise several large tranches of long-term debt and managed the short-term cash portfolio; business development, where she worked on mergers and acquisitions and troubled suppliers; planning and analysis, where she covered General Motors Do Brasil; and pension accounting, where she oversaw GM's large pension liability.

In 2000, when she was a student at Johnson, Petion-Midy led the charge to create the Black Graduate Student Association and served as its first president. Now, she serves as a member of the Johnson Advisory Council.

"Marmeline's achievements and commitment to the Johnson community serve as inspiration for alumni as well as current and prospective students and enrich Johnson in so many ways," said Nelson.

Upon accepting the award, Petion-Midy spoke of the award's namesake, Wilbur Parker '50, MBA '50, concluding her remarks by saying: "No matter what your goals are, remember the example of Mr. Parker and forge ahead with hope, purpose, excellence, and a sense of community."



Eduardo Padilla Silva, MBA '81, recipient of the 2019 Carlos R. Quintanilla Distinguished Latino Alumni Award

Carlos R. Quintanilla Distinguished Latino Alumni Award

EDUARDO PADILLA SILVA, MBA '81

Eduardo Padilla Silva, MBA '81, was honored with the 2019 Carlos R. Quintanilla Distinguished Latino Alumni Award, which recognizes alumni for exceptional achievements and significant contributions to their professions, community, and society as a whole, for their demonstrated commitment to Johnson, and for promoting the advancement of Latinos in the business world.

Padilla Silva is CEO of FEMSA, a Mexican multinational beverage and retail company headquartered in Monterrey, Mexico. Padilla Silva joined FEMSA in 1997 as director of strategic planning and control and became CEO of FEMSA Comercio, the company's retail operation, in January 2000. During his tenure, FEMSA's flagship convenience store chain, OXXO, grew to become the largest small-format chain in the Americas while achieving industry-leading profitability levels. He was appointed chief financial and corporate officer of FEMSA in January 2016 and named CEO of FEMSA on January 1, 2018. Prior to joining FEMSA, Eduardo spent 19 years at another major Mexico-based corporation, ALFA, where he rose to be CEO of Terza, its carpets and rugs operation. Padilla Silva, who holds a BS in mechanical and industrial engineering from Tecnológico de Monterrey, also serves on the boards of directors of several corporations and institutions, including Grupo Lamosa, Tiendas



Jorge Morales, MBA '20, treasurer of the Hispanic American Business Leaders Association (HABLA), read remarks written by Eduardo Padilla Silva, MBA '81, who was unable to attend.

Coppeland, and Universidad Tecmilenio.

Since Padilla Silva was unable to attend the Diversity Awards Dinner, he wrote his remarks, and Jorge Morales, MBA '20, treasurer of the Hispanic American Business Leaders Association (HABLA), read them on his behalf:

"A lot of what I have achieved in my professional career is founded on the building blocks I laid during my time at Cornell," Padilla Silva wrote. "I received an extraordinary education, with amazing professors who were always there to challenge us. I cherish the discussions we had with both students and the faculty; everyone was always open to understand and consider different points of view. ... It was a competitive atmosphere, always healthy, where learning was the goal. I remember a great camaraderie among students, and I was able to foster wonderful friendships that I still cherish and maintain today, 40 years later."

Padilla Silva noted that he and his wife, Federica, whom he married while he was a student and who joined him in Ithaca and also took classes at Cornell, are such devoted fans of Cornell that they sent their son, Eduardo Padilla-Sada, MBA '13, to study here. "Cornell marked me for life; it forged me as a professional; it laid the footing to my marriage and has been present in my life ever since," Padilla Silva wrote. "A lot of what I've done I owe to this great institution, which is why I'm truly humbled to be recognized by Cornell."

// CLASS OF '85

SANFORD (SANDY) ARGABRITE, MBA '85, writes that he was a winning contestant on the new game show, "Best Ever Trivia Show," that aired Aug. 19, 2019. In the opening round, Sandy went toe-to-toe with game show contestant and author Ken Jennings and was the only contestant to get all correct answers, matching Ken. Sandy had the crowd laughing several times during interactions with Ken and Sherri Shepherd, actress, comedian, author, and former co-host of talk show "The View."

// CLASS OF '90

ANNE CHOW '88, MENG '89, MBA '90, was promoted to CEO of AT&T Business in September 2019, becoming the first female and the first woman of color to serve as CEO of the business unit. "Chow, who's been with AT&T Business for nearly 30 years, was one of the first Asian American officers at the company and is now the highest ranking Asian American at AT&T, male or female," notes the Sept. 5, 2019, ABC News article, which also quotes Chow saying: "This is an exciting time at AT&T, and in AT&T Business, as we have a unique opportunity to provide our customers with the innovative solutions they need to better run their businesses and serve their customers. With breakthrough technologies like 5G, businesses around the world will be poised to transform and disrupt their own industries. I look forward to this journey with an incredible team of women and men."

// CLASS OF '95



STEPHEN M. SMITH '91, MBA '95, established the Vrinda Kadiyali Student Entrepreneur Fund to support summer stipends for Johnson students pursuing entrepreneurial ventures. Stephen, CEO of Intellispark and a successful entrepreneur himself, named the fund for Vrinda Kadiyali, a professor whom he remembers as "a phenomenal teacher" and who inspired him at Johnson. Stephen serves on the Johnson Advisory Council and on the board of the National College Access Network and chairs the national board at College Possible.

RAM VASUDEVAN, MBA '95, CEO of QuisLex, a company he founded in 2004, was named a market shaper by the *Financial Times* ("Ten market shapers: setting a new course," Oct. 22, 2019). The article describes QuisLex as "one of the first legal process outsourcing companies to tap into demand from corporate legal teams for cost-effective legal services," noting that "the business has helped clients automate non-disclosure agreements and other simple contracts, and recently developed a data strategy for large-scale AI-powered document review."

// CLASS OF '97

BRAD STILWELL, MBA '97, joined the U.S. Embassy in Bucharest, Romania, as deputy economic counselor in June 2019. Brad has worked at embassies around the world with the U.S. Department of State since 2005.

// CLASS OF '99

SARA ELINSON, MBA '99, Americas fintech M&A leader at Ernst & Young, was named one of the 50 Inspiring FinTech Females for 2019 by NYC FinTech Women in November 2019. In the story posted on Crowdfund Insider, Sara is listed in the "Money Movers" category.

ROB FAUBER, MBA '99, was promoted to COO of Moody's Corporation in September 2019. Rob, formerly president of Moody's Investors Services, will "drive the company's strategic initiatives to maximize the strengths of the enterprise and position Moody's for the next stage of its growth," Moody's announced. In his new role, Rob is responsible for both the ratings and analytics groups and also oversees strategy and marketing at Moody's.

// CLASS OF '04

BRETT BLUMENTHAL '95, MBA '04, was interviewed for two stories focused on personal transformation in *Forbes*, published Dec. 12 and 17. Brett, a wellness expert, is author of *52 Small Changes for the Mind* and several other books.

// CLASS OF '04

JONATHON JAY GRAYSON, MBA '05, is co-founder and CEO of Surround Insurance, a new company in the insurtech space.

// CLASS OF '10



MARQUES ZAK, MBA '10, joined American Express as director of cultural platforms in January 2020. Marques also worked with Johnson's admissions team throughout the summer of 2019, providing transition support and coverage.

// CLASS OF '11

EMMANUEL FRANJUL '05, MBA '11, a research analyst covering financial services and business services as well as a partner and vice president at Frontier Capital Management, was selected as one of the 40 Under 40 honorees in the *Boston Business Journal*, Aug. 26, 2019.

// CLASS OF '15

PATRICK GRECO, MBA '15, writes that he and his wife, Meghan, "welcomed a beautiful big baby boy — Russell Carl Greco — on Feb. 12, 2019. Mom was a champ through the delivery of her 10-pound, 8-ounce and 22 ¾ inch son!"

// CLASS OF '19

HERBERT DWYER, MBA '19, CEO of fintech company Empower Equity, which he co-founded with Derek LaClair, MBA '14, is also a U.S. Marine Corps veteran who was featured in a story about veterans turned entrepreneurs in *Diversity in Action* magazine ("New Missions Accomplished," November/December 2019). The article notes that he has founded or co-founded 11 startups and quotes him as an advocate of building a diverse team. "It's not so much about trying to do the right thing," Herbert says in the article. "It's about having differing opinions at the table. That's how innovation happens. That's how you attract and keep the best and the brightest talent, and it's also how you keep your company going in a very competitive market — not only for talent, but also for customers." Empower Equity makes energy-efficient upgrades to heating systems affordable for businesses and municipalities through a subscription service.

// IN MEMORIAM

JEROME FREDET SPENCER, MBA '77

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