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SPRING 2014

enterprise

JOHNSON AT CORNELL UNIVERSITY

An MBA for the digital economy

Introducing Johnson's One-year MBA at Cornell NYC Tech

CORNELL TECH

What does it take to lead in the new digital economy?

Only one thing is certain in the digital economy: Change.

A boost to family businesses

John Smith, MBA '74, and his wife, Dyan, establish the Smith Family Business Initiative at Johnson.

Jennifer Dulski '93, MBA '99,
PRESIDENT AND COO OF CHANGE.ORG

Coaching for Change

Get inspired by top talent.
Connect with a worldwide network.
Transform your organization.



Cornell Executive Business Education

A leader in innovative business education for the connected world



Cornell Executive Business Education combines more than 60 years of customized executive education with innovative solutions. We leverage industry leadership from the largest Ivy League university in the areas of innovation, business acumen, and strategic leadership. By offering an agile approach to client project design, we elevate your experience. The Cornell connections offer a multidisciplinary approach, and our global educator network provides extra value for optimal return on investment. At Cornell Executive Business Education, our experience and networks will transform your business.



JOHNSON
Cornell University

Johnson embraces the digital age

Johnson has embarked on a bold and exciting new venture with the launch of our One-year MBA at Cornell NYC Tech — an interdisciplinary, innovative MBA focused on creating leaders for the global digital economy and immersed in New York City’s vibrant tech ecosystem. The MBA at Cornell Tech is Johnson’s response to the transformational effect the digital age is having on the structure of our economy and in the way businesses are created and conducted.

Johnson has a long and proud tradition of innovation in business education that incorporates new advances in technology, fosters entrepreneurial thinking, and offers hands-on startup experiences. Our Entrepreneurship and Innovation Institute (EII) Fellows candidates work on real business deals, invention commercialization, fundraising, marketing, business planning, customer validation, and other projects for startups and innovators. Students gain experience in specific aspects of entrepreneurship through their involvement with the BR Startup Suite organizations: BR Venture Fund, BR Consulting, BR MicroCapital, BR Advisory, and the newest addition, BR Tech Transfer.

Johnson has been at the forefront in offering students access to state-of-the-art technologies since the school installed its first computer lab in 1984. The Parker Center for Investment Research is renowned for the depth and breadth of the advanced analytical software it houses. Our Cornell-Queen’s program is unprecedented in creating interactive global classrooms where faculty and students from across the Americas can see one another and engage in lively exchanges in real time.

Johnson’s MBA at Cornell Tech marks the next phase in our ongoing tradition of integrating innovation, entrepreneurship, and technology into our curriculum and student experiences. Locating a business school on a tech campus is unprecedented, and in a world where leaders require sophisticated knowledge of technology trends and the ability to work collaboratively across disciplines, it makes perfect sense.

We’ve all seen the world around us changing in myriad ways as the fusion of human imagination, technological progress, and access to technology drives an explosion of creativity. Every day, we see new businesses launched using digital tools and capitalizing on the reach of the digital economy. At the same time, business models that remained unchanged and successful for many years are no longer viable; they are either changing or disappearing.

The feature stories in this issue, “What does it take to lead in the new digital economy?” (p. 28) and “An MBA for the digital economy” (p. 22) provide a fuller picture of the digital economy and the opportunities and challenges it presents, as well as how we are addressing these in innovative ways. Many additional stories in this issue focus on the digital economy, from alumni startups and profiles to a new book co-authored by Johnson’s Rhett Weiss and other Cornell faculty.



This is the world Johnson MBA students have come of age in, the environment they must navigate and understand inside and out, and the reality they need to embrace in order to flourish, create, and lead. As teachers, guides, and mentors, we at Johnson understand it is vital to reach beyond the horizon and conceptualize new models and approaches in order to prepare our graduates to be highly skilled, confident, visionary leaders.

The innovations we are implementing at Cornell Tech are helping us to push the boundaries of innovation and entrepreneurship throughout Johnson’s programs further. Our commitment to continually evaluate our programs, to ensure they are responsive to the changes that surround us, and to prepare our graduates for success makes me confident in Johnson’s place as a leader in innovative business education for the connected world.

Soumitra Dutta
Anne and Elmer Lindseth Dean

An MBA for the digital economy

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Video: Meet the Johnson MBA at Cornell NYC Tech Inaugural Class

Video: Global IT Report 2014: Rewards and Risks of Big Data



Johnson Dean Soumitra Dutta, co-editor of the *Global Information Technology Report 2014*, with the World Economic Forum and INSEAD, unveiled the 13th annual ranking of nations' ability to build and benefit from information and communication technologies.



Tech Trends Live!

Deloitte CTO Bill Briggs presented his list of technology trends disrupting business today in a virtual discussion sponsored by Johnson's Career Management Center.



2014 MasterCard Innovation Express

In partnership with MasterCard and MasterCard Labs, Johnson's Entrepreneurship and Innovation Institute launched the MasterCard Innovation Express (MCIE) competition, May 1-4. The first such event to be held on a university campus,

Innovation Express brings teams of developers, designers, and business people together to take an idea from concept to prototype and build a go-to-market plan over a 48-hour period. Find out about the event and the winning team.

Entrepreneurship@Cornell Celebration 2014



- **Galvin critiques climate of upstate entrepreneurship**
Cornell Entrepreneur of the Year 2014 Greg Galvin MS '82, PhD '84, MBA '93, chairman and CEO of Rheonix and Mezmeriz and co-founder and former CEO of Kionix, spoke on campus April 10, 2014, during Entrepreneurship@Cornell Celebration 2014.



- **Mission and corporate responsibility**
Panelists discuss mission-driven and B-corps businesses in panels sponsored by the Center for Sustainable Global Enterprise.



SPRING 2014: Vol. 28, No. 2

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

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Cornell Enterprise online

www.johnson.cornell.edu/alumni/enterprise

©2014 Johnson at Cornell University
ISSN 0741 6989

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

Johnson Welcomes New Faculty

Jonah Berger, visiting professor of marketing



Jonah Berger's research focuses on social epidemics, or how products, ideas, and behaviors catch on and become popular. He will teach a course based on his book, *Contagious: Why Things Catch On*, for the One-year MBA at Cornell NYC Tech and the Cornell Executive MBA in Metro New York.

Berger is the James G. Campbell Associate Professor of Marketing at the Wharton School of the University of Pennsylvania. Read more about Berger, including a Q&A with him, on page 26.

George Casey, distinguished senior lecturer of leadership



George Casey, retired four-star general and former chief of staff of the U.S. Army, is an authority on strategic leadership. As the chief of staff of the U.S. Army from 2007 to 2011, he led the world's largest and most complex organization: 1.1 million people strong,

with a \$200+ billion annual budget. He improved the leadership training for the Army's General Officer Corps and advanced the transformation of the Army's business and decision-making processes. He will teach a one-credit course on strategic leadership in Johnson's Ithaca-based programs, serve as a guest lecturer, and assist with military recruitment to MBA programs. Casey holds a master's degree in international relations from Denver University and has served as a senior fellow at the Atlantic Council of the United States.

Carolyn O'Keefe named associate dean



Carolyn O'Keefe, Charles and Janet Jarvie Chief Marketing Officer, has been promoted to associate dean and assumed responsibility for Johnson's global brand strategy in addition to leading the Marketing and Communications team. O'Keefe will also represent Johnson's global interests to

the broader Cornell community as a member of the Internationalization Council.

Faculty Honors

Wes Sine was promoted to full professor of management and organizations. Sine also serves as faculty director of the Entrepreneurship and Innovation Institute.

Ya-Ru Chen, Nicholas H. Noyes Professor of Management, was appointed the academic director of China Initiatives. In addition, Chen won a prestigious five-year research grant from the government of China to advance three overlapping goals: her own research, promoting research in Chinese universities, and advancing Johnson's interests.

Research by **Sachin Gupta**, PhD '93, the Henrietta Johnson Louis Professor of Management and professor of marketing, was ranked among the 20 most influential articles in the field of marketing science. The recognition is based on a study in the *International Journal of Research in Marketing* that analyzed 5,500 peer-reviewed articles published in five top-tier journals between 1982 and 2003.

Eric Yeung, Peter B. Orthwein '68 Sesquicentennial Fellow in Accounting, and **Ken Merkley**, Barry and Ann Ridings Sesquicentennial Fellow and assistant professor of accounting, were named in Poets & Quants' list of "The 40 Most Outstanding B-School Profs Under 40 in the World."

Stijn M.J. van Osselaer, professor of marketing, was elected president of the Society for Consumer Psychology, which serves as a voice to further the advancement of the discipline of consumer psychology in a global society.

Andrew Karolyi, Alumni Professor in Asset Management, professor of finance, and faculty director of the Emerging Markets Institute, was named an editor of the *Review of Financial Studies*, a premiere academic journal of financial economics. This marks the second time that a member of Johnson's finance faculty has earned this prestigious appointment. Maureen O'Hara, the Robert W. Purcell Professor of Finance and professor of economics, served as executive editor of the journal from 1999 to 2005.

Residential two-year MBA students honored **Robert Libby**, the David A. Thomas Professor of Management and professor of accounting, with their Core Faculty Award.

Residential one-year MBA students honored **Allan M. Filipowicz**, clinical professor of management and organizations, with their Core Faculty Award.

Risa Mish '85, JD '88, senior lecturer of management, was honored by the Cornell Women's Resource Center and the Cornell University Graduate School as a nominee for the International Women's Day Leadership Award.

Business Roundtable

eBay executive inspires women students

By JON CRAIG

An undergraduate chemistry major. An executive enrolled in a Cornell MBA program. A prospective computer science student at the university's tech campus in New York City. The inaugural Johnson Women in Technology Conference March 21 in Manhattan was designed to inform these and other students about tech careers.

In her keynote, **Sarah Brubacher McDonald, MBA '99**, former chief of staff to the president of eBay, mixed humor with reality checks before more than 300 Cornellians and other New York-area students pursuing advanced degrees.

"There was no life prior to business school. That's when my life started," McDonald said, sparking applause from dozens of Samuel Curtis Johnson Graduate School of Management students and alumni.

Power Up Your Future was the theme of the conference, a student-led collaboration between Johnson's High Tech Club and Women's Management Council and hosted by Citigroup.

Titled "High Tech Leadership for Women," McDonald's talk was a tip-filled guide for college students mapping out a career path, graduates trying to advance within a company, or others seeking to change companies or professions.

McDonald, an English literature major, was a financial statement analyst before enrolling at Johnson. In 2004 she started working at eBay, where she has worked in five business-side roles. The average American worker, McDonald noted, has had at least 11 different jobs by age 46.

"What is keeping you up at night?" asked McDonald, suggesting some middle-of-the-night worries might include: "I need a job, I'm not an engineer ... and I'm a woman. Will there even be any jobs left when I finish the degree?" McDonald assured the mostly female audience:

"eBay is only 17 years old. Technology companies haven't been around that long. ... There are jobs out there. ... This Internet thing is going to be big."

Regarding being a woman employed by a technology company, McDonald said: "There are fewer of us. How lucky is that?"

"Even senior people don't know what they want to be when they grow up," she said. Personal branding is important, McDonald explained. "What is the first thing you want people to think of when they think of [you]? Reach out to people whose brand or path you want to emulate. ... People want to be asked, and they do want to mentor.

"I believe in storytelling," McDonald told the audience. "Make sure your [career] path is directionally correct. ... Be purposeful about your networking. It is something you need to work on."

McDonald also visited Ithaca's campus March 24 to speak to associate professor Kathleen M. O'Connor's class at Johnson



Sarah Brubacher McDonald, MBA '99, formerly chief of staff to the president of eBay and now eBay's global head of university recruiting, gave the keynote speech at Johnson's inaugural Women in Technology Conference, in Manhattan March 21.

about "the influence of power in organizations." A happy footnote for Cornell students who want to work at eBay: McDonald is now eBay's global head of university recruiting.

"I am not objective when it comes to Cornell," she said, smiling.

This story originally appeared in the Cornell Chronicle. Reprinted with permission.



The Johnson Women in Technology Committee. Co-chairs Sarah Maynard and Melissa Carr Adeyanju, both MBA '14, are seated in the front row, third and fourth from the left.

Conference origins and highlights

Johnson's first Women in Technology Conference (JWiT) was the brainchild of Sarah Maynard and Melissa Carr Adeyanju, both MBA '14, who discovered they share a common goal: to support female MBA students interested in the technology industry. They sought answers to an all-too-familiar question about the technology industry: "Where are the women?"

"Women are no less talented. Women are no less passionate. Women are no less able," said Maynard, noting that women should be free to "imagine a career path without any barriers."

Adeyanju and Maynard gained support for a conference focused on women in technology from members of Johnson's High Tech Club and Women's Management Council, and won sponsorship from Citi, which hosted the event, and numerous other companies. With the goal of attracting students and professionals alike, the event featured panel discussions as well as networking opportunities.

Newsmakers

MBA at Cornell NYC Tech



An architectural rendering of the proposed NYCTech Campus on Roosevelt Island, NYC.

Johnson's new One-year MBA at Cornell Tech continues to make headlines, as the inaugural class begins its studies in May 2014. **Doug Stayman**, associate dean for MBA programs, was quoted in a story in *Crain's New York Business* (March

18) on programs that help students capitalize on the demand for cross-disciplinary thinkers. The article quotes Stayman: "There is a very large need for M.B.A.s who can understand business problems, consumer needs, internal business issues and technological solutions."

Stayman was also interviewed by the news website Business Insider (Dec. 18) on the new MBA program, which the site described as hoping to break down a longstanding barrier between the tech community and business school grads. "Despite its tech-business focus, graduates aren't exclusively meant to work for startups. Stayman sees it as an open-ended certification. On the one hand, it could help the business-minded cross into tech, but on the other, it could give students an inroad to traditional management jobs."

The *Wall Street Journal* (Nov. 26) focused on the program's innovative curriculum. "Unlike a traditional M.B.A., where courses last a semester, faculty will teach subjects such as design thinking and digital marketing in short bursts. Those will be followed by hands-on work exploring a startup project or pitching in on a company-sponsored assignment. Business students will work alongside engineering and computer-science students to prepare them for the group dynamic of life in technology."

Dark pools' impact on markets



Maureen O'Hara, the Robert W. Purcell Professor of Management and professor of finance, shared her expertise in market microstructure in an analysis of recent research on "dark pools," by Phys.Org (Feb. 3). Dark pools are privately run stock markets that do not show participants' orders to the public before trades happen, the site reports,

and now represent at least one-eighth, and possibly more, of all stock trading volume in the U.S. Recent academic research suggests that "dark pools can improve market performance and not degrade it as has been suggested by some," O'Hara said.

The *Wall Street Journal* (Dec. 9) sought out O'Hara to shed light on a rule change that requires disclosure of odd-lot trades — those for fewer than 100 shares. "These are not innocuous, little trades anymore," she said. "They are part of larger trading strategies that may indeed have information value. Until now, only those who could afford proprietary data feeds had this information."

Internet: public good or for-profit?



Justin Johnson, associate professor of economics, commented on the shifting landscape of Internet neutrality regulations in the *Christian Science Monitor* (March 16). The key question being faced by regulators is whether the Internet has become so vital to national welfare that it should be run for the

public good, rather than as a for-profit business. Internet service providers argue that they should be able to identify what users are willing to pay more to get, and what they can't live without, the paper writes.

"In many ways, that's actually a very powerful argument," says Johnson. "And that's in some sense the basis of the capitalist system, which is we charge people for resources that they use, and hopefully that encourages efficient investment."

Putting family first



The management of family businesses became more integral to Johnson's Entrepreneurship and Innovation Institute with the announcement in January of a \$10 million gift from Dyan and John Smith, MBA '74, to fund the Smith Family Business Initiative.

Wes Sine, faculty director of the institute, spoke with the *Wall Street Journal* (March 5) about a new study of the work habits of CEOs of family businesses in India. The researchers found that family CEOs worked eight percent fewer hours than managers without genetic ties to their companies. There were similar disparities in Brazil, Britain, France, Germany, Italy, and the U.S., the newspaper reports. Executives who are more oriented toward family and establishing a legacy are more likely to favor leisure over long work hours, Sine said. "You have a perspective that life is more than money."

A focus on the big picture pays off

New research shows why investors should assess an industry's overall health and not just a specific company's performance forecast.

BY LIZ NELSON

Thinking about investing in General Motors? Your first reaction might be to focus on analysts' predictions of GM's future earnings, but recent research by **P. Eric Yeung**, Peter B. Orthwein '68 Sesquicentennial Fellow in Accounting at Johnson, suggests that you should pay close attention to the information embedded in GM's earnings forecast about the outlook of the overall auto industry. Focusing on the specifics of a particular firm can obscure more general industry information that should affect how you value shares.

In "Underreaction to Industry-Wide Earnings and the Post-Forecast Revision Drift" (*Journal of Accounting Research*, September 2013), Yeung and his co-author, Professor Kai Wai Hui of the Hong Kong University of Science and Technology, provide compelling evidence on this issue. The primary objective of their study was to explore whether investors undervalue industry-wide earnings news provided in analysts' reports, and if so, why. Yeung and Hui examined 25,195 individual forecasts from 1,347 distinct analysts employed by 128 distinct brokerage houses that were extracted from industry reports on manufacturing industries from 2004–2008 and widely circulated among investors.

Yeung and Hui conclude that investors tend to underweight the industry-wide component of forecasted earnings relative to how they

weight the firm-specific component, despite the fact that it is the industry component that likely causes more long-lasting impact on firm performance



ERIC YEUNG



© Illustration Source/Roy Scott

than does the firm-specific component. Yeung and Hui explain that "although more successful firms tend to lose their competitive edge due to new entrants and learning of other firms, unsuccessful firms tend to improve their performance by imitating others and taking corrective actions." In other words, relative competitive positions of firms within an industry change at a much faster rate than the overall industry fundamentals that help determine firm performance, such as consumer taste, production technology, and regulatory environment. Therefore, a long-term investor should be buying the industry with good prospects, not necessarily a particular company due to its temporary performance.

The underweighting of industry information leads to individual companies displaying "post-forecast revision drift," with their share prices moving in the direction implied by industry information long after that information has been available to the public. Yeung and Hui found economically and statistically significant evidence of post-forecast revision drift in their sample, and also show that post-forecast revision drift is caused primarily by investors' initial underreaction to industry-wide

If investors know that they should value industry-wide information more heavily, they will be better informed and make better investment decisions.

earnings news embedded in analysts' forecasts, rather than their reaction to firm-specific news. Furthermore, the more closely a firm's earnings tend to move with industry-wide profits, the greater the drift. They also observed that investors made corrections in response to forecast revisions around subsequent earnings announcements, indicating that a portion of investors' delayed response is due to misestimates of future earnings, which are corrected as information about subsequent earnings becomes available. This further supports the idea that investors' underreaction to news about industry-wide fundamentals is the primary cause of post-forecast revision drift.

How can such mispricing persist in today's stock market? Young and Hui show that trading friction in the market and the high cost of arbitrage helps perpetuate post-forecast revision drift. Therefore, knowledgeable investors may not be able to trade aggressively against the initial underreaction to industry-wide information, ensuring that the effect of the initial underreaction is durable in the near term.

"People pay too much attention to the earnings forecasts of individual companies that they hold stock in," says Yeung. "So if I hold stock in GM, I look at GM's forecast and fail to pay enough attention to other automakers' forecasts, when actually aggregating the forecasts of all automakers would give me a much better idea of how GM will do in the long run." This is important information for investors. If investors know that they should value industry-wide information more heavily, they will be better informed and make better investment decisions than their less-informed counterparts.

Yeung's work in this area continues. He has further investigated this phenomenon in another working paper, "On the Persistence and Pricing of Industry-Wide and Firm-Specific Earnings, Cash Flows, and Accruals," which takes the idea of underreaction to industry-wide fundamentals to a new level. In this new working paper, co-authors Yeung, Kai Wai Hui, and Karen Nelson (Rice University) test the underreaction hypothesis in firms across all industries, as opposed to strictly manufacturing. They also focus on investors' reactions to annual reported earnings to rule out the possibility that investors simply discount certain information in analysts' predictions. In other words, Yeung's new paper will show whether investors' underreaction to analysts' projections can be generalized to industry-wide information embedded in financial statements. This follow-up paper will further cement the ideas proposed in the first and provide valuable information for investors looking to make more informed investment decisions.

Absolute power corrupts . . . sometimes

"Power" and "status" are distinct attributes that drive different kinds of behavior.

BY LIZ NELSON

Power and status have often been treated interchangeably, but **Ya-Ru Chen**, Nicholas H. Noyes Professor of Management, has shown in her paper with co-author Steven L. Blader (New York University), "Differentiating the Effects of Status and Power: A Justice Perspective" (*Journal of Personality and Social Psychology*, May 2012), that power and status are distinctly different topics, and often have opposite effects.

Chen became interested in this topic when she wanted to study status in cross-cultural interactions but discovered that the different effects of power and status were not well understood in the existing academic literature. She noted that many researchers have viewed status as just a component of power, when it actually has an important and often opposite effect. Chen defines status as the prestige and respect others ascribe to an individual and asserts that status is very important as a "constant that influences all interactions." She notes that "the status effect is driven by other-focus" — that is, one's concern with others' opinions and needs.

In contrast, Chen defines power as control over critical resources and outcomes, and therefore as less reliant on the opinions and respect of others. "Power frees you from constraints," Chen says, noting that power allows you to act according to your own desires,

whether those desires are beneficial to others or not.

This distinction is important because it helps explain why high-status and high-power individuals might act differently. Individuals wishing to maintain high status are likely to



YA-RU CHEN

“Power frees you from constraints,” Chen says, noting that power allows you to act according to your own desires, whether those desires are beneficial to others or not.

be more concerned about others’ impressions and perspectives and seek outcomes that will portray them as respectable and worthy of continued status. In contrast, power is based much less on the perceptions of others, so high-power individuals are expected to be less concerned about the treatment of others. The potential conflict between status and power is apparent when we consider whether leaders care about justice. Status should encourage a tendency to act justly, while power could discourage that.

Chen’s and Blader’s research began with the preliminary question of whether and how status and power affect people who have those characteristics, and how both characteristics affect interactions with others. They conducted five experiments that were set in both allocation and negotiation contexts. The authors examine the effects of power and status on distributive justice (how fairly resources or benefits are allocated) and procedural justice (how fairly decisions are made and communicated and the quality of treatment of the subjects affected by these decision-making processes).

Blader and Chen found that when roles were framed in more high-status terms, participants were more likely to allocate money relatively equally between themselves and others. Participants in high-status roles also communicated negative news more empathetically, were less likely to make the first offer in a negotiation setting, and were more likely to compromise in productive ways. All five studies consistently showed that status is positively associated with justice, while power is negatively associated with it.

One of the most interesting results of Chen’s research is that the positive effect of status on justice is apparent when power is low, but not when it is high. This indicates that: “While status and power are indeed distinct dimensions, when both are present, power may be a more dominant force than status. That is, power appears to override



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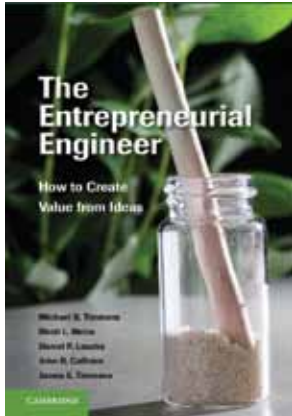
the effect of status on justice behaviors toward others.”

This research has many possible applications to management strategies and negotiations. “If managers were encouraged more based on status, not power, the outcomes would be different,” says Chen. However, she notes that while much has been written on managing with power, very little research has considered managing with status, so more research is necessary. She also emphasizes that the effects of power and status may vary when an individual has actually earned the power or status, as would be the case in a real-world setting. Chen is further exploring this topic in new research.

A ladder to the launch pad

Cornell professors' book guides engineers who try to build on that light-bulb moment

BY ROBERT PREER



Sitting at his desk, a bright young engineer hatches an idea for something so clever and useful that all he has to do is make a rough sketch, unveil it to the public, and wait for the acclaim and riches to flow. That's the usual path to success in the Internet age, right?

Wrong, say Michael B. Timmons and Rhett L. Weiss, lead authors of *The Entrepreneurial*

Engineer: How to Create Value from Ideas, published this year by Cambridge University Press. Engineers who don't understand markets and haven't mastered the fundamentals of launching and nurturing a business are almost certainly doomed to fail — regardless of the brilliance of their ideas, according to the authors.

"Engineers are notorious for having ideas," says Timmons, a professor in Cornell's Department of Biological and Environmental Engineering. "But the reality of turning a great idea into something that's going to make money is a very challenging undertaking."

Timmons and Weiss, who is executive director of Johnson's Entrepreneurship and Innovation Institute, say they decided to write *The Entrepreneurial Engineer* to give engineers and other novice entrepreneurs a step-by-step guide to starting a successful business. The book covers everything from crafting a mission statement to designing a logo to asking family and friends for money to dealing with lawyers. There are 12 chapters, arranged chronologically, exploring the phases of taking an idea to market.

"A lot of engineers don't have these business fundamentals, and they haven't been able to find them in one package," Weiss says. "That's what we tried to provide with this book."

While Timmons and Weiss wrote most of the book, three co-authors contributed chapters or sections: Daniel P. Loucks, professor in the School of Civil and Environmental Engineering and the Institute of Public Affairs at Cornell; John R. Callister, director of Enterprise Engineering in Cornell's Mechanical and Aerospace Engineering Department; and James E. Timmons, brother of Michael Timmons and an executive who has managed many large public and private development programs.

The Entrepreneurial Engineer is an accessible, jargon-free guide, suitable for use in the classroom or as a desk reference.

Each chapter begins with an "Entrepreneur's Diary" — a first-person account of what it's like to start a business. Most of these are written by Michael Timmons about his experiences starting a tilapia farm using breakthrough technologies. "Although the book is focused on engineering, I wanted to use the example of fish, since it's something everyone can understand," he says.

The authors emphasize key points using boxed type set in a darkened background. Technical terms are explained and highlighted in bold and italics. Also introduced and translated is start-up lingo, including burn rate, funny money, cram-downs, and full ratchet protection.

For several years, Weiss and Timmons have been using the book in draft form in courses they teach. With the book available in stores late last year, Weiss's students used the published version in the Tech Enterprises course he taught at Cornell NYC Tech this year.

At the end of each chapter are relevant lessons on Engineering Economics, a subject engineers need to know when taking the Fundamentals of Engineering test, which is a licensing requirement. Anyone who masters the book's Engineering Economics lessons should be able to pass that portion of the test, according to the authors.

The Entrepreneurial Engineer was a long time in the making. More than a decade ago, Weiss, who has a background in both law and business, met Timmons and gave him some legal advice on a deal related to the fish-farming business. Later, when Google acquired one of Weiss's business interests and he joined Google, Weiss periodically would give negotiations presentations in Timmons's class, and they started to write the book. Much of that negotiations material now is in the book.

"As we got to know each other, Mike and I clearly shared a lot of entrepreneurial interests. After a while, we decided it would be interesting to put a book together," Weiss says.

"A lot of engineers don't have these business fundamentals, and they haven't been able to find them in one package. That's what we tried to provide with this book." — Rhett Weiss

Timmons received a Clark Professorship from Cornell to develop the book. The text went through many revisions. “We would teach our courses, and when you teach from a book you find out what its deficiencies are, so we kept rewriting chapters,” Timmons says.

The book has a point of view that separates it from most other guides for entrepreneurs. According to the authors, startups should tamp down expectations when first raising money. In the book, venture capital and IPOs take a back seat to self-financing, family and friends, and the more patient “angel investors,” who are not looking for big and fast returns.

“What was frustrating for me was that most of the books on the subject were always related to venture capital,” Timmons says. “We are trying to reach a primarily student audience, and students don’t start a business that’s going to be backed by venture capital.”

Angel investors get special attention in the book. “The first angel is really your key to success,” Timmons says. “This is an investor who is going to provide you with important linkages. You’re going to spend a lot of time with this person. There has to be a personality match.”

The authors offer pointed advice on a range of topics. Among the highlights:

- 1 Prepare your investment pitch for friends and family as if you were doing it for a bank or venture capitalist. Thinking through and making the case for the business is a vital step. “Even if you’re just investing your own money, you need to go through the process,” Timmons says.
- 2 Business planning is a necessary discipline, but often a lengthy business plan is not that important. A better approach is to craft a strong executive summary and a compelling in-person presentation, rather than labor weeks over a business plan. Says Weiss, “It’s rare that anyone outside the startup will actually read a business plan from page one to page 35.”
- 3 Know yourself. Among the qualities that make for a successful entrepreneur are persistence, flexibility, creativity, integrity, leadership, and a willingness to take risks. Not on the list: greed, which the authors say indicates a lack of moral compass and portends a drive for profits “without regard to the needs of your own employees.”
- 4 Don’t run out of money. The authors liken startups to a pinball game and warn that “you have to keep the ball in play. When you run out of balls to play, you are out of the game.”



Michael B. Timmons, professor of Biological and Environmental Engineering, and Rhett L. Weiss, executive director of Johnson’s Entrepreneurship and Innovation Institute and senior lecturer of management, are lead authors of *The Entrepreneurial Engineer: How to Create Value from Ideas*.

Getting Base-of-the-Pyramid projects back to business fundamentals

By ERIK SIMANIS

In the early years of this century, leading business scholars offered global corporations a tantalizing vision of the enormous profits they could generate by doing business with the “base of the pyramid” (BoP), the four billion people in developing economies who live on less than \$2.50 per day. By producing products for the poor, companies could reduce poverty, forge an inclusive global economy, and get in on “the biggest potential market opportunity in the history of commerce,” as one influential paper put it.ⁱ

The argument was elegant in its simplicity. Viewed through a business lens, the enormous unmet human needs at the BoP represented huge, untapped markets. The estimated value of new products to improve nutrition and sanitation, reduce chronic diseases, and purify water was in the trillions of dollars. It was a classic argument of enlightened self-interest, and one that I, too, embraced.

The business model prescribed for the BoP was straightforward: forgo “the traditional pursuit of high margins,” aiming instead for high sales volume at low prices.ⁱⁱ Making good on the poverty-alleviation objective, however, became the focus of extensive debate. Simply selling products to the poor was criticized as exploitative, even imperialistic; corporations were challenged to work in close partnership with poor

communities, much like nonprofits. Business thinkers, development activists, and social-investment advocates developed frameworks for “inclusive business practices” built around “mutual value,” “co-creation,” “empowerment,” “impact-assessment,” and “public-private partnerships.” Pioneering corporations applied these new tools to ambitious projects to solve social ills — and it was assumed that profits would follow.

A bit more than a decade later, most of the BoP pilot projects in the developing world shared a similar fate. Nike’s World Shoe in China; Hewlett-Packard’s World e-Inclusion in India; Procter & Gamble’s PUR water-purification powder in Guatemala, Morocco, Pakistan, and the Philippines; DuPont subsidiary Solae’s soy-protein isolate in India; and SC Johnson’s Community Cleaning Services in Kenya, for example, offered compelling stories of positive community impact. But the profits? Those were replaced with fuzzy claims of long-term value, mostly in the form of positive public relations and brand recognition. [Disclosure: I was actively involved in supporting the DuPont and SC Johnson ventures.] The projects looked more like philanthropic endeavors than rigorous business ventures. In the absence of return on investment, companies (understandably) shuttered BoP projects, or shifted them from core business units to public affairs and corporate social responsibility (CSR) arms, relegating these ventures to limited scale and, essentially, business irrelevance.

What went wrong? I believe BoP scholars and managers (myself included) became so preoccupied with the social mission that we lost sight of business fundamentals and the realities of working within corporations. In our focus on poverty alleviation and alternative bottom lines, we



In 2012, Johnson’s Center for Sustainable Global Enterprise and consumer products company SC Johnson — whose brands include Raid insecticides, OFF mosquito repellent, Glade air fresheners, and Mr. Muscle surface cleaners — launched a pilot business in Ghana for bringing the company’s products to small-holder farming communities in Africa. The initiative is part of a three-year project funded by SC Johnson and the Bill & Melinda Gates Foundation, which aims to reduce the transmission of malaria, a mosquito-borne disease. The resulting business, which was launched under the brand “WOW,” is a membership-based club that helps families “care for their homes better and faster” and “to be part of something bigger.” Here, members of WOW’s sales team in Bobikuma, Ghana, perform a skit during the business launch to help communicate the value of being a member of the WOW club.



“Base-of-the-Pyramid scholars and practitioners (myself included) became so preoccupied with the social mission that we lost sight of business fundamentals and the realities of working within corporations.”

gave short shrift to the vexing business challenges of these markets: higher operating costs, nonexistent distribution channels, consumers who require extensive product education, slow demand growth, costly capital, and, of course, extremely cash-strapped purchasers.ⁱⁱⁱ It all adds up to a complex business problem, one that will only be solved through a tight focus on business economics — not on poverty alleviation.

Without a singular focus on profitability, not only will BoP projects fail economically, but they will be starved of capital and remain insignificant in scale. Ultimately, the path to sustained corporate investment in BoP lies in generating returns competitive with alternative uses of capital. The incentive structures and, consequently, the organizational routines of today’s multinational corporations are centered on return on investment, not broad triple bottom lines of social, environmental, and economic value. Continuing to ignore this reality ultimately fails the middle managers who have to put BoP strategies into action, since their annual performance and long-term career success are determined by delivered profit. Development impacts have to become a byproduct of profitable business — not vice versa.^{iv}

The good news is that there is reason for optimism. The microfinance industry, for example, which uses innovative approaches to lend to very poor consumers who lack collateral, has attracted billions of dollars in capital, and microfinance companies in Mexico and India have floated successful IPOs.^v The industry may well have empowered women and alleviated poverty, but it attracts capital primarily because its returns are competitive. It’s worth noting that these competitive returns are made possible by gross margins that reach 60 to 70 percent — extraordinarily high for the banking sector, but necessary for offsetting high operating costs in rural villages.^{vi}

At Johnson, we are seeing a new wave of corporate interest in a “business fundamentals” approach to the BoP. The Center for Sustainable Global Enterprise and I recently completed a three-and-a-half-year partnership with SC Johnson in Ghana to test a new channel targeting the rural poor for mosquito-control products that could help prevent malaria. We’ve also begun work with consumer products giant Unilever — manufacturer of global brands that include Vaseline, Pepsodent toothpaste, and Lifebuoy soap — to profitably reach low-income consumers in Africa and South Asia.

In Latin America, we are coaching managers of Arcor — one of the largest food companies in the region — under a recently launched

market-creation program aimed at the BoP. The global cement company Lafarge has signed on to be part of the first cohort of managers in our Market Creation Accelerator — a field-based program that facilitates “deep dives” into BoP business models.

In all these projects, our focus is on developing and testing theoretically rigorous, yet practical, tools and techniques for addressing the business challenge of BoP markets. Take, for example, the partnership with SC Johnson in Ghana. As anticipated, initial research revealed that consumers not only knew little about how malaria was transmitted, but were actually indifferent to it — it was a routine part of their lives. In addition, there were no sales outlets through which the products could effectively be sold, and the rutted dirt roads connecting the villages would limit the reach of any distribution hub.

To thoroughly understand the economics of a new rural sales channel that could provide the “high-touch,” face-to-face interaction needed to raise consumers’ interest and be profitable within our investment timeline, we developed a detailed financial model. The model showed profitability only at a very high gross margin and a relatively high price point — an approach counter to conventional wisdom.

Higher margins were attained through a combination of strategies to raise revenue and drive down costs. To raise the price point for each transaction, mosquito products were bundled with other SCJ home-care products, including a solid-surface cleaner and an air freshener. Packaging costs were eliminated by giving customers branded, refillable

[continued on page 18]



Erik Simanis is managing director of Market Creation Strategies at the Center for Sustainable Global Enterprise at Johnson. His applied research focuses on advancing innovation and business development strategies for commercializing new product categories, particularly in emerging markets. Erik has led and consulted to new business ventures in India, Bangladesh, Africa, Mexico, Eastern Europe, and the U.S., and has held management positions in the wood products and transportation industries. His recent work is published in the *Harvard Business Review*, *The Wall Street Journal*, *Sloan Management Review*, and the journal *Innovations*. Erik holds a PhD in Management from Cornell, an MBA from the University of North Carolina at Chapel Hill, where he received the Norman Block Award for highest academic achievement, and a BA magna cum laude from Wake Forest University.

Managing your online presence

By IRENE KIM



Adam Mesh, MBA '07, vice president of HR at Korn/Ferry.



Susan Kendrick, business research and data librarian in the Johnson Management Library

In today's ultra-wired and wireless world, the ease with which we can quickly research anything — or anyone — is a double-edged sword.

On the one hand, Web searches of prospective employers quickly yield useful information, and networking sites and community groups allow people to connect and share their expertise. On the other hand, privacy has become obsolete. “The more information there is online, the greater the chance that someone will see something you don't want them to see,” says Adam Mesh, MBA '07, vice president of HR at Korn/Ferry. “It could be a picture on Facebook, a tweet on Twitter, or something a search turns up.”

So, in today's career environment, it is imperative to carefully manage your online presence. “Anytime you speak with anyone, they will Google you,” says Susan Kendrick, business research and data librarian in the Johnson Management Library. “When they do, at least the first page of hits should all be positive,” says Kendrick, who will present on this topic at Reunion.

The Internet is like a giant amplifier, magnifying and broadcasting everything we do online to the general public, and can be used to positive or negative effect. Kendrick gives examples of both. On the positive side, she mentions a student interested in venture capital who carefully followed venture capitalists' tweets. When he started posting his own well-written comments, recruiters took notice, and he was quickly hired.

As an example of what not to do, “Just Google ‘Lindsey Stone,’”

“When people Google you, at least the first page of hits should all be positive.”

— Susan Kendrick

advises Kendrick — the name of a woman who posted an irreverent photo of herself on Facebook. As a result, she lost her job and ignited a firestorm of outrage across the Internet. More than a year after the fact, the search term still pulls up mostly bad press.

Although not as damaging as prank photos or posts, carelessly managed listings can raise prospective employers' eyebrows. “If I see your LinkedIn hasn't been updated in a while, that makes me wonder, ‘Why?’” says Kendrick. Mesh points out that a discrepancy between a résumé and a LinkedIn profile can give employers pause.

Be sure to take care of your appearance on all the sites you're on, says Kendrick. “And if you had a blog but are no longer posting, then post that you're ‘moving on.’”

Mesh and Kendrick offer a few tips for online persona management:

- ➔ Google yourself and familiarize yourself with the first ten pages of results.
- ➔ Ensure your LinkedIn profile has a professional photo, matches your résumé, and contains industry- and profession-specific keywords.
- ➔ Solicit LinkedIn endorsements and recommendations from valued colleagues and clients.
- ➔ Consider Twitter for an easy way to blog without running a full-fledged blog.
- ➔ Don't post anything you wouldn't want a potential employer to see.
- ➔ Consider using a service like reputation.com to enhance your online presence.
- ➔ Don't “friend” co-workers on Facebook — you don't want people at work to see your personal life.

Finally, Mesh remarks that while online connections are powerful and useful, “Nothing beats the impact of face-to-face or live conversations. Use the online community to network and connect to new people, but remember to pick up the phone or take time to meet the right people face to face.”



GiveGab aligns volunteers' skills, interests, and values

The volunteer matching and management system created by two Cornell-Queens graduates was selected to connect Cornell alumni.

BY DA-EUN LEE '16

The volunteer matching and management system created by two Cornell-Queens graduates was selected to connect Cornell alumni.

When Charlie Mulligan, MBA '11, and Aaron Godert, MEng '05, MBA '11, met as fellow students in the Cornell-Queens Executive MBA Class of 2011, they had no idea they would work together as the CEO and CTO, respectively, of a social network for volunteers.

GiveGab, the Ithaca-based startup Mulligan and Godert created, connects people interested in volunteering with volunteer opportunities and with other volunteers and helps volunteer managers track and record volunteer activities. The site also shows the aggregate impact of nonprofit groups. CEO Mulligan describes it as a “LinkedIn for volunteers” — GiveGab links people with volunteer opportunities that match their skills, interests, and values. Members can find places to volunteer, see where friends are volunteering, share pictures, and encourage others.

“GiveGab is about increasing the footprint of volunteers and volunteer participation rates around the world,” says Mulligan. The idea for it came to him when he was a Cornell student — he realized it was difficult to find places to volunteer that matched his skills to the organizations that needed them. He approached Godert about his idea and asked him to help with the technical work; the two started developing the product a few months later.

GiveGab received a fabulously encouraging first round of funding: \$1.6 million from the Cayuga Venture Fund, Great Oaks Venture Capital, Rand Capital SBIC, and Excell Partners. The startup now boasts more than 35,000 total users, tens of thousands of participating nonprofits, and nearly 300 participating colleges. And it's ramping up for a big expansion to the Cornell community: Following an exhaustive review process, Cornell University's Office of Alumni Affairs and Development selected GiveGab as the vendor of choice to implement its volunteer management system.

“GiveGab understands what Cornell and our volunteers want and need from a system,” says AA&D project lead Laura Denbow, senior

“GiveGab is about increasing the footprint of volunteers and volunteer participation rates around the world.”

— Charlie Mulligan, MBA '11 (CQ)



© Justin Zoll

Cornell-Queen's Executive MBA classmates Charlie Mulligan, MBA '11, and Aaron Godert, MEng '05, MBA '11, co-founded GiveGab, a social network for volunteers

director, Office of Volunteer Programs. “Their user-friendly interface is backed up by a sophisticated set of technical applications that will allow Cornell and our volunteers to participate in a broader range of volunteer opportunities, ranging from one-time experiences to ongoing ones, spurring a culture of volunteering over the span of a lifetime.” GiveGab is scheduled to go live to Cornell alumni on July 1, 2014.

Looking to the future, GiveGab aims to attract 21 million users by the end of 2016. Co-founders Mulligan and Godert acknowledge it's an ambitious goal, but they continually track progress and know where they need to be each week.

Getting GiveGab up and running was challenging at the outset, concedes Godert. But overall, the ride has been exciting. “A lot of things are great about it, and that's the thrill of being on a team,” says Godert. “Going through hardships makes it all the more satisfying when things start to go well.” Although they encountered a few dead ends and could have better optimized a few channels, Mulligan says: “For us, it's a continuous learning process, and the culture here is to be introspective and always look at ways to adapt and improve as you move along. We don't look back at all. We are always examining what we have now; we want to constantly fix that and keep moving forward.”

Both Mulligan and Godert credit Johnson for contributing to their success, especially in building the risk tolerance necessary for entrepreneurship. “The Cornell-Queens program gave me enough confidence and a broad discipline across business that I felt comfortable enough to say, ‘Okay, I'll take the leap,’” says Mulligan. “It's probably the most exciting point in my career, taking a complete career shift to something very risky but really loving it. Knowing you have it in you to actually lead and do the entrepreneurial thing feeds energy into itself.”

Startup Snapshots

Rx for health-care communications



Neng Bing Doh, MBA '05, CEO and co-founder, HealthCrowd

When you think about health-care customer service, what comes to mind? “Press 1 for billing inquiries. Press 2 for plan information. Your wait time may exceed ten minutes.”?

Now, imagine applying the power of online advertising to health-care services: integrated communications and services delivered via conventional and social

media focused on the information you want, including preventive services, test results, billing, prescriptions, and cutting-edge procedures.

In 2010, while working as an online advertising executive, Neng Bing Doh hit upon the idea of providing such communications services

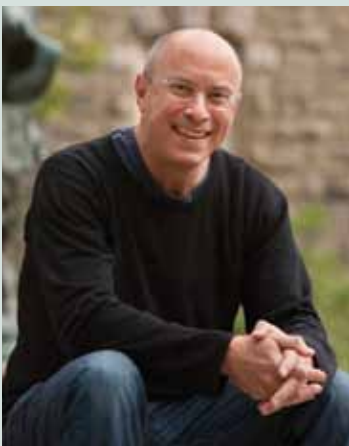
to health-care providers. “Why not apply the proven techniques I knew — for engagement, persuasion, and behavior change — to health care, not to encourage clicks and conversions, but to motivate healthy actions?” she asked.

A health insurer typically uses different vendors for print, e-mail, and phone communications, and for social work, explains Doh. The result: confused, sometimes conflicting or duplicate information. “There were no solutions that could engage large patient populations in an automated way,” says Doh.

HealthCrowd, launched by Doh and her co-founders in mid-2011, helps health-care organizations consolidate, automate, and optimize communications for patients at the individual level. Doh says that HealthCrowd aims to reach 100 million individuals, largely among underserved populations (including Medicaid recipients), and save the health-care system \$10 billion by 2020.

Doh, who had worked as a software engineer before beginning her Johnson MBA, credits her Johnson experience with helping her realize her vision. “In many ways, it was a holistic experience that gave me the business exposure I needed to take the path I had my sights set on,” she says. “Jennifer Dulski '93, MBA '99, is a dear mentor as well.”

Taking the pain out of giving



Daniel J. Mansoor '79, MBA '80, CEO, GiveNext [givenext.com]

Ever wonder how much of your charitable donation ends up paying for all those dinnertime solicitation calls and mailers with “free” address labels?

Launched this spring by Daniel Mansoor, GiveNext is a website that centralizes donors' giving and charities' solicitation efforts. Donors enter the names of their charities and track their giving activity. Nonprofits invite donors via the site, streamlining their fundraising efforts.

Mansoor got the idea for GiveNext from his experience leading fundraising for Johnson in the 1980s. He noticed a consistent year-to-year pattern: More than 60 percent of alumni gave annually, but only 30 percent had given in the most recent year. This is because people think they give more often than they do, and pledge forms are an inefficient way to give, says Mansoor. “It makes no sense that nearly four billion pieces of solicitation mail each year simply serve to put a pledge form in your lap.”

With GiveNext, “When I get a solicitation from Johnson, I'll pull out my phone, see if I've given this year, type in an amount, and hit ‘submit,’” he explains.

Mansoor credits his Johnson experience with deepening his knowledge of both philanthropy and business and is impressed with the Cornell network. He recounts reading a recent blog by a strategist for a national foundation. Mansoor e-mailed the author, a Cornellian. “Two weeks later, I was discussing face-to-face with him how GiveNext might serve the goals of the grant-making community,” says Mansoor. “I am constantly reminded how powerful and supportive the Cornell network is.”

Startup Snapshots

Kids' surgeons get a lucky break



Kurt Vedder, MBA '02 (E), CEO, president, and founder, Fixes 4 Kids [www.fixes4kids.com]

of Fixes 4 Kids. This type of fracture traditionally requires more than one doctor to physically realign the bones in a tricky, manually taxing

They look like something that might have been used to build RoboCop or the Six Million Dollar Man, but the E-Fix and E-Thotic are actually medical devices to fix kids' broken elbows.

A supracondylar humerus fracture is the most common fracture in preteen children, annually occurring in approximately 65,000 children in the United States, according to Kurt Vedder, CEO and president

procedure that can damage the patient's soft tissue and ulnar nerve and cause severe swelling in the extremity. The E-Fix and E-Thotic, by contrast, enable a lone surgeon to easily manipulate the bones into the proper position for X-raying and pinning — and then the child retains the E-Thotic rather than a traditional cast, saving both operating room and surgeon time and costs.

That was the niche Vedder identified in 2008. With more than 20 years of experience in medical-device companies and several years in venture capital with De Novo Ventures, Vedder noticed a great opportunity as he spoke to surgeons in the industry. "It became clear that there was a void of companies offering technology for the pediatric orthopedic space," he says.

He launched Fixes 4 Kids in 2009 to focus on supracondylar fractures, and the E-Fix and E-Thotic quickly met with a warm welcome throughout the medical community. The current milestone is compiling clinical data, for which clinical trials just began this spring, at the Cincinnati Children's Hospital and the Children's Hospital of Alabama in Birmingham.

At present, says Vedder, he is considering modifying the technology for adult patient fractures in the upper arm and lower leg.

[continued from page 14]

containers; and sales costs were cut by structuring the business as a club, with memberships sold to groups of customers rather than individuals.^{vii}

We also used a suite of market-creation strategies to help drive up consumer adoption. A monthly membership pricing structure ensured that customers would use products multiple times, building comfort and familiarity with the use of mosquito repellents and sprays. We also added a loyalty rewards program, with prizes consumers already valued, such as farming implements and metal washbasins. This helped offset the novelty of the SCJ products and increased their perceived value. The results of the pilot were very promising, and we made significant strides toward profitability. The rigorous financial modeling provided us crucial information on areas for improvement. A second pilot, based on a revised business model, is now underway.

In the end, a focus on business fundamentals is the best way to ensure positive, sustainable social impact from corporate BoP projects. Aside from ensuring access to high-quality products that improve people's lives, a profitable business will contribute to local economic development. It's not the immediate, revolutionary change about which

pundits wax eloquently — but it's real and it's doable. And over time, the incremental impact of thousands of profitable corporate ventures will bring about radical change in the lives of the poor.

ⁱ C. K. Prahalad and Stuart Hart, "The Fortune at the Bottom of the Pyramid," *Strategy+Business*, Issue 26, First Quarter 2002.

ⁱⁱ Ibid.

ⁱⁱⁱ Erik Simanis, "At the Base of the Pyramid," *Wall Street Journal*, October 26, 2009; Erik Simanis, "Needs, Needs Everywhere, but Not a BoP Market to Tap" in Ted London and Stuart L. Hart, eds., *Next Generation Business Strategies for the Base of the Pyramid: New Approaches for Building Mutual Value* (Upper Saddle River, New Jersey: FT Press, 2011); Erik Simanis, "Bringing the Bottom of the Pyramid Into Business Focus," in Rémi Genevey et al., eds., *A Planet for Life 2013—Reducing Inequalities: A Sustainable Development Challenge* (Delhi: TERI, 2013).

^{iv} Erik Simanis and Mark Milstein, "Back to Business Fundamentals: Making 'Bottom of the Pyramid' Relevant to Core Business," *Field Action Science Reports*, Issue 4, 2012.

^v MicroRate, *The State of Microfinance Investment 2013: Survey and Analysis of MIVs - 8th Edition* (Arlington, Virginia, 2013).

^{vi} JPMorgan, Latin America Equity Research, "Banco Compartamos: Market Leadership Sustained by Superior Efficiency," research report, New York, April 29, 2008.

^{vii} Erik Simanis, "Reality Check at the Bottom of the Pyramid," *Harvard Business Review*, June 2012.

READ THE LATEST ON ERIK SIMANIS' "BUSINESS FUNDAMENTALS"

approach to profitably reaching consumers at the Bottom of the Pyramid in the July/August 2014 issue of the *Harvard Business Review*.



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PROFILE IN LEADERSHIP

JENNIFER DULSKI '93, MBA '99
PRESIDENT AND CHIEF OPERATING OFFICER, CHANGE.ORG

BY MERRILL DOUGLAS

for Change

Jennifer Dulski leads by helping other people excel.

She's been doing this for most of her life. She served as coxswain for the men's crew team in high school and the women's team at Cornell. She taught school and founded a nonprofit enrichment program to help put talented but underserved youth on the path to college. And when she reflects on her style as an executive, she calls herself first and foremost a coach.

"My job is to get the most out of people who work with me," says Dulski, president and chief operating officer at Change.org, an online petitioning platform with participants in 196 countries. "I do that by supporting them to do their best."

Dulski came to Change.org in 2013 to guide the San Francisco-based company's global growth, enlarging the technology platform, the sales team, and the corporate infrastructure to support a burgeoning online community. The metrics are impressive. "We're on track to hit 100 million users this year," she says.

While big numbers are crucial at Change.org, Dulski knows that a crowd acquires its power one person at a time. That's true when thousands join forces to petition for a cause, and it's just as true when colleagues collaborate at work.

"The best teams come together when you leverage the strengths and talents of each individual," she says, "rather than trying to coach everybody to be good at things they're not good at."

WHAT'S THE INTERNET?

Dulski's road toward leadership in the dot.com world started at Summerbridge Pittsburgh, the Breakthrough Collaborative enrichment program she founded, in the early '90s. The school that housed Summerbridge was wired for access to the Web. Curious, Dulski asked a tech-savvy board member, "What's this Internet thing and how do I use it?"

Check out this new site called Yahoo, the woman suggested. "She wrote it for me on a Post-it note, literally 'www.yahoo.com,'" Dulski laughs. "I started using it, and I thought, 'This is incredible. I have to work here.'"

The Internet's potential to connect and inform vast numbers of people held a powerful attraction, Dulski says. Summerbridge made a

real difference, but that program touched only a few hundred lives a year. She wanted to accomplish more. "I became enamored with the possibility of the Internet as a way to create impact at scale."

Dulski joined Yahoo in 1999, fresh from the MBA program at Johnson. She rose through the ranks to become group vice president and general manager, local and commerce.

In 2007, Dulski left Yahoo to co-found The Dealmap, a site for consumers seeking local discounts. When Google bought The Dealmap in 2011 and integrated it into Google Offers, Dulski joined Google for a time before moving on to Change.org.

She calls this newest position her dream job. "It provides a way to put my two passions back together — doing good in the world and growing a giant Internet business."

BETTING ON THE TEAM

Zoe Harte, who served as human resources manager at Yahoo during much of Dulski's tenure there, recalls how vigorously Dulski coached employees to achieve.

"She placed big bets on the people who worked for her; she probably had more faith in them than they did themselves," says Harte, now head of HR at oDesk. One favorite tactic was to pull people out of their day-to-day roles to give them cross-functional opportunities, she says.

Dulski places deep trust in the people she hires, says Chandu Thota, Dulski's co-founder at The Dealmap. "She doesn't micromanage. She doesn't tell people what to do. This leads to a lot of creative thinking."

People sometimes ask Dulski why she doesn't manage her teams more closely. It's because individuals learn best from their own mistakes, she says. "If you don't let them fail, they won't grow."

So strongly does she hold to this principle that Change.org has started a tradition called the Festival of Failure. "The idea is that you can't get anywhere if you don't try hard enough to fail," Dulski explains. "When someone has a failure, they have permission to celebrate that moment by declaring, 'I had a festival of failure! Here's what I learned, and here's how we won't do that again.'"

Like any good coach, though, Dulski also offers guidance.

"She has extremely high expectations for every single person here," says Amanda Levy, vice president of sales at Change.org. "But she also shows complete dedication to providing the support everyone needs to hit those expectations."

Dulski makes it safe to come to her with challenges, says Katie Bethell, managing director of North American campaigns at Change.org. Bethell doesn't report directly to Dulski, but they work together on a company-wide project involving e-mail campaigns, and Dulski is Bethell's mentor in Change.org's women's leadership program.

"I know she'll tell me what she really thinks, and when there's a problem, she'll challenge me to fix it," says Bethell. Even when Dulski

Pictured: Jennifer Dulski '93, MBA '99, president and chief operating officer at Change.org

offers a critique, she empowers. “If I have a crazy idea, she will find the nicest and most productive way to tell me that it’s crazy and give me an avenue for finding a better solution.”

Another coaching strategy Dulski employs is to focus on what makes each team member unique. When she arrived at Change.org, one of her first concerns was to form one-on-one relationships.

“I have a philosophy that great companies are built by great people,” she says. “I always try to get to know the individuals on the team — what motivates them, what their natural talents are, what areas they’re struggling in, and where are the places I can help them to be more successful.”

One tool that tells her what makes people tick is the “motivational pie chart.” Team members use the chart to define the incentives they care about most, whether equity, money, greater responsibility, public thank-yous, or other rewards.

“When you get these from five or ten people, they’re all different,” says Dan Visnick, senior marketing manager at Google Shopping, who reported to Dulski in several roles at Yahoo and The Dealmap. Dulski tunes in to the diversity among the people she leads, he says. “She tailors her style to the individual.”

In addition, the charts show that certain motivations are universal — for example, the desire to understand how one’s work promotes the company’s broader mission. She uses those aspirations as well. “You lean into those things that are consistent across people,” Dulski says. “And then you stretch people out to the edges of the things they’re each good at.”

BE NEIGHBORLY

While she makes the most of diverse skills and interests, Dulski also sets great store by communal values. At The Dealmap, she led an effort to define a sort of “Ten Commandments” to guide the company’s activities, Thota says. “‘Be neighborly’ was number one. ‘Move fast’ was number two. ‘Go an extra mile’ was number three.” Employees at The Dealmap checked everything they did against that list, to make sure the company always honored its principles.

Soon after she joined Change.org, Dulski led a similar effort to articulate a set of company values. The group drew up seven: “We think big.” “We embrace openness.” “We serve with passion.” “We demand excellence.” “We offer solutions.” “We love and understand.” “We take fun seriously.”

When it came time to introduce the list, instead of just announcing the results, Dulski asked people to stand up and explain how different members of the organization exemplified each of the values, says Levy. “We had the entire company inspired by these individuals who are living the values and thus showing us the importance of living and breathing them every day.”

Why “.org”?

Despite its name, Change.org is not a nonprofit organization. It’s a certified benefit (B) corporation, a class of companies that may make a profit while also working to benefit society and the environment. Change.org provides an open platform where any individual or group can launch a petition free of charge. It also carries sponsored petitions, created by advertisers — mostly nonprofits — and presents those causes to people who are likely to take an interest, based on their past activity on the site.

One of the toughest aspects of coaching the Change.org team is the fact that its members reside in 18 offices around the world. “We work really hard to be a truly global company, rather than an American company with global offices,” Dulski says. It’s important to understand how each region’s culture affects the way people work together, she says. Collaborating across time zones and languages is challenging as well.

To reduce the sense of distance, Change.org holds an annual, all-company retreat. “There’s a lot of work, and there’s also a lot of play,” Dulski says. “We do musical theater and talent shows in the evening, and that helps build the bonds among global colleagues.”

Dulski didn’t invent the retreat. But she embraced the tradition with the same verve she brings to every new challenge, says Bethell. “She got up and sang with the CEO in front of the entire company. She just jumped all the way in.”

One of the happiest rewards Dulski gains from her coaching is the frequent chance to celebrate victories that users achieve on Change.org. Each day, some ten or 20 petitions convince the powers that be to take action — installing a traffic light on a busy corner, for instance, or freeing an innocent man from prison, or welcoming gay youth into the Boy Scouts.

“You come into work, and no matter what challenges you might be facing, hundreds of thousands of people around the world are winning something that day because of your platform,” Dulski says. “You realize a direct connection to the fact that your work is worthwhile.”

CORPUS I



AN MBA // DIGITAL FOR THE ECONOMY

INTRODUCING JOHNSON'S NEW
ONE-YEAR MBA AT CORNELL NYC TECH
BY JANICE ENDRESEN

It's Thursday night in New York City, and you and your classmates are heading out to a product evaluation session at Quirky, a New York City startup that helps inventors get promising new widgets produced, to market, and on the shelves. You'll hear inventors pitch their products to the Quirky team, listen to the ensuing discussion, and since it's open mike, you just might raise a few points yourself. Think of it as "American Idol" for inventions.

Tomorrow, your mind filled with ideas investigated and appraised during three-week, intensive courses in big data and digital marketing, you and your teammates — who include master's students in computer science and connective media — will meet with executive staff at a New York media company to learn about how they are struggling with these issues. Are they using big data to change the way they're delivering messages to customers? What digital marketing strategies have taken off and what's not working for them?

Between classes and company visits and team projects work, you grab every hour you can to refine your pitch for your own business concept, working to improve the concept and sharpen your message so that when you present it again next week, it will be clear you've learned how to respond to and incorporate feedback — and not just from classmates, but from the potential users, too.

This is just a glimpse of what life will be like for students enrolled in Johnson's new One-year MBA at Cornell Tech — an MBA immersed in New York City's vibrant tech ecosystem that fuses business, technology, innovation, and entrepreneurship in a fast-paced, hands-on learning environment. It is designed for those with solid experience and proven success within tech companies or in tech initiatives in traditional companies who aim to become leaders in the digital economy.

"In order to transform businesses and enable them to compete in this digital age, we need business professionals who have deep knowledge of technology and who are comfortable working with technology specialists," says Soumitra Dutta, Anne and Elmer Lindseth Dean at Johnson. "We also need technology specialists who have a better sense of business. That's why the MBA at Cornell Tech focuses on integrating the computer science and engineering programs and the business curriculum in a very deep manner."

Johnson's MBA at Cornell Tech reflects the school's recognition of the relentless evolution of technology

in the digital economy and its commitment to global perspectives, entrepreneurship, and innovation. The program incorporates and combines the strength of Cornell's top-ranked programs in business, computing, and engineering to produce leaders who have a deep understanding of how technology is changing the way business works, leaders who are ready to start innovative businesses and transform organizations.

// A CAMPUS FOCUSED ON TECHNOLOGY + ECONOMIC IMPACT

While fully aware that offering an MBA on a tech campus was unprecedented, the founders of Cornell Tech viewed a focus on business as being integral to its very fabric and purpose. "As we envisioned Cornell Tech right from the beginning, it wasn't just about technology; it was about technology and business and economic impact," says Daniel Huttenlocher, founding dean and vice provost of Cornell Tech. "The role of the MBA is to complement the technical programs."

The structure and curriculum for this unique MBA was born of interviews with hundreds of leaders who are successfully navigating the digital economy. "We went out and talked to alumni, to recruiters, to people involved in the digital economy, and asked them: 'Where are the holes? What skills do you need in new employees that aren't being provided today?'" says Doug Stayman, associate dean for MBA programs. "We wanted to design the curriculum to meet those needs. We were given this wonderful opportunity to really reimagine business education, and we set out to create something new and different and innovative, and be deliberate about it."



"In order to transform businesses and enable them to compete in this digital age, we need business professionals who have deep knowledge of technology and technology specialists who have a better sense of business."

— Dean Soumitra Dutta



// THE CREATIVE POWER OF HACK DAYS

IN MANY WAYS, CORNELL TECH ITSELF IS A STARTUP – AND ITS CULTURE REFLECTS THAT.



Take hack day, for example. Inspired by the hackathons emblematic of the culture of the tech ecosystem, Cornell Tech students engage in three 24-hour hack days each semester during which they make accelerated progress and achieve major milestones for the projects they're working on, says **Aaron**

Holiday, MBA '12, managing entrepreneurial officer at Cornell Tech. "Throughout hack day, they're creating, they're programming, they're building things in an entrepreneurial way," he says. In the case of a company project, for example, they'll work around the clock solely on their deliverables for a company.

"Hack day does something magical for the culture," says Holiday, who was in the middle of a hack day when he was interviewed for this story. "It creates a collaborative culture for people who are actively building things. And it's really fun."

Drawing on Cornell Tech's studio culture, hack day begins with students claiming and building their own territory within the studio. "At the beginning of hack day, the studio is in a state where it's unusable: tables are flipped upside down, chairs are in odd places," says Holiday. "The furniture in our studio is modular; it's on wheels; it can be moved easily. You can add tables together to make mega tables; you can have standing tables connected to tables where you're seated. So there's a lot of room for creativity, for people to create their own headquarters and feel ownership over not only the project they're working on, but the space they're working in. It's exciting. And something magical happens; we can't predict what form or shape the studio will take — it's really a function of the creativity and imagination of the different people in the room."

Beginning hack day with that kind of creative energy



Hack day at Cornell Tech

motivates students to collaborate with each other and to work throughout the night. Staff at Cornell Tech keep the studio open so students can work 24 hours straight, and make sure they have breakfast, lunch, and dinner, plus enough snacks to last the night. "They might lie down or go home to take a nap for an hour or two," says Holiday. "But the idea is for them to be constantly working on their project and make a tremendous amount of progress."

Hack day concludes with a short presentation and critique session about what each team is building, why they're building it, how they're building it, and what their next steps are. "The critique session is an opportunity for teams to get feedback on what they're doing and also help them think about ways to improve the product they're building," says Holiday. "It's a way to use the power of the collective to come up with intelligent and effective solutions to problems."

Johnson's role and purpose at Cornell Tech is not solely to develop MBAs who understand technology at a deep level and who can work more effectively with technology people, notes Stayman. It's also to develop technical people who understand business better and know how to work with MBAs better. "In the digital economy, increasingly, the interactivity of technology and business brings about change faster.

Leaders need to master both the technology and the business sides in a deeper way.

"You can't be an engineer who doesn't have enough business knowledge to know what to test," he continues. "You can't be a business person who doesn't have enough technical knowledge to go out and do it. They're more integrated. And that's what this entire campus is

about: Technical people who understand business and business people who understand technology.”

// AN INTEGRATED, MODULAR STRUCTURE

In reimagining business education for the MBA at Cornell Tech, Dutta, Stayman, and other Johnson faculty members involved in developing the curriculum believed that the best way to prepare leaders for the real world of digital transformation would be to replicate the multidisciplinary culture of that world, and they had an ideal opportunity to do just that given the disciplinary diversity of Cornell Tech engineering and business students — both in the classroom and in projects teams.

“The successful transformation of a business requires people from different disciplines to come together to think about implications in a holistic manner in order to implement change,” says Dutta. “We want to provide the same kind of environment for students; that’s why our program includes courses in which computer science, engineering, and business school students work together. We’re trying to prepare them for this real-life challenge by experiencing it in the program itself.”

In addition to the curriculum specific to students’ distinct disciplines, 30 to 40 percent of the Cornell Tech curriculum will be shared by students across programs: MBAs and graduate students in computer science will take courses and engage as teams in company and startup projects requiring both technology and business solutions and expertise.

In the fall, for example, students enrolled in the MBA and technical master’s programs at Cornell Tech will start out with a two-week course, Intensive Entrepreneurial Experience (IEE or IE²), developed and led by Professor Wes Sine, faculty director of the Entrepreneurship and Innovation Institute and professor of management and organizations. At the same time, small teams of MBA and technical students will embark together on semester-long enterprise projects in which they

work with a large company on a challenge related to the digital economy. They’ll also take two other courses together in the fall, both with Cornell Tech Chief Entrepreneurial Officer Greg Pass ’97: Entrepreneurial Life and Entrepreneurial Lens, in which



“New York City is such a great environment; the number of companies and broad range of industries to draw on is just fantastic.”

— Associate Dean Doug Stayman

they’ll conceptualize the idea for a startup and be exposed to a variety of relevant applied areas, from design to legal to financing.

In the spring, students will have the option to either work together on a semester-long startup project or do another company project. “Teams of students who are equally passionate and motivated to build a breakthrough technology come together and organically form their own teams to build products,” says Aaron Holiday, MBA ’12, managing entrepreneurial officer at Cornell Tech. “By the end of the semester, those who choose a startup project will become co-founders of software or tech companies.”

“We want every student at Cornell Tech to be involved in how the digital revolution is changing existing companies, experience innovation and entrepreneurial activity within companies — but also be aware of the unique opportunities and challenges that go with it,” says Stayman. The courses themselves are modular in structure, delivered in short, intense bursts: The typical module of two courses will be three to four weeks long. “We’re trying to deliver more focused learning,” says Stayman. “We think it will be effective for students to take two or three connected courses at a time. That way, they can really get to know the faculty and immerse themselves in the material, and the faculty are also immersed and get to know the students.”

The flexibility of the modular structure facilitates students’ engagement in New York City’s tech ecosystem and business climate, says Stayman. “For example, when they’re taking the Digital Marketing course, they can go visit media and advertising companies, talk with marketing executives, and say: ‘This is what we’re learning, how does that play out in what you’re doing? How do you use these concepts?’”

// LEARN, APPLY, + REFLECT

Projects and practicums that dovetail with course material are also hallmarks of the Cornell Tech MBA. “In a traditional MBA education, classes and projects are separate,” says Steven Gal, visiting associate professor of clinical entrepreneurship at Johnson and chair of the Entrepreneurship@Cornell Advisory Council. “At Cornell Tech, classes and projects are integrated, there’s a constant back-and-forth. Companies are on campus with you, and students are in company offices; it’s fluid, as it is in the digital economy. We can do it because we will be immersed in the New York City tech and entrepreneurial ecosystem.”

“We’re very dedicated to learn, apply, and reflect,” adds Stayman. “So we need that application time in New York. By having a flexible, modular schedule, we can have intense learning but then go and visit companies, or do projects, have symposia — different activities.” Students internalize what they learn because they go out and apply it right away, or visit companies to see how it’s being applied.

It takes careful planning to make sure that the joinery connecting projects, practicums, and company visits is well crafted. So in addition



// Q&A WITH PROFESSOR JONAH BERGER, AUTHOR OF CONTAGIOUS



Jonah Berger, visiting professor of marketing at Johnson and author of *Contagious: Why Things Catch On*, will teach a course based on his book in Johnson's One-year MBA at Cornell Tech and in Cornell Executive MBA in Metro NY beginning summer 2014. Students will learn how six basic principles drive products

and services to become contagious, from consumer products and policy initiatives to workplace rumors and YouTube videos. The course will feature project-based learning using real-life clients ranging from tech startups, local nonprofits, and major corporations to the corner coffee shop.

The James G. Campbell Associate Professor of Marketing at the Wharton School of the University of Pennsylvania, Berger has published dozens of articles in top-tier academic journals, and popular accounts of his work have appeared in *The New York Times*, *The Wall Street Journal*, *The Washington Post*, *Science*, *Harvard Business Review*, *Wired*, *BusinessWeek*, and *Fast Company*. His research has also been featured in *The New York Times Magazine's* annual "Year in Ideas" issue. Berger has been recognized with awards for both scholarship and teaching, including being named Wharton's "Iron Prof."

HERE, HE RESPONDS TO A FEW QUESTIONS ABOUT HIS NEW ROLE AT JOHNSON.

Q. What made you decide to join the faculty as a visiting professor at Johnson?

Berger: The intersection of technology and business is an

exciting, emerging area. Big data, social media, wearable devices; these things are changing the way companies operate. There are so many new developments, and Cornell Tech sits right at the intersection of them.

Q. If you could name one characteristic of the program that drew you to join the faculty at Cornell Tech, what would it be?

Berger: The interdisciplinary nature. The combination of faculty, topics, and insights mean MBAs here are going to learn things that aren't taught anywhere else.

Q. What aspects of teaching in Johnson's Executive MBA program in Palisades appeal to you?

Berger: Executives are fun to teach because they're so ready to learn. They've spent enough time in business to know what they don't know, and they come to class ready to engage with the material.

Q. What can you tell me about how you will be teaching your course, *Contagious*?

Berger: Project-based learning is a big part of my *Contagious* course. Students will learn why things catch on and then get the chance to apply what they've learned to real clients. It's one thing to hear about a concept; it's another to get the experience of really making it work. It's a great way to learn.

Q. In what ways will your course, *Contagious*, help graduates to become leaders in the digital economy?

Berger: Being a leader in the digital economy requires understanding two often disparate areas: business and technology. *Contagious* will address both: how technology works, and how to help new technologies succeed by understanding consumer behavior.

to Pass, whose responsibilities as chief entrepreneurial officer include campus-wide, cross-program projects and activities, the MBA program will have a team of faculty and staff who will serve as "journey guides" (because students are on a one-year journey) who makes sure students' experiences are all linked together.

"New York City is such a great environment; the number of companies and broad range of industries to draw on is just fantastic," says Stayman. "The journey team will work with faculty and students and companies to match coursework with the right people and the right companies, whether those companies come to campus to talk with the students or students go out to visit and work with companies on their turf. They will meet with students and faculty regularly to discuss where we are in the curriculum, where we've been, and where we're going."

// AIMING FOR DEEP, STRATEGIC UNDERSTANDING

The ideal graduate of the MBA at Cornell Tech will be prepared to understand the technological landscape, understand how to work with technologists, and understand how to use what they know about how technology functions to solve business problems. "Not just minor business problems," notes Stayman. "Technological issues are becoming strategic in business; it's not just about IT. Investment banks and retail companies are making huge investments in technology, and its importance to company strategy is increasing. So the ability to really understand the business issues, understand the technology deeply enough, work with sophisticated technologists to figure out solutions and strategies moving forward — that's where we want our graduates to be."



“As we envisioned Cornell Tech right from the beginning, it wasn’t just about technology; it was about technology and business and economic impact.”

— Cornell Tech Dean Daniel Huttenlocher

// ENRICHING JOHNSON'S RESIDENTIAL + EXECUTIVE PROGRAMS

Johnson’s intense focus on the digital economy for the MBA at Cornell Tech will enrich and cross-pollinate the school’s MBA programs in Ithaca as well as both Executive MBA programs. New faculty with new areas of expertise, faculty who will teach not only at Cornell Tech but also in other Johnson programs, are adding to the intellectual breadth and depth of the faculty. For example, Jonah Berger, who is

joining Johnson as a visiting professor of marketing, will teach the course based on his book, *Contagious: Why Things Catch On*, both at Cornell Tech and in Palisades to Executive MBAs.

New courses developed for Cornell Tech, including Using Big Data and Business Models for the Digital Economy, are on the docket to bring back to Ithaca and may well influence curriculum for executive programs, too. During their first semester over the summer in Ithaca, students enrolled in the One-year MBA at Cornell Tech will take the core side-by-side with students enrolled in the One-year MBA at Ithaca. After Cornell Tech students move to New York in the fall, Johnson’s home and strong footing in the city will only work to all students’ advantage. Students in Ithaca, for example, will have opportunities to go to Cornell Tech to interact with students in New York City.

“The MBA at Cornell Tech is additive for Cornell in Ithaca,” says Rhett Weiss, executive director of the Entrepreneurship and Innovation Institute, who has been teaching graduate engineering students at Cornell Tech since the first week of classes there in January 2013. “It connects greater Cornell University to a global city, with a vibrant entrepreneurship ecosystem, in ways we otherwise physically cannot do from Ithaca. There’s so much density of activity in New York City, it’s such an interesting and diverse hub of activity, having Cornell Tech gives us a meaningful presence in a place that is shaping where the world is headed with the digital economy and what happens when tech and business collide.”



// MEET V1

The inaugural class for the One-year MBA at Cornell Tech includes 41 students. Their average age is 28, thirteen are women, and they hail from eight countries, including the U.S., Italy, Mexico, Ecuador, Greece, Switzerland, the United Kingdom, and Canada.

But as Admissions Director Christine Sneva is quick to point out, these statistics do not come close to telling the full story. Instead, she speaks of them as hybrids.

In recruiting this class, Sneva and her team set out to find people who were not only tech-savvy and entrepreneurial, but who also showed a creative streak, who had interesting backgrounds in a variety of areas, including art and fashion, and who looked at innovation in a different way. And to her delight, candidates who were passionate and knowledgeable about this new MBA came forward — people who knew they had unique qualities to bring to the program and who wanted to be a part of it – to be v1.

“We met very bright and interesting people who have always done things a little differently,” says Sneva. “We have been inspired by their stories and as a result, we created a new measure for this program. Instead of numbers, we have grouped this new cohort into pods of artists, pioneers, builders, founders, visionaries, connectors, and innovators. As a group, they represent great diversity in their backgrounds, experience, and intellectual strengths.”

They’re also ahead of the curve in terms of what’s new and different on the Web. “These students understand how to navigate the digital world and find entrepreneurial spaces that keep them deeply connected to tech in a sophisticated way,” says Sneva.



[LINK TO VIDEO IN CORNELL ENTERPRISE ONLINE](http://www2.johnson.cornell.edu/alumni/enterprise)
www2.johnson.cornell.edu/alumni/enterprise

Meet the Johnson MBA at Cornell NYC Tech Inaugural Class



The inaugural class for the One-year MBA at Cornell Tech

THE NEW DIGITAL ECONOMY



WHAT DOES IT TAKE // TO LEAD IN THE NEW DIGITAL ECONOMY?

BY JANICE ENDRESEN



THE DIGITAL ECONOMY: IT'S NOT JUST ABOUT TECH ANYMORE.

A lot of it is already second nature, even for those who aren't digital natives: We go online to book our trips; read the news; select a restaurant; browse, search out the best bargains, and purchase books, clothes, shoes, even eyeglasses

and furniture; check our kids' homework assignments; speak "face-to-face" with business partners and family members; and research anything and everything, from LinkedIn résumés of new contacts to market forecasts for specific commodities to a new recipe for dinner.

New mobile apps designed to inform and entertain and further ease the logistics of life appear every day. Instead of reserving a limo or calling a cab, you can connect to a driver who will pick you up wherever you are via Uber or Lyft, car service apps available in multiple cities around the world. Instead of reserving multiple hotel rooms for your family, you can rent someone's apartment or house via Airbnb, VRBO, or HomeAway. Those on a very tight budget who still need to scratch that travel bug can opt for Couchsurfing.

"The digital economy is continuing to change the physical economy," notes Steven Gal, a career entrepreneur as well as visiting associate professor of clinical entrepreneurship at Johnson. We've already seen the impact of the digital economy on newspapers, book stores, and video and music stores. Who knows what the future holds for other industries? "In the future, will people still shop in physical stores?" speculates Sarah Brubacher McDonald, MBA '99, now global head of university recruiting at eBay, where she served until recently as chief of staff to the president. "Certainly — I believe so. But likely they will integrate it with online research beforehand. Stores may become more like showrooms."

"No industry is immune," says Kelly Herrell, MBA '90, vice president and general manager, Software Networking Business Unit, Brocade. "In the Internet of Things, everything is becoming a sensor

attached to a network feeding information back to the center." Uber is a good example: "There's a network-attached sensor in every car," says Herrell. "Those endpoints transmit wirelessly back to a data center that analyzes where a car is and where a new rider is. In that cycle, real-time and on-demand, you have a brand-new innovation that transforms the limo and cab industry."

"The tech revolution is changing every industry that has an information component," agrees Daniel Huttenlocher, dean and vice provost of Cornell NYC Tech. "Which is pretty much every industry; not just the technology industry."

Only one thing is certain in the digital economy: Change. It's here, and the pace is accelerating.

// A FUNDAMENTAL TRANSFORMATION

Erik Brynjolfsson and Andrew McAfee, MIT professors and authors of *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*, liken the magnitude of what is happening in the digital economy today to the impact of the industrial revolution on businesses, the economy, and society. The people interviewed for this story all agree with that assessment.

"The Internet is like the Gutenberg printing press in terms of its impact on society," says Herrell. "The Gutenberg press increased our ability to distribute knowledge at an unprecedented pace. That relates directly to the impact of the Internet: new, powerful leverage."

"We're undergoing a major shift in the means of production, in wealth generation, in wealth

"This widespread access to technology is creating a social expectation revolution that is redefining what society expects from businesses, including the level of transparency required to survive in the real world today, and in what society expects from their government and leaders."

— Soumitra Dutta

WHAT DOES IT TAKE TO LEAD IN THE NEW digital economy

accumulation, in quality of life — all of those things that are so important in both the business world and in our daily lives,” says Huttenlocher. “We’re in an age when all of those things are changing discontinuously at the kind of rapid rate we saw in the mass industrialization time period, in the move from an agrarian to a manufacturing economy. And the industrial age unfolded over a century, not overnight. ... Arguably, the information age has already been with us for a number of decades now. But we’re at that inflection point where things are changing very, very quickly.”

It’s not just the pace, but also the quality of the changes we’re seeing and experiencing that is fundamentally different. “In the first level of change, technology automated what people do, both on the manufacturing floor and in the service sector,” says Johnson Dean Soumitra Dutta. “The benefits of automation have typically been productivity-driven and included reduced costs, improved quality, or time saved. That has stayed with us for a long time; I would say from the ’60s to the ’90s that was the primary impact of technology on business.

“What we started seeing from the mid-’90s on — the second level of change — is a more dramatic phase: The impact of technology shifted from pure automation to transformation,” Dutta continues. “Especially with the birth of the Internet, we observed businesses transform the way they do business: They’ve come up with radical, new business models and new ways in which they reach out to customers.”

Traditionally, transformation poses some very deep questions for industry that are not easy to answer, Dutta says. “In the music industry it was: Should we move away from selling music in a bundle of songs on a CD to digital downloads, often by individual track? In education, the big question is: Do we provide education in the current format or do we educate many thousands of students through MOOCs?” (MOOCs are Massive Online Open Courses; this spring, Cornell University offered its first four MOOCs, allowing anyone to take “CornellX” classes from the comfort of their home computer, tuition-free.) While we are still very much in this transformation phase, we are also seeing an overlap with the next phase.



“The third and major level of impact we are currently observing is an expectation revolution,” says Dutta. “Technology has become widespread in society, in rich countries and poor countries; everyone today has access to some technology. This widespread access to technology is creating a social expectations revolution that is redefining what society expects from businesses, from governments, and from leaders in general.”

// GLOBAL IMPACT: ENABLING THE DEVELOPING WORLD TO CATCH UP

While the digital economy is changing things rapidly throughout the world, some would contend that right now, its impact on emerging markets is even more widespread and sweeping than what the developed world is experiencing. “We can do things now we haven’t been able to do before,” says Faisal Sattar, MBA ’00, CEO of Pakistan’s Universal Services Fund Company, which is dedicated to providing telecommunication, Internet, and broadband services to rural, underserved, and unserved areas. “Under the old method, it was not really possible for these

countries to catch up.” In Pakistan, for example, you used to wait years to get a telephone land line. “Now, about 90 percent of the population has access to a cell phone,” Sattar says. Next, he says, we’ll see the same phenomenon with access to broadband and the Internet. While broadband access is very low now — only about two percent of the population have access — Sattar is working to change that. “We’re trying to get a large percentage of the population connected to the Internet through wireless broadband.

“All cellular companies will help to deploy broadband to every part of the country,” Sattar



“Over the next four to five years, we hope to achieve the same broadband access to the Internet as we have cell phone coverage.”

— Faisal Sattar, MBA ’00, CEO of Pakistan’s Universal Services Fund Company

// DEFINING CHARACTERISTICS OF THE DIGITAL ECONOMY

“The digital economy is **global**; it involves the whole world, whether as suppliers or customers,” says Soumitra Dutta. “It’s **open**; there are very few hurdles to gain access to a lot of information. It’s **transparent** — in terms of prices, likes and dislikes, and other elements. It’s immediate; information is exchanged in **real time**. And it’s **interactive**, an exchange, a dialogue that’s happening continuously. For me, those are the defining characteristics of life in the digital economy: global, open, transparent, real-time, and interactive.”

explains. “We help service providers to deliver services to remote areas where it doesn’t make economic sense to go. Over the next four to five years, we hope to achieve the same broadband access to the Internet as we have cell phone coverage. Entry-level smartphones costing \$50 to \$60 have basic functionality, and the price is coming down significantly every year.” Wireless access to networks via cheap devices will make it affordable for a large number of people to connect with the Internet.

The benefits to be gained are tremendous; for the first time, millions of people will gain access to services long taken for granted in the developed world — services like banking, communication, and insurance. Even governance will be easier: “Now, it’s very difficult and cumbersome for people to get an ID card made, or get a passport, or do a land transaction,” says Sattar. “With e-government, people can do a lot of these things electronically. Once people have access to the Internet on a large scale, it’s difficult to imagine how it will really affect every part of life.”

The boom in access to technology for people throughout the developing world is, in effect, a natural democratizer. Apps can be developed anywhere and quickly gain traction. One example Sattar pointed to is Groopic, an app started by Ali Rehan, a young entrepreneur in Lahore, that enables the person taking a photograph of a bunch of people, who wants to be in the picture but can’t, to put him- or herself in by merging two photographs seamlessly. Created, launched, and marketed online, CNN reported that the product was picked up by Google, which flew Rehan and his team out for a mentoring program in Silicon Valley to further develop the product.

While 90 percent of apps in Pakistan are still global in nature now, Sattar is confident that, “once we get the whole ecosystem going,” more apps focused on access to local information and services will appear.

“The interesting thing about information technology is it doesn’t require a lot of capital,” says Howard Spira, MBA ’86, chief technology officer for the Office of Financial Stability at the United States Treasury. “Since it’s fundamentally knowledge-based, you don’t need to build a factory. Big ideas can come from all over the world. Technology has democratized the world, lowered the barriers. The places where valuable insights can come from in a digital world are much broader than where they come from in an analog world.”

“We’re undergoing a major shift in the means of production, in wealth generation, in wealth accumulation, in quality of life – all of those things that are so important in both the business world and in our daily lives.”

— Dan Huttenlocher

HOW THE LULL OF INERTIA MUFFLES AWARENESS OF TECHNOLOGY DISRUPTION

Leading effectively in the face of inevitable technology disruptions requires understanding directional trends to see where the potential disruptions are, says **Dean Soumitra Dutta**. Leaders have to recognize the industries that will face disruption and be open to radical change. And they need the courage to act, as well as the skills and the competencies essential to manage the change process.

To illustrate why, Dutta cites innovative research on the disk drive industry Clayton Christensen did in the mid-1990s. A Harvard Business School professor, Christensen is widely regarded as a foremost authority on disruptive innovation and the author of *The Innovator’s Dilemma*, named by *The Economist* in 2011 as one of the six most important books about business ever written.

“What Christensen discovered was that each time there was technology disruption in the disk drive industry, leadership always shifted,” says Dutta. “The company that was the industry leader in the older generation of disk drives never became the leader in the new generation. These leaders had a very hard time dealing with technology disruptions.

“This is something you see repeatedly, partly because leaders don’t necessarily have the vision or the ambition to predict what’s going to happen in the future. Even if they could predict, they don’t have the courage to take the right steps, because often it implies cannibalizing or destroying current successes.”

The inertia inherent in their current success carries leaders in a direction that prevents them from investing in technology disruption and adequately preparing for the future, notes Dutta. “It’s hard because it’s very emotional,” he says. “It’s hard for people to think that what has made them successful today may not be the answer tomorrow.”

In companies that deal with disruption more effectively, leadership is more open to change, Dutta says. They recognize that often, innovation happens outside, often in small startups. “Cisco, a company that has managed through a number of technology transitions, is very good at monitoring what is happening out there in industry and identifying the interesting startups that are doing extraordinary work,” he says.

// **STAY TUNED,
EXECUTE QUICKLY AND WELL, AND PIVOT**

"Things are speeding up — in fact, it feels like every year it's getting faster," says **Sarah Brubacher McDonald, MBA '99**, global head of university recruiting at eBay, where she was formerly chief of staff to the president. "You need to be in tune with everything going on out on the Web, because consumers are not just influenced by your competitors; consumers are influenced by all of their online experiences. So you need to be aware of the really cool, trending innovations out there." What's trending on Twitter? On Airbnb? What small, nascent companies are cropping up? And because of all that, what expectations do consumers have?

"Once you think you know where the market is going, you need to execute quickly and well," says McDonald. "But still maintain the ability to pivot. Speed and flexibility are key. My focus is: 'How can we improve our execution, ensure our customers have the best checkout experience, do it in innovative and engaging ways, make it fun, make it a destination they keep them coming back to, delight them?'"

Creating your own feed at eBay is a recent innovation designed to delight in just this way: You tell eBay what you're interested in, and it populates a page ("My Feed") with items that match your interests. Building on this, last October eBay launched Collections, enabling users to create collections of items they think are fun or beautiful or quirky — you define it. "As someone passionate about Cornell, for instance, I can use my feed to find items all about Cornell and create a Cornell collection," says McDonald. "Then other people who are also interested or who think I have terrific taste can



choose to follow me and look at collections I'm creating. "It's eBay marrying commerce with engagement and inspiration and making it fun."

To turn up the fun and increase awareness of the new feature, eBay asked cultural movers and shakers to create their own Collections — ranging from New York designers to Pharrell Williams, who soared in popularity after he sang "Happy" at the Oscars. "eBay was new to him, and he's obsessed with it now — which we just love," says McDonald. Within a few months of launch, eBay users had created more than one million Collections. "It resonates with people," McDonald says. "Women browse and engage in commerce as entertainment. It also appeals to younger people who look for engagement and want to be inspired and influenced by other websites."

// **THE GREAT CONVERGENCE**

The combination of rising accessibility and lower costs are key factors driving information technologies to destabilize and transform a wide swath of industries.

"Startup costs have diminished dramatically," says Gal. "Twenty years ago, I had to spend half a million dollars to buy servers for a new company. My last business had no servers — everything was rented by the month in the cloud."

Herrell, who has helped to build four companies — two that went public and two that were acquired — agrees. "Digitization eliminates constraints — just as the industrial revolution did. Every day, starting a new business is getting faster, better, and cheaper. Today, cloud computing is a utility. If you want to start a new business, you go to Amazon or another cloud provider. You can pay monthly to rent as much [server space] as you need."

As people gain facility and familiarity with new technologies, what they expect also plays a significant role in accelerating change; this is the social expectation revolution Dutta speaks of. "In many ways, customers and society are leading this change in behavior," says Dutta. "Customers' expectations are changing, they see and react to the possibilities, and often they expect businesses and governments to change at a pace faster than those organizations are able to handle."

// **SKILLS FOR SUCCESS IN THE DIGITAL AGE**

How can leaders — and aspiring leaders — prepare for success in the digital economy? Some MBA basics, such as finance, accounting, and management and leadership skills, are still essential and translate across both traditional and digital economies.

"The core challenges of leading — earning trust, motivating others — aren't that different," says Jim Detert, associate professor of management and organizations. They are essential to effectively implement change,

and as Dutta notes, “In most business transformation projects, you’re looking at significant steps and changes in organizational mission, structure, and processes. Implementing that change can be quite a difficult and involved process.”

You also need to be able to work collaboratively across disciplines to implement change, says Dutta. “If you’re not able to work with colleagues in different disciplines, you won’t be able to succeed in working in multifunctional teams to bring about change.”

Given the increased transparency inherent in the digital age, “leaders need to be better communicators than ever before,” Detert says. “You can’t hide things. Assume that any crisis will leak out. The margin of error for doing unethical things has shrunk. So you have to be clear and articulate about your vision, mission, and values. Every decision will be scrutinized; your words and even your facial expressions will be micro-analyzed. You need to be courageous in the face of that scrutiny, but you also need to be self-aware, to seek and take feedback well, and then to learn and adjust.”

LEADERSHIP IN THE DIGITAL ECONOMY REQUIRES A HOST OF NEW SKILLS AS WELL:

» Deep technological expertise

“People need to have a relatively sophisticated knowledge about what new trends in technology are out there,” says Dutta.

“You really need to understand the potential of these new technologies,” agrees Huttenlocher. “They’re so new and changing so quickly that if you don’t understand their potential, you’re always going to be playing catch-up. You’re always going to be trailing; you’re not going to be leading.”

“If you look at the biotech and pharma industry over the last 50 years, the senior leadership pretty much tends to have PhDs in pharmaceutical science or in chemistry,” Huttenlocher says. “These are leaders with deep science backgrounds who also have business skills.” Tech leaders are following the same pattern. “In tech, we’re starting to see that the people who lead have deep technology expertise. Look at Google, where Eric Schmidt, Larry Page, and Sergey Brin either have PhDs or almost got PhDs in computer science. Mark Zuckerberg may be a college dropout, but he’s deeply technical. So the people leading in this industry have real technical know-how. And they have business skills, too. It’s not just about being a technologist by any means. But it’s tough to lead in an information age if you don’t know anything about the technologies underlying that transformation, because it’s all happening so quickly.”

» Creativity and an ability to envision products that make sense

“In a digital economy, because the focus is on transformation and on trying to think about new, innovative business models, creative thinking and design thinking are very important, new skills,” says Dutta.

// HOW FAST IS THE WORLD CHANGING?



We are blowing through technology at super-logarithmic rates. Taking digital storage as an example, we’ve quickly moved from megabytes to gigabytes to terabytes — from a million to a billion to a trillion. To put that in context: a million seconds

equals 12 days; a billion seconds equals 32 years; and a trillion seconds equals 32,000 years. It’s very difficult to understand how quickly things are compounding. A smartphone today has more computing power than the computers that were used to put man on the moon.

— Kelly Herrell, MBA '90

Leaders need to be able to “envision a future that is new and visionary and ahead of its time but at the same time is informed by a reality in what’s technically possible,” says Huttenlocher. “If you envision a future that nobody can build, you won’t have a business. If you hew too closely to what’s happening today, you’ll always be a follower, and it’s going to be hard to really gain share. It comes back to having enough technological know-how and insight.”

“In the information world, almost anything you can imagine, you can build,” Huttenlocher continues. “And so that makes the process of envisioning products and services that really make sense all the more crucial.”

Huttenlocher refers to the iPhone as a perfect example of a visionary product that really changed people’s sense of what



Technology has democratized the world. The places where valuable insights can come from in a digital world are much broader than where they come from in an analog world.”

— Howard Spira, MBA '86, chief technology officer for the Office of Financial Stability at the United States Treasury

WHAT DOES IT TAKE TO LEAD IN THE NEW digital economy

they need: “Nobody had a need for an iPhone; there were smartphones with keyboards that were basically the miniature computers of the age.” Likewise for GPS units: “Today, you couldn’t imagine going someplace without an online map that would help you get there. Even a short time ago, these things were novelties, and suddenly we depend on them every day. The whole pace of innovation is so rapid, and the ability to envision new kinds of things is so great, that it’s a fundamentally different world.”

» A willingness to test, learn, and act fast

“In the digital world, advantage is fleeting,” says Herrell. “You have to learn fast and act fast. Cycle times are a tiny fraction of what they were; leadership feedback is in real time.” To that end, Herrell is an advocate of a principle called the OODA Loop. “It came out of military strategy,” he says. “It means: Observe, Orient, Decide, Act. Over and over again. If you can get the organization in a really tight OODA loop, the organization itself starts to become a competitive weapon. You’ll get inside the competitor’s cycle time and outperform them. Successful companies in the digital age execute an incredibly fast cycle.”

“You have to be very data-focused, take on a more entrepreneurial focus to projects, be willing to experiment, to fail quickly, and to make changes,” says Gordon Haff, MBA ’86, senior cloud strategy marketing and evangelism manager at Red Hat, a provider of commercial open-source software. “Be nimble and know your customer; the digital age is an amplifier for the importance of this.”

McDonald shares an example that highlights eBay’s ability to learn and act fast on new data. “Like many companies, eBay started a ‘mobile’ division to adapt our website and the features associated with it to a mobile experience,” she says. “Very quickly, consumers started using the mobile app more than they were using the website — which meant we needed to start innovating in a ‘mobile first’ approach: Create the features to meet the needs of mobile users first, and then adapt it to the website (the opposite of what we had been doing previously). In fact, from an expansion standpoint, if you think about where our consumers will come from in the future — we will see a huge surge in consumers from the BRIC countries (Brazil, Russia, India, China) — many of them won’t interface with eBay on a computer first, but via their mobile phones. So it is critical that we enable and innovate on mobile devices first. Now we are evolving our organization to integrate the mobile team into all of the other product teams so that we are developing both website and mobile at the same time.”

» Keen curiosity

“You’ve got to have an insatiable need to be curious to be a successful leader in the digital economy,” says Spira. “It’s got to be part of your fabric. The people I look up to most are incredibly driven, resourceful,

creative, willing to experiment and fail and move forward.”

In hiring, Spira looks for people who are lifelong learners, people who are bright, smart, and capable of becoming engaged. “I’m always looking for an element of ‘plays nice with others,’” he adds, “but also a bit of a rebel. I want that because part of my job, my professional role, is to be on that leading edge of change.”

» Courage to take risks and question your assumptions

“Being safe can be risky in this world,” says Spira. “To lead in this dynamic environment requires the courage to deal with unknowns and ambiguities, to fail and pick up and move forward, and do it rapidly.” Spira advocates DYOB (destroy your own business) thinking. (DYOB is a creative destruction exercise GE came up with under Jack Welch more than 10 years ago.) “If you don’t, someone else will,” Spira says. “What you come up with can be interesting.”

“Take the blinders off,” advises Herrell. “Have long, honest conversations about basic premises you hold as incontrovertible beliefs. Ask: ‘What am I assuming in our current business model? How are those assumptions being challenged?’ All it takes is one attacker to show those beliefs weren’t incontrovertible at all. Take the insurance industry — did they assume every customer had to be engaged by another human? Look at Esurance: Now you can get the quote you need as fast as you want.”

» An open mind

Hire innovative people who have a different way of looking at things, advises Sattar. “You have to hire the right people to ask the right questions and come up with the right answers.” And you need to create an environment that values new thinking and new ideas.

The right people can come from surprising places, says Sattar. He tells the story of a clerical worker who was not well educated, but who had a real passion for learning. This young man was given access to the Internet, and over a period of several months, he researched, learned, and solved a problem for the company. “The point is that the commitment on this guy’s part was so strong, he was so interested to educate himself, that he could



“The digital economy is continuing to change the physical economy.”
— Steven Gal





// BEAUTYBOOKED: A LEAN STARTUP



Ritika Gill, MBA '08,
co-founder, BeautyBooked
[www.beautybooked.com]

The “lean startup” approach to entrepreneurship, popularized by Eric Ries in his book by that name and widely adopted and practiced by countless startups today, is clearly a product of the digital economy that could not have emerged or exist without it.

BeautyBooked, a booking platform for top salons and spas co-founded by **Ritika Gill, MBA '08**, is gaining traction and scaling up quickly and provides

a good example that illustrates the stages of development involved in getting a lean startup off the ground.

THE VISION. Gill and a fellow brand manager at L’Oreal, Hillary Hutcheson, got frustrated that they “couldn’t book beauty appointments online, despite being able to manage all other areas of our lives that way — restaurant reservations, travel, and even doctors’ appointments,” says Gill. “We felt there had to be a better way.” They imagined and decided to create a robust and trustworthy platform for booking appointments in real time, 24/7.

THE RESEARCH. Gill and Hutcheson conducted interviews with several hundred consumers and confirmed that women are “frustrated with playing phone tag with a receptionist at a salon, or having to call to book a bikini wax at work from an open office environment.” They conducted in-depth interviews with salon and spa owners and managers to learn about the business challenges they faced. Now they had the information they needed to create a minimum viable product.

THE MINIMUM VIABLE PRODUCT. “Any minimum viable product would have to feature salons and spas

with our seal of approval and also be able to seamlessly interact with their calendars,” says Gill. Easier said than done. “Some salons and spas use pen and paper to manage their calendars,” she says. “Others use very advanced software systems. We needed to be able to develop a technology that would be ‘schedule agnostic’ and be able to work with any of the systems they were using.”

Having learned that women are overwhelmed with trying to figure out which salons to try, and that they didn’t trust the reviews on Yelp and other sources, “it was really important for us to bring a high level of curation to our site,” says Gill. That’s why every salon and spa BeautyBooked features is vetted in person by somebody on the BeautyBooked team and is a place they would recommend to friends.

THE BETA TESTING. After initial testing by friends and family members, BeautyBooked recruited beta testers using personal and professional networks and soon received inbound requests for membership. “We were careful not to allow too much traffic onto the site because we wanted to make sure the technology was really fit and stable before doing that,” says Gill. She was delighted to find that early adopters were so willing to provide feedback and share perspectives. “They use your site despite bugs because they see the value. That’s extremely important early on.”

THE SCALE-UP. BeautyBooked launched in New York City in 2012, in Dallas and Los Angeles this March. They’re getting ready to launch in several other cities, including Houston, San Francisco, Miami, Chicago, and more. Gill laughs when asked about the kind of time she spends on her startup. “I am constantly plugged in, but that’s because I don’t want to miss a beat.” she says. “When it’s your own, you work crazy hours, because you want to move fast.” At the same time, “It’s exhilarating. It feels great to build something from the ground up — it’s just amazing to see it come to life in front of you.

do it,” says Sattar. “The best thing was to provide him the opportunity to do that. This is one of the good things about what’s happening: If you have interest, it’s now possible to have equal opportunity.”

» Confidence and decisiveness in the face of uncertainty

“One of the hallmarks of the information economy is very, very rapid change,” says Huttenlocher. Because things are changing so quickly, sometimes you have to make a decision in the absence of solid

information. “In the information economy, you can’t always do all the studies that you want to do before you make a decision. So reasoning and managing in uncertainty is an incredibly important part of things.”

// IMPACT OF THE DIGITAL ECONOMY

Experts on the digital economy — those who study it, live it, and write about it — say we can expect to see numerous industry disruptions as we get deeper into the digital age. The impacts on society and on everyday life will be significant.

// RELATED READING

The experts interviewed for this story recommended the following books and articles about the digital economy:

“Why the Lean Start-Up Changes Everything,” by Steve Blank. *Harvard Business Review*, May 2013.

The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies, by Erik Brynjolfsson and Andrew McAfee (2014).

The Innovator’s Dilemma, by Clayton Christensen (1997)

The Lean Startup: How Today’s Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses, by Eric Ries (2011)

The Digital Economy: Promise and Peril in the Age of Networked Intelligence, by Don Tapscott (1996). “The term ‘digital economy’ was first coined in Don Tapscott’s 1996 best seller,” says Steve Gal. “It was among the first books to show how the Internet would change the way we do business.”

Consumption Economics: The New Rules of Tech, by J.B. Wood, Todd Hewlin, and Thomas Lah (2011). “Everything is turning into a consumption economics model: Pay as you go,” says Kelly Herrell. “Whether you’re in the cloud or brick and mortar, vast amounts of data are being collected and utilized to transform industries.”

“There are some utopian views that technology improves everything, and there are dystopian views that nobody will have jobs,” says Huttenlocher, who doesn’t see either extreme as very realistic. Still, he believes we will see huge changes and big dislocations for many years. “We are already seeing destabilization in whole sectors of business that employ a lot of people today,” he says. The best hedge, as he sees it, is to be well educated and flexible.

Gal believes that the current trend — wealth created by fewer people with more power — will continue. “Where a worker’s skill is highly valued, the benefits of the digital economy are tremendous,” he says. “Where value is low, workers are continuing to get squeezed. Middle management as a class is disappearing.”

Health care and education are two of the industries that will be most affected in the next 20 years, Gal says, because they are most in need of this kind of change. “Higher ed, broadly, is in crisis now,” he says. “The business models for thousands of colleges and universities are broken. The popular press reflects the question that so many are asking: Is a college education worth it? How do we measure its value?”

“In the next decade, as many as 1,000 universities may go out of business in this country,” continues Gal. “Many of these are already losing money at their current net tuition rate and are unable to maintain enrollment with fewer students starting college each year,” he says. “Students will navigate to the best, and those that innovate will succeed.” Gal also believes that Cornell University and schools at its level will become that much more elite and competitive — as acceptance rates now show — because of the absolute value they offer. Cornell has the resources to lead ambitious innovation in higher ed, as evidenced by the launch of Cornell NYC Tech.

Everyone, and leaders especially, can expect the boundaries between work and personal life to continue to blur — something Herrell calls a blended existence. “Your smartphone is your standard interface to work and life,” he says. “You’re always available. You get a text in the middle of the night from Japan, and you respond right away, because if you don’t respond, you hold up the process. You don’t check in at 8 and leave at 5. There’s no such thing as a bounded work day: You go home, have dinner, get your family set, and get back online.”

What’s the upside? Many find the interconnectedness and immediacy invigorating, exhilarating even. “It’s fun, vibrant, palpable,” Herrell says. “The human condition likes rapid feedback; cognitive processes really like that. You have the ability to perform and create and deliver faster, and in the capitalistic world that’s a positive feedback cycle. You feel more like you’re part of a community than a cog in the wheel. It jazzes you, especially if you went to business school and you’re suited to that kind of pursuit.”



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John Smith, MBA '74, and his wife, Dyan, believe education is key to founding and fostering family businesses across generations.

By Shannon Dortch

Cornell University and its graduate business school made a big difference for John Smith, MBA '74, and perhaps an even bigger difference for the family business, to which he returned after earning his MBA. For while Smith was studying at the then Graduate School of Business and Public Administration (BPA), he became convinced that federal deregulation of his family's freight trucking business was inevitable.

"You have no concept of what the competitive pressures are going to bring on your business in deregulation," said Smith. "I met the right professors at Cornell, who convinced me that this was going to happen, and we'd better be prepared."

Education and the preparation it inspired paid off, and today, CRST International of Cedar Rapids, Iowa, is among the ten largest U.S. truckload concerns. And of equal importance, the company remains a family business. Their wish for family businesses of all kinds to be owned and operated by subsequent generations moved the Smiths to make a \$10 million gift to Johnson to found the John and Dyan Smith Family Business Initiative.

"It is in the best interest of family businesses and the country for these businesses to be carried on for many generations," said Smith. "With a focus on

John Smith, MBA '74, and his wife, Dyan Smith, made a \$10 million gift to Johnson to found the John and Dyan Smith Family Business Initiative. John is chairman of the board of CRST, one of the largest privately held transportation companies in the United States.

family businesses

family businesses at Johnson, good research will be conducted, educational seminars will address the unique needs of family businesses, and prospective students will be drawn to Johnson because of the family business expertise on campus.”

“One of the main reasons we are moving forward with CRST remaining within our

“Family businesses are the most common type of business on the earth, particularly in developing countries,” Sine said. “The greater the extent to which we help family businesses across the globe be more successful, the greater our relevance and the larger our impact.”

Recognizing that family businesses are the foundation of economic growth worldwide,

down; seeing how the pieces fit together and where we should be going.”

Bringing the next generation into the family business was critically important to the Smiths, as it is for most families in business together. Yet there are many obstacles to be overcome. Infighting and misunderstandings can overwhelm a business, the Smiths said. Divisive issues are often emotional rather than business related.

“Whom do you go to for help in addressing these problems and proceeding into the future? Where do you go for information on starting a family business and keeping your children in it?” said Dyan Smith. “We hope Cornell will flourish in being the source for family businesses.”

The Smith Family Business Initiative will be housed in Johnson’s Entrepreneurship and Innovation Institute and will fund three key additions to the institute:

- The John and Dyan Smith Professorship of Management and Family Business, who will serve as the initiative’s lead faculty member
- The Smith Family Clinical Professorship of Management, who will serve as director of the initiative
- The Smith Family Research, Program, and Faculty Support Fund, which will support a number of activities, including course offerings, student and alumni programming, marketing and outreach, presentations by visiting executive speakers, and faculty recruitment

family is because of education,” added Dyan Smith. “The initiative is the next step to putting Johnson in the forefront of family business management.”

The Smith’s son Ian, currently earning his MBA at Johnson, is among many students from family businesses who have joined Johnson over the past several decades — a trend that Soumitra Dutta, the Anne and Elmer Lindseth Dean, expects to continue.

“With the Smiths’ generous gift, we can now put in place a systematic program to help prepare students for starting, scaling, and managing a family business,” Dutta said. “The Smith Family Business Initiative will have a profound and lasting impact on family business and graduate business education at Johnson and Cornell.”

The Smith Family Business Initiative is likely to be a game-changer for Johnson and for Cornell, both in the U.S. and the world, said Wesley Sine, faculty director of Johnson’s Entrepreneurship and Innovation Institute.

Johnson is moving forward quickly with both research and new and innovative curriculum specific to them. Sine is currently developing the Smith Family Business Initiatives’ first two programs — a course that will focus on the benefits and challenges that are specific to family businesses; and the Smith Family Distinguished Family Business Lecture Series, which will bring executives from the world’s most successful family businesses to the Cornell campus.

Ian Smith, MBA ’14, will likely graduate before the Smith Family Business Initiative is in full swing. That doesn’t concern his parents, though, who already see how Ian’s Cornell graduate education will help advance CRST International. Ian plans to join the board of directors of the company immediately upon graduation and immerse himself in learning all aspects of the family trucking business.

“Ian has a very strong background in finance and strategy,” said Dyan Smith. “He likes to figure out the best way for the company and family to grow and change in the future,” — what John Smith calls “up at 20,000 feet looking

“With a focus on family businesses at Johnson, good research will be conducted, educational seminars will address the unique needs of family businesses, and prospective students will be drawn to Johnson because of the family business expertise on campus.”

— JOHN SMITH, MBA ’74

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

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Mail us at Alumni Affairs, Johnson at Cornell University, 235 Sage Hall, Ithaca, NY 14850

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

(E) denotes a graduate of the Executive MBA program

(CQ) denotes a graduate of the Cornell-Queen's Executive MBA program

THE 1950s

CLASS OF 1949

Joe Quade is "winding up a five-year retirement after a 60-year work career. After two years at Johnson, I spent the first 35 years in management at the Prudential Insurance Company ... followed by 25 years with the local high school, primarily in administration. At the same time, I operated my own military veterans travel business, which took us to 24 countries, including Russia, China, Australia, and Japan. Last year the French government honored me with the French Legion of Honor medal for the part I played as a paratrooper in the liberation of France during World War II. I have had a good life."

THE 1960s

CLASS OF 1964

Bob Strahota '62 is looking forward to seeing fellow classmates at the Class of 1964's 50th Reunion this June. Bob reports that he has retired twice: first, after 19 years in private

practice specializing in securities law with Kirkland & Ellis LLP (1972–1990), and later from the U.S. Securities and Exchange Commission's Office of International Affairs, where he headed the SEC's technical assistance program for emerging securities markets (1993–2005). Since 2005, Bob has continued to provide securities regulation and corporate governance consulting services for a number of developing countries, including Serbia, Ukraine, and Vietnam. Bob and his wife, Anne, live in Chevy Chase, Md.

THE 1970s

CLASS OF 1970

Jack Ferraro received the 2013 Samuel C. Johnson Distinguished



Service Award. Jack spearheaded Johnson's first informal alumni association in New

York City in the early 1990s. He served 20 years on Johnson's Advisory Council and is a longtime supporter of the Parker Center for Investment Research, serving on its advisory board and on the board of the Cayuga MBA Fund. The MBA Stock Pitch Challenge trophy bears his name. He is also a member of the Cornell University Council.

CLASS OF 1974

De Verges Booker Jones received the 2013 Wilbur Parker



Distinguished Alumni Award. In his 40-year career in global branding and marketing, he launched diverse products ranging from Clairol hair coloring to Pedigree puppy food. In marketing these brands, he followed two basic principles: never underestimate the value of consumer insights, and the more time you spend on strategy development, the more successful the product

will be. Throughout his career, he has made time to mentor Johnson students as a member of the Marketing Executive One-on-One Coaching Program.

CLASS OF 1976

Ira Janowitz, MPS '76, says, "I'm now a half-time ergonom-



ics consultant and a half-time grandpa! Last year I retired as ergonomics program manager at the Lawrence Berkeley National Laboratory, but I'm still teaching at UC Berkeley and doing some expert witness work." Ira and his wife, Gayle, live in Pleasant Hill, Calif.

Barbara Hanna says, "I ended my small-town political career, having served almost 14 years on the Banning [Calif.] City Council. That gave me the time to apply for a position with Community Settlement in Riverside. The Settlement House organized in 1911 and serves one of the

poorest neighborhoods in Riverside, Calif.”

THE 1980s

CLASS OF 1980

Irene Rosenfeld '75, MS '77, PhD '80, CEO of Mondelez



International, received the 2013 L. Joseph Thomas Leadership Award. On receiving the award, she shared her “Tips to the Top”: make a difference, take risks (“you can’t steal second base if you’re firmly on first”), ask for what you want, and be your best self at all times.

CLASS OF 1983

Hernan Mendez is president of Procafecol, a company created by the Columbian Coffee Growers Federation to commercialize the Juan Valdez brand. He was quoted in a *Wall Street Journal* article, “Juan Valdez Plans a New Challenge to Starbucks: Columbian Growers Group to Open Cafes Around the World” (Dec. 19, 2013), saying, “Juan Valdez is a widely recognized image, and we wanted to leverage that brand.”

CLASS OF 1984

John Dragoon is EVP and CMO of Houghton Mifflin Harcourt, a publisher and provider of pre-K–12 educational solutions. He leads the firm’s product management, and product, field, corporate, and consumer marketing operations. He was profiled in an interview in *Marketing Land* (Dec. 30, 2013).

Christian Terlinden was appointed CEO of Banimmo, a real estate company active in Belgium, France, and Luxembourg that specializes in repositioning and redevelopment. The company acquires buildings that have a high potential for redevelopment in order to resell them after transformation.

CLASS OF 1985

William Restrepo '80 was appointed CFO of Nabors Industries Ltd., an oil, natural gas, and geothermal drilling contractor based in Bermuda.

CLASS OF 1986

Randy Brown '84, MEng '85 is managing director and co-head of Deutsche Asset & Wealth Management, Greenwich, Conn. He was featured in a CNBC video interview (Jan. 9, 2014). He said, “Europe is starting to repeat itself,” and offered top sector picks, including consumer discretionary, industrials, and financial services.

Sudi Mariappa '82 rejoined PIMCO as managing director and generalist portfolio manager.

CLASS OF 1988

Solange Charas received her PhD in February from Case Western Reserve University. Her dissertation title is: *Does Upper Echelons Team Dynamic Matter? The Criticality of Executive Team Behavior in Economic Value Creation*.

CLASS OF 1989

Cheryl Casey is VP and co-owner of her family business, the Country House Resort, in Sister Bay, Wis. Her responsibilities include marketing and media, “the most interesting aspect being management of our TripAdvisor presence.” Cheryl and her husband, Brian, live in Greenville, Wis., about 100 miles from the resort, with “our only children ... four-legged ... two dogs, two horses, and two barn cats.”

THE 1990s

CLASS OF 1990

Paul Fehlman was appointed SVP of finance, CFO, and secretary of AZZ, a provider of electrical products and services and of galvanizing services based in Fort Worth, Texas.

CLASS OF 1993

Sachin Gupta, PhD '93, stepped down from a three-year term as associate dean of academic affairs to resume his roles as Henrietta Johnson Louis Professor of Management and professor of marketing. His research has made a deep impact in the marketing world, and he has been recognized as a masterful teacher. He says, “I like the

idea that I can do both, and do them well.”

CLASS OF 1994

Todd Browne retired from the U.S. Army as a colonel after 28 years of service. He is now the CEO of the West Point Association of Graduates.

Scott Nelson is chief technology officer at Logic PD, an industrial design and product development company based in Minneapolis, Minn. He and the company’s VP of marketing have teamed up with Aurora WDC to present a webinar on the Strategy Canvas tool, which provides a prescriptive map of a value chain.

CLASS OF 1995

Jon Burckin was appointed director of business development at HRI Lodging in New Orleans, La.

CLASS OF 1997

Tammy Van Dange was appointed CEO of RSPCA ACT (Canberra, Australia), an organization dedicated to preventing cruelty and inhumane treatment of animals, educating and engaging the community, and operating facilities for the care and protection of animals.

CLASS OF 1999

Brad Adams does tech M&A with TM Capital, working with middle-market clients. He says his deal work has taken him to some interesting places around the world, including Bangkok and Tokyo. Brad’s children, Danielle, 9, Cameron, 6, and Brooke, 6, are growing up quickly. “We went apple picking,

Wendy Mishkin Mayer '92, MBA '94

LEADING INNOVATION

at Pfizer



Wendy Mishkin Mayer '92, MBA '94, VP, worldwide innovation, Pfizer

market analytics after 13 years to try two new projects in 2011: developing a quality management system for clinical trials and managing Pfizer's primary care business for the state of Connecticut.

Working in those positions gave her the confidence to take on other challenges and strengthened her candidacy for managing innovation across Pfizer. "I had to prove to myself that I wasn't good at only one thing," says Mayer, who lives in Rye Brook, N.Y. "If I had aspirations to do more, I had to believe that I had the capability to do it."

How do you encourage innovation in a global pharmaceutical corporation with nearly 80,000 employees? That was the challenge Wendy Mishkin Mayer faced when she became vice president for worldwide innovation at Pfizer two years ago.

The initiative she leads, Dare to Try, is aimed at improving the company's operations and services — taking innovation beyond the discovery and development of new drugs. At Pfizer, Mayer says that could mean anything from experimenting with new marketing strategies to optimizing clinical trials.

"We recognize that we can't keep doing things the way we've done them in the past, because markets change very quickly, and things change internally as well," Mayer says. "We need to keep pace with our customer expectations and the new technology around us."

A major focus of the initiative is encouraging employees to experiment with new ideas. An example of this approach, Mayer says, was a campaign to try to raise physician awareness of a new vaccine Pfizer had developed to prevent pneumococcal pneumonia in adults over 50. To help physicians understand the value of the vaccine, Pfizer offered vaccinations to the physicians themselves at medical conferences in Spain.

"It was very successful, and now they're looking to scale it up elsewhere in Europe," Mayer says. "This is what our approach is — we start small and scale up fast."

Another strategy is launching an "open innovation capability" that will enable the company to regularly tap into outside networks that could offer solutions to business problems. Mayer says the company has already been meeting with administrators at Cornell NYC Tech to invite the graduate students to apply their skills to business challenges at Pfizer.

Mayer understands what it means to take risks; she did just that when she left

— SHERRIE NEGREA

and Cameron has decided to start a business — selling apples. Should look great on his Cornell application someday."

THE
2000s

CLASS OF 2000

Sergei Likharev was appointed acting VP for logistics at NLMK Group, Russia's leading manufacturer of steel and high-

value-added rolled products. His foremost priority is to fine-tune operations and the cost-effectiveness of logistics.

Angela Mwanza is SVP at UBS Private Wealth Management in New York City. She says that her volunteer work at several charitable organizations not only fulfills her passion to make a difference, but also helps her to advise her clients on achieving

impact based on their values and goals: "For people who have built and sold companies, once they have provided for their families, the next chapter is often to leverage their wealth for the greater good."

CLASS OF 2001

Jose Emmanuel "Jimbo" P. Reverente took his oath of office as undersecretary in the Depart-



ment of Finance, Republic of the Philippines, administered by Finance Secretary Cesar V. Purisima, Feb. 21.

Benjamin W. Wood, MBA '99

TURNING AROUND ROPER'S scientific imaging

When Ben Wood became vice president of Scientific and Industrial Imaging at Roper Industries in 2002, the division was underperforming. Sales were in decline, manufacturing costs were too high, and the research and development cycle had stretched to nearly three years.

Roper's researchers wanted to "make great products and great science," Wood says. "What I wanted them to do was make a great business."

Wood began the process of turning the division around with a financial analysis to calculate the value of its products, followed by a focus on those that could be commercialized profitably. "We went through all our products and figured out which things were making money and which things weren't making money," Wood says. "We invested in the things that were making money and stopped doing the things that weren't." As a result, the imaging division, which manufactures primarily in the U.S., Canada, and England, reduced its working capital by 50 percent, while the research and development process shrank to ten months.

What resulted was a leaner, more profitable enterprise that has churned out such products as the newly released K2 camera, which has the ability to photograph single-electron events. The \$600,000 camera is used in biology research in areas ranging from genomics to brain synapses.

In 2012, Roper produced IsoPlane, a next-generation imaging spectrograph, which won a Prism award last year. An instrument that measures multispectral channels of light, the IsoPlane has applications in the natural gas industry, physics research, and biomedical imaging.

"The reason that these products are growing so quickly and are so valuable is that they have wide applications," Wood says.

In addition to the imaging division, Wood is responsible for developing business opportunities for Roper in Asia. This summer, the company will open an office in India set up to provide professional startup services to the 36 companies within Roper's portfolio. Based on a "hotel" model Roper developed in Shanghai and Singapore, subsidiary businesses can move into the facility in Mumbai without signing a long-term agreement.

"All they have to do is show up and pay rent on the building," Wood says. "If it works out, they grow; and if it doesn't, they check out and another business moves in. That's why we call it a hotel — companies can check in and check out."

— SHERRIE NEGREA



Ben Wood, MBA '99, speaking at a seminar sponsored by Roper Industries in China in 2013

CLASS OF 2003

James Edwards '96, an Ernst & Young Entrepreneur of the Year 2013 finalist, began his post-MBA career in investment banking: "not a natural fit," but "knowing that I wanted to be an entrepreneur ... I spent a lot of time learning finance and accounting ... I didn't want the finance guy to pull the wool over my eyes." In 2006 he became

CEO of Emergent Medical Associates, which provides emergency care and episodic care management services to patients, communities, physician groups, and hospitals throughout Southern California.

Alex Hagen is president of Weaver Wind Industry. He was named Entrepreneur of the Week by Launch N.Y., a nonprofit venture development organization

with a mission to create jobs by providing guidance, mentoring, and investments to emerging companies in Upstate New York.

Shelley Saxena, is founder of Sevamob, a for-profit venture in India offering affordable health-care services in low-income communities with limited access to traditional medical care. For a monthly subscription of \$1.60, the company offers preventive

care and regular checkups, delivered to clients' doorsteps. Shelley was quoted in an article, "Health Care by Subscription in India" (*Next Billion*, Jan. 24, 2014).

CLASS OF 2004

Erica Laudon and her mother, Jane Laudon, have launched ModernWeddingMom.com as a "one-stop-shop for all the latest wedding preparation advice on

fashion, etiquette, budgeting, and planning.”

CLASS OF 2006

Adam Hocherman '97 is founder of American Innovative. In an article in *Forbes* (Feb. 28, 2013), Adam told the story of his startup, including how he financed it and found manufacturers in China.

Tom Richer (E) is chief sales and marketing officer at CRA, an IT managed solutions firm. Tom hopes to “help drive CRA’s solutions portfolio and messages out to the marketplace, while elevating CRA’s visibility as an IT industry leader.”

Kenyattah A. Robinson received the 2013 Robert J.



Swieringa Young Alumni Service Award. He is VP, public institutions team, at Jones Lang LaSalle, a real estate and investment management firm. His team helps public organizations manage their real property assets. He finds it gratifying to help create “tangible value for organizations whose interests may not always be tied to monetary incentives and whose stakeholders include everyday public citizens ... trying to get basic services so they can live a decent quality of life.”

CLASS OF 2007

Philip Bell was named director of commercial products at the Braun Corporation. Phil is responsible for providing transportation access for wheelchair users in the United States, Europe, Brazil, and China.

Enzo Villani (E) is now teaching as an adjunct professor at Clarkson University. He teaches a venture capital and private equity finance class and a strategy and innovation capstone course for entrepreneurship majors. Villani is also the CEO of Sustain360, an integrated communications company.

CLASS OF 2009

Nad and Joanna Cheng Ajlani '04 keep the small Johnson family ties strong in Singapore and often see **Vicki Chen Liu '10**, her husband, Alex Liu, Hotel '08, **Matt Shear '10**, and **Joel Lyon**. Nad and Joanne have two children, Addison, 3, and Emma, 1, who “are imitating everything we do. Nothing like seeing your (usually bad!) behavior mirrored by your kids!” They traveled with the girls to Perth, Australia, in January.

Roy Ashok and his wife and son welcomed a daughter, Lara Roy, Feb. 1. Roy says, “parenting just increased 10x!”

Kate Capossela left Johnson & Johnson to return to her home state of California and to her longstanding passion for strengthening leadership in the social change sector. She lives in San Francisco and serves on the executive team of rapidly growing social enterprise Playworks,

an Oakland-based national nonprofit that supports learning and physical health by providing safe and inclusive play to low-income students in urban schools.

Michael Chang lives in New York City, where he is “still with Citi, much more work travel, spending time with friends, and enjoying life.”

Vivian Choi and Sunny Lee Kim live in Korea with their two children. Two years ago, Vivian joined Mars Korea Chocolate’s marketing team. She says, “So far, I’m enjoying trying out new things beyond the traditional media, which helps to sustain a healthy learning curve, one big element that continuously engages me in my work.”

Michelle Colban '08 and **Seth Flowerman '08** live on the Upper West Side in New York City. Michelle is a brand manager at Unilever in the foods division, managing the Country Crock brand. She says, “Check out my latest product launch [www.CountryCrockSimplyDelicious.com] for a spread made with simple and real ingredients.” Seth works at PLT Health Solutions.

Matt Dacey has joined CVS Caremark as senior director of retail strategy and analytics. He and his wife, Lisa, have moved to East Greenwich, R.I.

Bethany Diddle married **Michael Swackhamer, MBA '08**, in Princeton, N.J., Oct. 19. Bethany is in marketing communications for SnapOne, a technology company, and also owns and manages her own yoga studio, Shaka Yoga. Michael works in private equity.

Ben Fielding says there is not much new to report, other than to say he and his wife, Lauren, are starting to understand the twins’ babble. The twins, Abby and Becca, 2, “have fallen in love with the soundtrack to *Frozen*; Abby has learned nearly every word to ‘Let it Go,’ while Becca has devoted herself to ‘In Summer.’ Needless to say, Lauren and I are looking for every opportunity we can to accidentally break the *Frozen* CD.” Daughter, Ella, 5, is about to start ice-skating lessons, “so watch out Olympics 2026, Ella’s gunning for you.”

Jeff Gangemi and his wife, Shannon, and toddler daughter, Maya Beatrice, live in Shelburne Vt. Jeff works from home for a Canadian company, TELUS International, doing marketing and communications. Shannon does social work and is keeping her musical dreams alive; she and Jeff collaborated to put together a crowd-funding video to help her finish her first real studio album.

Abbi Hills, MHA '09, lives in San Diego and works at Deloitte, in hospital reporting and finance, and is “loving the combination of California during the week and Colorado (Vail) for the weekend. One aspect of Deloitte that I was not expecting was the opportunity to work with adaptive sports ... helping with strategic planning and grants management for adaptive sport clubs around the country through the U.S. Paralympics ... have also become very involved with the National Sports Center for the Disabled in Denver, including leading the effort to start a new young professionals group

(Future Leaders for NSCD) to help expose the organization to a younger demographic.” Abbi also completed her first Ironman triathlon in September.

Tim Hlavacek married Kate Revington in June. Tim is a VP at Bank of America, and he and Kate live in Boston.

Dan Humphrey says, “Lots of change over the last 18 months. **Liz, MBA ’08**, and I moved from California to Connecticut in 2013, bought a house, and both got new jobs.”

Jeff Johnson, MEng ’05, and **Bethany Caster** report from Boston that Jeff works for Accenture, where he “is just wrapping up a project that took him across three time zones to California each week,” while Bethany joined a hedge fund last year.

Elliot Kadar works in strategy at United Airlines in Chicago. He recently caught up with some classmates, including **Michael Todd, Chris Hadley, Chris Roberts**, and **Danny Hest ’10**, who “coordinated a great Annual Predictions Dinner, which was well attended by local Cornell alumni, including **Kevin Johnson**.

Zahara Kassam has joined WorldOne Interactive, a health-care market research firm, as a marketing director. She lives in New York City.

Ryan Kelley was promoted to general manager of SOCOTA Fabrics, a woven fabric manufacturer that supplies fabric to be transformed into garments designed for the European and South African markets. He says, “not what I envisioned ... but especially following the tragedy in Bangladesh and other countries this past year, we’re flooded with customers and orders looking for a fabric mill that is socially and environmentally integrated into its community. If you see a label in your clothes, ‘Made in Madagascar,’ it’s probably passed through SOCOTA!”

Jasper Kim and his wife welcomed new daughter, Sophia, who joins big sister, Lauren. Jasper says, “I can’t believe I have become the father of two baby girls only five years after graduation.” He works at Citibank Korea in the finance department.

Jisun Kim is a full-time mom on maternity leave, caring for daughters, Kaitlyn, 4, and Yuna, 1. Her husband, Sean, “is doing well working at Kookmin Bank and wonderfully carrying out his duties as a loving daddy.”

Jason Krieger and his family live in Madison, Wis. He enjoys his role at American Express, and his wife, Holly, works as a triage nurse. Their son, Finn, is “growing into a little man. Now that he is starting to talk a bit, we have to watch what we say ... probably best for everyone.”

Peter Marmer works for Walmart in Bentonville, Ark., where he is a director of operations finance. He has taken up running and is training for the Bentonville half marathon.

Karen Martin is a brand manager at Proctor & Gamble in Cincinnati. She says, “my current role is a global assignment that has brought me to all sorts of new places, such as Japan and Chile. I can’t say what I’m working on, but I can’t wait for it to launch!”

Joe Moschella is general counsel at Fuhu, “although am probably going to transition into more of a business development role, as the business is moving fast and furiously ... we were ... #1 on the *Inc. Magazine* and *Forbes* lists over the past six months.” Joe’s wife, Lily, is a pediatric dentist. They live in Los Angeles.

Denise is an underwriter with the World Bank in Washington, D.C. She writes, “since the last notes, I was an honored guest at **Jessie Bao’s** wedding in Montauk after having a wild hen weekend with **Richa Sharma** and **Jessie Bao** in Vegas. I spent some quality time with **Linda Kao** as she showed me her posh hood in Orange County, and I caught up with **Navara Boon-Long** and **Teri Vongruamlarp** in Bangkok over a nice dinner. **Steve Wang** passed through D.C. for work ... and I introduced him to the delights of the World Bank cafeteria.”

Steve Peck re-entered the startup world as a co-founder of Docalytics, which provides a technology for marketing and sales professionals to track exactly how customers interact with downloadable content such as marketing PDFs and sales PowerPoints. He’s already collaborated on projects with fellow Johnson classmates and marketers **Jeffrey Gangemi** and **Alvin Lin**, and is hoping to reconnect with other Johnson alumni to find ways their businesses might benefit from the new platform.

Kristen Rainey says, “I moved to the Bay Area to take a position on the global food team at Google. Fortunately, [classmate] **Katie Rohrer** lives a few miles away.”

Karen Albright Rees is product manager at Towers Watson, a global professional services firm providing risk management and human resource consulting. Karen says the company is “working on using customer smartphones to set car insurance prices ... new in the industry and fun to work on.” She and her husband, Chris, and their daughter live in Naugatuck, Conn.

Katie Rohrer serves as executive director for development at Santa Clara University in Silicon Valley. She and her partner, Jill Eanes, were married in March and are enjoying their return to the Bay Area.

Ben Rollins says he has raised some money and won some big grants from the Department of Defense for his “electronic dog’s nose” technology, Vaporsens [www.vaporsens.com], which is at five employees now. Ben and his wife, Nicole, and children, Luke, 9, Caleb, 7, and Greta, 3, live just outside Salt Lake City.

Keith Romero ’00 says, “After 35 years on this here earth, I have begun regularly blow-drying my hair. It has completely changed my long-term career prospects, height, and gravitas in general.”

Aparna Sharma reports, “We were blessed with a baby boy ... We call him Arjun. People tell me that he looks just like me.”

Daria Sharman ’00 works at USAA as director of a team of “highly engaged professionals who serve as strategic counterparts to each line of business — responsible for shaping multiyear vision and matching business opportunity to member need.” In her spare time, Daria enjoys hiking, biking, Renaissance art, eclectic cuisines, and international travel, and she is training to run her first half marathon at the Epcot Food and Wine Festival. She is also a canine rescue advocate and adoption advisor for the Austin Sheltie Rescue and “spends as much time as possible with her rescued companions,” Nimitz, Buddy, and Bosco.

James “Jamey” Edwards ’96, MBA ’03

MAKING A MARK
in health care



James “Jamey” Edwards ’96, MBA ’03, CEO, Emergent Medical Associates and Language Access Network

It’s a scene that unfolds every day in a hospital somewhere in the United States: A patient arrives in the emergency room, unable to speak English and pounding on his chest. The medical staff doesn’t know whether to treat him for chest pain or a bad case of indigestion.

A company that devised a solution to this dilemma — by engaging on-demand teams of highly qualified interpreters accessible online and on video — was on the verge of closing its doors in 2008 when Jamey Edwards, already CEO of Emergent Medical Associates (EMA) in Manhattan Beach, Calif., took on the role of CEO at Language Access Network (LAN) and led a group of investors to save the company.

Over the next five years, LAN increased the number of hospitals it serves from ten to more than 300 and grew revenue by over 1,000 percent to \$10.2 million. Using a new, tablet-style monitor, LAN now offers video interpretation in 40 languages plus audio interpretation in

more than 220 languages.

“Communication is fundamental to the patient-provider encounter,” Edwards says. “Our system empowers the patient to take more control over their care and simultaneously helps the provider make much more well-educated clinical decisions.”

LAN is not the first health-care company Edwards has helped grow. In 2006, he became CEO of EMA, a leading emergency care and hospitalist management provider that serves patients, communities, physicians, and hospitals in California. He was working as an investment banker at Lehman Brothers when his uncle, Irv Edwards, MD, EMA’s founder, asked him to lead the company. “I jumped at it,” Edwards says. “It was a chance to make my mark in a different way in an industry facing significant challenges.”

After Edwards teamed up with clinical leadership to scale up operations, revenue at EMA grew five-fold to \$85 million last year, while the number of emergency departments the company services more than tripled to 22. For the past two years, EMA has been named one of Modern Healthcare’s Hottest Companies, based on revenue growth.

Honored as a finalist for the Ernst & Young Entrepreneur of the Year in 2013, Edwards has managed a challenging reimbursement environment related to government programs and insurance companies in part by steering its focus toward technology and data. “We invested in collaborative project management, support services, and technologies to make sure everyone is coordinated as the organization gets bigger,” says Edwards. “Our providers have the confidence and knowledge that their practice is being managed effectively,” he says. “As a result, they can focus on doing what they do best: providing the best patient care possible.”

— SHERRIE NEGREA

Lori McMahon, MBA '10

DRIVING SOCIAL CHANGE

around the world

Nearly all mobile phones, computers, and the microprocessors that power them contain some combination of four minerals: gold, tin, tantalum, and tungsten. When Intel Corporation learned that many of these minerals come from mines in the Democratic Republic of Congo that are controlled by armed militias funding violence in the region, it decided to take action so that it was not inadvertently supporting the conflict.

In January, Intel announced that it had achieved a key milestone: The company is now manufacturing the world's first microprocessors validated to be free of these "conflict minerals." Since Intel made that announcement, Lori McMahon has been leading the company's efforts to engage consumer audiences in the conflict minerals issue, helping them learn what's in their electronic devices and educating them about how they can get involved.

Over the past few years, McMahon says, Intel visited more than 70 smelters, which refine raw ore into metals, to verify they were not buying minerals from the militia-controlled mines. Now Intel is entering a new phase of the initiative, focused on helping other companies eliminate conflict minerals from their products and educating the public about the issue.

"Consumers can vote with their pocketbooks," McMahon says. "We don't believe that someone is going to rush out to buy a computer with a conflict-free microprocessor, but the next time they are in market to buy one, they might think about it."

The conflict minerals program is the latest example of how McMahon has dedicated her career to working on sustainability within the corporate world. In her previous position, McMahon managed Intel for Change, an initiative focused on raising awareness of girls' unequal access to education around the world.

Because Millennials are the target audience for Intel for Change, the company selected three college students through a national



Lori McMahon, MBA '10, marketing manager, conflict minerals at Intel, on a trip to Kenya with Intel for Change, with Jackson, a Maasai warrior

competition to serve as "ambassadors" and travel with a team to Kenya, Ecuador, or India. In each country, the students learned how local barriers to education for girls were being addressed and developed ideas for a project on their own college campus that would contribute toward closing this gender gap.

Working on sustainability issues for Intel, based in Santa Clara, Calif., is a dream job for McMahon, who chose sustainability as her immersion at Johnson. "I feel proud that the work I am doing connects the dots between Intel's passion for these issues and a whole generation of inspired young people that have the desire and power to drive change on huge global social issues," she says.

— SHERRIE NEGREA

Javed Singha writes, "Over the past year, I founded a venture capital-backed startup, fieldwire [www.fieldwire.net]. My company went through one of the top incubators in San Francisco, raised capital, built a mobile and Web product that we recently soft-launched as a closed beta,

and we will be on stage at SXSW ... competing to win the title of best new enterprise and big data startup."

Faizan Syed and his wife, Nida, live in Karachi, Pakistan, with their daughter, Adeena, 2. Faizan reports that "Nida has kicked off her career as a doctor, whereas

I switched over from banking to entrepreneurship and am managing a startup health- and wellness-focused TV channel and launching Pakistan's first health-focused Web portal." He also restores vintage cars, "the current being a 1974 Buick Electra."

Liz Sytsma is associate director at CultureWorks, a Philadelphia-based nonprofit management services organization that helps artists and cultural nonprofits with the business and administrative side of things. "It's been fun to see the company more than double in the past two

years and be a part of something meaningful to Philadelphia's cultural sector."

Britta von Oesen says, "Tim and I are still in San Francisco, and I am starting a new position as VP with Reznick Capital Markets, providing financial advisory services to the renewable energy sector."

Jeff Osborn works at Barclays Capital helping their capital markets groups leverage their data to make fact-supported business decisions. He looks forward to coming to Reunion with his wife, Leslie, and "show Ithaca to my daughter, Olive, for the first time."

Vikram Venkatasubramanian joined Imprivata as director of business development. Imprivata is an IT security company based in Lexington, Mass. Vikram is

"learning the complexities of care coordination in health care and ... trying to figure out how to secure communications and patient data within and outside hospitals."

Kris Woolery joined the Seattle-based product strategy and design firm, frog [www.frogdesign.com], as a senior brand strategist working across the U.S. (Seattle, San Francisco, New York City, and Austin studios).

THE 2010s

CLASS OF 2010

Matthew T. Harris was elected a partner at Arnall Golden Gregory LLP, an Atlanta, Ga., law firm. He is in the corporate and securities and real estate practice groups, focusing on the corporate and real estate private equity sector.

CLASS OF 2011

Emmanuel Franjul '05 married Fanny Lora, an operatic soprano, in their hometown of Santo Domingo, Dominican Republic.

Pam Spier '05 is manager and marketing strategy consultant



at Lenati LLC and president of the Johnson Club of Seattle. On behalf of the club, she accepted the **Henry P. Renard '54, MBA '55** Regional Club of the Year Award. Under Pam's leadership, the club has strengthened its alumni engagement by organiz-

ing educational programming featuring Johnson faculty and corporate speakers and involving prospective and current students. She says, "I want to make sure Johnson students feel welcome ... I want to help them get set up for success."

Alexandra Whisnant's life and work, and the story of her career and passion as chef of Gâté Commes des Filles, was featured in an article, "A Chocolate Life: Sweet Odyssey Leads Chef to Paris and Back Again" (*Edible San Francisco*, Jan. 27, 2014).

CLASS OF 2012

Greg Charles Williams (E) joined Radius Health as chief development officer, a newly created position. Radius Health is a biopharmaceutical company based in Cambridge, Mass.

CLASS OF 2013

Michael R. Hall (CQ) was named VP of digital at New England Sports Network (NESN). He oversees digital strategy, content technology, and business development of NESN's online and mobile platforms.

AROUND THE world

Johnson students traveled the world on international treks this year.

View more photos of Johnson events and activities on Flickr at www.flickr.com/photos/johnsonatcornell



Johnson Colombia Trek 2014



Johnson Israel Trek 2014



Johnson Morocco Trek 2014
Merzouga Dunes, Emerging Markets
Institute Morocco Study Trek



Cornell Executive MBA
Beijing Trek 2014
Cornell Executive MBAs traveled to Beijing to conduct a study on smartphone usage habits in the Chinese market.

IN memoriam

Charles L. Ilvento '62, MBA '63

Michael Noel Jacobson '74, MBA '80

Garth R. Parker, MBA '57

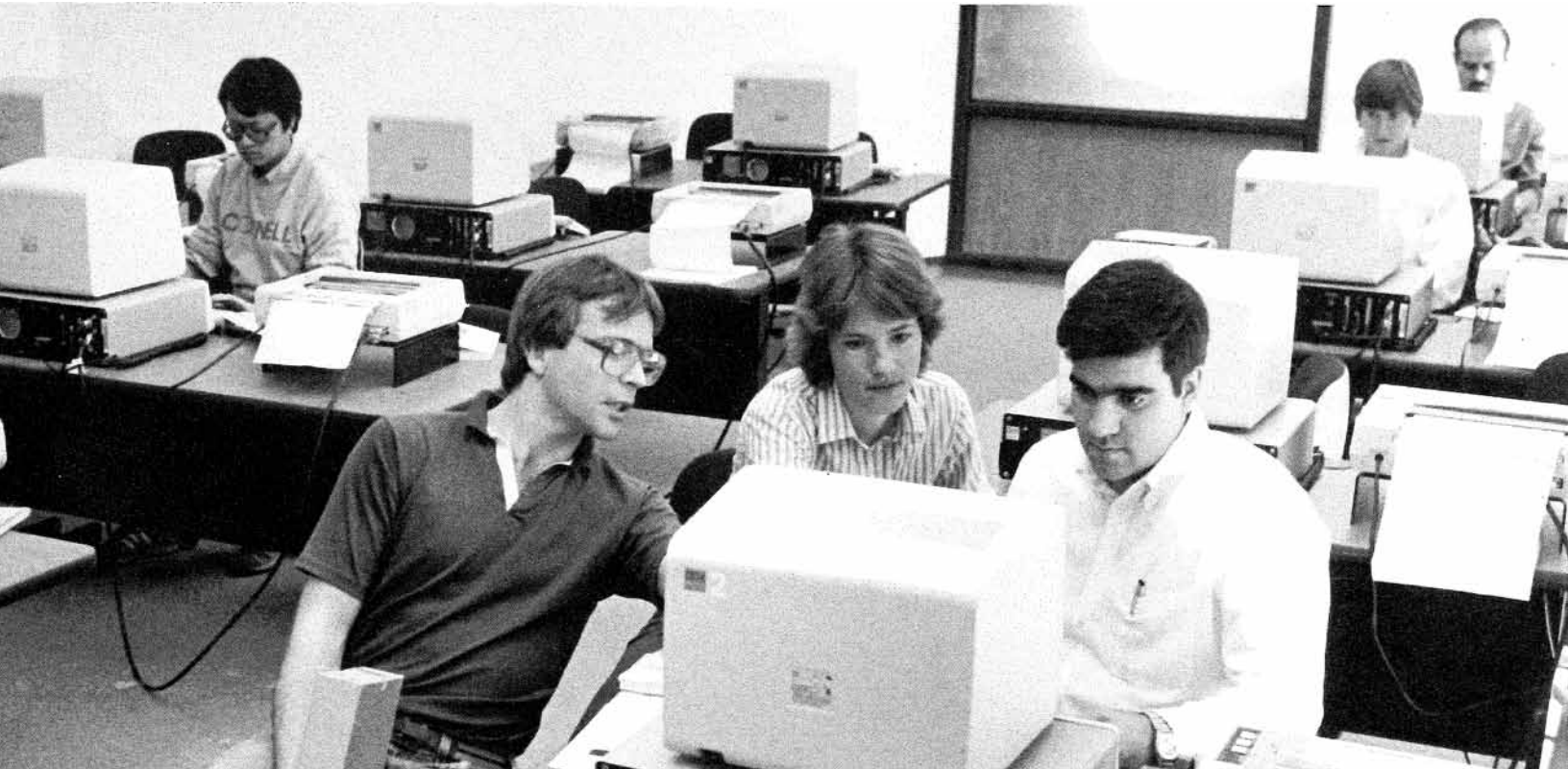
James Milton Patterson, MBA '54, PhD '61

Gustavo J. Pellon '48, MBA '49

Early days in the digital age

This photo and announcement originally appeared in the Fall 1985 issue of *Cornell Enterprise*.

If you can identify the students pictured in the photo, e-mail us to let us know! enterprise@johnson.cornell.edu

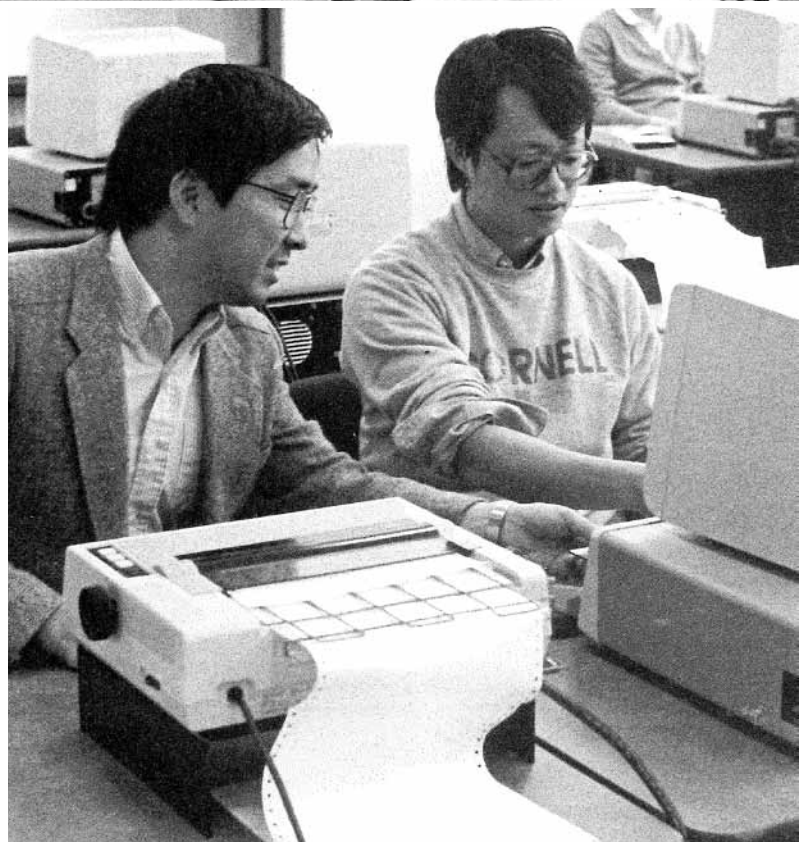


Computing at the Johnson School

Introducing the Meyer Laboratory

In November 1984, the André and Bella Meyer Foundation presented the Johnson School with a gift of \$150,000 to build and equip a new computing laboratory. Two fourth-floor rooms adjacent to Malott Hall's Eastwich Library were selected as the best possible location. In January 1985, construction began. In February the work was completed, and the Meyer Computing Laboratory was officially opened for business.

The laboratory is equipped with MS-DOS personal workstations. Those machines, originally used as stand-alone units, are being connected this fall to the Johnson School's dual VAX system. The Johnson School also has access to Cornell's central computer facility, which includes a supercomputer center — one of only four in the nation. The complex gives students access to extensive software libraries, including that of VAX/VMS, as well as to the MS-DOS repertoire. It also provides a communications path to personal computers owned by students and staff members.





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what your gift can do

Rise to the challenge.

As a leading innovator in business education, Johnson at Cornell University has always risen to the challenges presented by the ever-changing world of business.

That tradition continues today as we draw on the strength of our 67-year heritage in Ithaca to launch new programs in New York City and other parts of the world. These programs, along with other bold initiatives, will expand our global presence, enhance our stellar reputation, define a new foundation for MBA education, and position Johnson as a creator of leaders for the connected world.

Our exciting plans are well underway — but we need your help to ensure that they reach their full potential.

These funds will support

- the One-year MBA at Cornell NYC Tech
- new programs being launched in China
- scholarships
- faculty appointments and research in all Johnson programs
- infrastructure needs in Ithaca

To make your contribution, visit www.johnson.cornell.edu/Alumni/Giving.aspx

Important initiatives. Impressive generosity.

We invite you to be part of this vital and inspiring time in our collective history by participating in the Innovation Challenge. As a catalyst to move this effort forward, several alumni have jointly given \$27 million to the school in support of this \$50 million fundraising effort.

We know we can reach \$50 million — with your help. Johnson alumni never shy away from a challenge, and this one is definitely worth supporting.

How can you help?

Please consider making your gift online at www.johnson.cornell.edu/InnovationChallenge. Or contact Leslie Hathaway at 607-254-2264 or 800-847-2082, ext. 2, to discuss the best way to be a part of the Innovation Challenge.

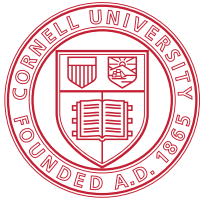
Watch for updates and other news about the Innovation Challenge. Thank you for your participation in this momentous milestone in the history of Johnson at Cornell.



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