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SPRING 2010

# enterprise

THE JOHNSON SCHOOL AT

CORNELL UNIVERSITY

## Brazil Takes Flight

South America's  
biggest emerging  
market soars to  
new heights

## The Growing Business of Virtual Entertainment

Online gaming finds its  
virtual place in the sun

## Rising Dragon: Corporate life in China

Exhilarating, demanding,  
and unpredictable

## Profile in Leadership: Personal Ties

Michael Chen, MBA '85







I NEED A GLOBAL BUSINESS NETWORK.

WE FOUND IT AT CORNELL.

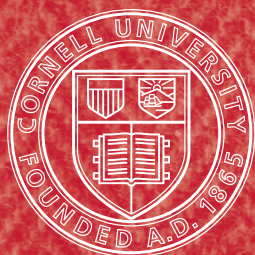


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## Global thinking

If events in the global economy have taught us anything in the past year, it is that the world's economic health is indelibly interconnected and interdependent. Jerry Hass remarked on this at the 3rd Annual Alumni Awards Recognition Dinner in New York in January, when he discussed diversification strategies investors can employ to minimize volatility in stock portfolios. "In bad times, stocks tend to go down together," he said, adding, "The benefits of international diversification are minimal in today's global economy and financial system."

This interconnectedness means today's corporate leaders cannot operate effectively without understanding differences in business practices and cultures around the world. It also underscores the importance of incorporating a global outlook into an MBA education. In the decision making they'll encounter in their careers, MBAs not only must be able to run the numbers; they also have to think about socio-political impacts and developments in different parts of the world.

Recognizing this, the Johnson School has built an international outlook into its curriculum and culture. International full-time and exchange students contribute unique experiences and perspectives to class discussions and team projects. International study trips enable students to visit a variety of industries, meet with alumni, and, even collaborate on projects with students abroad. Exchange programs for residential MBAs enable them to experience other cultures directly, as do global projects for our Executive MBA students.

Our new global faculty have augmented our international course roster by adding Emerging Markets Finance and Cross-Cultural Management. This spring, we have been proud to welcome distinguished global speakers Andreas Degenhardt, global CEO of application management at Siemens AG - IT Solutions & Services; James Bond, COO of the Multilateral Investment Guarantee Agency (MIGA); and Joe Saddi, global chairman of Booz & Co. (see page XX).

We also emphasize the importance of molding "global" thinkers in the broader sense: We lay the groundwork by making sure they have the basics covered at the outset — marketing, accounting, statistics, finance, economics, and strategy. Together, through performance learning, they apply these tools

to complex, real-world problems and situations. By the time they graduate, they're ready and eager to meet the challenges inherent in leading and managing.

Our alumni know how well prepared our graduates are; that's why so many of you rolled up your sleeves in 2009 to help them

## Today's corporate leaders cannot operate effectively without understanding differences in business practices and cultures around the world.

find jobs in this challenging economy. On graduation day in May 2009, we were significantly below our typical employment rates at graduation. We remained committed to working with the class and

by January, thanks to the direct involvement of our Advisory Council and the efforts of so many alumni, that figure was up to 94 percent. Although 2010 is similarly challenging, we are taking new and aggressive action and expect employment for the Class of 2010 to be over 90 percent by

September 2010, a return to our usual high rates.

Thank you for telling us about job openings and mentoring our students through JS-Coaches. We also continue to focus on job opportunities for alumni in this difficult period.

I'm proud to report that the Johnson School continues to attract stellar students to all four programs; our incoming classes are outstanding. In spite of this economy, as of March, our Annual Fund was well ahead of last year both in terms of donations and participation, allowing me to add resources that are needed right now, to improve the academic program and our placement activities for resident students and EMBA's.

Thank you for all that you do for the school and for each other. Please stay in touch with news about yourself and your ideas for us, and best wishes for health and success.



**L. Joseph Thomas**  
Anne and Elmer Lindseth Dean

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China's fast-paced work environment is a mix of exhilarating, demanding, and unpredictable.

## The Growing Business of Virtual Entertainment

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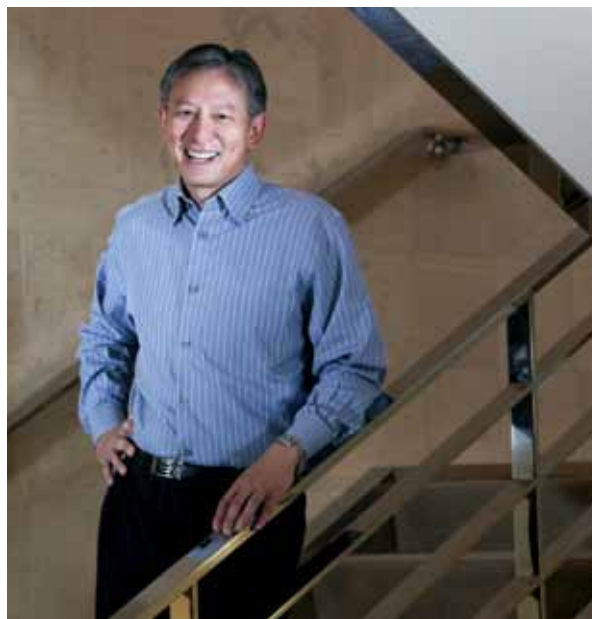
Long the stepchild of the video game industry, online gaming is finally starting to find its virtual place in the sun.



## Profile in Leadership: Personal Ties

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Michael Chen, MBA '85, President and CEO of GE Capital – Media, Communications and Entertainment, counts building personal relationships, listening, and solving customers' problems among his most important tools.



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## Web Exclusives

Look for these stories, videos, and podcasts online at [www.johnson.cornell.edu/alumni/enterprise](http://www.johnson.cornell.edu/alumni/enterprise)

### “Beating the Odds” at Entrepreneurship@Cornell


“Beating the Odds: Big Payouts from Unconventional Strategies” was the theme of the Johnson School symposia at Entrepreneurship@Cornell Celebration 2010, a university-wide event held April 15-16, 2010, that brought Cornellian business leaders, faculty, and students together to foster innovative thinking and an entrepreneurial spirit on campus. In one panel, “Investing in the New Economy: The Changing Land-



Panelist Angela Mwanza, MBA '00, senior vice president at UBS Private Wealth Management

scape and its Funding Models,” alumni from varied backgrounds discussed emerging trends in financing for innovative, entrepre-

neurial companies that address social and environmental needs.

 Video: View video clips of these Johnson School panels held April 15 as part of Entrepreneurship@Cornell Celebration 2010:

- Bootstrapping to Success: Starting a Company on a Shoestring...and a Prayer
- Rising Stars: The “Early Days” of Promising Young Entrepreneurs
- From Rubbish to Revenues: How to Create Wealth from our Waste.
- Investing in the New Economy: The Changing Landscape and its Funding Models

### Happy Birthday! ODI celebrates 10 years

The Office of Diversity and Inclusion (ODI) held its 10th Anniversary Celebration April 10, 2010, during Destination Johnson, the school’s hosting weekend for accepted students. Originally designated the Office for Women and Minorities in Business, it was the first of its kind at a top-tier business school. Creating the office 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,” said founder Angela Noble-Grange, now a lecturer of management communications.

ODI continues to make a difference. In May 2009, the Johnson School joined the Consortium, an elite non-profit comprised of 15 top business schools that promotes



Angela Noble-Grange and Nsombi Ricketts

diversity and inclusion through admissions, recruitment, networking, and career development activities. At the celebration, ODI director Nsombi Ricketts, a Consortium alumna and trustee, announced that the new affiliation is already yielding rich rewards: “Our participation in the Consortium has significantly increased the numbers of diverse students applying and accepted.”

### “Grease, Grit and Ethical Plasticity”

Corporate cultures favor “greasing” the profit-making machinery while limiting the “grit” applied by auditors, regulators, and lawyers — especially those outside the inner circle, contends Donald C. Langevoort, Thomas Aquinas Reynolds Professor of Law at Georgetown University and co-director of the school’s joint degree in law and business administration. “The faster a business moves, the more grease is necessary, because without grease the machine shuts down,” said Langevoort during his presentation, “Grease, Grit and Ethical Plasticity: An Evolutionary Approach to Business Cultures.” A leading scholar of the role of lawyers in corporate fraud, Langevoort is a corporate and



securities law scholar as well as a legal ethicist, which gives him unusual insight into the participation of lawyers in complex financial fraud. He

spoke at the Johnson School as the Day Family Ethics Speaker, April 13, 2010.

### Colombia Trek

Tory Ragsdale, MBA '10, and Ekta Chandra, MBA '11, both Johnson School bloggers, wrote eloquently about their spring break study trip to Colombia, including their tour of Bogotá with Universidad de los Andes students, and their meetings with several Colombian leaders, including President of Colombia Álvaro Uribe, Vice President Francisco Santos, and Pedro Medina, president of the Yo Creo en Colombia (I believe in Colombia) Foundation. “After a tour of the presidential palace, President Uribe spent an hour with our group sharing the challenges and opportunities of creating progressive government policies domestically and promoting investor confidence internationally,” writes Ragsdale. “The



President's visit was not only enlightening for its reminder of what national leaders face within their roles ... but was also instructive for observing what effective leadership looks like within senior national offices in Latin America."

"For me, Colombia meant drug wars, guerilla warfare and a banana republic,"

writes Chandra. "To my pleasant surprise, it was exactly the opposite. Bogota can give competition to any big city in the world. Colombian people are [among] the warmest and savviest I have ever met, and the passion, intellect, and courage of President Uribe can easily make him a leadership icon across the world."

## Engaging our alumni

In the spirit of fostering a culture of alumni participation and engagement, the Johnson School is adopting a new class volunteer structure that will include a class correspondent to solicit and distribute class notes; class agent in charge of fundraising and class participation; and class reunion and activities chair. Learn more online.

## Videos

### Leadership and Diversity



Sharon Allen, chairman of Deloitte LLP, and one of Forbes' "100 Most Influential Women," presented her thoughts on "Leadership and

Diversity" as a Park Leadership Speaker at the Johnson School, March 31, 2010. In a separate, videotaped interview, Allen offered insights and advice on women in the workplace, stretching beyond your comfort zone, leadership, corporate ethics, and more.

### Insider's Guide to "Meeting and Beating"



Sanjeev Bhojraj explains the ways — good and not so good — in which managers meet or beat earnings' forecasts.

### Building a Capabilities-Driven Strategy

Joe Saddi, MBA '83, chairman of the board of Booz & Company as well as senior partner and managing director of the firm's Middle East business, delivered his presentation on "Capabilities-Driven Strategy" at the Johnson School on March 10, 2010, as a Distinguished Global Speaker. He also spoke about consulting as a career, challenges faced by Middle Eastern businesses, thoughts on negotiating, the importance of transparency in business, and more in a separate, videotaped interview.

### Hart and the Clinton Global Initiative

Stuart Hart, Samuel C. Johnson Chair in Sustainable Global Enterprise and professor of management, who was tapped to lead innovation sessions at the Clinton Global Initiative's annual meeting, speaks about how CGI's goals intersect with those of the Johnson School's Center for Sustainable Global Enterprise.

### Market Microstructure and Market Design

Maureen O'Hara, Robert W. Purcell Professor of Management and professor of finance, shares answers to two applied financial market research questions: "Is market fragmentation harming market quality?" and "What is a quote?"



### Audio podcast Serious Virtual Worlds

Robert Bloomfield, Nicholas H. Noyes Professor of Management and professor of accounting, discusses the potential of "Second Life" for research on financial markets and regulation. Bloomfield is an advocate for serious uses of virtual worlds for education and distance collaboration. He hosts the weekly Metanomics event series in Second Life, which explores business and policy aspects of new technology.



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# Business Roundtable

## What do you do best? Building a capabilities-driven strategy

By BRAD EDMONDSON

Joe Saddi, MBA '83, works for a company that has been helping large clients solve complex problems for almost 100 years. One recent client was the city of Dubai, and the problem was how to emerge as the business hub for the Middle East. Saddi says that the essential principle driving successful enterprises is simple: Just figure out a few things that your organization does better than any others, and make sure you keep doing them.

Saddi, who is chairman of the board of Booz & Company, as well as senior partner and managing director of the firm's Middle East business, delivered a presentation on "Capabilities-Driven Strategy" as a Distinguished Global Speaker at the Johnson School this spring. "It is easy to lose sight of the two or three things that companies are really good at, because companies are engaged day-to-day in so many things," said Saddi in his presentation. Executives get messages from shareholders, customers, employees, and regulators, and all of them make different demands. "Events tend to overtake managers," says Saddi, "but the best performing companies in the long run have clarity of focus. They have in mind what they will not do under any circumstances."

Dubai's strategy included building an international airport, roads, and shopping malls, but "any country with cash could have done exactly the same thing," says Saddi. So Dubai created zones where companies could move people and profits in and out freely. They also made it easy for foreigners to get visas and acquire property, which is rare in the Middle East. "They

focused not only on the hard assets, but on building the ecosystem of capabilities they needed to succeed."

An organization's capabilities are similar to an ecosystem, says Saddi. They are "the interconnection of people, information systems, tools, and processes that congregate together to create differentiated value for customers." The goal is "coherence," which Saddi defines as the right balance between "the company's way to play, its capabilities ecosystem, and the fit between what it produces and its capabilities." (Figure 1:

Coherence is essential to advantage) Booz has even developed a way of scoring its clients' coherence, and its research shows that companies with higher coherence ratings also have higher earnings.

An organization reaches coherence "when the right product and service portfolio naturally thrives within the capabilities ecosystem you have consciously chosen and implemented to support a deliberate way to play." In plain language, this boils down to answering three questions:

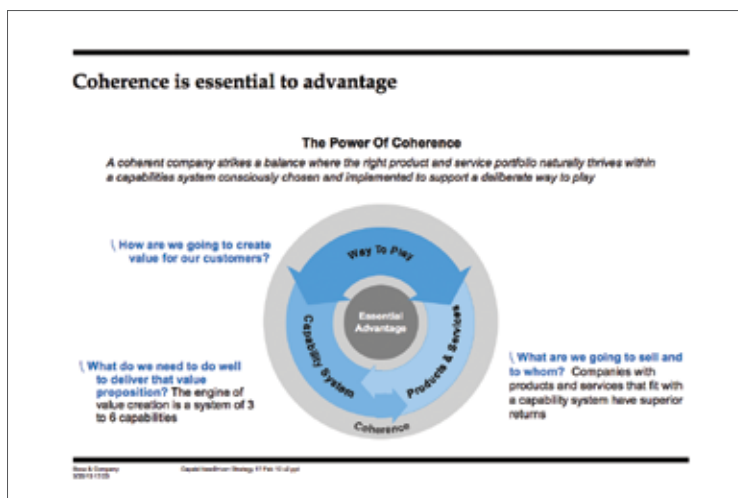


Figure 1

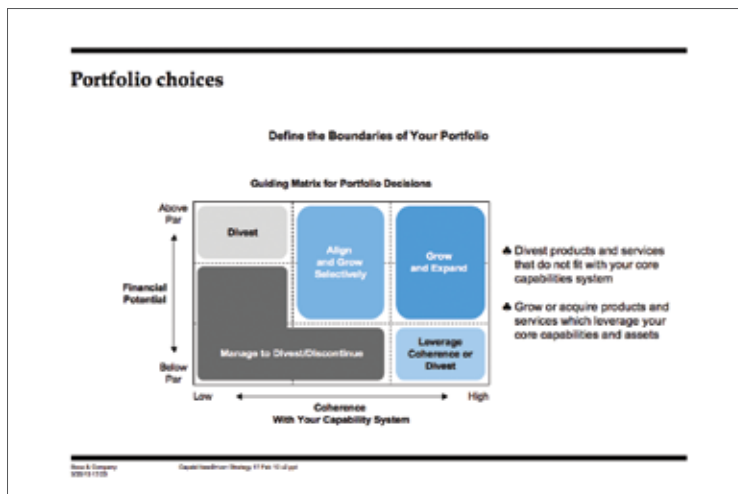


Figure 2



Robyn Wishna / Cornell University Photo



Joe Saddi, MBA '83, is chairman of the board of Booz & Company, as well as senior partner and managing director of the firm's Middle East business. He delivered his presentation on "Capabilities-Driven Strategy" at the Johnson School on March 10, 2010, as a Distinguished Global Speaker. Over the years, Saddi has led major privatization programs in such sectors as oil and gas, mining, steel, automotive, and consumer goods; advised Middle East governments on sector deregulation and sector policy; and led the reorganization of national oil companies and large corporations. He also works closely with large family-owned companies to help design governance and portfolio strategies. A dual Lebanese–French citizen who is trilingual, Saddi lives in Beirut, Lebanon.

- How are we going to create value for our customers?
- What are we going to sell, and to whom?
- What do we need to do well to deliver that value proposition?

Putting the answers into practice usually means setting limits. Honda excels at manufacturing small engines, for example. So the company won't build engines bigger than a certain size, because small engines are what sets them apart. Wrigley's strength was in developing new flavors of candy and gum, and also in influencing retailers to display their products prominently on candy racks. So they succeeded by introducing new flavors, and in 2008 they were acquired by a larger candy company, Mars Inc., for \$23 billion. For multinational oil companies, two capabilities are essential: They must excel in discovering new deposits of fossil fuel, and also in building large-scale capital projects. Oil companies that do not set themselves apart in these ways become targets for nationalization, Saddi said.

Saddi outlined the kinds of questions he might ask a CEO in order to jump-start a conversation about a capabilities-driven strategy:

- Can you state what your capabilities are?
- Are you clear about your chosen way of creating value in the market?
- Can you articulate the three to six key capabilities your company needs to excel in?

- Do you live it? In other words, does your structure support and exploit those capabilities?

"You would be surprised at how often companies lack clarity or consensus on this," said Saddi.

Improving coherence by focusing on capabilities makes companies stronger by making them more effective, more focused, more efficient, and better aligned. "Creating a winning capability gives you a much bigger chance of succeeding, and it also creates a barrier to entry for competitors," says Saddi. Furthermore, a capabilities-driven strategy shows managers the best ways to use their time and money, to cut spending, and to build their portfolio. (Figure 2: Portfolio choices). It "aligns strategic intent with day-to-day decision making," he said. You can move faster, and with more force."

Outlining a strategic approach to cutting costs in hard times, Saddi encourages clients to separate their costs into four categories. First, identify spending that supports essential capabilities. This should not be cut — in fact, he says, it should be increased whenever possible, even if overall revenues are declining. There are also costs Saddi calls "table stakes," like licensing fees and other costs you must pay to play; and costs he calls "keeping the lights on," like a legal

**"Events tend to overtake managers, but the best performing companies have clarity of focus."**

department or investor relations. In these two categories, the goal is to keep costs lower than the competition. What's left is non-essential. The goal is to cut costs in ways that are "strategic and not transactional," he said — "in ways that anticipate the future instead of reacting to short-term pressure from financial markets."

Managers should use the same "capabilities lens" to evaluate acquisition proposals. "Ask yourself: 'Is this acquisition coherent with our capability system?' If it is, buying it is a no-brainer," he says. Buying a company just because it seems like a bargain might work in the short run — but in the long run, if it doesn't fit in your capabilities ecosystem, you won't be able to compete.

If capabilities are like ecosystems, then natural selection should reward the businesses that adapt most successfully. Saddi sums up his job this way: "We're trying to make that selection happen a bit more consciously by encouraging our clients to focus on what they're really good at."

## Newsmakers

### Expanding access to degrees and jobs

The unique delivery and success of the Cornell-Queens Executive MBA makes it a leader of the pack, according to the *Financial Times*. In

“Video: Watch the screen: it’s a sleek, lean teaching machine” (3/15/10), Associate Dean Doug Stayman discusses the myriad benefits to the program, including its flexibility and the ability to continually expand the number of locations in which it’s available. In a rich description of how the program works, the article gives high praise to the practical nature of virtual education and describes it as a “boon in the face of reduced budgets and carbon-footprint awareness.”

The *Wall Street Journal* highlighted the

Johnson School in two articles focused on using technology as a means to help recruiting efforts in a tough job market. “Non-campus Recruiting” (2/23/10) spoke to the school’s use of video and Skype for recruiting, and “Nailing the Interview” (3/14/10) quoted Larry Wasser of the Career Management Center about how the Johnson prepares its candidates for some unique aspects of video interviews. “Without nonverbal cues to help you communicate with the recruiter, it’s even more important to prepare questions to get your enthusiasm across in your voice,” said Wasser.

### Recruiters’ plaudits

The Johnson School received high praise from recruiters in “What Recruiters Really Think of the Top Business Schools” in *BusinessInsider.com* (3/24/10). John Campagnino, senior director for global recruitment at Accenture, listed the Johnson School as a go-to source for job candidates. Adele Oliva, MBA ’93, a partner at Quaker Bio Ventures, spoke of the strong entrepreneurial education she received here, and why she regularly looks to the Johnson School for the best people in private equity and venture capital. “What

I like about Cornell is that balance of case and theory, because I feel like both contribute to the learning and how you ultimately view things and approach life and business,” said Oliva. She also commented on the school’s powerful network: “I certainly feel there is a very big advantage to the expanded network and the halo effect of a small business school.” Ellen Dillard, director of commercial development programs at GE, extolled Johnson School candidates, saying: “Cornell fosters integrity and a collaborative environment. Additionally, the Johnson School and GE have similar cultures which foster excellence, without arrogance.”

### Net Impact hits new highs

The Net Impact 2009 conference, “Advancing Sustainable Global Enterprise,” was the largest event of the 2009-2010 academic year, the largest event ever held in Ithaca, and, with more than 2,600 attendees, the largest Net Impact conference ever. Cornell President David Skorton’s interview of Jeff Immelt, CEO of GE, was webcast live and immediately found its way into blog posts. Nancy Sutley, chair of the White House Council on Environmental Quality, attended the conference and blogged about it on the White House’s Web site. News coverage of the conference continued for several weeks and included a major piece in *BusinessBecause.com*, a Web site that provides networking and news to the global b-school community. Addressing a standing-room-only crowd at Barton Hall, Immelt said, “Government and industry are intersecting like never before, and we’d all better be prepared.”

### Shopper savvy

The *Wall Street Journal* and other major media drew on the retail expertise of the Johnson School’s Randy Allen, associate dean for marketing and corporate relations and senior lecturer of strategy, in articles about retail consumers’ holiday behavior. In a Dow Jones Newswires feature, Allen predicted a slow month if winter weather stayed at bay, saying “Consumers just aren’t going to buy if the weather’s not cold unless there’s a good deal.” The *Wall Street Journal* picked up the piece — “Retailers Miss Modest November Sales Expectations” (12/7/09) — as did several other major outlets, including MSNBC, SmartMoney.com, and the *Washington Post*. SmartMoney.com sought her out again for “Snow Way: The Weather’s Impact on Holiday Sales” (2/12/10), an article about the impact of rain, flooding, and snow storms on shoppers’ behavior and retailers’ inventories over President’s Day and Valentine’s Day.

Robert Barker / Cornell University Photo



From the Johnson School’s state-of-the-art studio in Sage Hall, Professor Maureen O’Hara uses multipoint videoconferencing technology to interact with students in cities across the United States and Canada.



## Faculty Honors

### Huttenlocher joins MacArthur Foundation Board



Daniel Huttenlocher, John P. and Rilla Neafsey Professor of Computing, Information Science and Business, was named to serve on the board of directors of the John D. and Catherine T. MacArthur Foundation in January 2010. Huttenlocher holds a

joint appointment as Dean of Computing and Information Science at Cornell. “Dan Huttenlocher will be a tremendous asset to the MacArthur board,” said Robert Denham, chairman of the board. “His broad expertise in technology, his interest in global affairs, and his familiarity with Chicago and with MacArthur will help inform greatly the work of the Board.” Huttenlocher holds 24 U.S. patents, has published more than 75 technical papers, and has received numerous awards for his teaching and research. He previously served on MacArthur’s Science Advisory Committee. And he grew up in Chicago, where MacArthur is headquartered.

### Leary’s finance research earns top honor



Research by Mark Leary, assistant professor of finance at the Johnson School, has been selected by the associate editors of *Journal of Finance* as a distinguished paper winner of the Brattle Group Prize in Corporate Finance. This is the second time in four

years that Leary has received this honor, for which only three papers are selected each year. Leary was recognized for his sole-authored paper, “Bank Loan Supply, Lender Choice, and Corporate Capital Structure,” published in the June 2009 *Journal of Finance*. The paper explores the relationship between capital market supply frictions and corporate capital structure decisions. Specifically, the paper uses shocks to the supply of bank loans to disentangle the effects of credit supply on capital structures from the effects of credit demand.

### Iankova delivers keynote on capitalism’s future



Elena Iankova, lecturer in international business, delivered the keynote speech at a conference commemorating the 20th Anniversary of the fall of the Berlin Wall and the end of the Cold War, hosted by the Collaborative Research Center 580 at the Friedrich

Schiller University of Jena, Germany. Iankova, author of *Eastern*

*Capitalism in the Making* (2002) and *Business, Government, and EU Accession: Strategic Partnership and Conflict* (2009), addressed whether we can still speak about a distinct variant of capitalism with common features across Central and Eastern Europe, or whether the region has reached a form of capitalism similar to one of the major variants established in the developed world (coordinated capitalism as in Germany and continental Europe, versus non-coordinated, neo-liberal capitalism as in the United States).

### Hart leads discussions for Clinton Global Initiative



Stuart Hart, the Samuel Curtis Johnson Professor of Sustainable Global Enterprise at the Johnson School, was tapped by the Clinton Global Initiative (CGI) to lead one of its 2009 action initiatives, Harnessing Innovation for Development. Hart participated

in CGI’s annual meeting in New York City last September, where he led the innovation plenary session, along with the working session, “Driving Disruptive Innovation from the Base of the Pyramid.” In the plenary session, Hart helped participants examine emerging innovation strategies as vehicles for addressing the global challenges of poverty, climate change, health, and education. In the follow-up working session, Hart and participants explored merging disruptive technologies and Base-of-the-Pyramid enterprise development in a “great convergence” that will create more inclusive forms of enterprise and better life for the world’s poorest people.

### Accounting Hall of Fame inducts Dyckman



Thomas R. Dyckman, professor emeritus at the Johnson School, was named the 84th member of the Accounting Hall of Fame, one of his discipline’s highest honors, at the annual meeting of the American Accounting Association in New York City last August.

Dyckman, who joined the Johnson School faculty in 1964, was the Ann Whitney Olin Professor of Accounting for 19 years before his retirement in 2006. His extensive record of scholarly work focused on empirical studies of financial reporting and related regulatory and market phenomena. He was an early exponent of empirical methods in accounting research. During the 1970s and 1980s, he conducted seminal research on the effect of accounting disclosures on market prices. Dyckman has authored or co-authored 11 books and monographs and more than 60 published articles.

## Case interviews: care and feeding

### Listen well, think carefully, and practice, practice, practice

BY IRENE KIM

You walk into a room, primed to talk about your strengths and put your “worst weaknesses” in the best light. You’ve lined up stellar examples of times you saved the day with your remarkable leadership, and vignettes illustrating your great teamwork.

The interviewer hands you a paper, and says pleasantly, “Let’s discuss this in ten minutes.” The paper reads:

*You’re called in to lead a client engagement for Target Corp. The company wants to expand into a location currently dominated by Wal-Mart. What do you recommend to your client?*

Welcome to the world of case interviewing, in which a job candidate is challenged to solve a specific problem on the spot. Currently favored by management consulting firms, the case approach is also being adopted by recruiters in a variety of industries and disciplines, such as marketing, finance, operations, IT, law firms, and human resources, says Larry Wasser, associate director of the Johnson School’s Career Management Center (CMC).

“The case interview allows us to give a candidate a real-life scenario that a professional might face out in the real world, and see how they’re going to respond to being in that situation, and what their approach might be,” says Angela Ciborowski, campus recruiter for Ernst & Young’s Advisory Services practice.

While there are many types of case interviews (ranging from “brain teasers” such as “How many manhole covers are there in the United States?” to scenario-based questions that ask candidates to address specific business-related challenges), consulting companies typically ask scenario-based questions. These often are taken from real client situations that the company itself has faced. “Case approach interviews can be effective for employers who seek to gain a view into how candidates will approach challenges likely to occur in their specific environment,” points out Gary Kozlowski ’89, a partner with Ernst & Young’s Global Financial Service.

### Why case interviews?

According to Ciborowski, the case interview is useful for evaluating three types of skills in prospective employees:

- Organizational: “Does the candidate break the problem down into smaller steps and make logical assumptions along the way?”
- Problem solving: “Is he or she able to prioritize the issues?”



- Communications: “How is the candidate communicating the issues? Is he or she staying poised, clear, and articulate?”

In addition, the case interview can help a recruiter determine a candidate’s strengths and weaknesses. “Someone might be technically great, but need some work on communication or presentation skills,” says Ciborowski. “We’re looking at how well rounded the response is from many levels.”

Although a group of candidates may receive the same question, each one’s response to and discussion with the interviewer will be unique. “The interactive nature will allow the interviewer and candidate to proceed down a unique path each time, based upon each other’s different experiences and perspectives,” says Kozlowski.

On their own, case questions may not be the most effective way to gauge some attributes, such as a candidate’s collaborative skills, ethics, or commitment to client objectives. Accordingly, the case approach is often used as one part of a multi-faceted interview – for example, one that includes a writing assessment and a behavioral interview, says Ciborowski.

“The behavioral portion is intended to learn more about the candidate and his or her past actions in specific circumstances, such as ‘Tell me about a time when you led a team that failed,’” points out CMC director Fred Staudmyer. To gain more insight into such things as teamwork dynamics, says Kozlowski, candidates may also be evaluated in a group setting.



## What do interviewers look for?

Recruiters don't necessarily want the "right" answer, Ciborowski points out: "What's important is the candidate's approach, and how the recommendation is delivered to the interviewer."

The case interview should really be a dialogue. So, the manner in which a candidate responds to the challenge can be as important as the substance of his or her answer. Insightful, targeted questions directed back at the interviewer, for instance, can show that the candidate is listening carefully and critically.

In addition, during case interviews, candidates are typically encouraged to "show their work" as they arrive at their answer. "We really allow them the flexibility and freedom to, for example, draw out a timeline or chart," says Ciborowski.

Solid responses are those that back up recommendations with relevant experience. "The ability to leverage experience in how you would approach a situation is of great value," says Kozlowski.

The most impressive candidates, says Ciborowski, are those who treat the interviewer as a client, walking him or her through each step of the recommendation. Drawing out timelines, tables, or charts to further support recommendations might also be a good idea. "Impressive responses are those that demonstrate well-thought-out understanding of the issues in the case and relating this to the organization or position," says Kozlowski.

In her interview with Romi Kher, host of Cornell's weekly career advice podcast, "10 Good Minutes," Ciborowski suggested four tips for doing well on case interviews:

1. Ensure you understand the question. Listen carefully. Ask clarifying questions if needed.
2. Structure and analyze your response. Use a framework to break the problem into manageable parts.
3. Evaluate your options, analyzing their impact on key outcomes.
4. Arrive at your conclusions and make your recommendations.

## How to prepare for a case interview

To begin, there's a wealth of information on cases available in books and online (see table). Kozlowski also recommends speaking to recruiters or employees from a prospective employer to become more familiar with the organization's case approach. "Listen closely to



Lindsay France/Cornell University Photography

Larry Wasser, associate director of the Johnson School's Career Management Center (CMC)



Courtesy of Angela Ciborowski

Angela Ciborowski, campus recruiter for Ernst & Young's Advisory Services practice



Jonathan Gayman

Gary Kozlowski '89, a partner with Ernst & Young's Global Financial Service

the directions given and focus on the areas in the case that are most relevant to the position offered."

In a similar vein, Wasser suggests reaching out to alumni who have experience in management consulting or professional services firms, and setting up appointments with them to practice interviewing. Alumni can also provide more information regarding firm-specific interview formats and styles, he says.

A case interview is not meant to catch candidates off guard, says Ciborowski. Generally speaking, interviewers want candidates to be as comfortable as possible, so they can best demonstrate their abilities. And, to get comfortable with the approach, there's nothing like just doing it, says Staudmyer. "Case interviewing is a developed skill; so practice early, practice often!"

## Case interview resources

### Books:

***Case in Point: Complete Case Interview Preparation***  
by Marc Cosentino

***Crack the Case: How to Conquer Your Case Interviews*** by David Ohrvall

### Web resources:

Consulting Jobs — Career Research for MBAs

CaseQuestions.com

MBACase: Serious case interview prep

Case Interview Tips from Deloitte

McKinsey & Company Case Interview site

Boston Consulting Group

Bain & Company — Interview Preparation: Crack the Case  
10 Good Minutes, Cornell's weekly career advice podcast

— See *Enterprise Online* for URLs and hotlinks

## Five essential points for first-year startups

BY SEAN NEVILLE

**Entrepreneurship is not rocket science; in fact, it's more art than science. Those adventurous souls who dare to embark on this journey should make some advance plans to ensure success. Having made the journey myself, I'd like to share the five points I believe will help entrepreneurs head in the right direction.**

**1 Start with a big idea that excites you.** Whether your idea involves solving a problem or doing something better than anyone else, you'll need passion to drive it. A driven entrepreneur is a force to be reckoned with. Chances are you'll achieve only a fraction of what you dream, so dream big! And validate the big dream with data to prove to yourself and to others that you are on to something.

**2 Create a roadmap.** If you were asked today to drive a car from New York to Los Angeles, could you do it? Absolutely. But what if you had to do it without a map or GPS? You'd likely get there, but it would take more miles, more hours, and more frustration to complete the trip. And if you happened to be in a race, chances are you'd lose.

So how is it that people think they can start a business without a complete business plan?

Your business plan is the roadmap to your business execution. It gives you an optimal route before setting off on the trip. In mid-course, you may decide to change your route; that's your prerogative. But set off with a plan — in fact, two plans: a brief executive summary (two to three pages) and a comprehensive business plan (15+ pages). The summary is for potential investors, who need to understand quickly what your business is about. If they want to dig deeper, they'll ask for the details. Your comprehensive plan should provide your operating team with the information they need to run the business, including strategy, analysis, and numbers.

**3 Bring the right people on board.** No plan gets executed without people. Since you are starting from scratch, pick fun, smart people who are prepared for the startup world, where a day's work might involve speaking with customers, designing a new marketing brochure, and taking out the trash. If they are excited about the ride, they'll be good company on the exhilarating, but often frustrating, journey of building a company from the ground up. And when the going gets tough, they'll dig deeper with you. Whoever you bring on board, make sure you have them sign a well-articulated employment



Jason Mosk / Cornell University Photography

Sean Neville, MBA '02, is the Johnson School's Entrepreneur-in-Residence for the 2009-2010 academic year. Most recently the CEO and co-founder of Simply Audiobooks, Neville led the company from inception to becoming the world's largest audio book rental company. Last summer, he negotiated the successful sale of Simply Audiobooks to another Canadian media company.

agreement. It helps on two fronts: It sets clear expectations at the outset and makes a potential future break clean.

**4 Sell, sell, sell.** Entrepreneurs should identify clear paths to selling their product or service, for if no one buys, there is no business. This strategy should always include an Internet marketing component: Internet marketing is the most targetable, cost-scalable, and trackable medium out there. Spend a thousand dollars and know how many visitors came to your site, where they came from, and what they did on your site. A feast for the data-driven marketer!

**5 Start with enough money to make it happen.** Just as a car runs on fuel, a company runs on money. An entrepreneur should try to fill up the tank (or at least half of it), before heading off on the journey. It starts with money out of the founder's wallet, often followed by a check from a family member or friend. From there, approach outside investors in an attempt to raise enough capital to allow you to focus on building the business for at least six months. And when you start taking other people's money, use a formal, written agreement. A handshake or a simply crafted document might suffice with family and friends, but not outside investors.

Starting a new business is always a challenging activity. Starting with a big idea, a comprehensive plan, great people, a selling strategy, and adequate financing will increase an entrepreneur's odds of making it to the second year — and, possibly, a huge success.



## Startup Snapshots

### Smokin'

**Owen Jobson, MBA '94: Owner/founder, Blue Rock BBQ**

With a solid work history in systems integration at Andersen Consulting, in operations and finance for United Airlines, and in finance at Cisco Systems, Owen Jobson isn't someone you'd expect to see dishing out baby back ribs. But he has made good on his dream of starting up a barbecue restaurant in the heart of Silicon Valley. About a year after its launch, the Blue Rock BBQ [bluerockbbq.com] has won several "best" local restaurant awards, has grown its monthly revenue by 15-20 percent (beating its first-year revenue target by 6 percent), and is poised to open a second location by the close of 2010.

Jobson has positioned his business as providing "the best barbecue in town, great value, and ease of use." Offering items such as smoked pulled pork and Alabama-style chicken, Jobson draws on the Southern tradition of barbecue as "a celebration of flavors, aromas, and good times with family and friends." But Jobson's motto is "barbecue without borders," and so the menu also features Cuban pressed sandwiches and Indonesian beef-pineapple skewers.

Jobson attributes the Johnson School with helping him develop the necessary skills for his startup. In addition, he notes, "I said in my application that I was going to be an entrepreneur — so I had

to make good on that commitment!"

Jobson remembers Professor Benjamin Daniel mentioning that one path to potential success is to replicate something that's working in another location. "We grew up enjoying pulled pork sandwiches at Buddy's BBQ in Knoxville, and thought that folks in San Jose might like something similar."

Words spoken by Frank H.T. Rhodes, then president of Cornell, at the MBA Class of '94 commencement, also resonate with Jobson: "A successful life can be marked by something to do, someone to love, and something to hope for." Says Jobson, "I remember this often, and would encourage folks to not wait too long to pursue dreams."

— IRENE KIM



Owen Jobson at Blue Rock BBQ's opening with his wife, Marie.

Courtesy of Owen Jobson

### Slings, Arrows, and Home for Dinner

**Rick Cleary, MBA '98:**

**COO and co-founder, Sharpridge Capital Management, L.P.**

When asked about Sharpridge Capital, the investment firm he cofounded, Rick Cleary speaks not about himself, but about the strength of his rope team — the interconnected relationships that enable his firm to navigate through what he terms "the slings and arrows part of the economic cycle."

Sharpridge, the manager for Cypress Sharpridge Investments (CYS), a mortgage REIT, invests in whole-pool residential mortgage

securities guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae, and generates income from the spread between interest income it receives and its borrowing costs. After a successful private

equity offering in early 2006, the firm was off to the races. However, by late 2007, the deflating housing market had dramatically changed the economic and financial landscapes.

Through the storms, whose casualties included investment giants Lehman Brothers, Bear Stearns, and Merrill Lynch, CYS maintained focus on risk management, and, unlike most competitors, provided shareholders the portfolio transparency they needed. "Feedback, especially in uncertainty, is critical," says Cleary.

His faith in the rope team has paid off. Sharpridge now employs 11 professionals and manages approximately \$1.8 billion in assets. Last June, CYS completed its IPO on the New York Stock Exchange.

Cleary concedes that the markets aren't out of "Lewis and Clark" territory, but credits his wife, Alicia (MRP '98), and daughters, Olivia and Amelia, with his success. "We have one unbreakable rule: home for dinner."

He fondly recalls his Cornell days. "A real life-changer. I learned from the giants: Hass, O'Connor, Michaely, Lee," says Cleary, who credits Johnson's training grounds, including teaching a class with mentor Jeff Parker '65, MEng '66, MBA '70, with honing his entrepreneurial skills and focus. "It went by too quickly," says Cleary.



Rick Cleary, MBA '98

## Wake-up call to portfolio managers and investors

### Jarrow's model shows positive alphas are more fantasy than fact

BY SHANNON DORTCH

During the past 25 years, an entire segment of the investment industry was constructed on the belief that positive alphas exist and can be exploited by portfolio managers to yield greater profit at less risk. New research by the Johnson School's Robert Jarrow strongly suggests that positive alphas are rare to nonexistent.

"Every hedge fund in the world claims to have positive alpha, but I say it can't be," says Jarrow, Ronald P. and Susan E. Lynch Professor of Investment Management at the Johnson School. "The

capitalize upon it; second, there must be a source of financial wealth, on which the arbitrageurs draw, either knowingly or unknowingly.

"Academics have looked for arbitrage opportunities in financial markets, and haven't found many. So it seems implausible to have so many positive alphas out there." Jarrow says. "To have positive alpha for any length of time means that someone is consistently losing money to someone else, and that's hard to believe."

In his paper "Active Portfolio Management and Positive Alphas: Fact or Fantasy?" forthcoming in the *Journal of Portfolio Management*, Jarrow outlines his model and offers examples of both true and false positive alphas, drawn from the pivotal events of the credit market crisis. His conclusions include a word of caution to investors.

"The moral of this paper is simple," Jarrow writes. "Before one invests in an investment fund that claims to have positive alpha, one should first understand the market imperfection that is causing the arbitrage opportunity and the source of the lost wealth. If the investment fund cannot answer those two questions, then the positive alpha is probably fantasy and not fact."

Robert Jarrow has won numerous awards for his research, in which he applies the principals of mathematical finance to the study of derivatives, risk management, investments, and asset-pricing theory. In 2009, he received *Risk Magazine's* Lifetime Achievement Award, and is among its 50-member Hall of Fame. He is one of 1,200 economists in "Who's Who in

Economics," and has served as editor or associate editor of 14 top journals in finance and economics. Jarrow holds a PhD in finance from the Massachusetts Institute of Technology.

## Lack of independent directors plumps executive wallets

### Backdating of stock options more likely where CEOs control boards of directors

BY ROBERT PREER

The backdating of stock options granted to top executives was one of the controversial corporate scandals of the past decade. The practice involved granting options on days where prices are particularly low, thereby increasing the value of these options to the executives.

**"Every hedge fund in the world claims to have positive alpha, but I say it can't be. The claims for positive alpha are too strong."**

— Robert Jarrow, Ronald P. and Susan E. Lynch Professor of Investment Management



Jason Koski / Cornell University Photography

claims for positive alpha are too strong — professional investment managers are taking risks that are hidden."

Alpha, an estimate of an asset's future performance, after adjusting for risk, is a measure routinely calculated by portfolio managers. Positive alpha suggests that an investor can realize higher returns at lower risk than by holding an index. In other words, by investing in assets with positive alpha, one can "beat the market," without exposure to the risk otherwise associated with the promised rate of return.

Jarrow used mathematical modeling to prove that positive alphas are equivalent to arbitrage opportunities. And arbitrage opportunities — risk-free trading of an asset between two markets to take advantage of a price differential — are rare in financial markets. According to Jarrow's research, positive alpha can exist only in the presence of a true arbitrage opportunity. For this to occur, two stringent conditions must be met. First, there must exist a market imperfection that enables the arbitrage opportunity to persist, even as arbitrageurs





**“Our study suggests that the practice was part of a strategy to manipulate option dates exactly in the periods when manipulation provided executives with the highest return.”**

— Yaniv Grinstein,  
associate professor of finance

Though not necessarily illegal, the practice can become illegal if it is not properly disclosed to shareholders and if it does not meet tax and financial disclosure requirements.

New research by Associate Professor of Finance Yaniv Grinstein and two other researchers suggest that boards’ incentives played a role in this practice. CEOs were most likely to receive option grants on so-called “perfect paydays” — when stock prices were at their lowest for the month — if their companies lacked a majority of independent directors on their boards, and if directors on the compensation committee lacked financial interest in the firm, according to the study, recently published in the *Journal of Finance*. Grinstein and co-authors Lucian Bebchuk of Harvard Law School and Urs Peyer of INSEAD also found that these “lucky grants” were associated with companies that were headed by entrenched executives, who had been with their companies for many years and were already receiving high compensation.

“Overall, our analysis provides support for the view that opportunistic timing practices reflect governance breakdowns and raise governance concerns,” the researchers write.

Companies engaged in backdating stock options went further than dating to the lowest-priced trading day of the month. They were more likely to time the options when these options were part of particularly large grants, and when stock price fluctuations were particularly high.

“Our study suggests that the practice was part of a strategy to manipulate option dates exactly in the periods when manipulation provided executives with the highest return,” says Grinstein, who was a visiting scholar at the U.S. Securities and Exchange Commission in 2006 and 2007.

Backdating as a means to increase executive compensation without telling shareholders came to the fore in March 2006, when the *Wall Street Journal* published a series of articles detailing the practice

and some of the most egregious cases. One executive was found to have received stock-option grants before a sharp rise in the company’s stock six separate times. The newspaper calculated the odds of this happening by chance at 1 in 300 billion.

### The Why of Backdating

In their study, Grinstein and his colleagues sought to go beyond simply documenting the existence of backdating to identifying the

reasons companies engage in it. “We tried to see what circumstances in the firm, in terms of governance and in terms of director characteristics, would lead to this problem,” Grinstein says.

The researchers analyzed all option grants awarded to CEOs and independent directors between 1996 and 2005. The database included more than 19,000 grants to executives in some 5,819 firms.

By matching characteristics of the CEOs with the grants they received, the researchers determined that executives who were in a position to exercise the most control over boards of directors were most likely to receive favorably timed grants.

### The Post-Crackdown Landscape

Following the *Wall Street Journal*’s 2006 report on the backdating phenomenon, regulators, investor groups, and lawyers for plaintiffs launched a number of investigations of the practice. Grinstein and his fellow researchers expanded their research to explore whether this new environment affected the awarding of “lucky grants” to corporate executives.

Analyzing 16 months of data from April 2006 — the month after the *Wall Street Journal* report came out — until the end of 2007, the researchers saw a sharp decline in opportunistically timed options.

“We found that after the scandals, the practice stopped completely,” Grinstein says.

**ThoughtLeadership@Johnson** is a quarterly e-newsletter and multimedia Web site that highlights Johnson School faculty research and draws on their expertise. View the current issue at [[www.johnson.cornell.edu/thoughtleadership](http://www.johnson.cornell.edu/thoughtleadership)].







# Brazil Takes

# Flight

## Will South America's biggest emerging market finally become a top player?

By Linda Brandt Myers



International entrepreneur Stan Ting, MBA '01, believes Brazil is the place to invest in now, and it's not just because he grew up there — or launched his highly successful business development firm, Jade Ventures Inc., from there. Nor is it because Brazil has been chosen as the site for both the 2014 Soccer World Cup and the 2016 Olympics — although those developments add to its current allure and will be the country's "coming-out-party," introducing it in style to the rest of the world, Ting predicts.

"In the '80s and '90s," says Ting, "a lot of the pundits said Brazil was always the country of tomorrow, never of today, but I think now is the right time for Brazil. "We've shown the world that ours is a mature, growth economy."

### All the Right Numbers

What Ting believes in most is numbers, which, he says, are all in Brazil's favor these days. The country is one of three in the world (China and the U.S. are the others) with a land mass greater than 5 million square miles; a GDP approaching 1.5 trillion U.S. dollars (official exchange rate); and a population close to 200 million, he points out. "That indicates we have vast natural resources; a large economy; and a wide consumption base, with many families who still need to buy their first TV, car, or refrigerator."

Signs of Brazil's burgeoning success can be seen in the major business press too. "In the face of the worst global economic crisis since the Great Depression, Brazil's economic output dipped a tiny two percent in 2009, and is expected to grow by as much as six percent this year," *The Wall Street Journal* trumpeted this March. Experts predict Brazil will become the world's fifth-largest economy within the next 15 years, overtaking Britain and France, wrote *The Economist* last November. To demonstrate that Brazil's moment is now, the issue also featured an image of the giant statue of Jesus that overlooks Rio de Janeiro's harbor, adapted to look as if it were blasting off like a rocket ship from its mountain perch. Icing on the cake was *Forbes.com*'s March prediction this year that charismatic Brazilian, Eike Batista, who has investments in his country's extensive mining and oil resources, is on his way to becoming the world's richest man.



## An Adventurous Venture

Ting has done business in places other than Brazil, notably a stint at former U.S. investment banking firm Donaldson, Lufkin & Jenrette. But he saw opportunities in his home country that made him return there.

Jade Ventures capitalizes on Ting's dual heritage (his Chinese parents immigrated to Brazil) and multiple interests (the firm has offices in São Paulo and Hong Kong, where he does business, and New York, where he lives), he says.

"In venture capital," he explains, "you always have two major risks: the product risk and the market risk." The idea behind Jade Ventures is to remove the product risk by taking a quality product that has sold well in one place and marketing it in another place where Ting is so confident it will do equally well that his firm invests in it for a limited time.

Here's how one such venture worked. "We had a client in Hong Kong who made a good product called Air Cooler that cooled a room using water. It is not an air conditioner," says Ting. "We studied the product's potential competitiveness in Brazil, did the market research, and found a Brazilian partner who had some experience in that area. We told our Hong Kong client: 'We think Air Cooler will do well in Brazil, we've found a great partner to run the business there, and we want to invest in it. In five years, if you want to buy the business and distribution from us, we'll sell it to you and become a minority owner.'"

The list of successful companies that Jade Ventures has helped launch is long, and

includes everything from truck tires and vehicle parts to biotechnology to promotion of Brazilian football at the prestigious Hong Kong Jockey Club, a betting venue.

## The Country That Has Everything

Brazil may be the right place for Ting, who is deeply familiar with his country's culture. But is it also a good fit for larger multinationals, investment firms, and others?

"Brazil has everything," asserts Jan Katz, a Johnson School faculty member for over two decades, who now teaches international marketing and management at Cornell's School of Hotel Administration. "A strong location with good port systems, strong commodities production, particularly in the extractive industries. It has a large population that could be trained, and an extremely creative culture. But it has had potential for sixty years," she adds. "The real question is, why hasn't it grown before?" She notes that the country has a history of hyperinflation, which has wiped out its middle class more than once.

## Overcoming the Inflationary Past

"Brazil's current success started in 1994, when [then-President] Fernando Henrique Cardoso's government tamed runaway inflation and debt and brought discipline to public finances by stabilizing the currency and economy," says Richard Ku, MBA '00, finance manager for Kraft Foods in Brazil. "It also helped that the country's economy was opened to foreign investments."

The highly popular Luiz Inácio Lula da Silva followed Cardoso as president and has been able to keep the country stable and growing, despite initial worries by foreign investors about his left-wing leanings. Of the five candidates vying for Lula's job when he steps down following 2010 elections, the two strongest, Dilma Rousseff and José Serra (who holds a Cornell PhD in economics), are expected to continue his successful policies for growth, says Cristina M. de Andrea Tamaso, MBA '08, an associate with Banco Itaú BBA's investment banking project finance group.

"Brazil was able to get its investment-grade rating about two years ago, which made a big difference," says Luiz Gustavo Tavares, MBA '00, senior banker for debt capital markets and syndications with Banco Itaú BBA.

Indeed, the country has been one of the bright spots in the current economic downturn, and its fiscal policies are part of the reason why experts expect it to do comparatively better than other emerging markets. "By the time the crisis hit, Brazil's central bank's reserve requirements were high, and the banking sector was strictly regulated," said Makhtar Diop, World Bank country director for Brazil, on a PBS Newshour program in March 2009.

"As in India, Brazil's central bank was very responsible and ensured that banks were not free to do whatever they wanted, such as buying instruments of dubious quality," notes Johnson School visiting professor Melvin Goldman.



"Brazil is the most culturally diverse and integrated place in the world, more so even than New York City."

— STAN TING, MBA '01, JADE VENTURES INC.





“Brazil needs to invest in education, mostly in primary to high schools, and other key areas to achieve continued economic success.”

— RICHARD KU, MBA '00, KRAFT FOODS, BRAZIL

### A Best Bet for Investors

“So what is drawing people to invest in Brazil right now?

“In some ways Brazil outclasses the other BRICs [the term used to describe the emerging economies of Brazil, Russia, India, and China],” stated *The Economist's* November 12, 2009, issue. “Unlike China,

it's a democracy. Unlike India, it has no insurgents, no ethnic and religious conflicts nor hostile neighbors. Unlike Russia, it exports more than oil and arms, and treats foreign investors with respect.”

“Compared to its international peers, Brazil has a high basic interest rate and high returns coupled, these days, with the perception of relatively low risk,” says

Gustavo Tavares. “Foreign currency reserves are at historical highs — we have probably close to \$240 billion dollars in reserve now. Also important are the new offshore oil fields discovered by Petrobras (Brazil's dominant, state-owned oil company) in the pre-salt layers below the ocean floor,” he says. Brazil pioneered the innovative technology, but it will require more investments to do further deep-layer exploration.

“We are seeing a growing interest in Brazil among foreign companies,” says Leticia Costa, MBA '86, newly retired from her position as vice president with the consulting giant Booz & Company's São Paulo office. “In addition, an important economic driver is Brazil's large domestic market and the fact that credit is now a reality for Brazilian consumers.”





## BRAZIL TAKES flight

“The risk of inflation is there, but it can be checked by raising interest rates, for instance,” says Gustavo Tavares. (Rates were at about 8.75 percent in March — high by current international standards but relatively low by historical Brazilian standards). Another risk is the recently increased public debt from expanding government spending, he says.

“Itaú BBA is among a pool of banks financing two hydroelectric mills for the federal government in Brazil’s north that will generate part of the power to meet the country’s anticipated growth,” reports de Andrea Tamaso. Her unit also is working on projects for the World Cup and the Olympic games, which she says are likely to cost 70 billion U.S. dollars over seven years, an amount that surpasses all government investments in 2003-09.

### The Right Time and Place for a Rio Restaurant

On the other end of the financing spectrum, Sam Flowers ’90 (Hotel), MBA ’93, believes

that now is absolutely the right time to invest in a restaurant concept in Rio.

His Gringo Café, launched using his own funds with help from family and friends, opened this spring in Rio’s upscale Ipanema section (see [www.gringocafe.com](http://www.gringocafe.com) or visit it at Rua Barão da Torre, 240 loja A). “It’s a great neighborhood,” says Flowers. The same beach that inspired the Antonio Carlos Jobim ’60s hit song “The Girl from Ipanema” is just two blocks away. Securing it, however, was as challenging as finding an affordable property on Paris’ Champs Elysée, given Brazil’s economic growth and the growing competition for prime real estate, recounts Flowers. His approach, learned from past deals that didn’t pan out: persistence, finding the right situation, and selling the owner on himself as well as on his idea: to offer food, ambience, and service that will attract local Brazilians as well as expats and tourists.

Flowers, who hopes eventually to expand the brand, left a job as vice president

for corporate development and strategic planning with Universal Studios in 2004 to regroup in Rio and gain some international experience. He loved the city’s urban beach aspect but was distressed to find “no restaurants where you could get a full American breakfast or even a bagel. Sadly, Brazilians think of American food as fast food.”

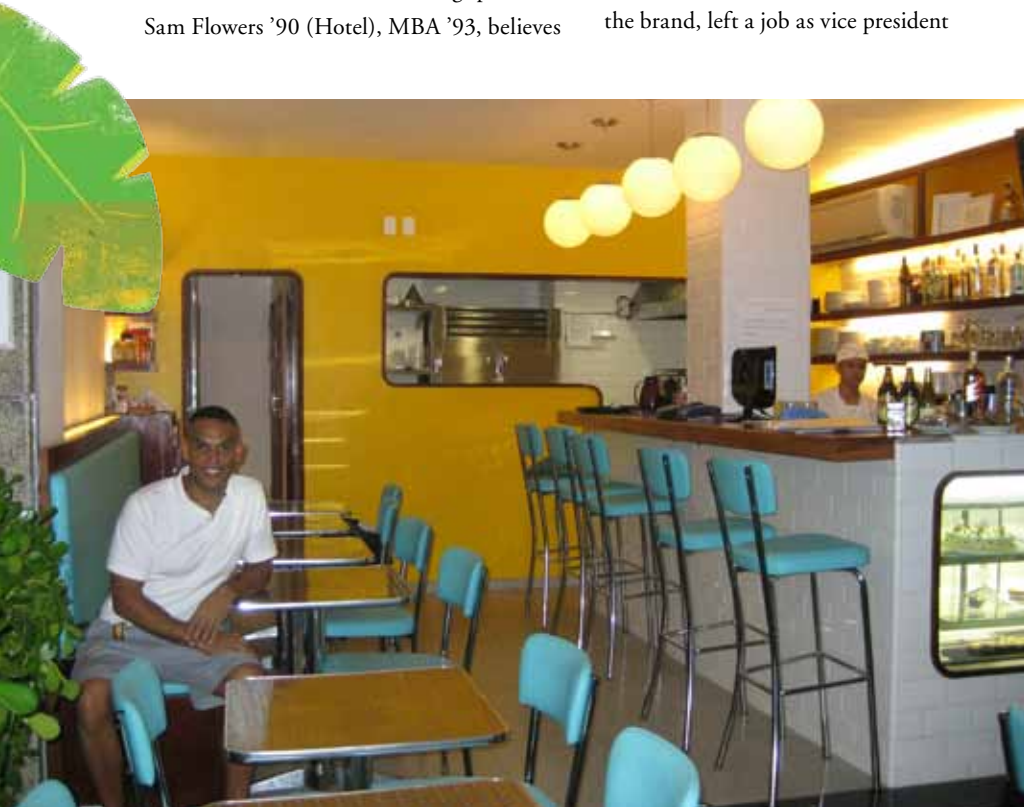
The Gringo Café aims to rectify that, with its American version of “comida caseira” or home cooking, along with a fun atmosphere and good service, which is in short supply in most Rio venues. The restaurant serves buttermilk pancakes and waffles with real maple syrup, design-your-own omelets, large, fresh salads and sandwiches, cheesecake, “mom’s” apple pie, and big chocolate chip cookies, Flowers’ favorite. It also features an open kitchen revealing how meals are made, a rarity in Brazilian restaurants.

### What Brazil Needs to Do Better

Getting his venture going has not been without pitfalls for Flowers. In a country with close to total employment, finding enough skilled workers was a challenge and showed him the flaws in Brazil’s education system for those who are poor and rural. “Some can’t follow cooking instructions or a shopping list or do basic math calculations,” observes Flowers. “There’s a big cost to you, the employer, to make up for what they are missing.” His long-term solution: “Brazil should bite the bullet and start investing in a big way in education. We pay really high taxes here, but it’s not going to productive uses.”

Ku agrees. “Brazil needs to invest in education, mostly in primary to high schools, and other key areas to achieve continued economic success.”

So does de Andrea Tamaso. “We still don’t have access to schools for every child, and we still have a lot of have uneducated



Courtesy of Sam Flowers

Sam Flowers ’90, MBA ’93, serves an all-American menu at the the Gringo Café, his restaurant near Ipanema Beach in Rio de Janeiro.





**“The culture is very social... They have careers, but it’s about working to live, not living to work, in Brazil.”**

— ELISA SEPULVEDA,  
MILR/MBA ’11

people, poverty, and homelessness,” she reports. Indeed, the funds that Brazil allocated to education represented only 4 percent of its GDP in 2004, putting it at 105 in a world ranking, according to *The World Factbook 2009* (Central Intelligence Agency, 2009). Gustavo Tavares and others say violent crime and lack of public safety are the biggest problems Brazil faces today. “They are costly and will have to be significantly mitigated before the World Cup and the Olympics take place,” he says.

Another area in need of intense investment soon is infrastructure: roads, bridges, airports, trains, and other public transportation systems. “It’s our biggest bottleneck, and it really falls short of our needs,” says Costa.

“In Rio, the subway line has been planned since 1970 but it still has only three stops because corruption has diverted

funds and kept the project from moving forward, I learned,” comments Elisa Sepulveda, an MILR/MBA student at the Johnson School who consulted for IBM in São Paulo in summer 2009 and is organizing the school’s 2011 Brazil trip with the Hispanic American Business Leaders Association, a student group.

De Andrea Tamasso, Flowers, and Katz fault corruption, including bribery of politicians and judges, as a pressing problem as well. “There was a major scandal in 2005 in which it was discovered that many members of Brazil’s congress were getting monthly salaries to vote a certain way,” says Flowers. “Unfortunately, behavior like that is considered so common that people aren’t shocked.”

Less dire but also pressing, Gustavo Tavares says, is the need for cultural change so that the government and public sectors become more organized, punctual, and professional. “It’s a challenge,” he admits, “but we’ve been able to do it in other sectors.”

“Brazil doesn’t rate well in the international rankings for ease of doing business,” says Johnson School Professor Wesley Sine, an expert on emerging markets.

One reason, say Ku, Ting, and Costa, is the country’s tax system is too complex and needs overhauling. “We’re still very bureaucratic and change is slow,” says Ting.

“We also have one of the highest tax burdens for a developing country,” Ku comments.

“For our country to grow, we need tax reform, political reform, and pension reform,” adds Costa.

## Singling Out Strengths

For Flowers, Brazil’s free press is one of its best features. For Ting, it’s property law.

“If you buy something in Brazil, you have some protections, in contrast to other places.”

For Katz it’s innovation and creativity: “Brazil has had some of the most cutting edge factories in the world, including one of the most innovative automobile assembly lines, done by suppliers in response to labor laws,” she says. The hyperinflation of the ’80s sparked advanced computerization, to allow people to withdraw their money from banks quickly, she reports. In alternative energy, Brazil developed ethanol from sugar cane as a fuel early on, and is now experimenting with switchgrass and other non-food commodities, she says.

“Since the 1980s, spearheaded by a series of public policies, Brazil has become a leader in ethanol technology and in automobile



Professor Wesley Sine



Brazil at a  
glance

**OFFICIAL NAME:** Federative Republic of Brazil

**GOVERNMENT TYPE:** Federal republic

**POPULATION:** 198,739,269

**MEDIAN AGE:** 28.6 years

**AREA:** 5,290,899 square miles (8,514,877 square kilometers)

**COMPARATIVE SIZE:** Largest country in South America and fifth largest in world, in terms of land mass and population

**GEOGRAPHY:** Borders every country in South America except Ecuador and Chile

**COASTLINE:** 4,654 miles (7,491 kilometers)

**CLIMATE:** Mostly tropical, but temperate in the south

**LANGUAGE:** Portuguese

**LITERACY:** 88.6%

**INTERNET USERS:** 64,948,000

**GDP:** \$1.482 trillion (official exchange rate); \$2.024 trillion (purchasing power parity)\*

**GDP PER CAPITA:** \$10,200 (purchasing power parity)\*

**GDP, COUNTRY COMPARISON TO THE WORLD:** 10

**BIGGEST TRADING PARTNERS:** China, United States, Argentina, Germany, Netherlands

Source: *The World Factbook 2009*. Washington, DC: Central Intelligence Agency, 2009.

\* 2009 est.

motors that run on sugar-based ethanol,” says Goldman. “Today, more than a third of Brazil’s automobile fuel is ethanol, and cars that run on ethanol alone are common.”

“Brazil has a very entrepreneurial culture,” says Sine, “with about 14 percent owning their own business, not by default but because they are determined, dedicated, and want to take initiative.”

“The culture is very social,” says Sepulveda. A study she did for IBM Brazil about how people find jobs showed that Brazilians prefer interacting with others in person rather than over the Internet. “They have careers, but it’s about working to live, not living to work, here. They balance work with having fun, dancing, playing soccer, going to the beach.”

Brazil is the most culturally diverse and integrated place in the world, more so even than New York City, says Ting, which is why so many commercials are shot there for clients in the United State and elsewhere, Katz suggests.

### A Powerful Pull

There’s something about Brazil that makes Brazilians who have studied and worked abroad return home, and draws visitors to move there, despite its flaws.

“One reason I came back is because my country is really in need of qualified people,” says de Andrea Tamaso.

“Brazil grabs you by the heart, not the head,” says Ting. “It’s a beautiful country, and people are willing to give up their culture to live there and accept the Brazilian way of life. It’s also a fun country to do business in. I tell people: ‘Go to China if you want to work hard and make money; go to Russia if you like risks; go to India if you like complex things; but go to Brazil if you like to have fun.’ It’s the only country where your lawyer, accountant, and coworkers become your best friends.

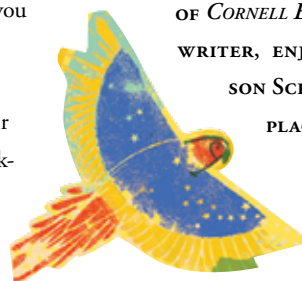


We are seeing a growing interest in Brazil among foreign companies. An important economic driver is Brazil’s large domestic market and the fact that credit is now a reality for Brazilian consumers.”

— LETICIA COSTA, MBA '86, BOOZ & COMPANY

It’s a great country, and all Brazilians are very proud of it.”

LINDA BRANDT MYERS, FOUNDED EDITOR OF *CORNELL ENTERPRISE* AND A FREELANCE WRITER, ENJOYS INTERVIEWING JOHN-SON SCHOOL ALUMNI IN FAR-FLUNG PLACES.





# RISING DRAGON

## CORPORATE LIFE IN CHINA

BY JANICE ENDRESEN

Multinational corporations focus on getting a firm footing and strong presence in China for a number of reasons: to compete for China's growing consumer base; to capitalize on China's well-educated, highly skilled, and growing work force; and to take advantage of lower salaries, wages, and other operating costs of doing business in China. At the same time, China's economy continues to boom, boosting the growth of domestic enterprises.



Skyline of Hong Kong at sunset.  
© Photos.com





## INTERACTING WITH ASSOCIATES AND COWORKERS

“You need to be more flexible when working in China, because you are facing an emerging, fast-growing, diversified business environment,” says Charlotte Ye, MBA ’00. “However, the fundamentals are similar: integrity, diligence, professionalism, and teamwork.”

Here are a few other differences and similarities you can expect to find in corporate life in China:

- **MORE DEFERENCE TO AUTHORITY.** “Chinese state-owned enterprises in particular tend to be more deferential to authority; more top-down, control-oriented,” says Geoffrey Lim, MBA ’00.
- **LESS SHARING IDEAS WITH SUPERIORS.** The Chinese are conditioned to avoid confrontation, says Ah Lay Ang, MBA ’75, and employees generally don’t challenge their superiors — especially not in a Chinese-managed or state-owned enterprise. Ang is trying to change this by encouraging interaction and participation in his company. “With my encouragement and within the right framework, employees will speak (or write) their minds and share,” he says. “I will always say to them that I am a willing listener, although I always emphasize that we can disagree — and often we do! This approach has yielded much goodwill and robust interaction.”
- **MORE FORMAL.** Professor Glen Dowell recalls a moment on a movie studio tour, when the guards saluted the VP of the studio as he was leaving the set. There was no irony, Dowell says; it was a customary show of respect.
- **LESS DIRECT.** “Chinese social patterns and interactions are Confucianism-based, emphasizing virtues such as order, hierarchy, respect, and harmony,” says Ang. “For example, Chinese are likely to be indirect in words and deeds. They will favor courtesy and face-saving and be less aggressive and confrontational, sometimes even at the expense of truth and efficacy. Face-saving has a much deeper meaning in China than in the West, and many Chinese instinctively react to save their face or someone else’s, especially if that someone is on a higher status.”
- **MORE RESPECT FOR SENIORITY.** “Chinese culture accords deep respect for age and treat seniors (anyone older than oneself) with appropriate reverence,” says Ang. Ties in with deep respect for elders.

China’s rapid growth has created a great demand for Western-trained MBAs who have experience working in multinational corporations in the United States or Europe, and many are eager for the opportunity, including mainland Chinese nationals who return to China after earning their MBAs, and ethnic Chinese (from Taiwan and Hong Kong as well as the mainland) returning to China after many years of working abroad for multinational corporations — familiarly known as “sea turtles.” Many European or American expatriates — for whom knowing Mandarin is becoming more of an imperative — are responding to the growing demand for trained, experienced managers, as well.

What is corporate life like in China, and how is it different from the West? What should you know about interacting with corporate partners or clients in China? How can you avoid cultural misunderstandings? In this story, members of the Johnson School community familiar with China, many of whom work there now, share their insights and advice.

### FAST-PACED WORK ENVIRONMENT

Unless you’ve lived there yourself, China’s astonishing rate of growth is hard to fathom. The change is tangible and visible. “For example,



Tony Jiang, MBA ’00, managing director, Catala China Limited

the average rate of building a high apartment building is ‘one floor each week,’ which is astonishing to other countries,” notes Tony Jiang, MBA ’00, managing director, Catala China Limited, in Shanghai. Everyday work life is every bit as intense; a sense of urgency permeates the culture. “It’s a fast-changing economy, with fast-growing businesses,” says Ya-Ru Chen, professor of management and global business.

“There’s a sense that it’s now or never, that China has a small window of opportunity.”

“Pressure tends to be high in local Chinese companies,” agrees Jiang. “In terms of resources, those companies cannot compare to multinationals; thus they have to beat them on speed. The positive side is that you can grow rich very fast.”

In many respects, this breakneck pace makes for an exhilarating work environment. “Many companies in China are very young, very entrepreneurial and ambitious,” says Julia Xu ’95, MBA ’04, especially compared to “established state-owned enterprises.” Like many alumni interviewed for this story, Xu returned to China after



## WORK/LIFE BALANCE: WHAT'S THAT?

"In China, the work ethic is unbelievable ... people work extra hard to get ahead in life. In the U.S. there's more of a work/life balance: You relax on weekends, take vacations. If you're an American

working in China, you might find yourself working weekends. No one leaves until the boss leaves." — Sean Alexander '94, MBA '01, division director at Macquarie Group in Hong Kong

"There's not much of a work/life balance, something that's become more important for younger workers. 'Well-being' is a popular topic received with great enthusiasm among MBA and EMBA students in most business schools in China these days." — Professor Ya-Ru Chen

earning her MBA "to capitalize on the exciting opportunities" in China. She played her cards right, gaining multinational experience at Deutsche Bank in Hong Kong before taking on a senior management position as CFO at ReneSola, a five-year-old, NYSE-listed, Chinese-owned solar company in Zhejiang. "Your good experience in a multinational and Western education is what gets you the senior management job in a young and fast-growing Chinese-owned company," she says.

"The business landscape is extremely vibrant and full of contrasts," says Geoffrey Lim, MBA '00, director of CLSA Capital Partners, the alternative investment management arm of CLSA



Geoffrey Lim, MBA '00, director of CLSA Capital Partners

Asia-Pacific Markets, based in Hong Kong. "The growth and the buzz here is phenomenal, but it's also amorphous and volatile, like its roller-coaster stock markets. Things could change very quickly. Sometimes you never know what next week will bring. There are a lot of opportunities, but there are many pitfalls as well."

One of those pitfalls — something everyone interviewed for this story mentioned — is very long work hours.

"People work around the clock, 24/7," says Chen. "It's common to include your cell phone number as well as your email address on your business card so people can reach you anytime; the only time you can't be reached is when you're on a plane. It's great for the company, but draining for the individual."

Another pitfall is inattention to quality. "The negative side [of the rapid growth rate] is that very few people have the patience to get a job done in a very 'thorough' way," says Jiang. "Most people will take a shortcut whenever there is a chance. The final result is a compromised product that is 'workable' but does not 'last.'"



Charlotte Ye, MBA '00, CEO of Webcars.com.cn

## WHAT'S MISSING: RULES OF THE GAME

"Work in China tends to be fast-moving, unpredictable, uncharted, maybe more rough-and-tumble," says Lim. "There are fewer precedents to follow."

"At the current stage of the economic development cycle, the Chinese are largely unaccustomed and alien to the international concepts of quality control and high performance standards," says Ah Lay

Ang, MBA '75, CEO of Frasers Property in Hong Kong. "China still does not have robust government institutions to properly and adequately regulate, supervise, and control social, economic, political, and legal activities. Therefore, there is a tendency to indulge in firefighting, and control mechanisms are piecemeal or inconsistent."

The seat-of-the-pants decision making and expediency characteristic of a lot of China's rapid-fire growth often lies behind the inconsistent or poor quality that makes big headlines in the West. "Food and product safety scandals (such as the melamine-contaminated baby-formula scandal in 2008) are common occurrences because supervision is weak, under-resourced, corrupt and/or incompetent to perform to an acceptable standard," Ang says. "The notoriously ambiguous judiciary system with weak rule of law makes managing businesses a big challenge!"

Such a freewheeling environment makes it imperative for every business entity operating in China to "create, disseminate, and adhere to its own corporate and workplace culture — those unquantifiable but essential attitudes, mindsets, and relationship patterns necessary to create a successful operating environment," says Ang.

Training, retraining, and leading by example are key to creating an environment capable of upholding high quality standards. "Even a simple habit like being on time for a meeting — which I constantly



## BUSINESS ETIQUETTE IN CHINA

BY KEVIN ZHEN CHENG, MBA '11

Kevin Zhen Cheng was one of several Johnson School students who presented overviews of business culture in their countries at “Doing Business in Asia,” held March 5, 2010, the first in a series of workshops organized by Park Leadership Fellows Chrysoula Nigl and Kelly Quinn, both MBA '10, as their Park Project. What follows is a selection of tips Cheng presented.

- Bow or nod when you meet; that’s the common greeting.
- Don’t offer your hand in a handshake: Wait for the senior participant or person in authority to offer their hand first.
- The Chinese value rank and status; the most important member of your company should take the lead, and speak first at important meetings.
- Introductions are formal. Use formal titles.
- Being on time is vital in China. (But people with power can show up late.)
- The decision-making process is slow. Don’t expect to conclude your business swiftly.
- Applause is common when greeting a crowd; the same is expected in return.
- Don’t use large hand gestures; they may be distracting to your host. The Chinese do not speak with their hands.
- Do not point when speaking. If you need to point, use your palm instead of a finger.
- Body contact must be avoided at all cost. Touching is not acceptable.
- Don’t laugh out loud; it would be considered disrespectful.
- Avoid discussing business at meals.
- Social drinking as part of a meal is part of relationship building. Host and guest take turns filling each other’s glasses.
- Don’t start to eat or drink before your host does.
- Don’t eat everything on your plate. The Chinese order more than you can eat to show generosity. If you eat up, it means you’re still hungry.
- Never place your chopsticks straight up in your bowl.
- Do not drop your chopsticks; it is considered bad luck.
- Do not tip; tipping is considered insulting. Only tip in bars.

practice as the CEO — sends a powerful signal that standards have to be maintained by all employees at all times,” Ang notes.

### EXPECT THE UNEXPECTED

A few factors unique to China — situations that don’t occur in the West — catch managers off guard. Sudden shifts in government-controlled commodity prices is one such example.



Sandy Argabrite, MBA '85, finance manager, Procter & Gamble

“I’ve never worked anywhere more unpredictable,” says Sandy Argabrite, MBA '85, who served as finance director, Great China Sales, for Procter & Gamble in Guangzhou, China, 2008-2010, and is now P&G finance manager for Glad Joint Venture in the Bay Area. “You need to be ready to deal with some new business or government impact every day, some of which you can only guess at.”

Argabrite saw government-controlled gasoline and diesel prices go up by “a significant amount in one day — partly catching up to what was happening in the world market,” he says. “This made planning a challenge, as typically if commodity input costs go up, you either look for cost savings to offset these costs or you consider pricing. We could guess at what the price of oil would be when doing our budgeting, but then would have to see what the government decided to do on oil and gas prices, plus what they would do on price controls (for example, they put price lids on critical items such as cooking oil, so inflation didn’t run out of control).”

“Government is everywhere, and myriad decisions are made at the jurisdiction of the government,” says Glen Dowell, assistant professor of management and organizations, who has led several Johnson School study trips to China. “And government is not one entity; local government matters, and there are 22 provincial governments, plus a few city-states.”

### GUANXI – GET IT, YOU’LL NEED IT

The dearth of strong, cohesive regulatory and legal structures, the absence of strict quality-control standards, and the power of governments — combined, these realities underscore the need to develop other means of ensuring that expectations are met. That’s where the importance of building *guanxi* (pronounced, roughly, *guan-shee*) comes in. *Guanxi* literally means “connections” in Chinese, and it’s



often likened to networking in the West, but the full connotations and impact of *guanxi* run far deeper.

“*Guanxi* is especially important in the absence of strong legal structure; it reinforces and ensures deals are truly honored, terms fully executed,” says Ya-Ru Chen. If you fail to live up to an agreement solidified through *guanxi*, “it backfires through the entire network.”

“If you don’t have *guanxi*, you’d better find some,” says Dowell. “In China’s complex environment, connections are incredibly important.” An example Dowell encountered on a trip to China involved a movie studio that relies on *guanxi* to get scripts approved by the censorship office. You can gain this kind of influence by partnering with a government-owned entity, or with a company in good standing with Beijing. *Guanxi* greases the skids and speeds the process. But it’s all carefully built on deep personal relationships.

Kevin Zhen Cheng, MBA ’11, who has worked at Deloitte, Cosun Global Investments, and Ernst & Young in Beijing, says that *guanxi* means “the complete trust you build through some serious interaction with another person. Normally, this kind of relationship is built through either a very long-term relationship (growing up together) or some [shared] once-in-a-lifetime experience ... the kind of person who knows at least one of the skeletons in your closet, and you’re comfortable with him because you also know his skeletons. It’s like a net knitted with strong personal trust between people who trust others.

“If you can build this kind of trust, you will be blessed with all kinds of help from your



Jason Koski / Cornell University Photography

Kevin Zhen Cheng, MBA '11

friends. Once you build up one *guanxi*, other *guanxi* will come,” says Cheng.

To illustrate, Cheng relates his experience in sharing a business idea he thought would be very promising with a long-time friend. Cheng’s friend immediately identified all the influential people he could reach, and all the possible resources he could provide to help. “Through my *guanxi*

with him, he introduced all his *guanxi* to me,” says Cheng. “And I’m pretty sure all these people will help me out with their best efforts.



Shanghai, China  
© Photos.com



## BLUNDERS

**What are some of the biggest blunders Westerners typically make when they go to work in China for the first time? Faculty and alumni interviewed for this story pinpointed these:**

- **Cutting right to the chase, versus building a relationship first.** Recognize the opportunity, and take the time, to build relationships. Americans tend to be too direct, and focus on getting down to business right away. The Chinese are generally indirect, and focus on building relationships, *guanxi*.
- **Not listening, getting impatient.** “If someone wants to spend 30 minutes introducing their company to you, whereas you may be eager to get to discuss business, you sit and listen,” says Sean Alexander. “In America, there’s a higher tolerance for jumping to business. In China, pay attention to where your hosts are taking you.”
- **Lack of humility.** Thinking that the U.S. knows all the answers, and failing to listen to your coworkers, will guarantee you a reputation as arrogant or naïve.
- **Discussing politics.** “Politics is a no-go zone in Mainland China, and rarely discussed in Hong Kong business,” says Alexander. Others say discussing social problems, politics, and pollution at work can be okay; just be culturally sensitive about it. Since there’s some disagreement on this point, the best policy is to attune yourself to your environment.
- **Assuming people are ignoring your emails.** Use of email is much more common here. There, phone and texting is more the norm. In China, people don’t check emails often. Moreover, people generally don’t respond until they have complete answers. It’s important to develop a common understanding regarding process.

What seems like a dream can be made to happen very quickly. It’s like a powerful family you can trust.”

Sean Alexander ’94, MBA ’01, division director at Macquarie Group in Hong Kong, tells a story that helps to explain how you can develop and build *guanxi*. When someone he’d known for many years moved to an important position in a new company, Alexander gave him a call. Immediately, his friend asked, “Sean, how can I help you?” What both

tacitly understand is that someday this friend may need something from Alexander, and he’ll then repay the favor. The upshot: “I brought my boss in to meet him and his boss,” says Alexander. “He knew it would make me look good. In the U.S., you wouldn’t ask for it, the meeting would have to have a purpose.” This meeting was just to introduce the bosses, setting the cornerstone for a new relationship.

“There’s nothing illegal or cutting corners about *guanxi*, it’s just a process of who you know, and building relationships,” says Alexander. In the U.S., you can go in, sit down, and, in a few minutes, do business with someone you never met before. Here, it’s important to meet first. In China, you do have to know who you’re doing business with.”

## CHINA WILL GROW ITS OWN WAY

China’s booming economy is spawning a remarkable transformation of enormous magnitude. Ang speaks of “the excitement of being a witness (from a ringside seat) to China’s transformation from a down-trodden, poor, and backward country to a glowing world power, upsetting the existing order. . . . I believe history will record today’s rise of China as one of the single most important milestone events in the world.”

Although China has a well-established history of importing customs and practices it likes from other countries (as Dowell points out, citing Buddhism), deeply held Chinese values, culture, attitudes, and practices prevail in the midst of this great transformation. It’s important for any Westerners working in China to be sensitive, listen, and adapt.

“Come to China with an open mind and be willing to accept China’s increasing role in the world stage,” urges Ang. “Respect and accept China’s political ideology, system, and institutions. They will evolve gradually over time, I believe, to greater democracy, freedoms, human rights, and openness. It is for the Chinese to determine the direction, form, and speed of this process. Western-style democracy may not work in China. Remember, Western democracy also took several centuries to evolve and has failed or is failing in some countries.”

“The Chinese think American [culture] is great, but only because it’s in America,” adds Cheng. “We don’t believe Americans’ ways can be applied to another country or culture. The Chinese believe China will grow in a very different way and people will live in a different way. We want to learn all the good things from Americans, but at the same time try to tailor each thing we learn to our specific situation.”





## BRIDGING THE GULF BETWEEN PERCEPTIONS AND BELIEFS

By Ah Lay Ang, MBA '75

### Do Western and Chinese coworkers discuss the volatile issues China is grappling with?

China's development for the last few decades, and especially since 2000, has been phenomenal. But rapid growth has



AH LAY ANG, MBA '75, CEO, FRASERS PROPERTY, HONG KONG

disguised or concealed many serious problems and challenges. China became more known to the world, especially the West, following the Beijing Olympic Games in 2008. However, I think few understand that its economic success has come with huge costs — environmental degradation; serious pollution; pervasive corruption; widening divide between rich and

poor; antiquated health care; social, and education systems in need of reform and modernization; social burden of an ageing population; one-child policy and gender imbalance; human rights abuses; widespread rural poverty. The costs are still being counted.

There are no legal restrictions, and Western and Chinese coworkers can freely discuss any issue at the workplace. However, not unexpectedly, there will be a huge gulf between their perceptions and beliefs, largely due to their different backgrounds, and serious disagreements can result.

I think China as a country, and the Chinese as a race, are characterized by three basic attributes which Westerners often find difficult to understand and challenging to accept: non-Christian, non-English-speaking (or Spanish, or French, or German) and non-democratic. In direct contrast to India, the other emerging global power with a vast enough population to match, China and the Chinese remain mysterious and

inscrutable to most of the West. Westerners understand India better because it is English-speaking, partly Christian, and the largest democracy in the world. Plus, India was previously a British colony and it practices the British parliamentary system of government and legal system, supported by a British-modeled civil service. It is no wonder in these circumstances that Westerners' shared values, beliefs, and attitudes are undoubtedly closer to the Indians than to the Chinese.

In any discussion between a Westerner and a Chinese on any of the above issues, the former will find his or her Chinese counterpart to be quite oblivious to the Western notion of human rights and political freedoms. Perhaps contrary to the views of the Western media, ordinary Chinese are generally happy and satisfied with life and their form of government, even without Western democracy and freedoms. Coming from decades of poverty and deprivation, the Chinese today are hungry for material comforts (better jobs, housing, cars, food, schools, health care, security etc) and are busy enjoying a rising standard of living (especially the urban folks), with little time, at least in the foreseeable future, to care for the more spiritual, moral, and political aspects of life.

Even if the two parties decide to discuss a non-political issue, say, global warming and climate change, the difference in their positions will still remain formidable. To the Chinese, the developed countries (that is, the West) bear the greatest historic responsibility for climate change. As a new and still-impoorished developing nation, China wants the West to lead decisively by cutting greenhouse emissions and not shift the blame — the position China strenuously defended at the December 2009 Copenhagen Climate Change Conference.

Westerners must understand that the Chinese emphasize collectivism versus the individualism cherished in the West. With China's rising economic and military might, the Chinese are becoming increasingly nationalistic and proud, especially now that capitalism and the free-market model, long extolled by the West, have been humbled and appeared dysfunctional. The bizarre situation today of the existence of a huge Communist creditor (China) balanced against a huge capitalist debtor (the U.S.) reflects this. And with several advanced European economies now in crisis and burdened by excessive debt — Iceland, Greece, Spain, Portugal, Italy, and even Britain — capitalism is beginning to have a bad name, and China and the Chinese want nothing to do with it and are clinging on to their "superior" model.

# THE GROWING BUSINESS OF



BY ALAN BREZNICK



Long the stepchild of the video game industry, online gaming is finally starting to find its virtual place in the sun.

Indeed, consumers are now flocking to the Internet to play online games as superfast broadband connections spread throughout the world, games branch out into new areas, virtual worlds attract new audiences, and such popular social networking sites as Facebook and MySpace introduce and expand casual game offerings. In addition, consumers are increasingly turning online for virtual entertainment as more video game consoles, TV sets, Blu-ray players, and other consumer electronics devices provide online access, and Web-enabled wireless phones and other mobile devices continue to proliferate.

“Everything can now basically connect to the Internet,” said Greg Galvin, MBA ’93, PhD ’84, president and CEO of Kionix, an Ithaca-based manufacturer of tiny, silicon motion detectors used in gaming devices. “Every platform can connect to the Internet. The previous generations of these devices didn’t have that ability.”

While still flying somewhat under the radar, the online gaming business generated about \$9.4 billion in worldwide revenues last year, according to the latest estimates from PricewaterhouseCoopers, a leading accounting and consulting firm. Although this total pales in comparison to the \$55 billion in revenues that the entire video game business generated worldwide, industry experts consider online games one of the fastest-growing portions of the overall gaming market, if not the fastest-growing portion.

“Online gaming is taking off and growing extremely rapidly in a worldwide fashion,” said Galvin, who has seen the numbers jump, especially over the last two to three years. “The adoption rate is increasing very rapidly.”

This trend is playing out in Galvin’s “own mini-focus group” at home, where his three young children have all plunged into the online gaming world over the last couple of years, thanks to their Web-enabled Sony PlayStation 3 game consoles. While his two sons, eight and 12 years old respectively, favor action games, his daughter, who is 10, uses the online platform to play social games in various virtual worlds with her friends.

## CHINA TAKES ONLINE GAMING LEAD

The popularity of online gaming is particularly surging in the Far East, with China leading the charge. As *China Daily* and the *Wall Street Journal* have both reported recently, online gaming revenues in the Chinese market jumped 39.5 percent last year to 25.8 billion yuan, or about \$3.7 billion, according to the Chinese Ministry of Culture.

Moreover, in December, the China Internet Network Information Center estimated that about 69 million Chinese Internet users now play such popular massive multiplayer online (MMO) games as *World of Warcraft* and *World of Legend*. The Chinese government agency said it expects that number to more than triple to 230 million online game players over the next two years.

Industry observers generally credit the Far East surge in online gaming to high broadband availability, the popularity of role-playing games like the two mentioned above, the free nature or low costs of the games, and the scarcity of relatively pricey video game consoles in many developing countries, such as China. They also credit the trend to faster broadband speeds and greater use of Web-enabled mobile phones in the East than in the West.

“The two main differences between gaming in Asia and North America are: one, high broadband penetration and performance in Asia; and, two, advanced mobile usage and technology,” said M. Lee Clancy Jr., MBA ’97, senior vice president of product management and general manager of direct revenue for IMVU Inc. in Palo Alto, Calif. Clancy — whose company builds virtual worlds like *Second Life*, where members use 3D avatars to meet new people, chat, create, play, and buy virtual goods — noted that “predictions for the virtual goods market in the U.S. are \$1 billion to \$1.5 billion in 2010. But that market in China, for example, is already five to six times that figure.”

## U.S. NO SLOUCH EITHER

Even though it’s not experiencing quite the same explosive growth as China, the U.S. is seeing a strong surge in online gaming as well. In 2009, for instance, the average number of hours that Americans spent on online gaming jumped 10 percent from 7.3 hours per week to 8.0 hours per week, according to the latest statistics from The NPD Group, a research and consulting firm that focuses on the gaming business.



**“One of the cool things about online games is that they’re constantly getting refreshed.”**

**- LAURA SANDOVAL, MBA '05,  
DISNEY INTERACTIVE STUDIOS**

While the most established console-based games are still more popular in the U.S., online games are drawing in more and more players. For instance, NPD reports that more than half of the nation’s 70 million-plus game-playing households (54 percent) now indulge in online gaming.

“Online gaming is enjoyed by a diverse group of players,” said Anita Frazier, an industry analyst for The NPD Group in Port Washington, NY. “The sheer variety of content and ease of access make online gaming attractive to a much larger demographic than what we typically see in retail.”

## WHY NOW?

What makes online gaming so compelling right now? Industry experts cite several major factors behind the rise of online gaming

over the last few years. For one thing, they note that online games are generally cheaper, simpler, shorter, and less warlike and intense than the action-oriented and first-person shooter games typically found on the PlayStation 3 (PS3), the Microsoft Xbox 360, and even the market-leading Nintendo Wii console.

“Online games tend to be a little more casual and shorter in nature,” said Laura Sandoval, MBA '05, who is global brand manager of Disney Interactive Studios in Glendale, Calif. “They’re more of a quick-play experience with a greater variety. On the console side, there’s a chance to build a little more of a story and create a more immersive experience.”

Online games also have much greater freedom and flexibility to change and grow than more traditional console-based games. Online game developers can add new features, fix problems, and



Club Penguin, an ad-free virtual world for children, was launched in October 2005 and joined the Walt Disney company in August 2007. Since its launch, it has become a virtual playground for millions of children from around the world, where players create their own penguins, interact with friends, explore, and play games.



“Hippogryph,” a screen shot from Blizzard Entertainment’s World of Warcraft: Wrath of the Lich King. World of Warcraft has become the world’s most popular massively multiplayer online role-playing game; Wrath of the Lich King sold more than 4 million copies in its first month of availability. Available in eight different languages, World of Warcraft is played throughout the world.



take players in new directions on the fly much more easily. In contrast, console game developers must produce and sell new game discs when they make changes.

“One of the cool things about online games is that they’re constantly getting refreshed,” said Sandoval. “That’s tougher to do with consoles. Online games allow us to constantly refresh characters, worlds.”

Let’s not forget the human element either. Susan Wu, MBA ’06, formerly a venture capitalist with Charles River Ventures, is now CEO and co-founder of Ohai, a San Francisco-based developer of such new MMO games as the vampire-themed City of Eternals. She believes that people are flocking to online gaming because the games help players feel better about themselves and their lives. She also believes that play is a “necessary ... not frivolous” part of living.

“[We believe] that something like a game can transform peoples’ everyday lives, and through the daily practice of playfulness, we can learn something about ourselves and grow,” Wu said. In a recent entry on her blog at Ohai, she likened her daily practice of yoga to the daily practice of playing an MMO.

“If an MMO could help you feel heroic and accomplished, a little bit each day, how would that translate over time into a new kind of muscle memory?” she asked. “What could you be in your everyday life if you felt heroic rather than defeated and hopeless? And if you felt heroic and acted as such, how would that then spread to your friends?”

## RISE OF SOCIAL GAMES

Not surprisingly, the social networking phenomenon has also spurred greater interest in online games. Such popular social networking sites as Facebook and MySpace have attracted millions of new players by enabling members to interact with each other in

MyTown, Booyah’s new mobile app, boasted more than 450,000 users just one month after its launch in December 2009. MyTown is a location-based app for the iPhone and iPod Touch built around local shops, restaurants, and hangouts. It uses GPS features to check in at real-world locations to unlock rewards.



new types of social games and virtual worlds. Players can join their friends, family members, and acquaintances to play such traditional games as poker or Scrabble or compare their virtual pets, farms, and even mob families.

For example, Farmville, a virtual farm game developed by a rapidly growing company called Zynga, now draws more than 83 million active monthly users to the Facebook site. Farmville also accounts for four of the top 10 applications on Facebook, according to stats collected by AppData.com.

“Here at the Game Developers Conference [March 2010, San Francisco], few industry players would have been able to tell you two years ago that farms, zoos, and aquariums would be the most popular types of games pulling in hundreds of millions of people,”

**“Every platform can connect to the Internet. The previous generations of these devices didn’t have that ability.”**

**- GREG GALVIN, MBA '93, PHD '84,  
PRESIDENT AND CEO OF KIONIX**





## NOT JUST FOR FUN

As online gaming and virtual worlds have caught on with the public, the technologies behind them are also powering significant changes in the business world.



Robert Bloomfield, an accounting and management professor at the Johnson School, said he sees companies using virtual world technology to spur “distance collaboration, especially conferences, quick prototyping of anything from buildings to robots, and simulation-based training.” He also sees businesses starting to use game-like feedback to motivate employees by making work seem more like a game.

Citing a personal example, Bloomfield noted that he now uses

virtual world technology to run meetings on financial accounting regulation with academics, practitioners, and standards-setters from across the globe each week. He does this through Metanomics, a large, virtual business community that grew up around a talk-show program that Bloomfield started in the popular virtual world, Second Life, in 2007.

“Virtual technologies are creating virtual firms,” he said. “Vermont now allows virtual businesses to incorporate in their state, even though they may have no buildings or paper documents. One of my own businesses, Metanomics, has employees all over the world, most of whom have never met in real life. Believe it or not, this is the future of the corporation. These workers will need a place to connect on a personal level, and virtual worlds like Second Life can provide those all-important ‘water cooler’ opportunities.”

To be sure, there are some potential downsides to such technological developments. For instance, Bloomfield, who refers to it as “geographic arbitrage,”

worries that such virtual-world communities may prove so engrossing that they end up taking the place of real-world communities.

“My own concern is that people who are connected so strongly with colleagues around the world are less strongly connected to their own communities,” he said. “Social observers have long been concerned about the impact of big cities on personal connections. Virtual worlds are essentially one very large city, so the concern is pretty much the same.”

Nevertheless, neither Bloomfield nor other industry experts are looking back right now. They expect the online gaming and virtual world technologies to produce many more dividends in the future. “We are only starting to understand what this technology can accomplish,” Bloomfield said.

said Clancy. “And even genres that were not typically social, such as casual single-player puzzle games like Bejeweled, now have versions that leverage the social graph to involve users’ friends.”

The swift emergence of the iPhone as a leading mobile device has driven the popularity of online gaming as well. While cell phones have long come with rudimentary games embedded in them, new smart, Web-enabled phones enable users to download new games quickly and easily or play online using a quick wireless Internet con-

nection. In particular, Apple’s content and application store is loaded with online games for its iPhone, iPod, and other mobile devices.

“More than 40 percent of the apps in the Apple app store are games,” said Melinda Byerley, MBA ’02, who is head of marketplace for Linden Lab, the creator and manager of the popular Second Life virtual world. “I expect that the biggest growth will continue to be in both asynchronous and synchronous games that allow you to play against people you know on any device or platform — PC, iPhone, in Second Life, on Facebook, etc.”





**“We will probably see new game types focused on creation or expression, 3D environments, and location-based games that may mix online and real-world environments.”**

**- M. LEE CLANCY JR., MBA '97, IMVU INC.**

## **WOMEN PLAYING MORE GAMES**

Due to all these factors, online games tend to appeal to a much broader audience of players than console games. In particular, they appeal more to girls and women than such popular, action-oriented console games as Call of Duty, Grand Theft Auto, and Halo series, which still mainly attract young men and teenage boys.

“While hard-core console games are typically played by young males, casual games are more balanced at 50/50,” Byerley said. “Also, the age [of online players] is slightly higher than [for] console games.... In order to achieve the level of mass market that online gaming is seeing, it has to be interesting for both genders and more ages to play.”

In fact, women have become one of the gaming industry’s fastest-growing demographic groups, according to the Entertainment Software Association (ESA), the industry’s leading trade group. ESA recently reported that 40 percent of all video game players are women, and that adult women represent a far greater portion of the game-playing population (34 percent) than boys 17 or younger (18 percent).

Women and girls also account for higher percentages of both “heavy portable” and “extreme gamers” than ever before, according to NPD’s research. Gaming experts attribute the rise of both casual and serious female gamers to the spread of online gaming, the popularity of the Nintendo Wii, and the growing use of smart, Web-enabled phones.

With online gaming having established itself as a force in its own right, video game developers and other entertainment companies are crafting ways for players to cross the boundaries between console games on the one side and online games and virtual worlds on the other. Disney Interactive Studios, for instance, has extended the Club Penguin virtual world to the Nintendo DS hand-held gaming device. Likewise, Disney has developed a virtual world for its Pixie Hollow Fairies franchise, which started out as merely a Nintendo DS game.

“There are other things in the works,” Sandoval said. “We think it’s a strong long-term trend to continue to build out these [virtual] worlds.” She added that developers are also seeking to tie other products and experiences into virtual worlds to “create more integrated, interactive experiences.”

Like Byerley and Sandoval, other industry experts believe that the astounding popularity of social networking games will spur other new types of online games. Indeed, some experts argue that the trend has only just begun.

“I expect that we’ll see more and more genres of games that have not been traditional gaming segments,” Clancy said. “Just as the Wii created a range of fitness-oriented games and Guitar Hero led to a host of music-oriented games, we’ve now seen a host of cultivation games (farms, aquariums, etc.) on social networks. We will probably also see new game types focused on creation or expression, 3D environments, and location-based games that may mix online and real-world environments.”



**Profile in Leadership:**

**Michael Chen, MBA '85**  
**President and CEO, GE Capital –**  
**Media, Communications**  
**and Entertainment**

When Michael Chen took his first sales position, he really started loving his career. “I never tracked how many hours I worked or how many hours I spent on the road,” he says. “I was working weekends. But it wasn’t work anymore.”

Chen’s mandate in that job, at GE Capital Aviation Services (GECAS), was to lease aircraft to airlines. But his mission was to forge human ties. He loved listening to customers, learning about their problems and needs, earning their trust, and discovering new ways to help their businesses grow.

Chen’s mission is the same today, and his passion for that role is a major element in his success as a leader.

Since 2007, Chen has served as president and CEO of GE Capital — Media, Communications and Entertainment, which provides financing to companies in industries such as cable, wireless, TV and radio, outdoor advertising, and entertainment programming.

“We’re also making equity investments in digital media,” he says. “That’s the area that’s going to replace a lot of the traditional media over time.” This strategy involves working with sister company, NBC Universal, though the jointly owned Peacock Equity Fund, to buy stakes in promising ventures such as online gaming service,

Bigpoint, the medical reference site, Healthline.com, and BlogHer, an online community for women.

When Chen and his team approach a new customer to talk about financing or an equity investment, the

most important tool he brings to the table is his talent for personal connection. The tool he usually leaves at home is PowerPoint.

“The first time I visit clients, we spend an hour or two making no presentation about what we do,” Chen says. Instead, the team listens. “We try to understand what they do and what their customers are like, and understand the business model.”

It’s not until the second or third meeting that Chen and his team start suggesting solutions. Even then, they don’t make a straight sales presentation. “I like to have a discussion, spending less time on PowerPoint and more on dialogue,” he says.

That give-and-take uncovers valuable information. Even when these conversations don’t pay off in immediate business, they lay a foundation for the future.

“Michael was very good — and I’m sure he still is — at building relationships when there are no deals to do,” says Ken King, a retired GECAS executive who reported to Chen there starting in 1999.

“That’s when you get to know the people, and that’s when you get invited to do the deals.”

## Talk Uncovers Opportunity

Deeply rooted relationships served GECAS and its customers well, for example, after the terrorist attacks of September 11, 2001. As vice president and general manager, North America, at GECAS, Chen knew that his customers — the airlines — were hurting badly. Passengers weren’t flying.

“The last thing North American airlines needed was more aircraft leases from us or any other lessor,” Chen recalls. In fact, airlines wanted to break their leases and reduce their fleets. At the same time, however, GE offices abroad were reporting that the airline industry overseas was booming. “And they had a huge demand for aircraft.”

So GECAS let some North American airlines end their leases without penalty. The company then offered the returned planes to overseas airlines, which gladly paid a premium.

GECAS spotted this opportunity thanks to its close ties with the airlines, Chen says. “If we had waited and had not been talking to our customers, other lessors would have found out about it, and the price we got internationally might not have been as attractive.”

Conversations with airline customers also revealed a second opportunity for GECAS. “We found out that, because of 9/11, they were running out of cash,” Chen says. So, using planes that the airlines owned outright as collateral, GECAS offered them loans.

It was a classic win-win. The airlines shed unwanted planes and got some much-needed cash. GECAS gained profitable leases overseas and also took on lending as a new line of business.

Robert Milton, president and CEO of Air Canada during the post-9/11 crisis, recalls vividly how Chen threw himself into the search for solutions for his customers. He remembers walking through a shopping center with his family late one evening during that time, talking on the phone with Chen.

“If you’re the sales guy for a leasing company, you can turn the phone off if you feel like it,” says Milton, now executive chairman of the holding company Air Canada Enterprises. “This guy was available around the clock.”

Besides making himself accessible to customers, Chen earns their trust by delivering on his word. Keeping promises — even the smallest — is a basic principle. “If I say I’ll call someone back the same day, I’ll make sure I don’t leave the office until I do so,” he says.

Chen also is tireless in pursuit of information that will help him fashion a deal that works for both GE and its customer. Jeff Potter, now CEO of Exclusive Resorts, recalls meeting Chen in 1995, shortly after Potter joined Frontier Airlines as CEO.

# Personal Ties



Frontier, then a struggling, year-old carrier, needed access to new, more fuel-efficient planes. But few lessors would talk with the firm.

As vice president of risk management at GECAS at the time, Chen visited Frontier to assess its business plan and recommend whether to offer a lease. “He spent two weeks, every day including weekends, understanding our strategy — why it would work, what the risks were if it didn’t work,” Potter says. His pointed questions forced Potter to rethink his assumptions about how the airline should operate.

Chen, too, was prepared to re-examine any assumptions he had brought to the meeting. “We had very specific needs and a very specific business model,” Potter says. “He was able to really dig into that and give full appreciation of our direction.”

A flair for nurturing productive relationships also marks Chen’s leadership style within GE. As a vendor to GECAS, John Feren,

At the Peacock Equity Group, Chen has made a point of assuring employees that even in this difficult environment, GE Capital will continue to nurture their enterprise. “When you have someone at this level who picks up the phone, sits with people in their offices and gets them comfortable that this is a business he believes in — and you take him at his word, because he’s built up that trust — it really resonates with people,” says Tom Byrne, managing director and head of the Peacock Group. Chen’s personal involvement also motivates people to work through the challenges, he adds.

In times like these, it’s more important than ever not to cajole employees into “false exuberance,” but to develop “real optimism,” says Chen. That means understanding that even if the glass is only half full today, a well-focused, hard-working team can raise the water level back to the top.

Chen stresses to his employees — and to his four sons — that life isn’t fair. “The question is, how do you navigate? Life is kind of like a video game,” he says. A game without obstacles is boring. “Understand that there’s a barrier, and find a way to jump over it.”

For his own inspiration, Chen doesn’t need to look far. “He’s often talked about his parents, and the sacrifices his parents have made, particularly his father,” says Katy Choo, GE’s senior counsel for litigation and legal policy. Choo has gotten to know Chen through GE’s Asian Pacific American Forum (APAF), an employee affinity group, which

Chen headed from 2006 until 2009.

During talks at APAF meetings, Chen has told moving stories of the sacrifices his parents made to raise his sister and himself in the U.S., and he has spoken of his gratitude, Choo says.

“He left everything,” says Chen of his father, who fled China after the Communist revolution with a bullet wound in his leg. In the U.S., the elder Chen put himself through the University of Michigan and then earned a Ph.D. from Columbia University. He worked for 28 years as a scientist at IBM, but he and Chen’s mother always lived modestly, saving their money to put Chen and his sister through school.

At 92, Chen’s father is physically frail but mentally strong. He lives with Chen and his family, and Chen says he cherishes the time they spend watching sports on TV and sharing stories. This close personal tie provides tremendous encouragement. “It makes me feel that no challenge in life is very big if my father could overcome the challenges he faced.”

**The first time I visit clients, we spend an hour or two making no presentation about what we do,” Chen says. Instead, the team listens. “We try to understand what they do and what their customers are like, and understand the business model.”**

former vice president of sales for leasing and asset management at Boeing, was impressed by Chen’s ability to lead professionals who had been working in the industry for many years.

“Most of the people he managed were older than he was,” recalls Feren, now senior vice president of business planning at Aviation Capital. Young executives often have trouble in that situation, but Chen did not. “His team always respected him. I think he stuck up for them, so they never felt that if they took risks, they wouldn’t be covered.” Chen’s own drive also impressed the team, he says.

## Four ‘I’s

Chen has thought long and hard about the qualities he aspires to as a leader. He calls them “The Four ‘I’s”: Integrity, Impact, Inclusiveness, and Inspiring people.

The ability to inspire people has grown especially crucial since the start of the current recession. Like many other businesses, GE Capital – Media, Communications and Entertainment has been forced to lay off employees, and it’s had to shift its emphasis from growth to protecting its core business and assets.

## What's News With You?

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(E) denotes a graduate of the Executive MBA program

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

## THE 1960s

### CLASS OF 1960

**Robert Camp '59**, a principal with Best Practice Institute, wrote the first book on benchmarking (translated into 14 languages) as well as two sequels. Following retirement from Xerox, he established Best Practice Institute, "to assist organizations in their quest...for operational improvements." After losing his wife, Carolyn Albrecht Camp '57, he moved to Ithaca in 2003, where he met Marjorie Nelson Smart '57, and they "have happily become life companions (pinned in lieu of a ring)...life is good!"

**Franklin T. Russell '58** is a retired federal judge. He also served as president of his local school board, and is a charter member of the Cornell Chimes Advisory Committee. Since retirement he has volunteered as an ambulance medic, "many weeks working 40-60 hours." He continues his lifelong involvement in music and the theater, and is "a student of the bagpipes." He and his wife, Cynthia, a retired school principal, live in Newark, N.Y. Their daughter, Kimberly, is director of student housing and student events at Boston Conservatory, and son, Jeffery, is a paramedic.

**Howard G. Seebach** retired from Dumont in 1990. He then established his own business,

Seebach and Seebach, managing corporate activities in trade shows and charity function. Howard lives in Pleasanton, Calif., where he has served as Commissioner of Parks and Recreation, and on the Civic Art Commission.

**Larry Schwartz** is first VP at Merrill Lynch/Bank of America in Chicago, working in private client wealth management. He writes: "Still active working, playing tennis, and spending some vacation time at Florida home, in Fort Lauderdale."

### CLASS OF 1961

**J. Roger O'Neil** received the Samuel C. Johnson Distinguished Service 2009 Award. Roger, who has been involved in the oil industry for 40 years, including serving as chairman of Mobil Oil Company Ltd., is a consultant to the World Bank and a senior oil and gas advisor for Dresdner Kleinwort Wasserstein. He lives and works in London, U.K.

### CLASS OF 1963

**Roy H. Park Jr.** has published *Sons in the Shadow*, a book that explores the dynamics of family relationships in a family business about which little has been written. A member of the Johnson School Advisory Council, Park is also chairman of the Triad Foundation, which funds the Johnson School's Park Leadership Fellows Program. Along with over 80

pages referencing Cornell and the Johnson School, the book tracks Park's independent career on Madison Avenue before returning to Ithaca to manage a division of his father's Park Communications media empire.

### CLASS OF 1965

**Norman Lotstein '63** is a VP with Pyramid Real Estate in Stamford, Conn.

**Lyman Van Nostrand** is director of planning and evaluation for the health resources and services administration, U.S. Dept. of Health and Human Services, Rockville, Md.

## THE 1970s

### CLASS OF 1970

**Peter Holman** is a principal with Parkside Consulting in Montpelier, Vt., "working on an effort to consolidate state health care regulation and programs in a single agency of state government."

**Lloyd Patross, JD '71** is senior counsel with WESCO Distribution Inc. He and his wife, Christine Davis, live in Pittsburgh, Pa. They have three children; two graduated from Cornell, and one is a student in Cornell Law School.

### CLASS OF 1975

**Ah Lay Ang** is CEO of Frasers Property, Hong Kong. He writes: "35 years have gone by since the class of 1975 left Malott Hall. Most of what the professors imparted and the students mastered must long have been forgotten, except our capacity to learn, unlearn and relearn in response to the unprecedented changes. With the US in decline and Europe and Japan in disarray, the emerging BRIC nations are reshaping the global economy as the advanced economies combat anemic growth, debt burden and double-digit unemployment rates. I would never have believed in 1975 that I would one day be 'transported' from operating in a typically western or American management environment to China, with its unique economic, political, social and legal systems. This environment presents formidable challenges, even with my grasp of the Chinese language. But with adaption and determination to learn, I am still coping at the old age of 62! I now reflect, with amusement, the core course Contemporary Values and Institutions, which we attended in our first semester. Is capitalism good and has it worked? Is there a better alternative? Isn't it quite bizarre that the world is now at equilibrium with a Communist creditor nation (China) and a capitalist debtor nation (the US)? I wonder what Marx and Friedman would say. I will not be at the Reunion. Alas, Ithaca is far away from Asia. Best wishes to all."

**Curt De Greff, MBA '77:**THE OFFICE FAR AWAY  
**from home**

Going to work used to mean generally one thing: you left the comfort of your home for some place else, worked there for eight hours, returned home, and did this five days a week, fifty weeks a year. Today, as Curt De Greff, senior vice president of finance for the Americas at Regus, can tell you, that model is changing. "It's a world of conference calls and videoconferencing now," De Greff says. "People have more flexibility." Because of the emergence of this new accessibility and a more global marketplace, Regus, founded only twenty-one years ago, has become the largest operator of business centers in the world, with over 1,000 locations internationally in 450 cities and 75 countries.

"We work with every kind of business — from the very small to the very big," De Greff says, adding that the range of services Regus

offers has every type of businessperson in mind. A home-based entrepreneur tired of holding meetings in coffee shops can reserve office space a few days a month. A law firm that wants prestigious and international office addresses on its business card can sign on for a virtual office package in a variety of locations. Billion-dollar corporations — oil conglomerates, telecom companies, computer tech firms — come to Regus when they want a temporary or permanent international base, without having to jump through all the hoops necessary to set up permanent offices or deal with local bureaucracies. In Latin America, especially, De Greff says, the concept of customizable offices has been taking off. Under his leadership over the past dozen years, the number of Regus centers in the region has skyrocketed from two to fifty — a growth rate five times that of the company at large.

Based in Florida, De Greff is on the road half the year, traveling as far north as Toronto and as far south as Buenos Aires. With an Up In the Air-like 3 million air miles to his name, he knows well what it's like to spend a lot of time on the road, working from satellite offices. While he continues to expand the business in the Americas, he's also taken on a new challenge — establishing regional service centers for the administration of the company itself.

The work, De Greff says, is various and enjoyable: "A day doesn't go by that I don't use what I learned at Cornell. Every day is something new — I love it."

— MARK RADER, MFA '02

**Craig Cadmus** reports, "after 25 years in banking and Wall



Street, I opened PJ's Coffee/Planet Smoothie in Highland Park, N.J....an upscale quick-service restaurant, with a coffee bar, juice bar, and food bar...one mile north of Rutgers U." He says that running a small restaurant requires energy and long hours, but is a lot of fun.

**CLASS OF 1976**

**Kevin O'Grady** was elected in November to a four-year term on the



Wilmington, N.C. city council, his first entry into politics.

**CLASS OF 1977**

**Norton Bonaparte** is the city manager of Topeka, Kan., his



fifth city manager position. In November he was elected a fellow in the National Academy of Public Administration, an organization chartered by the U.S. congress that "elects a limited number of



individuals with distinguished records of performance...in public administration and management.”

## CLASS OF 1978

**Hanna Hasl-Kelchner** appeared on the FOX News Channel to



discuss the legal aspects of how your online persona can survive your death, and what you can do about it. Hanna is an attorney in Chapel Hill, N.C.

## THE 1980s

### CLASS OF 1980

**David Breazzano** is president of DDG Capital Mgmt. in Waltham, Mass, focusing on high-yield and distressed investing. His son, Jeremy, is a first-year student at the Johnson School.

**Marcia Lebenbaum-Lehman** is director of marketing with Milmour Products Inc. in Mt. Prospect, Ill.

**Dan Mansoor '79** is president of GoodWorks Group, Shaker



Heights, Ohio. GoodWorks provides philanthropy advisory services to individuals and families, and fundraising consulting to

nonprofits. Dan and his wife, Joyce Rothschild '80, have two daughters, Jess, 13, and Emma, 8.

**John Scelfo '79** is SVP of finance at Hess Corp. in New York City. John



says he enjoys living in Manhattan for the last 9 years after 15 years in Asia. His daughter is a freshman at Boston U., “so hockey discussion at the dinner table get heated.”

**Jeff Scheininger** is president of U.S. Brass & Copper Co., Linden,



N.J. He is also vice chairman of the New Jersey Chamber of Commerce and president of his industry association. Jeff's wife, **Manette '78, MS '80**, is with Delta Galil. Son, Daniel, is a senior at Syracuse, and daughter, Ava, is a sophomore at Johns Hopkins.

**Marwan Shishakly** is VP, tech and consumer, with CSC, a global



leader in providing technology-enabled solutions and services, in Falls Church, Va.

**C. Jeffrey Smith** and his wife, Phyllis, moved to New Hampshire



from London, U.K., where he was VP of group finance for Misys, a U.K.-based software company. He now teaches at New England College, does volunteer consulting for nonprofits and other volunteer work, and keeps in shape. “We have a 23-year-old son in Vermont applying to engineering graduate schools, and a labrador retriever dog who rules the roost. My wife and I plan to attend the June 2010 reunion!”

**Rebecca Vallely '79** is associate director, gift planning, at Cornell University. She says, “I help alumni who may be thinking of making a gift to Cornell...I think of it as philanthropic retirement and estate planning.”

**Carol Majdalany Williams** is married, with two children, and lives in the Litchfield Hills, Conn.

### CLASS OF 1982

**Ed Aghajanian** is president and owner of EZ Brite Brands in Westlake, Ohio. He received the Champion of Sustainability Award from Entrepreneurs for Sustainability (E4) for his zero waste policy and sustainability initiatives. He says his company's sustainability efforts are “something we've practiced since I started our business in 1991.”

**Charles Goldsmith** and his wife, Juliet Bender, joined the Peace Corps, to serve as volunteers in



Mexico. Charles was a budget analyst with the Montgomery County, Md., Office of Management and Budget, and is drawing on his professional experience to work for the Centro de Investigación y Asistencia Técnica del Estado de Querétaro (CIATEQ), focusing on helping the agency “define its technology transfer practices.”

### CLASS OF 1984

**Robert Risko** is a doctoral student in library and information science



at Simmons College, investigating differential outcomes between distance and face-to-face education. Bob was awarded a Jacqueline and Marshall Kates scholarship in 2009, and elected treasurer of the Special Libraries Assoc. Boston chapter.

### CLASS OF 1985

**Sanford H. Argabrite** returned from two years in Guangzhou, China, to the Bay Area, where he works in the Proctor & Gamble – Clorox joint venture. He has been with P&G for 25 years. Sandy's oldest son, Matthew, “following in Dad's footsteps,” is a sophomore at UCLA.

**Andy (Margaret) Dennison Dijkerman** is division manager, U.S. and Europe, with Cardno Emerging

Jon Reis Photography



## The ties that bind

When Fisk Johnson '79, MEng '80, MS '82, MBA '84, PhD '86, CEO and chairman of S. C. Johnson & Son, visited with members of the Johnson School community in Sage Hall's atrium after delivering the Hatfield lecture on October 22, 2009, he was delighted to see Peter Papachryssanthou, owner of the Souvlaki House Restaurant on Eddy Street in Collegetown — an Ithaca fixture since 1974. What's the connection between the two men? The Greek House fraternity Chi-Psi.

"Chi-Psi members have frequented the Souvlaki house throughout the years, and always found Peter to be so wonderful and welcoming that they decided to make him an honorary member," explains Chi-Psi member and trustee Bill Huling '68, MBA '74, senior major gifts officer with Alumni Affairs and Development at the Johnson School. "Fisk, a Chi-Psi member, remembers Peter with great affection. Peter's son, Bob Papachryssanthou, a 2009 graduate of the Cornell School of Hotel Administration, also pledged to Chi-Psi."

Markets USA Ltd. She says, "I began with Deloitte; did an MBO of our unit in 2004 with five colleagues and established Emerging Markets Group. I ran EMG...for three years, then sold the stock and merged the company into Australian firm Cardno Ltd. Now based in Paris, I'm supervising our European operations. Would love to see Cornellian classmates if coming through Paris."

**Mehmood Nathani** is the owner and manager of Altius Financial Advisors LLC, a fee-only financial planning and portfolio management business in Bethesda, Md. On a per-

sonal note, Mehmood celebrated his 50th birthday with friends, family, and his wife, Nina, and three sons, Rian, 16, Mikal, 13, and Kevan, 8.

**Hiroshi Shimizu** works for Minebea Co. Ltd., Tokyo, in investor relations.



**Barb Stroup Stewart** is SVP of strategic development with Con-seco in Carmel, Ind. She and her husband have two teenage boys.

**Jim Stormont** is a partner with Grove Street Partners, an Atlanta-based real estate development, management, and leasing company. Jim develops hotels, and is "building two Marriott hotels connected to the world's busiest airport in Atlanta...people confuse me for a Cornell Hotelie but I'm actually a hard-core Johnson School finance guy."

## CLASS OF 1986

**Don Salama** was promoted to chief strategy officer with New York Life Investments. He was formerly head of New York Life Retirement Plan Services.

## CLASS OF 1987

**Kyun-Bay Ahn, MILR '91** is managing director at Allied



Pickfords Korea, where he manages household moves in and out of Korea for multinational corporations and diplomats. He also is president of the global transportation firm, Ahjin Transportation Co. Ltd., where he handles household moves for the U.S. Department of Defense, as well as the transportation of import and export cargoes.

**Marc Sacks**, senior managing director at Mesirow Financial in Chicago, was named the 2010 Honoree by the Community Foundation for Jewish Education (CFJE) of Metropolitan Chicago.

## CLASS OF 1988

**Christopher "CJ" Glynn '86, MEng '87**, who founded San Fran-

cisco-based Markatalyst ([www.Markatalyst.com](http://www.Markatalyst.com)), a marketing consulting agency, "in 2001 during the depths of the tech downturn," writes that he has "taken his company to a new level." With the addition of numerous clients — from the American Chemistry Society and Alcatel-Lucent to Karp Capital Management and Oracle — Glynn has significantly expanded Markatalyst's reach. With the expanded business, Markatalyst has grown from two original partners to a network of over 20 professionals.

## THE 1990s

## CLASS OF 1990

**Gregory Burr** is in corporate finance at Prospect Mortgage LLC,



"the largest independent mortgage company in the U.S.," in Sherman Oaks, Calif. He works with the CFO, treasurer, and the investors to monitor financial performance, assess business development opportunities, manage liquidity, and use benchmarking to meet financial targets.

**Anne Chow '88, MEng '89**, a VP at AT&T, Morristown, N.J., runs a



large retail business segment of the company's products and services



for clients ranging from Fortune 500 companies to mid-market businesses. Anne received the 2009 Who's Who in Asian American Communities Award, recognition as one of 50 Asian Americans in Business, the 2009 Chinese Institute of Engineers Distinguished Service Award, and inclusion in the 2010 National Diversity Councils Multicultural Power 100.

**David Johnson '89** is president and CEO of Achatas Power, "a very unique small company...developing a revolutionary new engine that will enable a step function improvement in fuel efficiency and reduction in greenhouse gas emissions." David and wife, Laura, daughter Elizabeth, 14, and son, Garrett, 13, live in San Diego, Calif.

**Steve Rodriguez** married Lisa Eskey Sept. 13, 2009, in Pleasanton, Calif.



They honeymooned in New Zealand and now live in Danville, Calif.

**Jeffery J. Weaver '86** is EVP and group head, portfolio management,



for KeyCorp in Cleveland, Ohio. He was recognized in the Feb. 2009 issue of *Black Enterprise Magazine* as one of 100 Most Powerful Executives in Corporate America, and in Dec. 2009 he received the Corporate Trailblazer Award from the Southern Leadership Christian Conference, founded by Rev. Dr. Martin Luther King, Jr. Jeffrey was named recipient of the Johnson

## Peter Pfitzinger, MBA '82:

THE LONG DISTANCE  
CEO

The secret to becoming a world-class athlete, Peter Pfitzinger will tell you, is managing your recovery well. "Everyone trains hard," he says.

"But the key is knowing where that edge is, knowing just how far to push." Pfitzinger knows of what he speaks: in 1984, and 1988, he was the top American marathoner in the Los Angeles and Seoul Olympics; he has a masters in exercise physiology; he's written two books on competitive running, *Advanced Marathoning and Road Racing for Serious Runners*; and for the past six years he's been the CEO of the New Zealand Academy of Sport, North Island, a government-funded organization with the mission of helping elite Kiwi athletes meet their fullest potential on the international stage. (Pfitzinger's wife, Chrissey, also a former Olympian distance runner, is a native New Zealander.)

In the early eighties, when Pfitzinger was training for the Olympic trials as an MBA student at Cornell, logging an average of 120 miles a week, he says his understanding of the science of conditioning was relatively unsophisticated. "We knew to eat a lot of carbs, but it didn't go much further than that," he says. The support offered by NZASNI, he adds, shows just how much the infrastructure around elite athletes has grown in recent years. Working within an \$8 million annual budget, the organization provides over 500 athletes — from up-and-comers to national treasures like gold medal-winning shot-putter Valeri Vili and world champion rower Mahé Drysdale — such services as strength and conditioning training, nutritional advice, access to sports psychologists, physical therapists, massage therapists, and sports doctors, as well as mentors who help athletes cope with the day-to-day challenges of balancing training, jobs, and relationships.



Since its inception a decade ago, this laboratory of sorts has been paying impressive dividends. In the 2000 Sydney Games, Kiwi athletes brought home four medals; in Beijing two years ago, they brought home nine. Curious to learn "what little New Zealand might be up to," Pfitzinger says that sports officials from other countries have been coming to talk with our people, eager to see what they can take back to their own programs.

The government of New Zealand's stated goal for the 2012 Games in London is 10 medals, at least. If that goal is reached, the organization's funding will continue unabated; if not — well, some big questions may have to be asked. To Pfitzinger, ever the competitor, the high stakes seem only right.

"The athletes and coaches deal with that kind of pressure every day," he says.

— MARK RADER, MFA '02



**Natasha Chen, MBA '94:**A BRUSH WITH  
**new cultures**

in Hong Kong, Chen is constantly on the lookout for better ways to appeal to the potential buyers of her company's lineup of products. Most often this means poring over sales data, or brainstorming marketing ideas with her staff, but sometimes it can be as simple as sizing up the competition stacked on the shelves and watching how consumers shop in her local neighborhood supermarket.

Before Chen took on her current position in October of 2009, she was the marketing director for the company in Guangzhou, China for almost three years. Chen says Chinese consumers today are considerably different than they were even five years ago: "The whole country's on its own planet of growth. People generally have a little more money in their pockets than they used to, and are keenly interested in both trying new products and improving their personal and beauty care."



For Natasha Chen, a walk down the toothpaste aisle is usually a research trip. As general manager for Colgate-Palmolive

This is truest of what Chen calls "the fingertip generation," the young people who get most of their information via their computers and cell phones. Not surprisingly, Colgate-Palmolive has been marketing aggressively online in China, the world's largest Internet market. In the last few years, for instance, the company sponsored many online programs, including a successful make-your-own-Colgate-video contest. Earlier this year, in Hong Kong, the company promoted its new 360 Acti-Flex Toothbrush by offering a Facebook application that allows visitors to zap bacteria and add goofy smiles to pictures of their friends.

At the same time, Colgate-Palmolive is reaching out in a different way across both

rural and urban China, spreading information about oral hygiene, and donating products, as part of their Bright Smiles, Bright Futures campaign, which has now reached beyond 120 million school-age children, since its inception in China in 1993.

A native of New Orleans, Chen says she, her husband, and three-year old twin daughters love their new home: in its vibrancy, density, and diversity, Hong Kong reminds her quite a bit of New York City, where she began her career as a product manager nearly fifteen years ago.

Her many roles within the company, she says, has provided many rewarding creative challenges, but maybe the greatest perk has been the way she's been challenged to see the world in broader terms.

"I've just loved the opportunity to understand more about different cultures — to be more open. I think it's the direction the whole world is going."

— MARK RADER, MFA '02

School's 2009 Wilbur Parker Distinguished Alumni Award.

**CLASS OF 1991**

**Richard Choi** is director, partner programs, with General Motors China Sales, Service, and Marketing, in Shanghai, China.

**Gligor Tashkovich '87** is Minister of Foreign Investments for the Re-



public of Madeconia. He also works for Platinum Partners in New York City; Platinum is a multi-strategy arbitrage fund "with a bias for niche and uncorrelated strategies," and he is responsible for broadening the fund's international investor base. Gligor was in a documentary film that won several awards at film festivals around the world and ran on HBO ([www.corridor8.info](http://www.corridor8.info)). He recently attended the Annual Meeting of the Bretton Woods Committee ([www.brettonwoods.org](http://www.brettonwoods.org)), and heard speeches from the heads of the WTO, the IMF, the World Bank, the OECD, and others.

**CLASS OF 1993**

**Gregory Galvin, PhD' 84**, is president and CEO of Kionix Inc., an Ithaca-based company leading in the design and fabrication of high-performance, silicone-machined MEMS inertial sensors. He was featured in an article, "Ithaca-Bred Kionix Goes International via Merger" (*Ithaca Journal*, Jan. 6, 2010) about his company's acquisition by the Japanese semiconductor company, Rohm.

**CLASS OF 1995**

**Scott Carter** is director, equity prime services, at Deutsche Bank

in New York City. He and his wife, Michelle, and children, Maxwell, 9, Benjamin, 7, and Alessandra, 4, live in Ridgewood, N.J.

**Alex Chernavsky** married Audrey Kramer July 25, 2009. **Donna**



**Spinella '78, MBA '86** was among the wedding guests. Alex and Audrey, a home health aide, business owner, and artist, are both involved in animal rescue; in 2005 Alex helped with the search-and-rescue operation to save animal victims of Hurricane Katrina. Alex is the head of information technology at the Humane Society of Greater Rochester, N.Y., which “provides shelter for both domestic pets and farm animals and is among the oldest humane organizations in the country, having been founded in 1873.” The couple lives in Rochester with a number of rescued cats.

**Ken Gurrola** is general counsel and a managing principal with



Gurrola, Eric Luesebrink, MBA '95, and Benny Lorenzo '74, at Kaufman Bros. 2nd Annual Green Technology Conference 2/24/10.

Kaufman Bros. LP, the country's largest minority-owned and operated investment banking and advisory firm, focused on technology, media, telecom (TMT), and green technology ([www.kbro.com](http://www.kbro.com)). He lives with his wife, Suzanne Gunther, and daughter Emilia, 6, in New York City.

**Steve Hubbard** is a director with RBC, in Denver, Colo. He submits



Class of '95 at their 10-year reunion wine tour

a photo from the class of '95 10-year reunion wine tour, saying, “Start boosting your tolerance now...”

**Mike Tarino** is president of DSM Personalized Nutrition in Parsip-



pany, N.J. He reports that his “new work — starting a business that helps people create health for themselves through personalized nutrition — is challenging and enjoyable,” though its focus seems a stretch “for someone who fueled himself through school on Wendy's and College Town Pizza.” Mike and his wife, Renae, and their children, Nathan, 12, Emily, 7, are enjoying life in northern New Jersey since their move from St. Paul, Minn., last summer.

**Neil Waters** is the managing partner for the Australian practice of Egon Zehnder International, the world's largest privately owned executive search firm. Neil and his wife live in Glen Iris, Victoria with their seven children, Mary, 14, Ella, 13, Anna, 11, Claudia, 11, Henry, 10, Digby, 7, and Felix, 2.

**Masaaki Yamaguchi** works in Tokyo as a corporate officer at Tomogawa Corp. He recently performed in several concerts with his wife, playing the piano to accompany her



singing. He says, “What did I study at Cornell? Of course, management. But my experience...in the music department...now helps me to enjoy my weekends.”

**Gul Yanmaz-Karsligil** is a managing director at Liberty Mutual Group in Boston, investing in private equity funds. She says, “Not that things are ever boring in private equity, but cycles and greed keep it even more interesting.” She and her husband, Orhan, and two daughters, 4 and 1, live in West Newton, Mass.

## CLASS OF 1998

**John Larkin** joined Susquehanna Financial Group LLP, as senior producing sales manager, to manage SFG's special situations/event-driven effort. SFG, the institutional broker-dealer member of the Susquehanna International Group of companies, is located in Bala Cynwyd, Penn.

## CLASS OF 1999

**Justin Bakule** is at FSG Social Impact Advisors, consulting in strategy and evaluation with nonprofits (mostly foundations) and with corporations in CSR and corporate philanthropy. He is working on a cocoa sustainability strategy with the Mars Corp., and has spent time in Cote d'Ivoire “helping to craft a ‘Vision for Change’ ...aimed at increasing agricultural productivity at the farm level.” On a personal note, daughter, Grace, 1, “keeps us on our toes.”

**Dana Garrity Berow** and her husband, John, welcomed a second son, Alex, in August. They've also moved 30 miles east of Seattle to North Bend, Wash., where they are building a new home.

**Peter and Kim Marth Bohner** welcomed a daughter, Charlotte Grace, in November. Kim is with Chanel, where she is a director of color marketing.

**Sarah Brubacher**, a senior policy manager at eBay, in San Jose, Calif., was named recipient of the 2009 Robert J. Swieringa Young Alumni Service Award.

**Marshall Chapin** is senior director of marketing at EnerNOC, Inc., in Boston, Mass. He reports he “was busy all summer launching EnerNOC's operations in the U.K. and building up our momentum in Ontario.” On a personal note, daughter, Bailey, 3, is “a force to be reckoned with.” The Chapins also had a visit from **Paul Belle Isle '90** and his wife, Amy.

**Katherine Raidt Christmas**

reports that her “business is going, albeit slowly, given the economy... easy for me to fill any free time, though, with all things kid and a dog.” **Greg Balet '93, MEng '00**, came to Chicago for a long weekend's visit with Katherine and her family.

**Bill Davis** is manager of gas and business development for ExxonMobile Qatar Inc., and lives in Doha, Qatar, with his wife, Roxanne, and their two children, Patrick, 4, and Lulu, 2. The family recently vacationed in Thailand “at this resort which has, among its many merits, a circus school for adults and kids, complete with flying trapeze.”

**Michael de la Cruz** and wife, **Paula Uribe-Echevarria, MBA '98**, live in Shanghai, China, where Michael works in marketing for Intel Corp., in a division developing affordable PC solutions for use in education. Twins, Maya and Quinn, were born in July, joining older sisters, Isabela, 6, and Emma, 4. Michael and Paula say that “increasing our family by two has definitely been the wildest part of living abroad.”

## notes

**Deborah King Garber** and **Joe Garber** live in Eagle, Idaho with their daughter, Sydney, 3. Deb works for Hewlett-Packard in Boise, and says, “I was promoted back in June and seem to be taking on new challenges at HP daily.” Joe is with Renew Data in Austin, Texas, “and stays extremely busy as the CEO’s go-to guy.” The Garbers bought place “near a lake and a great ski mountain...Sydney just got her first pair of skis.”

**Yvonne Hsu '93** works for Colgate-Palmolive as a product manager in shopping marketing. She reports that her family has grown to include Ella, 5, Benjamin, 2, and Kaela, 1, and “all three kids are happy, healthy, and sleep-deprived, along with their parents.”

**Lisa Toyama Jarboe** welcomed a son, Connor Koichi, Oct. 26, 2009.

**Shana Liberman** is a brand strategist for AbelsonTaylor, a Chicago healthcare advertising agency, focusing on “positioning and launching new drugs; some of them ‘blockbusters,’ some of them for very specific, limited markets — but truly making a difference in people’s lives.” Shana married Josh Gartler — “a crazy summer...he started his new job in May, we started renovating a house in June, and got married in August.” Josh is a digital marketing specialist for OpticPlanet.com.

**Katie Meredith** and her husband, Adam, welcomed a son, Beckett McKenna Cummins, in October. Beckett joins big brother, Dashiell, 4. “Adam and I are getting as much rest as we can.” Katie is a consultant with Corporate Executive Board in Arlington, Va.

**Scott Neuman '93** is a strategist, business transformation marketing, with IBM Business Consulting Services. He volunteered in South Africa last summer as a member of IBM’s Corporate Services Corp., working with local government agencies and townships to improve their services in the Eastern Cape

Province. Wife, Amy, “was such a trooper for holding down the fort with Annie, Henry, and Emma for 4 weeks to give me this once-in-a-lifetime opportunity.”

**Andy Orth** joined Biogen Idec as head of its U.S. commercial finance organization. He reports that Biogen also hired **Traci Neptune** — into the role for which Andy originally had done a search: “It’s a small world.” Andy also celebrated a milestone birthday last fall (according to **Marshall Chapin**, he “turned 60 this fall (or was it 40?),” and his wife, Katia threw him a surprise party attended by **Jim Miranda**, **Scott Magrath**, **Andy Guida**, **Marianne Danko Diamond '93**, **Skip Besthoff**, **Justine Bakule**, and **Nick Burnet**.

**Julia Pomeranz Gosset** was promoted to VP and business leader in the Global Consumer Product Management group of MasterCard Worldwide.

**Paul** and **Amy Malkin Snyder** report that “life goes merrily along.” Paul is VP of portfolio operations for the Americas with InterContinental Hotels Group. Amy is an independent marketing consultant. She ran into **Marc Umscheid, MBA '90**, and **Charles Mordy** at Clorox, where Marc is director of marketing. Paul and Amy have daughters Abby, 5, and Maddie, 2, and puppy, Chip.

**Laura Sullivan** runs Lonely Planet’s U.S. marketing division, which “isn’t as romantic as everyone assumes,” but “I have clocked a great trip to Australia” (Lonely Planet’s headquarters), “as well as some trips back to New York, New York, big city of dreams.” Laura lives in San Francisco, in “my new home with my own slice of sunsets over the Golden Gate Bridge.”

**Germain Wong** heads the finance function for Novartis Vaccines and Diagnostics business development and licensing group in Cambridge, Mass. The firm recently an-

nounced its first M&A deal in vaccines, “also the first acquisition that Novartis group has ever done in China — so I am excited to see the fruits of labor.” Germain and her partner, Jaqui, live in Boston with their two “‘daughters,’ Coco the cat, and Ellie the mini red long-haired dachshund.”

## THE 2000s

## CLASS OF 2000

**Nicole Blummer, MRP '00** joined U.S. Bancorp’s Community Development Corp. in St. Louis, Mo., which invests in new markets, renewable energy, low-income housing, and historic tax credits projects across the U.S.

**Kevin Callahan** married Amy Morash last summer in a mountaintop ceremony in Boulder, Colo. Joining their celebration were classmates **Jean Mathews**, **Chip Tatlow**, **Nathan Roe**, **Charles Ribaldo**, and **Jared and Heather Tannen Hobson**. Kevin says, “We spent our honeymoon in France following the Tour de France, ending in Paris for a few days of relaxation and wine.” Kevin is a market strategy manager with Level 3 Communications LLC in Broomfield, Colo.

**Jay Chong** works for Intel Corp. as a product marketing manager, based in China for the past three years. He says, “I will complete my expat assignment and return to the Bay Area” and “see how my family and I cope with reverse culture shock. We will surely miss the driver and aji.” He plans to take a sabbatical and “decide on the next steps...see where life leads me to.”

**Daniel Fields '94, MILR'00** is a marketing director for Dell Computer Corp.’s Asia-Pacific consumer business, based in Sydney, Australia. He has worked in marketing for the past nine years.

**Keigo Kuroda** and his wife welcomed a daughter, Nanako, Oct.



11, and says, “She changed my life style...I go back home around 7 – 8 p.m. every day — very different from my previous life.” Keigo is a director for the Blackstone real estate group in Tokyo. He’s studying Chinese, “partly because of my job...and for fun.” He got together with Japan-based classmates at the end of 2009 — **Akira Tsugita**, **Fred Bird**, **Shu Tokuno**, and **Yasushi Hashimoto** — and **Ben Brauer** visited in the fall.

**Douglas MacLean, JD '00**, is a managing member of Armor Compliance ([www.armorcompliance.com](http://www.armorcompliance.com)), a consulting company providing comprehensive compliance services to hedge fund and private equity managers who need to register under the Investment Advisers Act. Doug also founded Armor Law Group, a boutique law firm serving hedge, private equity, and real estate funds, and investors, sponsors, landlords, and tenants. Finally, he founded Counsel Realty, providing commercial and residential brokerage services. He and two other real estate investment professionals also have launched a broker/dealer, Monitor Ridge Securities. Doug and his wife, Hadley, live in Swampscott, Mass., with children, Grace, 5, twins Graham and James, 4, and Finn, 2.

**Nathan Roe** is a brand manager at Nautilus in Vancouver, Wash., managing marketing and retail operations. He lives in Portland, Ore. He often sees fellow foodie classmates, **Ryan Dutcher**, **Glen Lindgren**, and **Christine McMonigal**, and he recently visited with **Josh Zaretsky** and **Chip Tatlow** in San Francisco.

## CLASS OF 2002

**Brad Treat** married Kristin Keller of Ithaca Dec. 5, 2009, “in a



lovely winter-theme wedding... at the Statler." Classmate **Tom Schryver** officiated, and **Sean Neville** and **Fox Holt**, MBA '07 were groomsmen.

## CLASS OF 2003

**Heather Henyon** and **Armen Vartanian** had a son, Alex Balthazar,



born Sept. 11 in Vermont. They live in Dubai, where Armen, who is director at EcoVentures, works in environmental finance, and Heather, a managing partner at Balthazar Capital, works in microfinance.

**Colleen Costello Padilla '98** is founder and owner of Classy Mommy ([www.classymommy.com](http://www.classymommy.com)), a website "with 2,000 unique visitors a day" featuring a large catalog of products for parents and children, including independent baby product reviews.

## CLASS OF 2004

**Andrew Benioff**, an investment banker with a real estate focus, is a founder and senior managing partner with Llenrock Group LLC. He also co-founded the Philadelphia Real Estate Council (PREC). PREC is a real estate think tank for senior executives in the Philadelphia regional commercial real estate industry.

**Brett Blumenthal '95** published a book, *"Get Real" and Stop Dieting! Forget the Fads, Get the Facts, and Feel Fabulous*, which has made it to the bestseller lists on both Amazon.com and BarnesandNoble.com. She is founder and editor of Sheer Balance ([www.sheerbalance.com](http://www.sheerbalance.com)) and hosts a call-in radio show, "GET REAL with Brett Blumenthal," focused on healthy living topics.

## Munish Varma, MBA '97:

LENDING INDIA  
a hand

Munish Varma had been Deutsche Bank's Head of Global Markets India for exactly one week when a bomb, of sorts, dropped across the Atlantic. On September 15th, 2008, Lehman Brothers announced they were filing for bankruptcy, and what followed was the economic downturn that sent global markets plummeting and financial managers like Varma back to the chalkboard to draw up a Plan B. "All of a sudden, we were working against a backdrop of a world teetering into recession," Varma says.

In the six months that followed, the expansion plans Varma had in the works were put on the backburner. Instead, he and his staff "combed through the firm's books with a fine-tooth comb," finding ways to manage risk. When most of the dust had cleared, Deutsche Bank was one of the relative winners in the crisis. Wisely, the bank had held few of the toxic assets that crippled banks like Merrill Lynch, and Citibank. Indian banks, protected by national controls that prohibit them taking on risky assets, kept lending money and remained relatively unscathed as well. Even during a tumultuous 2008 fiscal year, the country's economy grew by a healthy 6.7 percent.

Born and raised in New Delhi, Varma says the financial landscape in India has changed dramatically since he first left the country more than fifteen years ago. "As a nation," Varma says, "India feels more confident than ever." He cites Tata Motors' purchase of Jaguar and Tata Steels' takeover of English steel giant Corus as evidence of the new attitude and buying power held by the country's corporate sector. In terms of domestic consumption, the country has an ideal demographic: a huge number of people under the age of 35, many of which comprise a growing middle class. There's a new spirit of national pride in the air too, he says, evidenced by people's increased recent attention to the country's national sports teams.

In the next five to 10 years, Varma expects India's high-flying growth rate to continue. He anticipates a great need for further investment in infrastructure — power, roads, transportation — and is excited by the spirit of innovation that has made India a new force to be reckoned with on the international stage. "It's a delight to work in a country that's growing so much," he says.



— MARK RADER, MFA '02

## notes

**Burton Lee** was appointed by Irish Prime Minister David Cowen to serve on Ireland's National Innovation Taskforce. Burton also leads Stanford Engineering's program on European Entrepreneurship and Innovation.

**Samir Patel** was featured in an article, "San Francisco to Sabarmati," in the *Bangalore Mirror* (Jan. 30, 2010): "A software professional who gave it all up to blend in with the real India...Patel, erstwhile CEO of a leading IT company in California, moved in last year to Gandhi ashram on the banks of the Sabarmati and has been living on its humble dal-bhaat since."

**Neeraj Shah** and his wife, Krupa, welcomed a son, Rishabh Shah,



born in January 2010. Neeraj opened his own law practice in Rochester, N.Y., after graduating from Washington University School of Law in St. Louis, Mo. His practice areas include estate planning and tax.

## CLASS OF 2005

**Sara Creamer** joined CBX, a branding strategy and design firm, as strategy director at their New York City headquarters. Before joining CBX, she worked in Proctor & Gamble's beauty division on the CoverGirl and Max Factor brands.

**Yohance Fuller** was promoted in September to deputy city administrator with the executive office of the mayor for the District of Columbia, Mayor Adrian Fenty. Yohance oversees agencies involved in economic development, public works, and government operations.

**Michael P. Grant** and his wife, Jill, welcomed a son, Ronan Francis, Nov. 26.

**Jay Grayson** was promoted to VP and director, investor relations, at Liberty Mutual, Boston. Jay and his wife, Amy, and son, Joshua, live in Brookline, Mass.

**Phil Greenberg** married Jessica Nix in August. **Cody Danks Burke, MBA '06**, was in attendance. Phil is director of the Cornell University Investment Office.

**Matt and Emily Wheatman Hagen** had a son, William James, Feb. 16. Matt is director of strategic planning at American Express in New York City. The family lives in Hoboken, N.J.

**Matt Jessel '03, MEng '04**, married Dawn Renee Selis Sept. 12 at the Willard Intercontinental hotel in Washington, D.C. Matt is VP in the relationship management group of BlackRock Solutions Inc.

**Terry King** welcomed a daughter, Maggie, Nov. 25, 2009. He says, **Mike Grant** and I had hospital rooms next door to one another in the maternity ward," where Mike's son was born the following day.

**Alexis Maffei** got married in June in Greenwich, Conn. She is director of marketing for Living Proof, a beauty start-up company in Cambridge, Mass. She says, "Living Proof is a company of scientists from...leading university and research laboratories working...with beauty experts...to invent breakthrough formulas that provide beautiful results you can see from across the room."

**Hilary Cox Maxson '99** and her husband moved to Douala, Cameroon, where she is CFO of the AES Africa businesses, and he works in microfinance.

**Edward Nejat, MD '04** announces "with great pride" that he

"matched for fellowship training in reproductive endocrinology and infertility, a subspecialty of obstetrics and gynecology," at the Albert Einstein College of Medicine. His wife, Rebecca Ajodan Nejat, recently began medical school at NYU.

**Matthew Rosedale** moved to London, U.K., from New York City, and continues to work in investment banking for J.P. Morgan Chase & Co.

**Laura Sandoval**, global brand manager, Interactive Media Group,



at the Walt Disney Co., was featured as a New Media Pioneer in *Hispanic Business* magazine in December 2009. As the article notes, Laura is "... in charge of enriching the experience of interacting with many of Disney's best-known brands, mostly franchises related to the Disney Channel, and ensuring that the entertainment giant is reaching kids and teens through their preferred methods of communication."

**Gaye Karakurt Tomlinson** and her husband, Geoff, have a green consulting and solar installation business. She reports they "have done several good projects, including building commercial solar for some Safeway divisions and getting the city of Anaheim to start a solar rebate program for low-income families. We provided the first solar power systems for several Habitat for Humanity homes in Orange County." She and Geoff have a son, Rowan, 2.

**Dan White** was married in August in "a small wedding in N.H. JGSM

classmates there included **Sam Baldwin, PhD '99**, and **Rebecca Cain, Nick Stark, MEng '94, MBA '06**, was there as well."

## CLASS OF 2007

**Silvain Langrand** works for Microsoft as regional manager, Europe, joining the Microsoft Windows Mobile Marketplace team, and moving from Seattle to San Francisco.

**Ashish Vaidya '99** and Jennifer Jolly Vaidya '00 welcomed their first child, Aiden Nikhil, Nov. 19. Ashish is the president of the Johnson School Club of the Bay Area. The family lives in San Francisco, where Ash works for J.P. Morgan.

## CLASS OF 2008

**Zack Schildhorn** is an associate at Lux Capital, a venture capital firm helping entrepreneurs build businesses around early-stage, emerging technologies in the physical and life sciences. Zack presented "Raising Money — a VC's Perspective," at the Venture Association of New Jersey, Jan. 19, 2010.

## IN memoriam

**Dave Gruen '51, MBA '54**  
**Jerry Levitan '44, MBA '88**  
**Chris Rebillot, MBA '80**  
**Robert Worsnop '49, MBA '50**

## Correction

In the Class Notes section of the Fall 2009 issue of *Cornell Enterprise* (p. 42), we mistakenly announced that Peter B. Orthwein, MBA '68, was the father to a new son, Benjamin. It was Peter B. Orthwein Jr., MBA '03, who had a son named Benjamin. Peter B. Orthwein, MBA '68, is the proud grandfather. Also, it is Peter B. Orthwein Jr. who is VP of Spring Capital. Peter B. Orthwein is CEO of Thor Industries, Inc.

# Far Above...

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— Frances McLean, MBA '99  
Field Operations Manager - Hepatology  
Genentech – A member of the Roche Group

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**For more information, contact:**

**Leslie Z. Hathaway**

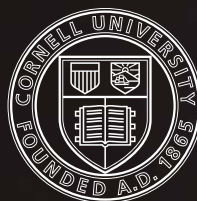
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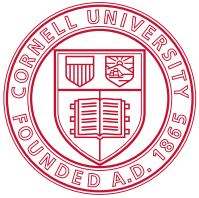


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DETAIL OF SAGE HALL SHOWING A  
BLEND OF THE OLD AND THE NEW

Jason Koski, Cornell University Photo