

fall 2002

# Wharton

ALUMNI MAGAZINE



## Where Do We Go From Here?

Alumni and faculty take stock  
of the ethical landscape



The Wharton School  
University of Pennsylvania



PETER OLSON

**Huntsman Hall's Opening Celebration will take place from October 25-26.**  
Call 215.573.6774 for details!

## Save the Date

**OCTOBER 25-26, 2002**

**Huntsman Hall Opening Celebration**  
Philadelphia

**MAY 22-23, 2003**

**Regional Alumni Meeting\***  
Berlin

**JUNE 6-7, 2003**

**Regional Alumni Meeting\***  
Shanghai

**JULY 10-11, 2003**

**Regional Alumni Meeting\***  
Miami

\* See back cover for details.



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David S. Pottruck, C'70, WG'72

## Jon M. Huntsman Hall Opening Celebration To Take Place October 25-26

If you haven't already, be sure to mark October 25 and 26 on your calendars for the two-day celebration of the School's new home, Jon M. Huntsman Hall. The School's move into the building began in mid-July, and students have already begun to experience the \$139.9-million, 324,000-square-foot academic center, which is one of the world's most advanced facilities for management education in the world.

Alumni from around the world are planning to return to Philadelphia for the opening celebration, which will include a dedication ceremony, industry- and affinity-based networking programs, forums with leading faculty and prominent alumni, as well as social events. For more information on the celebration, visit WAVE <[wave.wharton.upenn.edu](http://wave.wharton.upenn.edu)>, or call 215.573.6774.

## Peter Degnan Named Director of Wharton MBA Career Management Services

Following an extensive search, Peter Degnan was

appointed director of MBA Career Management Services at the Wharton School of the University of Pennsylvania in August.

Degnan has more than 19 years of financial services experience, including 12 years working in Asia. As managing director and chief operating officer for UBS Warburg Japan from 1998-2000, he was responsible for the complete integration of the merger between the UBS and SBC Warburg organizations in Japan and for managing the primary financial and administrative areas, including finance, operations, IT, and general administration.



DEGNAN

"Peter brings with him extensive international experience in the private sector and a strong record of leadership. We are very pleased to have a professional with his record of success take the helm of such a critical position, working with students and the companies who recruit our students from around the world," said Anjani Jain, vice dean of the Graduate Division.

Prior to UBS Warburg, Degnan spent more than 14 years at Lehman Brothers, Inc., in a variety of senior executive positions, including chief credit officer and chief financial officer in New York, Hong Kong, and Tokyo. He holds an M.B.A. from New York University's Leonard N. Stern School of Business and a B.S. degree from Georgetown University.

## Schools Join Forces To Offer Director's Consortium

For the first time, Wharton, the University of Chicago Graduate School of Business, and Stanford Law School have joined together to offer an executive education program called the Directors' Consortium for corporate directors and senior executives, which takes a close look at corporate governance and board service. Taught by faculty from accounting, finance, law, public policy, and strategic management, the program helps participants build a "best practices" framework for thinking about and making informed board decisions. The first session took place in Chicago in August, and a Wharton session is scheduled to take place February 19-21, 2003. For information, visit <<http://www.directorsconsortium.net/directorsconsortium.nsf>>.

## Regional Alumni Meetings: Connecting Across the Globe

Hundreds of alumni from around the world participated in this year's regional alumni meetings, held in Paris, Panama City, and Tokyo. Each of the events highlighted current findings on issues of regional economic importance and allowed alumni the opportunity to network with each other and School faculty and administration.

Breaking previous attendance records for a European regional alumni meeting, 450 alumni and guests attended the Wharton/INSEAD Economic Forum in Paris. Held on May 16-17, the meeting featured a gala banquet at Versailles, faculty presentations, and keynote speakers Jean-Marie Messier, then-CEO of Vivendi Universal, and Gerard Kleisterlee, AMP'91, chairman and CEO of Philips Electronics.

The Latin American regional meeting took place in Panama City from June 20-21, with more than 200 attendees. Among the presentations was a keynote address by Ernesto Perez Balladares, WG'70, former President of Panama.

From July 12-13, 475 alumni and guests convened in Tokyo for the ninth Asian regional alumni meeting. Speakers included Liu



THE EUROPEAN MEETING'S GALA BANQUET, HELD AT THE GALERIE DES BATAILLES AT VERSAILLES.



LATIN AMERICAN MEETING KEYNOTE SPEAKER ERNESTO PEREZ BALLADARES, WG'70 (LEFT); J. ANTONIO BALTODANO, W'73; JOSEPH HARARI, PAR'90; DEAN HARKER; AND STEPHEN MADURO, W'62.



CEREMONIAL BREAKING OF THE SAKE CASK AT THE ASIAN MEETING: YOSHIHIKO TOMIMATSU, WG'74 (LEFT); MASAYUKI MATSUSHITA, WG'70; TOSHIO IWASAKI, WG'70; YOSHIO TERASAWA, WG'58; DEAN HARKER; LIU CHUAN ZHI, CHAIRMAN, LEGEND COMPUTER; YOTARO KOBAYASHI, WG'58.

Chuan Zhi, chairman of Legend Holdings in Beijing, and Takeshi Natsuno, WG'95, managing director, i-mode Strategy, NTT DoCoMo, Japan. The meeting also included a raffle that raised \$5,500 for Krousar Thmey, a private foundation that helps orphaned children in Cambodia.

For information on 2003 regional alumni meetings, see the back cover of this edition.

## News Briefs

Wharton was well represented at the **Presidential Economic Forum** in Waco, Texas, on August 13. The Forum included President Bush, Vice President Cheney, and many top CEOs and government officials. Attending from Wharton were Professors **Mike Useem**, **Jeremy Siegel**, **Olivia Mitchell**, and **Mark Pauly**.

Professor **Franklin Allen** was appointed an **inaugural fellow at the recently constituted European Corporate Governance Institute**, which provides intellectual leadership for the Brussels-based organization. The ECGI, an international scientific nonprofit association, provides a forum for debate and dialogue among academics, legislators, policymakers, and practitioners on corporate governance and the promotion of best practice.

**Cesar Conde, WG'99**, was recently named a **White House Fellow** for 2002-2003. Each fellow works full time as a special assistant to a Cabinet member or senior presidential advisor and also participates in an education program designed to nurture his or her development as a leader. Conde is a former president of the Wharton Graduate Association.

WEMBA student **Michael Hansen, WG'03**, head of the Advanced Video Processing Group at Sarnoff Corp., has been chosen as one of the **world's 100 Top Young Innovators** by *Technology Review*, MIT's magazine of innovation. The *Technology Review* 100 recognizes young individuals whose innovative work in business and technology has a profound impact on today's world.

Lauder alumna **Radhika Shroff, W'95, C'95, WG'00, G'00**, is one of 18 from around the U.S. who have been named **Luce Scholars** this year. Established in 1974 by the Henry Luce Foundation, the Luce Scholars program provides stipends and internships for young Americans to live and work in Asia for a 10-month period. Its purpose is to increase awareness of issues in Asia among future leaders in American society.



## Doctoral Student Rajiv Shah: A Helping Hand With a Global Reach

BY SHERYL P. SIMONS

Rajiv Shah, nearing his thirtieth birthday, has already accomplished the work of several careers, traveled the globe, and married his college sweetheart. Throughout his busy career, however, Shah has remained clearly focused on what motivates him. "I am so grateful for the many opportunities I have had and want to help others who are struggling," he

leprosy. If a patient tested positive, he would explain to the family what was happening and assist the person into nearby clinics for a full treatment and nutrition program.

From his own family's immigrant experience, Shah has learned the importance of helping others, not only with health matters but with economics as well.

father's risks, Shah created Project Impact as a way for second-generation South Asians to reach out and help less fortunate families. Now in its 6th year, Project Impact has more than 5,000 members nationwide and sponsors mentoring, leadership, scholarship, and ESL programs.

"There are many people who come to America from India who, although educated, are working in low-paying jobs such as taxi drivers and gas station attendants," he says. "It is their children that we seek to provide assistance for. There is a larger responsibility to the community aside from ourselves. We who have benefited so much from the fruits of others must give back."

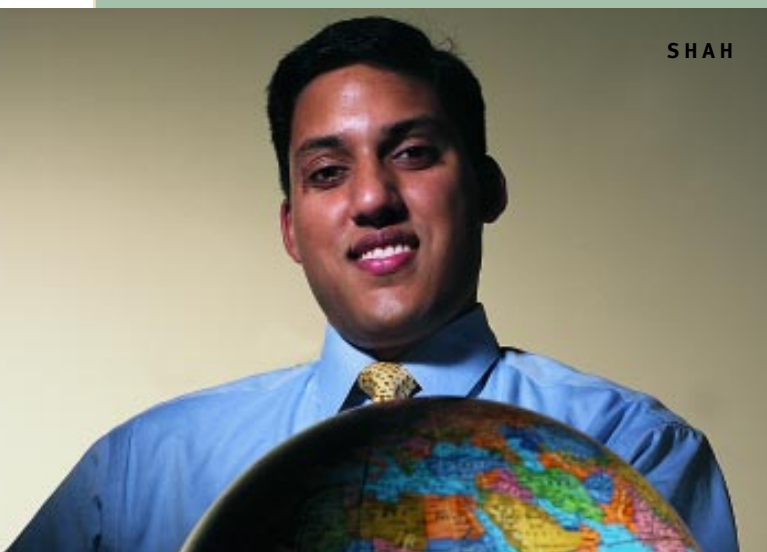
Project Impact's mission also includes involving more young South Asians in America's political process. "It is so important to participate because our political system has such a critical affect on our daily lives," Shah says. He gravitated to the world of politics in the early days of the Clinton Administration and eventually worked with the Gore Presidential Campaign. "I was dismayed at how uninformed people were and how much misinformation surrounded the debate on health care reform in 1993."

Now, in an official capacity of Chief Policy Analyst and Senior Economist, Shah currently serves as an advisor to Bill Gates at the Bill and Melinda Gates Foundation in Washington, DC, and is in a position to educate many about preventative health care.

Clearly in command of his subject, Shah effectively translates statistical trends into bottom-line results during meetings with representatives of developing nations. His cost/benefit analysis indicates that utilizing widely available Hepatitis B and Influenza B vaccines lowers long-term health costs and, ultimately, saves lives. Regarding HIV and AIDS, he states, "In my opinion, a comprehensive education and prevention program through media awareness is the best strategy to curb transmission of this disease. Thailand and Uganda have seen dramatic results from strategic investment in AIDS education."

Thinking back over the past decade, Shah recalls, "The notion to pursue a Ph.D. in economics occurred as an undergraduate at the University of Michigan because I felt a close affinity to the subject." He spent his junior year abroad at the prestigious London School of Economics because he liked the rigorous analytical program that it offered. Later, Shah added the medical component to his educational plans, receiving an M.D. from Penn in May 2002.

While in London he met his future wife, Shivam Mallick Shah, a graduate of Georgetown University, who is associate director of the New Schools Venture Program in Washington, D.C. Reflecting upon his life, Shah smiles as he notes, "Of all my achievements, I believe my parents are the most proud of my wedding day in May 2000." ♦



says. Indeed, helping people is one of the primary reasons he is working towards a Ph.D. in health care economics from Wharton.

Shah knows first hand the ravages of inadequate health care, having returned several times to India, the homeland of his parents, Janardan and Rena Shah. On one particular trip, he worked with Dr. H. Sudarshan, renowned for his social welfare initiatives. Going from house to house, Shah visited each family in the village of Karnataka, testing for tuberculosis and

Poignantly, Shah recalls his own grandfather's sacrifice – liquidating his entire retirement savings – so that his father, who became an electrical engineer, could come to America. Because of his father's work with the Ford Motor Company, the Shah family settled in Ann Arbor, Michigan, where he was raised and where he watched as other relatives were assisted in their quest for success in the United States.

Appreciating the opportunities that resulted from both his grandfather's and

## Alumni in the News

**Helen Peters, G'74, PhD'79**, dean of the Carroll School of Management at Boston College, was profiled for an article in which she discussed gender issues in business schools (*BizEd*, 7/02-8/02).

**James G. Binch, WG'72**, chairman and chief executive officer of Memry Corporation, has been named in the external advisory board of the University of Connecticut's Institute of Material Sciences (*PR Newswire*, 7/30/02).

**Jeffrey Kuhr, WG'86**, has been appointed to Forward Industries, Inc.'s board of directors. Kuhr currently serves as a managing partner of West End Capital Partners LLC (*Business Wire*, 7/30/02).

**Eli Rosenbaum, W'76, WG'77**, director of the Justice Department of Special Investigations, was featured in an article for his work denaturalizing former soldiers of the Holocaust. Rosenbaum's investigations exposed illegal Nazi immigrants in America and led to their subsequent deportations (*The Plain Dealer*, 7/28/02).

**Aaron Karo, W'01**, was featured in an article about his book, *Ruminations on College Life*. The book is a compilation of anecdotes he wrote while studying as an undergraduate at Wharton (*Associated Press Newswires*, 7/28/02).

**Riso Lavizzo-Mourey, WG'86**, was named president and CEO of the Robert Wood Johnson Foundation.

She joined the foundation last year as senior vice president and health care group director (*American Health Line*, 7/26/02).

**Rodger Krouse, W'83**, and Marc Leder, W'83, co-founders of Sun Capital Partners, Inc., were featured in an article about their private equity firm (*The Daily Deal*, 7/25/02).

**Marc Belton, WG'83**, was profiled in an article about the most powerful black executives in the U.S. Currently working in the new-business development division of Yoplait, Belton was recognized for his previous work as a senior vice president at General Mills (*Fortune*, 7/22/02).

**James L. Vincent, WG'63**, has retired as chairman of the biotech firm Biogen (*The Boston Globe*, 7/17/02).

**Jean-Francois Orsini, WG'72, PhD'84**, president of the Saint Antoninus Institute for Catholic Education in Business, was quoted in an article about corporate business ethics (*The Dallas Morning News*, 7/15/02).

**Bruce Crawford, W'52**, recently appointed chairman of Lincoln Center, was interviewed in an article about the Center's redevelopment project (*The New York Times*, 7/09/02).

**Angela A. Brown, WG'91**, chief executive of Atlanta's Victory Global Solutions, Inc., was profiled in an article about her firm (*The Atlanta Journal*, 6/19/02).

**Connie Duckworth, WG'79**, was quoted in an article about powerful

female business owners. Duckworth is the chair of the Committee of 200, a group of influential female entrepreneurs and executives (*USA Today*, 6/18/02).

**Curtis Bashaw, WG'90**, was featured in an article for his renovation of Congress Hall, a hotel claiming the occupancy of at least three presidents (*The Congressional Record*, 6/13/02).

**Calvin Sun, WG'82**, was featured in an article about teaching IT charm school classes (*Computerworld*, 6/1/02).

**Alfred West, WG'66**, was profiled in an article about SEI Investments Company. His \$10-million gift to Wharton for the creation of the Alfred West Jr. Learning Lab was mentioned (*American Banker*, 5/31/02).

**Iqbal Z. Quadir, WG'87**, was mentioned in an article about his company GrameenPhone, a mobile phone network in Bangladesh, which now has 575,000 subscribers in 12,000 villages (*The New York Times*, 5/26/02).

**Marshall I. Goldman, W'52**, wrote an article about Ivy-League alumni reunions where he mentioned his 50th reunion from Wharton's Undergraduate Division (*The New York Times*, 5/25/02).

**Gustave K. Lipman, W'94**, was interviewed in an article about his father Ira A. Lipman, regarding the family's business, Guardsmark (*The Washington Post*, 5/14/02).

For more news, visit <[www.wharton.upenn.edu](http://www.wharton.upenn.edu)>. ♦

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# Home at Last

Images from the first few days of classes in Jon M. Huntsman Hall.

It's 8:30 a.m., and Wharton students are beginning to find their way around Jon M. Huntsman Hall. Some are bleary eyed; others are alert, checking their schedules, scrutinizing room numbers. Acquaintances meet and exchange stories about the summer, while the smell of coffee and baked goods from the Hurst Café on Locust Walk fills the air. They are home, at last.

Huntsman Hall is vast; it's easy to get lost at first. With 324,000 square feet and 48 classrooms, finding the right place can be a challenge. But it won't be long before students know their way around, attending classes, checking their mailboxes, and utilizing community meeting spaces like the two cafés, computer workstations, and 57 24-hour group study rooms with "smart board" technology.

Technology in Huntsman Hall is designed to be pervasive and transparent—it is available everywhere, but

blends seamlessly with students' daily activities. In fact, Huntsman Hall will be a living laboratory for exploring new paradigms in learning and education. The technology throughout the building will allow faculty and students to easily interact with each other and with peers and colleagues around the world and, in doing so, engage in ways of learning that would not be otherwise possible.

A striking mixture of soaring spaces and comfortable detail, Huntsman Hall was designed by the architectural firm Kohn Pedersen Fox Associates, PC,



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"Huntsman Hall brings to fruition an important part of our strategy to attract the best faculty and best students. We now have a state-of-the-art facility that will revolutionize how we deliver a Wharton education."

DEAN PATRICK HARKER, IN THE SECOND-FLOOR MBA CAFÉ.

New York. More than 100 focus groups including students, faculty, and staff were held prior to the facility's design to examine everything from seating arrangements in lounges to white boards in classrooms. Years of planning have come to fruition, and Wharton has found its home.

On October 25-26, Wharton will celebrate the opening of Jon M. Huntsman Hall. All members of the Wharton community are invited to attend. For additional information, please call 215.573.6774, or visit WAVE <wave.wharton.upenn.edu>.

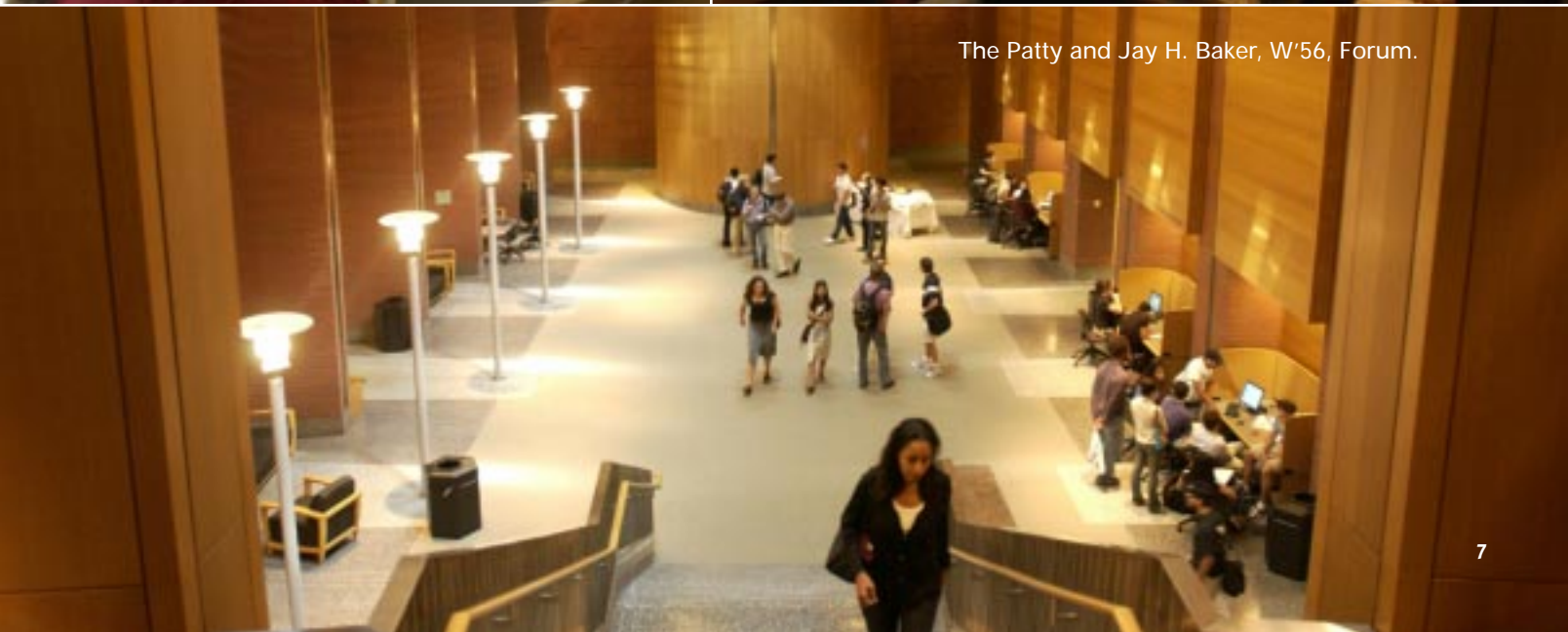


The Diane V. S. and Robert M. Levy, WG'74, Lobby provides easy access from Center City and 30th Street Station via cab or public transportation, tying Jon M. Huntsman Hall with the business districts of Philadelphia and the East Coast.

>

Students working in the Robert J. Hurst, WG'68, Café, located on Locust Walk.

v



The Patty and Jay H. Baker, W'56, Forum.





Levy Lobby

# community

"The building is grand and very clean. The chairs in the lecture halls are very comfortable, too!"

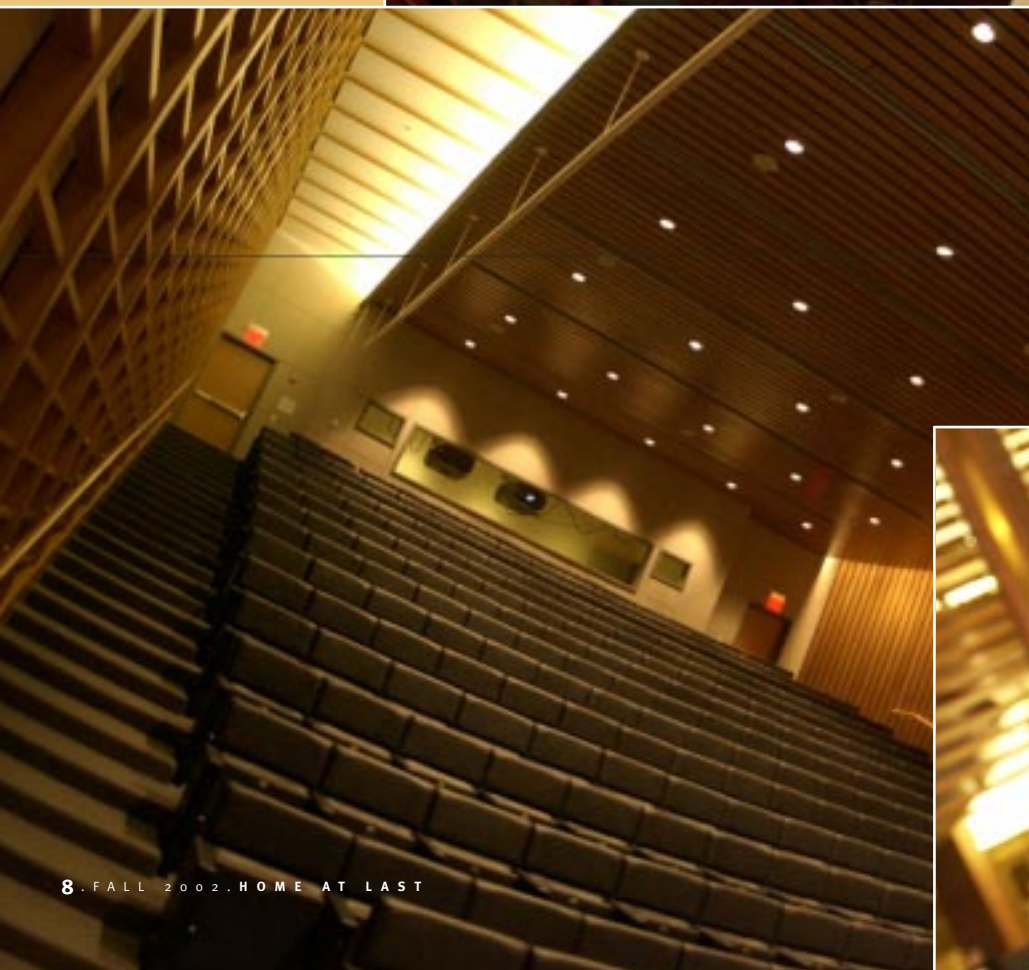
PEGGY CHOI, W'06



300-seat auditorium  
V



Baker Forum



"It's a world apart aesthetically. And the conferencing features facilitate collaboration, which is what Wharton is all about."

ABIODUN ("ABI") ADISA, WG'04







"Huntsman Hall is a magnificent combination of technology and space. The classrooms have dual LCD projectors, blackout shades, digital taping, and video conferencing. Seating is layered and segmented—an ideal configuration for Legal Studies classes."

Most important, as the size of our faculty and course offerings expanded over the past decade, classroom, seminar, and office space became scarce. Each year, the administration, faculty, and students searched for a temporary fix. With Huntsman Hall, we have a permanent solution."

WILLIAM S. LAUFER, ASSOCIATE PROFESSOR >  
OF LEGAL STUDIES AND SOCIOLOGY



Baker Forum



seamless technology





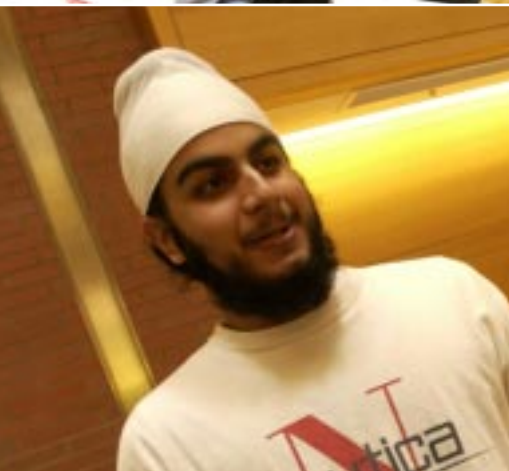
"The technology is great and very accessible."

< LUTZ HENCKELS, WG'04



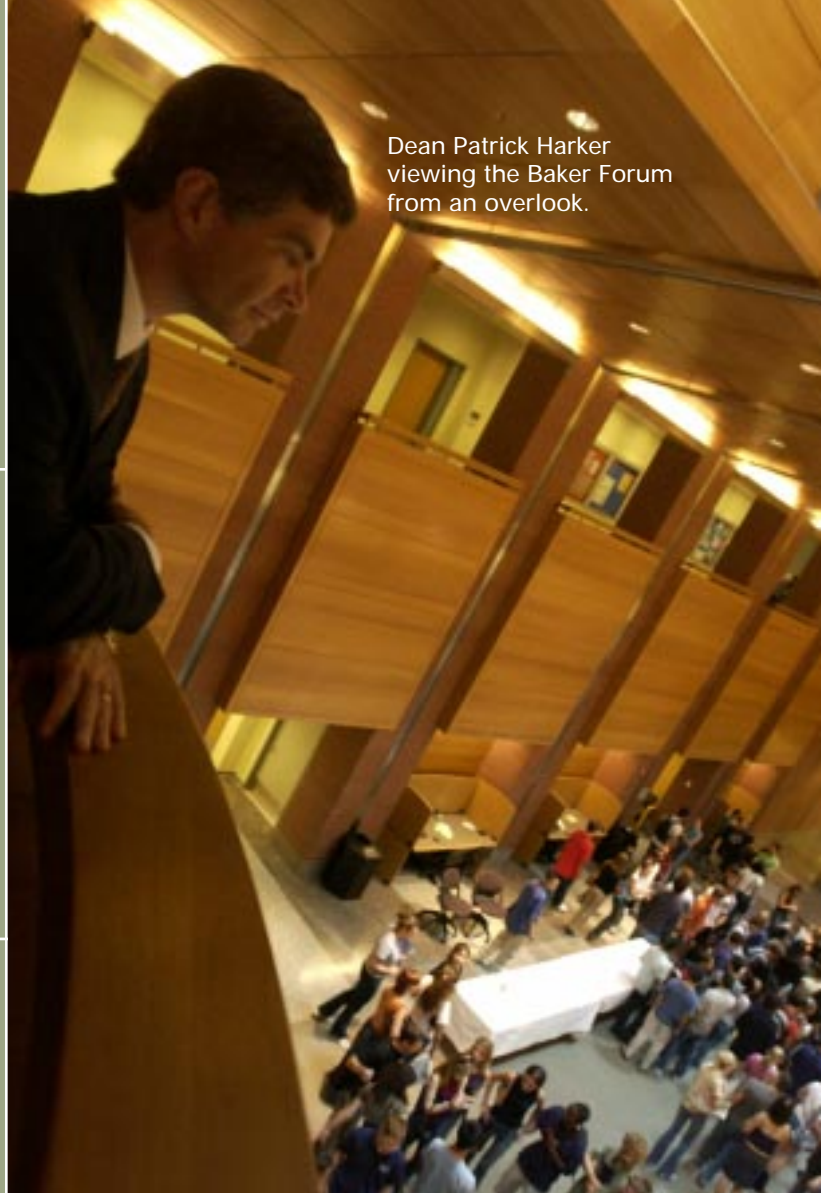
"The wireless network is great, and so are the study rooms."

< JENNIFER BASS, WG'04 (CENTER) WITH LYNN CASTLE, WG'04 (LEFT) AND TESSIE POPOFF, WG'04 (RIGHT)

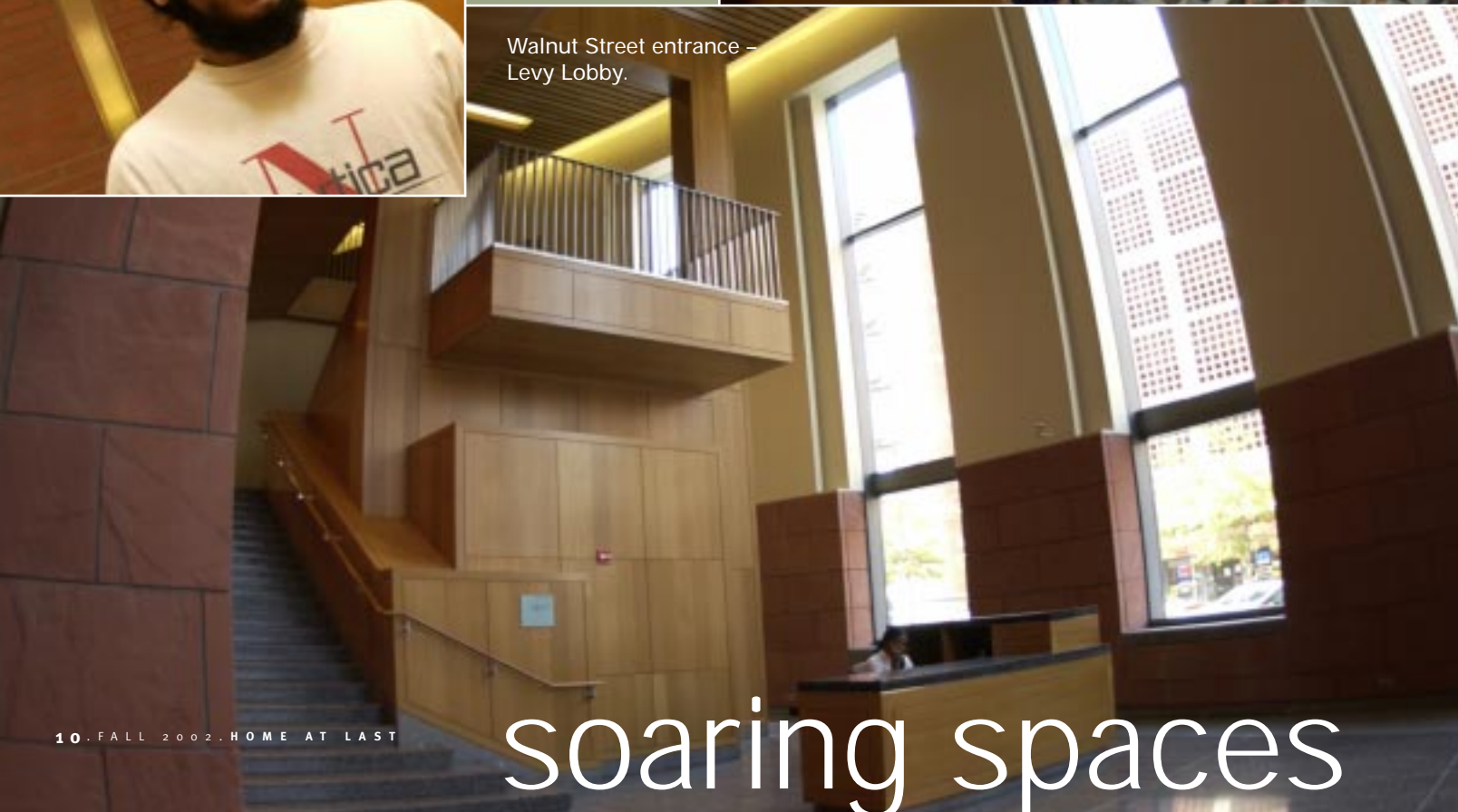


"It's a beautiful gift from the alumni."

< JESSE PUJJI, W'06



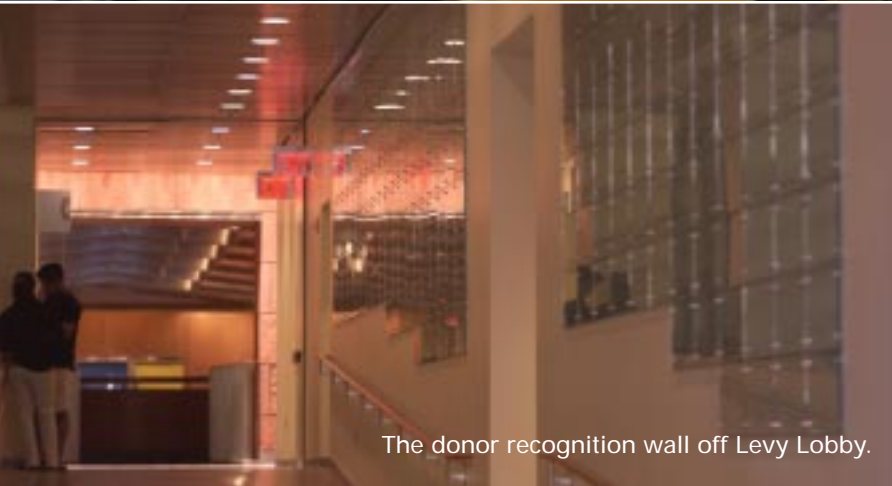
Dean Patrick Harker viewing the Baker Forum from an overlook.



Walnut Street entrance - Levy Lobby.



# enhanced learning



The donor recognition wall off Levy Lobby.



Students on the Koo Family Plaza.

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MARKETING AND STATISTICS ASSOCIATE PROFESSOR ERIC BRADLOW TEACHING IN ONE OF HUNTSMAN HALL'S STATE-OF-THE-ART CLASSROOMS.

Large tiered classrooms with 60, 80, or 100 seats are designed with the entrance in the front, an aisle up the middle for the instructor to move, a multiple-screen system for video projection and teleconferencing, and 360-degree swivel seats for easy classroom discussions.

Faculty control classroom technology systems from a single touch-screen interface, which allows easy and flexible access to the technology either from within the classroom or remotely over the web. An instructor's lectern – custom designed by the Wharton School – incorporates a state-of-the-art computing and audiovisual technology with an advanced master control system, which adjusts audiovisual equipment, lights, and room settings. The system can be operated by the instructor, a technician within the classroom, or a technician working remotely over the School's Intranet.

All new and recently enhanced classrooms throughout the Wharton campus are designed with a common interface for instructional technology. Custom "profiles" allow each instructor to maintain the same personalized teaching environment in any classroom throughout Huntsman Hall in Philadelphia or Wharton West in San Francisco.

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"I'm looking forward to taking classes here."

JUSTIN WYNTER, W'06

The Barbara and Marty Zweig, W'64, lobby connects to Locust Walk, the tree-lined main campus pedestrian thoroughfare that links Van Pelt-Lippincott Library, Steinberg Hall-Dietrich Hall, Huntsman Hall, and the west residential towers.

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MARK ABRAMOVICH, WG'03, BILL MARSH, WG'03, AND RITA JOHNSON, WG'03, UTILIZING ONE OF HUNTSMAN HALL'S HIGH-TECH STUDY ROOMS.

57 study rooms are booked online for student use with password-protected access. Available 24 hours, they offer network connectivity for all students, a computer with a wireless keyboard, an Internet video camera and microphone for videoconferencing with other groups, an electronic whiteboard connected to the room's computer ("smart board"), and two computer displays.





# living laboratory



Zweig Lobby

Escalators from  
the Baker Forum.

"The building is very impressive. It really adds to the value Wharton offers students."

MATTHEW DANIS, WG'04 >

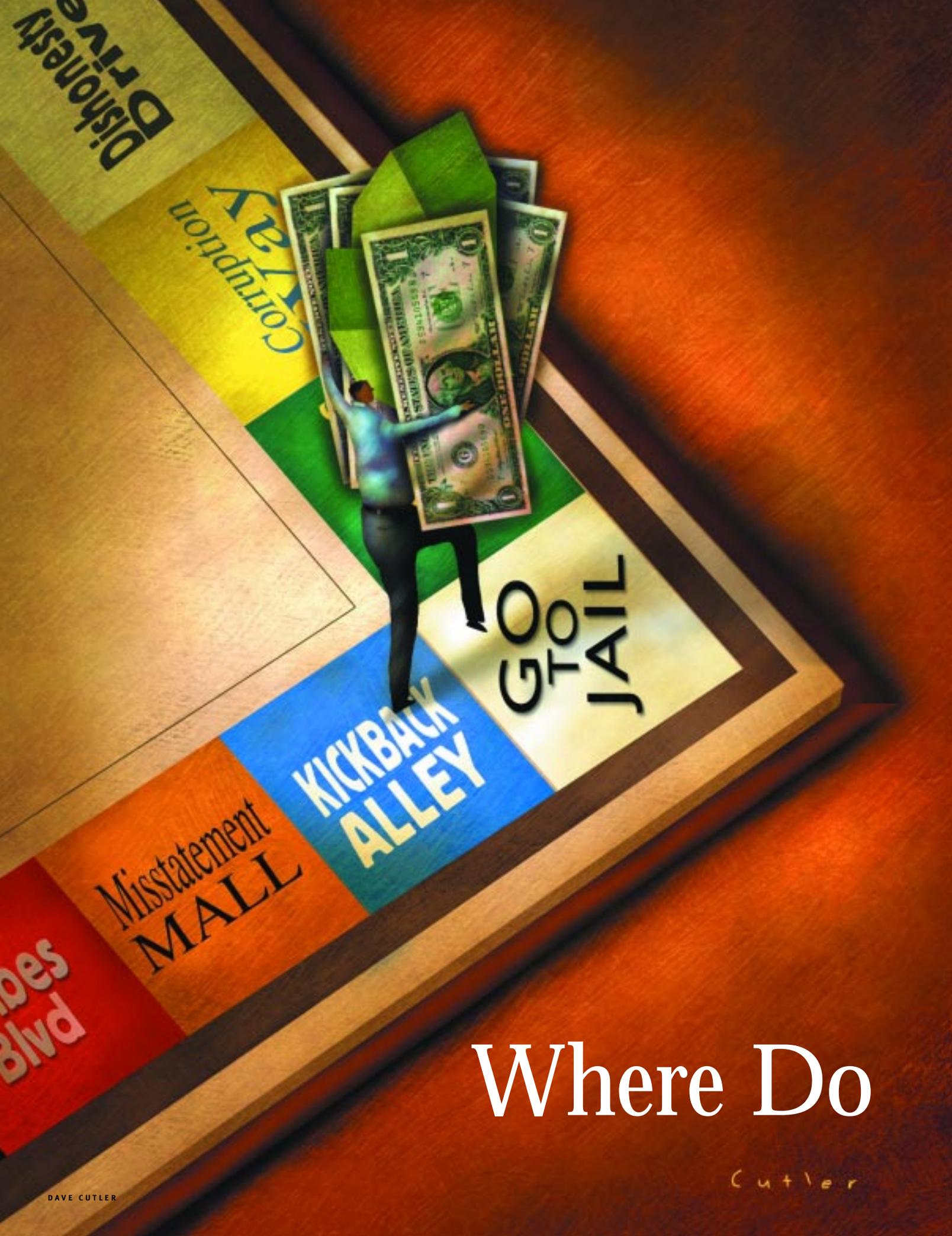


"I'm definitely going to take advantage of it."

CHRISTOPHER AMOS, W'06 >







# Where Do

Cutler

## WHARTON ALUMNI AND FACULTY TAKE STOCK OF THE ETHICAL LANDSCAPE

BY SHARON L. CRENSON

We won't bother with the list. Let's just say it starts with Enron, and at this point no one is sure where the litany of ethically challenged companies will end.

One thing *is* sure, however. The public has spoken – through congressmen and the president, through jurors, shareholders, and the media. The message? Ethics do matter in the corporate world; and if businesspeople fail to abide by certain standards, they will be sent – at least in America – straight to jail.

A new law President Bush signed this summer creates an independent body to oversee the accounting industry and introduces new criminal penalties for corporate fraud, both moves seemingly designed to quell unease on Wall Street that failed to abate when the president proposed less sweeping changes.

“Clearly the administration's view of this has changed pretty rapidly,” Gary Gensler, W'78, WG'79, told *The New York Times* recently.

Gensler, once a senior Treasury Department official with the Clinton Administration and now co-author of the forthcoming book *The Great Mutual Fund Trap*, has made news more recently for his hand in helping craft the new business guidelines.

“I think it's strong legislation, and it's very needed,” he says. “Something was seriously broken.”

# We Go From Here?





TOMMY LEONARDI

The Wharton community faces these challenges even as a recent CBS News poll suggests not even one-third of Americans believe most corporate executives are honest. About 79 percent of respondents said they believe questionable accounting practices are widespread, while more than two-thirds said they believe CEOs are commonly compensated illegally.

Such issues are taking a front seat for people on campus as well as for those whose monthly paychecks come straight from the kinds of companies under the spotlight.

"Students now don't need to be told why this is relevant," says Professor Thomas Dunfee, who teaches international business ethics at Wharton and regularly brings corporate leaders into the classroom to speak. One recent guest was the former head of auditing at PriceWaterhouseCoopers.

Dunfee co-authored *Ties that*

*Bind: A Social Contracts Approach to Business Ethics* with fellow Wharton Professor Thomas Donaldson. Together, they suggest corporate leaders have the same unspoken contract with shareholders and the public that early political thinkers such as John Locke and Jean-Jacques Rousseau proselytized between government and its subjects.

Dunfee has long believed in introducing students to accomplished executives and professionals who

Gensler is hardly alone among Wharton alumni, faculty, and students grappling anew with ethical questions. Stephen Cooper, W '70, has just taken on the almost unfathomable job of steering Enron through bankruptcy. MBA students are refocusing on how to recognize and avoid conflicts of interest. And Legal Studies faculty members are busily scouring the new federal law so they can teach students about its implications.

## New Federal Business Regulations at a Glance:

**Executives who destroy or alter documents** sought in federal investigations could face up to 20 years in prison.

**CEOs and CFOs who certify false company financials** face 10 to 20 years in prison and fines of \$1 million to \$5 million.

**A new private-sector, five-member board** – made up of two accountants and three professionals from other fields – will have **subpoena and disciplinary powers** over the accounting industry. The Security and Exchange Commission, in consultation with the Treasury Department and the Federal Reserve Board, selects board members.

can stress the importance of ethical behavior. But current events have given professors an even stronger hold on student interest.

Dunfee pins many of today's troubles on a lack of independence found among corporate board members and those working for major auditing houses. Some professors serving on corporate boards, for example, receive large donations to fund their academic research.

"Those things can corrupt your judgment in subtle ways so that you don't realize you are making biased decisions," Dunfee says.

For anyone on hiatus for the last year, here's a taste of the recent ethical lapses either known or suspected within corporations:

- The Justice Department and the Securities and Exchange Commission have investigated accounting irregularities at Enron.

standards but might fail if it reported its financial condition honestly. That revelation came in an Associated Press story following up on WorldCom's disclosure that it had a multi-billion-dollar hole in its books.

- President Bush faced renewed scrutiny for having sold more than 200,000 shares of stock in Harken Energy Corp. when he was a director there in 1990. The sale came two months before the Texas oil company reported an unexpected loss. Although the SEC cleared Bush of insider trading years ago, the stock sale didn't look good when revisited by the post-Enron news media.

- And then there is Martha Stewart, whose image tarnished in the wake of revelations that she sold 4,000 shares in ImClone just before the stock price plummeted in December. Stewart is a personal

**"Students now don't need to be told why [learning business ethics] is relevant," says Dunfee.**

Last December, the company became the nation's largest corporate bankruptcy when it stunned the investing world by disclosing hundreds of millions in debt that the energy concern had kept (seemingly legally) off the books. Making matters worse, when it came time for Congress to take action, it was hard to find a politician in Washington who hadn't taken a campaign contribution from the company.

- WorldCom usurped Enron as America's biggest financial failure by filing for bankruptcy protection in July. A top officer previously acknowledged to insiders that WorldCom was violating accounting

friend of Sam Waksal, ImClone's former CEO accused of securities fraud and insider trading for allegedly tipping off relatives to ImClone's imminent demise.

Lawrence Zicklin, WG'59, former managing partner of the investment house Neuberger Berman LLC and the founder of Wharton's Carol and Lawrence Zicklin Center for Business Ethics Research, said he realized long ago that American businesses were rife with conflicts of interest. But he never imagined such a wholesale ethical slide.

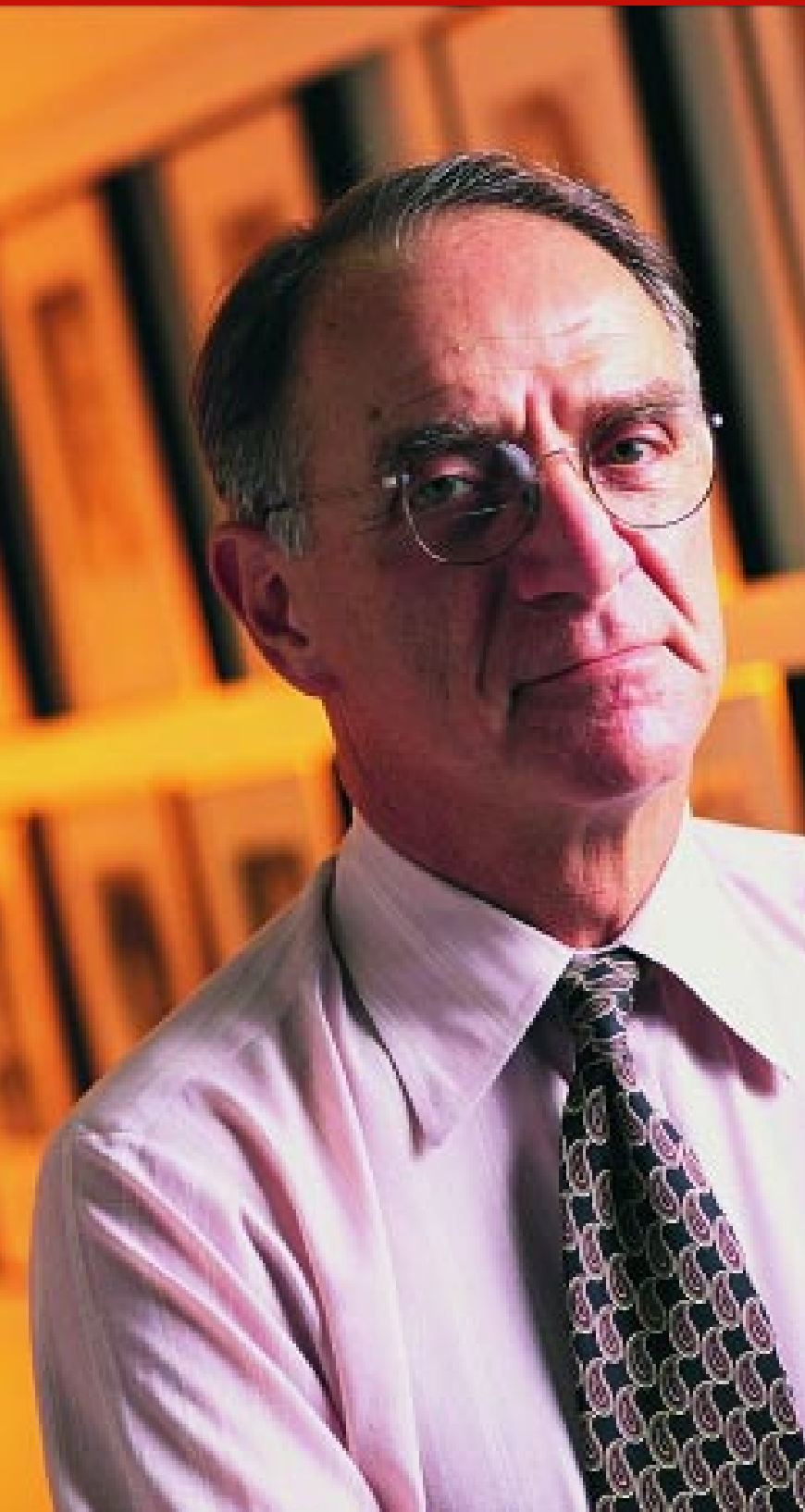
"Not in my wildest imagination," he says.

Top officials and company directors are **barred from accepting personal loans** from their companies.

Accounting firms **may no longer provide consulting** or many other non-audit related services to companies that the firms audit.

Accountants who prepare financial reports for companies **will be responsible** to the board of directors rather than to managers.

Individuals who break the law **may be banned for life by the SEC** from serving as officers or directors of any public company. The SEC previously had to go to court to implement a permanent ban against a person.



## INSIDE AN INVESTMENT HOUSE

Zicklin made his professional mark at an investment house founded during the Depression. Back then, Roy Neuberger managed money for the wealthy. But by 1950, the firm opened itself to a whole new class of clients: it became one of the first to offer a no-load mutual fund to individual investors.

Neuberger Berman, Inc., went public in 1999 with a reputation for integrity as well as performance, something Zicklin attributes to the fact that the top managers kept their eyes continually on the future value of the firm. They always sought to protect “the franchise,” as Zicklin calls it.

The company’s above-reproach reputation was so important, in fact, that Zicklin once fired a man for taking advantage of a competitor. It didn’t matter that the employee had pressed the advantage on behalf of a Neuberger Berman client.

“I fired him because I understood that he didn’t really understand what our business was about,” Zicklin says.

It was that kind of dedication to doing what’s right that led Zicklin from the boardroom to the classroom. What started as a weekend seminar on business ethics for faculty at New York University has become a second career in teaching since he retired as Neuberger Berman’s managing partner.

Today, the firm manages \$61.9 billion in assets, and Zicklin is passing on its ethical etiquette through the Zicklin Center at Wharton.

[Zicklin] realized long ago that  
American businesses were rife  
with conflicts of interest.  
But he never imagined such  
a wholesale ethical slide.

TOMMY LEONARDI



## WHAT WENT WRONG? THE VIEW FROM AN AUDITOR'S OFFICE

With nearly two decades of experience in public accounting, Dana Michael, W'82, has personally witnessed the damage bad conduct can wreak.

From his post investigating mergers and acquisitions for Ernst & Young clients, Michael has seen some of the worst in corporate misbehavior. About five years ago, he was looking into a company as a possible acquisition for a client when the target company fired its chief financial officer for embezzling roughly \$500,000.

The man set up a bogus consulting company, wrote checks to the business, and mailed them to a P.O. box he rented. Astoundingly, the CFO had

straight into the company's financial records without anyone questioning their authenticity.

Michael believes the problem should have been picked up by even a junior accountant ages ago. Collusion among employees is much more difficult to detect, but an individual's misdeeds are usually discovered readily, at least in Michael's experience.

Still, Michael doesn't believe today's more vigilant climate will prevent future abuses.

"There are a lot of creative people out there on Wall Street and in companies," he says. "They may slow down over the next couple of years, but they are not going to go away."

Gensler, however, remains confident that the new legislation he helped usher through Congress will dissuade some would-be wrongdoers, if only because it promises prison for errant executives.

From his post investigating mergers and acquisitions, Michael has seen some of the worst in corporate misbehavior.

pulled the same stunt at his previous employer, but escaped jail time by returning some company stock options. In return, the employer agreed not to press charges or tell anyone what had happened. When a new company called for a reference, the old firm simply didn't return the telephone message.

"It's amazing," Michael said, marveling that a simple followup could have saved the CFO's second employer hundreds of thousands of dollars.

The situation highlights a common problem in companies: failure to segregate duties. In Michael's experience, as long as financial responsibilities such as collecting receivables, recording them, and writing checks are divided among different employees, the risk of ethical or legal violations remains slim. At WorldCom, for example, the trouble was that the CFO was allowed to make entries

"There's nothing that quite focuses the mind like that," he says.

Zicklin echoes Gensler's hope. People are more honest, he says, when someone is watching them.



TOMMY LEONARDI

## AN INTERNATIONAL PERSPECTIVE

That old adage about honesty may be even more true in the international arena, where companies making inroads to newly opened markets often face a climate of outright corruption.

Thomas Caleel, an MBA student who worked in direct investing in Moscow from 1995 through 1998, recalls a climate in which otherwise upstanding western executives were caught up in some fairly sleazy dealings.

“There was a tremendous amount of bribery and insider dealing and just awful things,” Caleel says.

Philip M. Nichols, an associate professor in the Legal Studies Department at Wharton, is working with the Zicklin Center on a research project about the attitude toward corruption in transitional countries.

companies barely bother hiding the fact that they grease a few palms. But Dunfee says it's wrong to blame only those who take the bribes. Corruption could not continue if the supply dried up, he says. Caleel agrees.

Still, Transparency International, a Berlin-based coalition against corruption, puts America smack in the middle of the list of countries it says are home to companies that sometimes pay for the privilege of doing business in certain areas.

Each region of the world has its own specific problems, of course, but others are shared across geopolitical boundaries. In Pakistan, for example, questions of child labor surround the manufacture of top-quality soccer balls. Businesses with divisions in South Africa used to opt for segregated facilities to appease the apartheid government. And increasingly, foundations that say they seek to help the

**Force the corrupt to enter through the front [door], and they won't be so likely to succeed, Dunfee contends.**

“Corruption is often justified by both bribe-givers and bribe-takers as a culturally accepted – even expected – practice,” Nichols says. “The possibility ... has both practical and theoretical implications: practically, it would weaken the arguments for criminalizing transnational bribery; theoretically, it would weaken the proposition that proscription of bribery is universal.”

Unfortunately, corruption is so pervasive and accepted in some places that certain American

impoverished in the Middle East are being asked about their ties to suspected terrorist organizations.

But as surely as apartheid posed a challenge to human rights, it also provided a blue print for how corporations can bring pressure to bear against such repugnant values. A collection of companies laboring under apartheid gave birth to the Sullivan Statement, a set of governing principles under which participants promised to stand with one another and against South Africa's racist government.

## Q & A

with  
Dean  
Patrick  
Harker

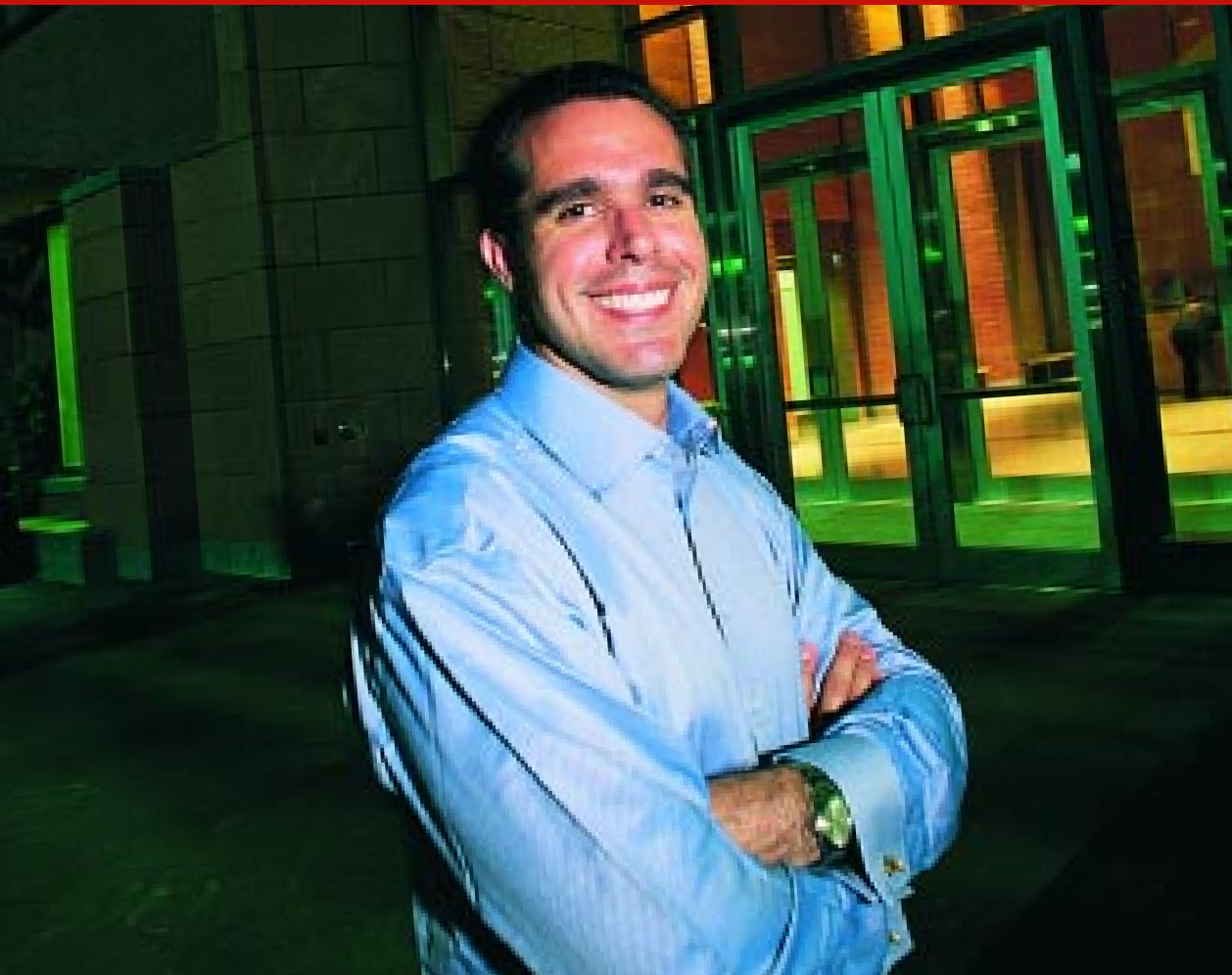
**Q: Do business schools have an obligation to address issues of ethics and morality in the classroom?**

**A:** When Joseph Wharton approached the Trustees of the University of Pennsylvania 1881 with a proposal to establish the first business school, his goal was to produce graduates who would “serve the community skillfully as well as faithfully in offices of trust ... maintaining sound financial morality.”

This is the crux of the matter. In business, we hold positions of trust. In a publicly held company, we're overseeing other peoples' capital investments. When we manufacture a product or deliver a service, we're warranting its quality and value in the economic exchange. Fundamentally, business is about relationships—relationships of trust that have far-reaching and deeply personal impact.

Joseph Wharton made the point that as business professionals we





Dunfee points out that corporations could do the same in countries where dishonesty is rife, if only they would publicize their encounters with corruption.

Bribery, for example, can survive only if it is allowed to sneak through a back door. Force the corrupt to enter through the front, and they won't be so likely to proceed, Dunfee contends.

"I think it would help move the country forward," Caleel adds. "But realistically, it's tough because a CEO has the responsibility to keep generating returns."

not only hold positions of trust, but also that we must "serve the community" in doing so. In his view, the goal of business was to make peoples' lives better, to advance society through economic development. And he rightly believed this required us all to act with "strict fidelity" to moral principles of equity and fair play.

So, yes, business schools have an obligation to address issues of ethics and morality, and I think we can be proud of the Wharton

School's historic commitment to that responsibility and the quality of our ongoing efforts in this important area.

But it's also important to note that the graduates of business schools have a further obligation, and that is to act ethically and morally in the marketplace once they leave business school. Even with the best of instruction and experience, each person must still make the personal choices that fall on one side or the other of the ethical scale.

Some critics have argued that the spate of corporate corruption is a sign

that business schools have failed in their responsibility of preparing their students in the area of ethics. If that were truly the case, we'd be seeing far worse and still more pervasive problems. That is not to say that the current situation is not serious, or that business schools can't do more. But I do think it is an encouraging sign of the constructive role business schools have played, and will continue to play, in turning out responsible business professionals.

## FOR STUDENTS, ETHICAL DILEMMAS OUTSIDE THE CLASSROOM AS WELL AS WITHIN

Wharton junior Samantha Rudolph remembers vividly Friday, Oct. 26 of last year – the day a fellow student leapt to his death from the eighth floor of his campus dormitory.

Around campus, people hurried to soothe one another. The University organized grief counseling sessions. The Graduate Student Center set up crisis intervention training. Friends planned a memorial.

Rudolph spent the weekend weighing her responsibilities. As a news director of Penn's student-run television station, she knew the story had to be told. But she also was concerned about the student's family.

"We didn't know if the parents knew at that point," Rudolph recalls. "We have a commitment to journalism, but we wanted to make sure we had the family's privacy in mind, too."

In the end, the station's Board of Directors opted not to pre-empt regular weekend programming. They chose instead to include a short piece about the student's death in the regular Monday broadcast.

The suicide posed one in an ongoing series of ethical questions Rudolph and her peers face at the station. Usually the conflicts have to do with free speech, such as whether to pull the plug on an anchor who slanders another student during a live broadcast. (The station is working on guidelines now.)

Rudolph says the station tends to lean on the conservative side of the ethical spectrum, a habit in line with Gensler's advice to all students.

"When faced with the temptation to shade the truth or to shade reported results, lean against that wind," he says. "Usually the one who can lean against the wind will be fine. You are not going to lose your job."

As for Rudolph, she's looking forward to the less regimented schedule of higher-level classes and perhaps more class time devoted to the ethical questions posed by current events.



TOMMY LEONARDI



## Ask yourself: How would you feel if what you're doing today were printed on the front page of *The New York Times* tomorrow?

So far her academic training in ethics has included a negotiating class in which some fellow students made up details to a case study. Lying wasn't permitted, but some students took the rule to mean that if they could imagine something that didn't directly conflict with the materials, then they could use it.

"It did open my eyes," Rudolph recalls. "It was my first exposure to the fact that people wouldn't necessarily treat me the way that I would treat them."

Caleel, who co-chairs the student Ethics Committee at Wharton, attributes such difficulties partly to Wharton's rich diversity. Because the school welcomes so many students from so many different countries, he says, there are bound to be divergent ideas about what constitutes ethical behavior. With that in mind, the Ethics Committee organized a 90-minute presentation to be included in this fall's MBA orientation.

"Wharton has done a fantastic job of creating an environment where you have to rely on your teammates," Caleel says. "There is a lot of trust that you give, and I think that ethical conduct is a foundation here."

He notes, however, that a university can't alter someone's moral fiber. It can only give the tools to evaluate one's behavior and its consequences.

Michael, the Ernst & Young auditor, agrees.

"I think ethics is really something that you learn when you are five years old," he says.

### A GENTLE REMINDER

The question of the moment seems to be "Where do we go from here?"

Dunfee admits there is an art as well as science to choosing ethical conduct. The first step is recognizing a particular situation as an ethical dilemma. Then, both Dunfee and Zicklin recommend applying a couple of tried-and-true tests:

1) Ask yourself, "Is this the start of a slippery slope to ruin?"

The principle behind this question holds that once a person crosses the line ethically – even in the most seemingly innocuous situation – it becomes easier to slide on the bigger issues. If it seems okay to take a box of pens from the office to use at home, it won't be much of a leap to charge a box to your corporate American Express card. And once someone starts charging personal expenses to his com-

pany, he might be tempted to keep it up. Witness the Chicago woman who embezzled more than \$240,000 from Andersen Consulting by filing fraudulent expenses. Her defense? She was a "shopaholic."

2) Apply "The New York Times" rule.

How would you feel if what you're doing today were printed on the front page of *The New York Times* tomorrow? If the idea gives pause, Zicklin suggests rethinking the choice.

Dunfee says that posing these questions will help people recognize where a particular decision falls on the spectrum between right and wrong. However, he also believes it's too late to leave the business world to police itself.

Indeed, Gensler believes some of the most important aspects of the business governance legislation approved this summer are the parts that ensure someone is watching the watchers. He's referring to the portions of the new law that provide for independent oversight of auditors and make them clearly responsible to shareholders via the board of directors, rather than to company managers.

For people doing business outside the U.S. as well as within, Dunfee and Donaldson suggest in *Ties that Bind* that a set of manifest global moral standards exist (they call them "hypernorms") which may serve as ultimate guideposts for ethical dimensions of business decision making.

Although Dunfee is for government oversight, he also reminds us that being in the right legally doesn't always mean one is in the right ethically.

"I believe that you get more influence out of norms and professional standards than you do out of specific regulations," he says. "The law is not perfect."

"I'm always worried the government can muck up something," adds Michael, the Ernst & Young auditor. In addition to Dunfee and Zicklin's suggestions, Michael says the number one improvement companies could make to protect their assets is to instill in lower-level employees the belief that it is OK to question what happens above them.

"I think that's something important – that people aren't totally cowed by the structure of the organization." ♦

SHARON L. CRENSON IS A NATIONAL WRITER FOR THE ASSOCIATED PRESS.

# TAKING Stock

Wharton alumni look back on ways that Wharton changed their lives and look forward to the future of the world's best business school.

## THE GIFT THAT KEEPS ON GIVING: UNRESTRICTED FUNDS

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**"If there is a single trait that identifies Wharton alumni, it is their capacity for leadership."**

ANGELIQUE IRVIN, WG'00



## Friendship To Grow On

**Faculty support has helped entrepreneur Angelique Irvin, WG'00, come out on top.**

When you walk into Coviant, Angelique Irvin's two-year-old fiberoptics manufacturing startup in Horsham, PA, you may have to step over Maya. She's Irvin's black-and-tan border collie/terrier mix, a fixture in Coviant's low-key office environment.

The presence of Maya is just one of the ways that Irvin sets the tone for an office that is open, relaxed, and creative. "Coviant is a really dynamic environment," she says. "We have few walls, and they are physical, not emotional. We are very team oriented and nonhierarchical – which came from Wharton." Until recently, says Irvin, Coviant employees didn't even have titles on their business cards.

All of this may help to explain why Coviant has survived while so many other high-tech startups have crashed and burned. "My business is run very differently from other startups, but it's worked for us," she explains. "We're flourishing in a really tough environment, in a really bad market. That's something I'm really proud of."

A critical factor in this success, says Irvin, is something that began as soon as she entered Wharton. There she met down-to-earth, accessible faculty members like Leonard Lodish, professor of marketing, Ian Mac Millan, professor of management, and Stuart Diamond, professor of legal studies. From day one, they encouraged her in her entrepreneurial goals.

"My professors treated me like an equal," she says. "I had some different ideas, and they listened. They gave me friendship as well as support and advice, and that friendship helped me grow." Eventually, Wharton helped Coviant grow as well – Irvin's initial seed capital was generated primarily through Wharton contacts.

Diamond and Lodish serve on Coviant's Board of Advisors, and Irvin still relies on their friendship. "I call Len (Lodish) whenever I need to run things by him, and he always calls me back. He's called me from Chile! Having him to turn to has been really inspirational for me."

The road to Irvin's own business started years ago, when, as a 13-year-old growing up in rural Oregon with very few resources, she successfully started and operated her own

**The business world is constantly changing, and for 121 years Wharton has been creating, directing, and disseminating those changes. Wharton is the birthplace of many of the business community's best ideas. Unrestricted giving allows Wharton to continue its role in training leaders for the challenges of tomorrow.**

**"I chose Wharton because I knew I wanted to start my own business. I had the passion, but I needed the skills and the creativity. I was far more impressed with Wharton's intellectual intensity and entrepreneurial spirit than I was with Harvard, Stanford, or Chicago."**

ANGELIQUE IRVIN, WG'00



DAVID DEBALKO

**The unique challenges of building a business from the ground up have always been a special focus of the Wharton experience. Many of the world's most successful entrepreneurs honed their leadership skills right here. Unrestricted funds make possible the continuation of Wharton's tradition of entrepreneurship through the support of faculty, research centers, and special programs.**

sheep farm. With an eye toward manufacturing, she earned an undergraduate degree in Ceramics Engineering. After 15 years of working for others, including high-profile positions at Bell Laboratories and AT&T Microelectronics, she came to Wharton with a very specific goal.

"I chose Wharton because I knew I wanted to start my own business," she remembers. "I had the passion, but I needed the skills and the creativity. I was far more impressed with Wharton's intellectual intensity and entrepreneurial spirit than I was with Harvard, Stanford, or Chicago. And Wharton was not as tied to tradition as the others – I knew I could try new things there."

The lessons Irvin learned at Wharton have been with her every day since Coviant opened its doors. "There has not been a decision I've made at Coviant that hasn't been influenced by Wharton," she says. "I use every analytical tool I learned. Looking around my office, I see all the books on my shelf that I used at Wharton. I'm still using them today."

Another Wharton resource Irvin has found invaluable at Coviant is fellow Wharton graduates, three of whom she has brought in to work on special analytical and consulting projects. It is hard to remain impartial, she says, when faced with the achievement level of Wharton alumni. "Their creativity and their ability to analyze have all been exceptional," she reports. "And they have a lot more insight into what drives a business."

If there is a single trait that identifies Wharton alumni, says Irvin, it is their capacity for leadership. As a former Wharton admissions liaison, Irvin has participated in the interview process and believes it is a critical first step in the education of Wharton leaders: "Wharton looks very carefully at each applicant's references as well as their abilities, and as a result, the accepted students are a very value-driven group."

While Irvin herself is extremely proud of her Wharton degree, she is careful not to let it define her. "I try to show that I'm a Wharton grad based on my actions, my skills, and my responsibility. I don't rely on my degree... I feel I still need to prove myself."

And she does that every day, as Coviant continues to grow. Recently, the company signed a partnership agreement with Shipley Company LLC, a Rohm and Haas company, which is sure to keep Coviant's staff of twenty on their toes. When asked about this and other successes at Coviant, Irvin is drawn back to her Wharton roots and the nurturing she was given.

"They believed in me. Sometimes that's all a person needs to be successful...someone to give them the skills they need and to believe in them. That's what Wharton did for me."



## The Strength of Community

**At Wharton, Cesar Conde, WG'99, learned how to use his skills for the greater good.**

Reading Cesar Conde's resume, you might think his life was pretty exciting already. Graduate of Wharton and Harvard...vice president of business development for Univision, the nation's leading Spanish language media and entertainment company...co-founder of the Futuro Program, which provides community outreach to Hispanic high school kids in New York City.

This fall, it got even better.

In September, Conde began a year-long leave of absence from Univision to serve as a White House Fellow, one of a handful of individuals picked by President Bush's office to work and learn alongside a Cabinet secretary. After a nine-month application process, Conde was chosen from more than a 1,000 hopefuls and assigned to the office of Secretary of State Colin Powell, once a White House Fellow himself.

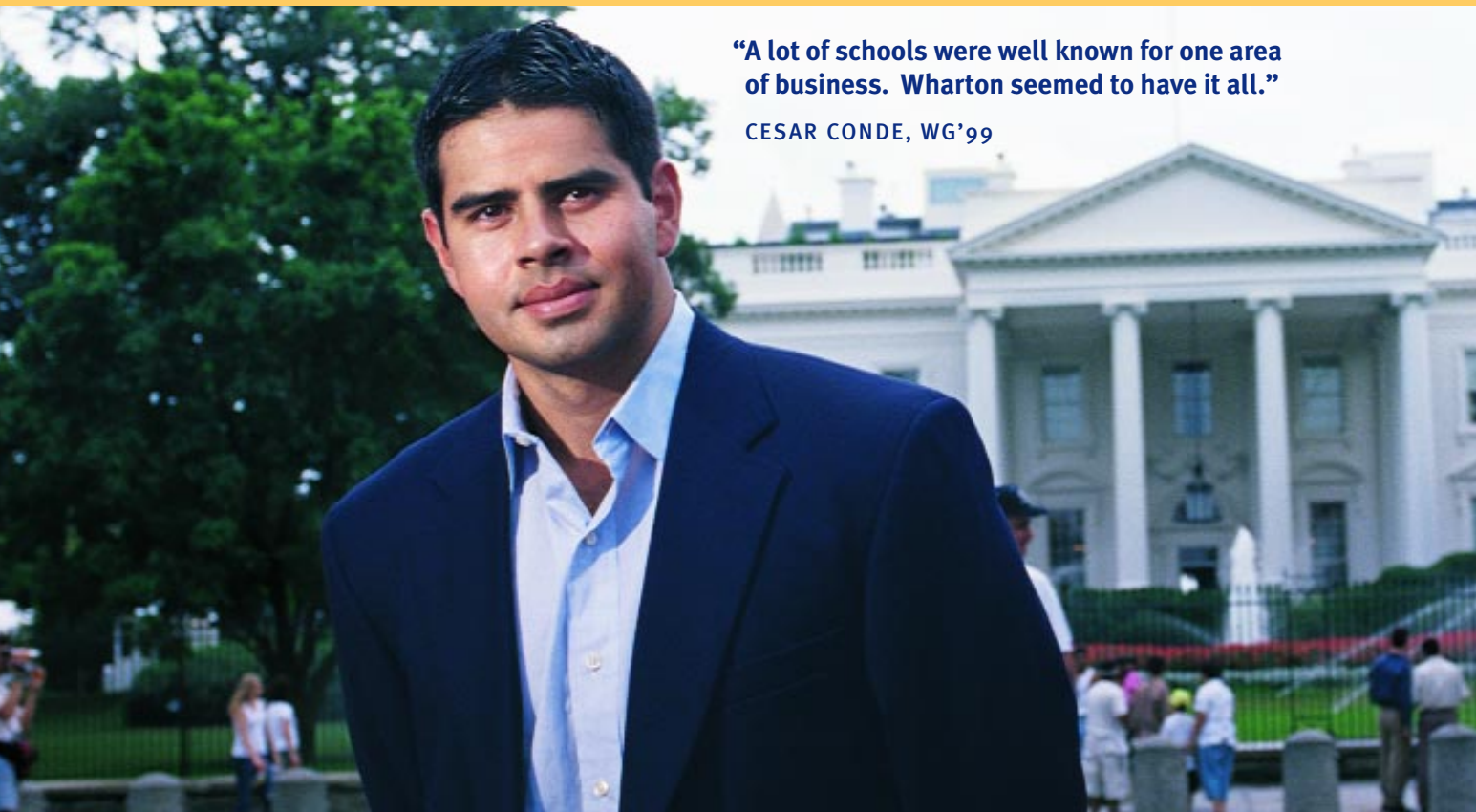
During the fellowship, Conde hopes to help write policy, take on special projects, be involved in negotiations, and use his business skills to help solve problems. "I'm extremely flattered to be chosen," says Conde. "I'm looking forward to developing a better feel for how our government works and bringing that knowledge back to my community."

It's no surprise that Conde, who is half Cuban and half Peruvian, names his community as the first beneficiary of this tremendous opportunity. Since earning an MBA, he has used his business skills to improve the lives of Hispanic Americans. It's a path that has been highly successful, and one he says he owes largely to his experiences at Wharton. Raised in Miami, Conde studied history at Harvard. He decided an MBA would expand his options and chose Wharton for the depth and breadth of its curriculum.

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**"A lot of schools were well known for one area of business. Wharton seemed to have it all."**

CESAR CONDE, WG'99



"A lot of schools were well known for one area of business. Wharton seemed to have it all," he explains.

While Conde had high hopes for his Wharton education, he pictured his classmates as stereotypical business students: bright but self-absorbed. What he found instead, he says, "really blew me away. Everyone was so open to other people and their ideas. They were completely down to earth and willing to help. To this day, that's one of the things I value most about my association with Wharton – the people."

Realizing that activities on campus were almost completely student driven, Conde jumped in. He soon found himself president of the WGA and organizing the Wharton World Tour, a series of week-long events featuring global cultures. "People were so proud to see their cultures represented. To me, it really spoke to what Wharton is all about: community," Conde remembers.

It was a community that helped Conde build a strong foundation in business while expanding his vision of himself. "Wharton gave me the ability to test a lot of skills in a protected environment without negative repercussions, including negotiating, public speaking, strategic thinking, and networking," he says. "I learned how to motivate people. Most importantly, I developed a bigger sense of responsibility for a cause other than myself – I learned how to leverage the skills I was building for the good of my community."

After graduating from Wharton, Cesar put those lessons to work at StarMedia Network, the first online provider of business and community solutions for Spanish and Portuguese speakers worldwide. Within 15 months, he was promoted from manager to director to vice president for business

development. In February of this year, he made the move to Univision.

Meanwhile, last year, he saw a need among New York Hispanic high school students for positive role models and career skills, and the Futuro Program was born. On his own time, Conde, his two brothers and other volunteers recruit speakers and organize workshops that give Hispanic kids a clearer sense of their career options – and the tools to help them get there.

Like most Wharton alumni, Conde is still closely connected with Wharton friends, both via the Internet and in person. They help him in the business world and also make up a large part of his social circle. "The relationships I built at Wharton are intricately woven into my life," he explains. "All Wharton graduates have a bond. In order for the Wharton experience to grow over time, graduates need to keep helping each other and strengthening the bond."

Conde returns to Wharton whenever he can, and he was recently asked to be the Young Alumni Speaker at Class Day: "I learned lessons from older alumni about their successes and mistakes, and now it's my turn to help the current students do the same," he explains.

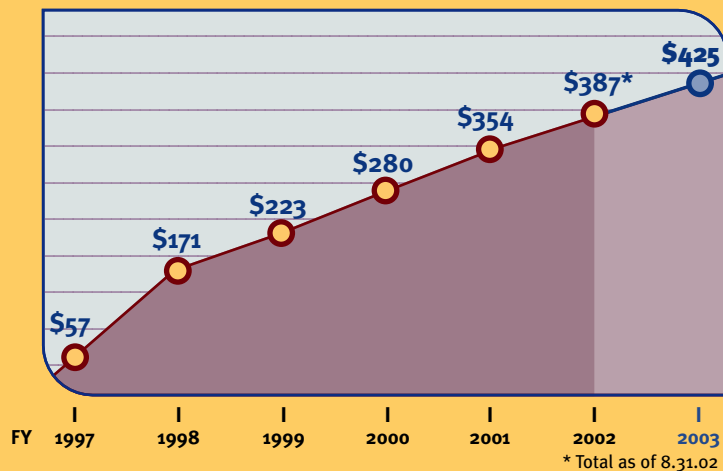
Perhaps the next time he is asked to speak, he can pass on some of the insights he will certainly gain in Washington this year. He looks forward to carrying on a tradition of Wharton White House Fellows upheld by Dean Patrick Harker, who participated in the program in 1991-92.

"Wherever I go, in any field or industry," Conde says, "I am reminded that Wharton people are leaders."

## THE GIFT THAT KEEPS ON GIVING

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## Bringing the Internet East

### For Takeshi Natsuno, Wharton unlocked the secrets of technology.

The year was 1994, the place was Wharton, and the class was “How the Internet Affects Real Business.” For Takeshi Natsuno, who had come from Japan to learn how to be a global business leader, it was a major turning point.

“Most classes about the Internet in other schools were technology oriented. Wharton’s emphasized the value of the Internet in relation to real business activities,” explains Natsuno, who today runs i-mode, the world’s largest wireless Internet service, for Japan’s NTT DoCoMo, Inc. “If I did not attend Wharton, the wireless industry [in Japan] would have been at least three years behind!”

A native of Yokohama, Japan, Natsuno was raised in Tokyo, where he knew he had a future in business even as a student. “I have been always interested in ‘platform’ types of businesses, like finance, telecommunications, and real estate development, because I believe they provide platforms to other business activities and can make a bigger influence on the evolution of the society,” he says.

After graduating from Waseda University, he joined a leading company in the Japanese energy industry and also worked in real estate development. The decision to attend Wharton was a critical one for Natsuno, who knew he needed to build new skills in order to take the next step in his career.

What he expected to find at Wharton – “pressure, stress, and a hard life” – turned out to be less of a problem than the everyday cultural challenges. “It was not hard for me to follow the classes and lectures,” he recalls, “but it was hard to follow the trivial chats with my classmates, such as gossip, sports, and stock prices.”

In addition to the importance of the Internet and how to integrate it into business, Natsuno gained another key tool at Wharton: Complexity Theory. “I found that this theory can be applied to various areas such as economics, trading, and management,” he explains. “Since then, I have applied it to all the business I am implementing.”

While at Wharton, Natsuno says, he became “tougher in all senses while upgrading my talent and skills.” Returning to Japan, he hit the ground running, working in the Internet industry for two years before joining NTT DoCoMo.

There, he built the fledgling i-mode to 34 million subscribers in only three and a half years. The project was not without its challenges – notably, says Natsuno, the conservative nature of the existing wireless industry – but his natural perseverance and newly acquired knowledge served him well.

Along the way, i-mode was cited as one of the “Hottest of the Hot” in a 1999 *Business Week* article, which stated, “...NTT DoCoMo, the wireless subsidiary of Japanese telecom giant Nippon Telegraph & Telephone Corp., is so successful that its market capitalization now exceeds that of its century-old parent. One reason for the stock surge is DoCoMo’s popular *i-Mode* wireless Net service, which lets cellular users grab information from Web sites.” Two years later, Natsuno was selected by the same magazine as one of the 25 most influential e-business leaders worldwide.

**“Most classes about the Internet in other schools were technology oriented. Wharton’s emphasized the value of the Internet in relation to real business activities.”**

TAKESHI NATSUNO, WG’95



STUDIO WEST

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## A Gift for the Next Generation

**Ashish, W'92, and Sapna, W'93, Shah pay homage to Wharton's people and programs.**

Natsuno, who is married and enjoys gourmet food and wine as well as traveling, is also a two-time author. He has documented the meteoric rise of i-mode and the challenges he faced in two books: *i-mode Strategy*, published in 2000, and *a la i-mode*, published in 2002. In a 2000 review, the industry journal *Mobile Media Japan* said of Natsuno's first book, "Packed with lots of analytical data about i-mode, it is a very persuasive book...[it] not only looks at the complexities involved in converting a telecom system into a mobile telephone accessed internet connection service – it also provides invaluable insight into some of the management concepts utilized in the process."

Looking back over his success, Natsuno thinks again of lessons learned at Wharton: "To design the service specification of i-mode, I viewed every piece of technology as a tool to create value, not as the sacred work of engineers. Even the most advanced technology is meaningless if it cannot create real value to end. This is what I learned at Wharton."

Less than ten years after they graduated from Wharton, Ashish and Sapna Shah made a decision: they were ready to give back to their alma mater. The result was something new and big – the Shah Lecture Series of the Joseph Wharton Scholars Program, which presented its inaugural event in May of 2001. The series is funded by a \$100,000 donation from the Shahs.

The couple, who met at Wharton, began dating after graduation. They were married and both working on Wall Street when the inspiration for their gift struck. At a retirement dinner for Bill Whitley, former director of the Joseph Wharton Scholars Program, Ashish realized that the professor, and the concepts he had taught, had been a driving force in his life.

"When I arrived at Wharton, I wanted to be a Joseph Wharton Scholar because it provided an opportunity to take some really interesting courses," says Ashish, who grew up in York, PA. (The JWS Program is a special undergraduate

**Clubs, conferences, student government, workshops, networking... learning outside the classroom has always been a critical facet of a Wharton education. Unrestricted gifts to the Wharton Fund strengthen and shape these extracurricular activities, helping Wharton students build the well-rounded perspectives that set them apart.**

SAPNA SHAH, W'93  
ASHISH SHAH, W'92

"I learned so much about working in teams through group projects at Wharton, which was a huge help once I joined the work world. Even roles I played in clubs like the Wharton Management Club taught me leadership, communication, presentation, and networking skills."

SAPNA SHAH, W' 93





curriculum that emphasizes the importance of scholarly research and the liberal arts and sciences within the framework of a business education.)

"Bill Whitley was kind enough to give me a chance as a JWS. I started taking economics with him, and it was really tough. We were all struggling through the advanced materials – but we were all struggling together and helping each other learn. Throughout my years at Wharton and in that program, Whitley always kept me grounded."

Although Sapna's experiences at Wharton were different, her feelings of gratitude were the same. "I learned so much about working in teams through group projects at Wharton, which was a huge help once I joined the work world. Even roles I played in clubs like the Wharton Management Club taught me leadership, communication, presentation, and networking skills," she recalls.

Both Ashish and Sapna credit Wharton with their choice of careers. "I was drawn to trading because of everything I learned at Wharton," says Ashish, who began working in arbitrage at Banker's Trust after graduation and is now a trader for a hedge fund. "I got such a great macroeconomic grounding that I now have a deeper understanding than people from other schools."

Working with Jeremy Siegel, Russell E. Palmer Professor of Finance, on research papers was another Wharton experience that deeply affected Ashish and influenced his career path. "It was like getting five years of Wall Street experience in a single shot," he says. "He has the ability to take something very theoretical and show you how to use it right away, how it is relevant in your life." It was especially fitting, he adds, that Siegel was a speaker at the first Shah Lecture Series event.

"When I first came to Wharton, I had little knowledge of finance, financial markets, and international business," says Sapna. "By the time I left, I knew I wanted to work on Wall Street." After several years there, she discovered the retail field. Now working for Ann Taylor, Sapna's Wharton education is just as relevant: "The case studies we covered in marketing and management classes at Wharton have stuck with me and influenced the decisions I've had to make."

At Wharton, the Shahs built the business skills they needed to succeed, but they were also given a fundamental lesson in values. "Throughout my courses, the message was, 'Don't worry about the dollar. Worry about being happy and doing what interests you. The dollar will take care of itself.'" It is a message that has guided the Shahs, who recently added a baby boy named Deven to their family.

**"The class of 2002 understood that the unrestricted money we raised would help fund large, strategic objectives.**

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MARY O'LOUGHLIN, WG'02,

SECOND YEAR CLASS GIFT COMMITTEE MEMBER

*The Second Year Class gift raised a record \$451,000 in unrestricted support to the Wharton Fund last year, with the participation of 91% of the class.*

"Since graduation, I have always wanted to give back to Wharton in a meaningful way," says Sapna. "It's nice to be able to help an institution that has made my career – and even my marriage – possible! Ashish and I benefited so much from the classes, professors, other students, and clubs, as well as outside speakers and lectures. We hope that JWS students will look back on our lecture series and say, 'I remember going to that lecture – I learned a lot from it, and it made a difference in my career.'"

Adds Ashish, "I have always been taught that education is the best way to give back. It helps others succeed so that they, in turn, can do their part. We are thrilled to be able to contribute to that process." ♦

**Find out how you can play a role in Wharton's future, and the future of business, through an unrestricted gift to the Wharton Fund.**

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# U R B A N

## Perspective

**Wharton's Susan Wachter helps define what cities need to grow.**

Like the flow of traffic in and out of downtown on a workday, the prospects for America's cities seem to wax and wane. Pessimism took hold in the 1970s and 1980s as people moved to the suburbs and urban jobs disappeared. Optimism later surfaced as young couples began to gentrify old neighborhoods, sometimes at the expense of poorer residents. On occasion, a restaurant renaissance will bloom, and the prospects of cities will seem bright; at other times, a deteriorating public school system and block after block of decaying housing can make for a bleak outlook.

Susan M. Wachter, professor of real estate and finance, has seen pundits pronounce the death and resurrection of cities more than a few times. But her view has remained consistent. She is bullish on urban America.





"It's clear that there is the potential for new investment in cities," she says. "There are continuing advantages to the clustering of firms in cities especially in knowledge-based sectors and other fields where in-person contact is key. Infrastructure, culture, commercial real estate, both public and private, are heavily concentrated in cities. I do not think cities in the future will decline absolutely in population, although they undoubtedly will relatively to suburbs. In fact, recent trends point to urban recovery."

Wachter's passion is to conduct research on real estate – on real estate economics, urban economics, and housing finance. "I don't think cities have been dying a natural death. If so, we'd see cities dying across the world," she says. "In fact, the *global* urban problem is too much growth. In the United States, there are particular processes at play weakening cities. The processes are self-generating. As the middle class leave cities, the tax base decreases, and taxes go up. Unfortunately national housing policy has also contributed to the exit of the middle class and cities' decline. But this can be reversed."

Wachter is perhaps best known for her pioneering research on housing affordability. In addition to her work in this area, she has numerous publications on house price dynamics, land regulation, community reinvestment, and urban growth patterns. She also has done research on mortgage markets and major secondary mortgage market institutions, Fannie and Freddie.

A member of Wharton's finance department for many years, Wachter helped establish the real estate department with Professors Peter D. Linneman and Joseph Gyourko in 1994. The department has six primary faculty members; five other Penn faculty members hold secondary appointments and play important roles in teaching and research. *U.S. News and World Report* has consistently ranked the department first among real estate departments in the nation.

"I DON'T THINK [AMERICAN]

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IS TOO MUCH GROWTH."

"Working with Joe and Peter to set up this department was important for the fields of urban and real estate economics," says Wachter, who served as chairperson of the department from 1997 to 2000. "It's unusual that urban issues and real estate economics are found together in an academic setting. The department and Wharton's Samuel Zell and Robert Lurie Real Estate Center combine public and private market research. We're an example for European and U.S. business schools, which have looked to us as a model as they establish real estate programs. This is a delightful time to be at Wharton. Not many people get a chance to be part of a department's birth and help it grow."

Wachter's work extends beyond academia and has brought Wharton expertise to play in the business and policy arena. This includes creating of a Geographical Information Systems (GIS) facility that employs state-of-the-art modeling technology to analyze commercial and residential real estate development and price appreciation patterns in cities.

## Working at HUD

In late 1998, Wachter's research caught the attention of the Clinton administration, when the U.S. Department of Housing and Urban Development (HUD) had the senior policy post to fill. In early 1999, she was nominated by President Clinton to be assistant secretary for policy development and research at HUD. She was confirmed by the Senate and served until President Bush took office in January of 2001.

As a member of the White House Interagency Task Force on smart growth, she pressed for policies that supported reinvestment in cities. She also increased her department's budget so that it could hire more economists and conduct the research necessary for the office's mission. While at HUD, Wachter was responsible for producing more than 10 congressionally mandated reports, and she edited five volumes.

Her tenure at HUD gave Wachter a first-hand look at the intersection of real estate, public policy, and politics. "HUD is a small to midsize agency – 10,000 employees with a \$40-billion budget but with relatively few assistant secretaries – which allows you to work closely with the Secretary, Congress, and the White House on policy development," she says. The HUD post also gave Wachter a chance to be an administrator. She was directly responsible for nearly 200 employees and disbursing more than \$30 million annually, as well as oversight for policy development within the department. Sixteen-hour days were not uncommon, and she was grateful that her boss, HUD Secretary Andrew Cuomo, did not ring her cell phone more than a few times a day on weekends, which she spent at home with her family in suburban Philadelphia.

Wachter also was in charge of the American Housing Survey, which is conducted periodically for HUD by the Bureau of the Census and used to track national housing conditions. The survey, which includes a sample of about 55,000 homes, collects a variety of data on the nation's apartments, single-family homes, mobile homes, and vacant housing, and enables the tracking of the quality and quantity of the nation's housing. The survey is exhaustive, and it contains detailed information on the characteristics of the residents, physical condition of individual houses, and neighborhoods where they are located. Using the data, Wachter and her staff produced reports for Congress on "Worst Case Housing Needs," tracking improving housing quality but worsening housing affordability conditions in many parts of the nation.

Economists and other researchers crave such minutiae reported by the AHS, but the information is not available to just anybody. Because of privacy issues, the government requires that people wishing to access the data demonstrate the importance of their research. Researchers also "have to be background-searched and fingerprinted," says Wachter, who went through the process herself twice, first to be nominated and recently to conduct research.

During Wachter's time in Washington, HUD revitalized existing programs to carry out its core mission of providing government-assisted housing and community development programs. For instance, Congress provided new funding to jump-start redevelopment of distressed public housing. Existing housing projects were demolished and mixed-income housing units, financed by a combination of private and public money, were reconstructed in their place.

"Privately funded, mixed-income housing can be a key factor in revitalizing entire areas of cities," Wachter says.

**"HOUSING PROGRAMS  
SHOULD WORK WITH THE  
MARKET RATHER THAN  
AGAINST IT," WACHTER SAYS.  
"THAT'S THE NEW WAVE OF  
URBAN DEVELOPMENT."**

Wachter also helped initiate new funding for HUD's tenant-based voucher program, which helps low-income people move into housing. Housing vouchers work like school vouchers: assisted households receive money from the federal government and then are free to use this money to rent or own the housing of their choice. A major study funded by Wachter's office demonstrates, based on actual experience with vouchers, the major positive impact vouchers can have on families' health and children's educational attainment.

Wachter calls vouchers "a more efficient way of delivering affordable housing to people." "In contrast to public housing projects which concentrate people in pockets of poverty, vouchers give people a choice in where they live and, by deconcentrating poverty, can help reverse some of the deleterious effects public housing projects have had on inner cities," she notes.

Wachter addressed the role of vouchers in a study entitled "Principles to Guide Housing Policy at the Beginning of the New Millennium," co-written with Michael H. Schill, professor of law and urban development at New York University, and published in the Spring 2001 issue of *Cityscape*, a journal published by HUD. The article notes that market-rate housing provided in cities that have in the past lost population and particularly the middle class can both help to revitalize cities and provide housing on otherwise vacant brownfields. This urban development and housing will be driven in the future by a combination of private and public financing.

"That's the new wave of urban development," Wachter says. "Housing programs should work with the market rather than against it."

## **Home OWNERSHIP**

Wachter's work on housing affordability has perhaps drawn the most attention from scholars and policy analysts. The issue is of interest because of the centrality of homeownership to the nation's housing policy. Much of Wachter's research has explored the factors that keep people from becoming homeowners. In several papers, she has analyzed how interest rates and down payment constraints can be used to measure the national rate of homeownership.

Most recently, she has been working on a paper that examines the role that financing constraints play in whether a person becomes a homeowner or remains in rental housing. This study, co-authored with researchers at the Federal Reserve Board, will be presented at a January 2003 meeting of the American Real Estate Urban Economics Association. The research is a continuation of Wachter's ongoing work on the determinants of home ownership, on which she has testified to Congress.



"Lack of wealth limits homeownership," says Wachter. Wachter's original research on homeownership, conducted with Peter Linneman, was the first to demonstrate the impact of financial constraints on homeownership. The recent research confirms the earlier findings pertaining to wealth constraints and shows a growing role of credit quality in the last decade.

For many years, Wachter has also been analyzing how rates of homeownership and mortgage-lending decisions affect neighborhoods. Her work has shown that neighborhood characteristics are critical in the mortgage-lending process, but that once those characteristics are adjusted for, there is little evidence that the racial and ethnic composition of a neighborhood is a significant factor in decisions to reject or accept mortgage applications.

Wachter has shown that increased homeownership is, other things being equal, linked to improved neighborhoods. Her findings also address a policy conundrum – anything that improves cities also makes them less affordable. "Homeownership acts as a hedge against the downside of urban revitalization," she explains. "It's a hedge against the increases in housing costs that can accompany revitalization. Without access to homeownership, revitalization has potential negative consequences. People can be priced out of the ownership market."

What is more, her work has revealed a subtler point: the political consensus for urban investment and revitalization originates with homeowners. Hence, homeowners, because they benefit from revitalization through higher housing prices, have it in their interest to push for the political change necessary for revitalization.

## Housing supply elasticity and "SMART GROWTH"

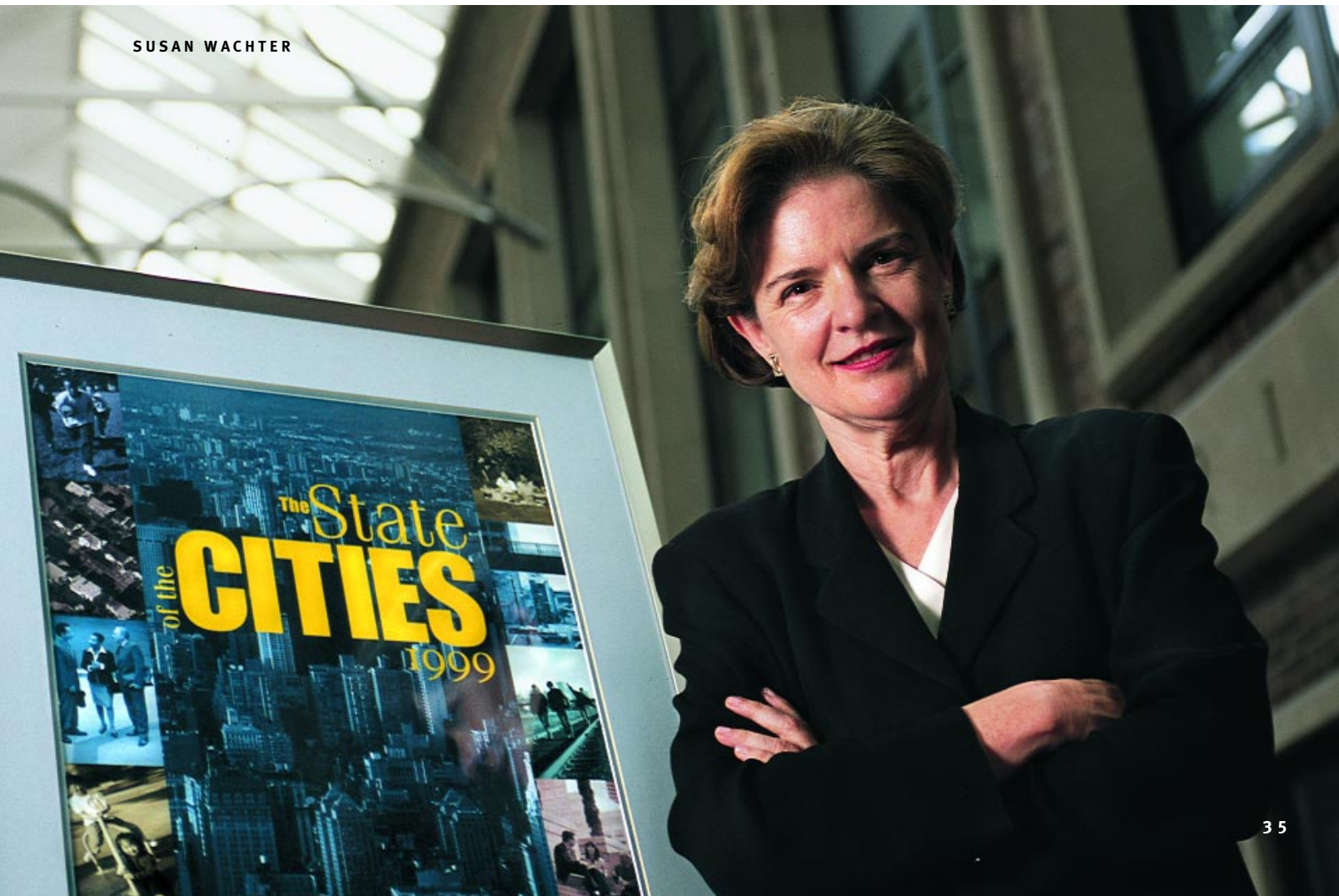
One of the key findings of Wachter's research is that housing in the United States, compared with housing in many other countries, has remained affordable for most people.

"Unlike most parts of the world, the United States is quite unusual in that we have a very high supply elasticity for housing," she explains. "We have a large amount of space in the United States – compared with other countries – and local control which translates into cities competing to supply infrastructure for new housing subdivisions. The increase in demand for housing in this country, as elsewhere, is generated

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DAVID DEBALKO

SUSAN WACHTER



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# Marketers Turn to Metrics to Measure the Impact of Their Initiatives

"Half my advertising is wasted. I just don't know which half." Countless other executives have felt the same as John Wanamaker, the 19th century department store magnate and marketing pioneer who uttered those words many decades ago. To be sure, companies have tried in rudimentary ways to measure the impact of their marketing initiatives on their companies' profitability. For the most part, though, marketing has remained perhaps one of the only corporate departments that does not use the kind of metrics that are meaningful to bottom-line-oriented people like chief executive officers or chief financial officers.

But that indifference to metrics is becoming a thing of the past. Experts from Wharton, McKinsey & Company, and the Marketing Science Institute (MSI) say that the search for better marketing metrics is underway throughout corporate America. Marketing executives are devoting more attention than ever to ways in which they can link traditional marketing variables, such as market share and customer awareness, to hard-core financial concepts, such as a company's stock price or return on investment.

Metrics are such a hot topic that a session was devoted to the issue at a conference at Wharton on September 19 and 20. Entitled the "CMO Summit: Excellence in Marketing," the conference was co-sponsored by McKinsey, MSI, and Wharton and provided a forum where chief marketing officers could discuss their challenges and concerns about the impact of marketing on business performance.

"When marketing people talk about what they do, the variables they cite aren't the ones the CFO cares about," says Donald Lehmann, a marketing

professor at Columbia Business School and executive director of MSI, a Massachusetts-based nonprofit organization that acts as a bridge between companies and academia. "Customer awareness, customer satisfaction, and market share are metrics, and they are nice to know about. But the CEO [is more concerned with] shareholder value, market capitalization, return on assets, and return on investment. In marketing, people don't talk that way."

"Historically, when the CEO wanted to know the ROI of marketing spending, the marketing people would say, 'If you spend more, your market share will go up.' But the marketing people haven't done a great job quantifying that," says Wharton Marketing Professor David Reibstein, a former executive director of MSI. John Forsyth, a principal at McKinsey and a leader of the firm's marketing practice, says McKinsey's clients are increasingly concerned about metrics. Many clients are "unhappy with the metrics they currently use because they aren't linked to performance as much as they ought to be."

**[A] reason for the increased interest in metrics is that CEOs see no good reason to exempt marketers from the kind of accountability demanded of other corporate managers.**

## The Push for Metrics

The push to develop metrics is not new. Every two years, MSI conducts a survey of its members to determine their research priorities. "Assessing marketing productivity and marketing metrics" was ranked first in the surveys for 1998 and 2002; the subject placed second in the 2000 survey. Specifically, those surveyed said they were interested in assessing marketing program productivity; linking internal marketing program metrics (customer awareness) to external financial metrics such as ROI; determining how to value customers, brands, and innovation; learning how to measure short- and long-term effects of marketing efforts; and developing international metrics.

So, what is an example of a metric? "Let's look at brand equity, which is something CEOs care about," explains Lehmann. "Marketing people measure brand equity by using descriptive adjectives or associations. The brand has high 'blank' – fill in whatever adjective you want. Let's say that our brand has high 'presence.' If you tell your CEO, 'We've just increased the presence of our brand,' he'll nod and say, 'That's nice.' But he can't really evaluate it." One possible metric to measure the value of a brand, Lehmann suggests, is simply this: the extra revenue a brand earns when compared to a similar product with a private label. "If you talk to CEOs like this, they will have some idea of what you're talking about."

The heightened interest in metrics stems from several factors. For one thing, because marketers typically are not equipped to speak the quantitative language of CEOs and CFOs, they find that they are able to exercise less and less "clout" in business deliberations,



according to Lehmann. “For at least a decade, the boundaries have been breaking down between marketing, the function, as opposed to marketing, the activity,” he says.

“Marketing as a function is in some danger of becoming marginalized or not very important. Some think that marketing people do little more than

to the CEO or CFO, “Trust me,” says Bill Moulton, MSI’s president. “Every other part of a company is being held accountable in financial terms.”

Marketing typically requires more creative activity – copywriting, photography, analyzing and predicting human behavior, making TV commercials, and the like – than other corporate depart-

ments the consulting firm’s customer and consumer insights practice. “In this environment, they have to do more with less. Companies want to reduce the marketing activities that have less of an impact for them, and they need to have the right metrics to make appropriate decisions.

“Let’s say a company conducts a big customer satisfaction survey on a regular basis, but it has never been able to relate that overall level of satisfaction with the company’s rate of return. You may think that as customers become more satisfied, the company would make more money from them. Some CEOs may think that isn’t true – and they would be right if it costs so much money to make those customers satisfied [that it cuts into profits.]”

In a study entitled “Restructuring Marketing Spending to Do More with Less,” McKinsey’s Gary Singer states that marketers can restructure their spending without diminishing their brands’ presence in several ways. One is to manage marketing expenses through smarter strategic sourcing; another is to maximize the returns of marketing expenditures by adding analytic rigor to an often-unfocused budgeting process. Singer, a principal at McKinsey and a leader of its branding practice, says it can be helpful for companies to view the use of metrics as part of a broader, more integrated approach to understanding what marketing programs are trying to achieve and how to get the biggest bang for the buck.

Even though a company can measure response to a direct mail campaign, how can it know if direct mail is a better use of a dollar than a mass-media ad campaign or direct sales? “It’s critical to explore the integration of these various marketing levers,” Singer says.

Singer recalls that, during the 23 years he spent in advertising before joining McKinsey, he learned that it was important for companies to identify and articulate the key audiences (primary and secondary) they were targeting. In one case, a firm was considering launching a major national TV campaign, which would have

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blue-light specials and coupons. Distribution-channel responsibilities have migrated out to supply-chain management. The operations strategy has tended to be assumed by the general management function. And the customer-satisfaction responsibility – the core of marketing – has now become an information-technology function with database management. All of this may be good for these other functions but not so good for marketing departments.”

Another reason for the increased interest in metrics is that CEOs see no good reason to exempt marketers from the kind of accountability demanded of other corporate managers. “We are way past the point when the CMO can say

ments. Hence, marketers often argue that what they do cannot be quantified. But Moulton and the other experts say that this line of thought does not hold water. “At some point, you have to replace that argument with some truth,” Moulton says. “The onus is on marketers to demonstrate returns on marketing investments.”

## An Uncertain Economy

Although companies have been pushing for the development of metrics for years, today’s uncertain economic climate is placing more pressure on marketers to justify what they spend. “Our clients are increasingly concerned about metrics,” says McKinsey’s Forsyth, who

## Wachter

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by both income growth and, in part, immigrant-driven population growth. What is interesting is that in the U.S., this has not translated into higher inflation-adjusted housing prices.”

In many other parts of the world, housing supply is much less elastic. When demand increases, housing prices can rise dramatically. For example, in the London metropolitan area, housing prices have increased fourfold over the last three decades in inflation-adjusted terms. Such inflation is typical in many parts of the world.

But Wachter, in the 2000 State of Nation's Cities Report produced by HUD and by the White House, identified a new trend in the United States, beginning in the last half of the 1990s. Housing prices have risen relative to overall prices and have done so particularly sharply in and near cities like San Francisco and Atlanta. Various explanations have been offered for this phenomenon, including the rapid expansion of the technology sector in these cities. Smart growth – which is designed to contain urban sprawl and achieve such goals as clean air and water and the improvement of cultural and recreational amenities – is admirable in many respects, but may have contributed to rising prices by limiting the land available for development.

Wachter's recent research with Richard Herring examines the sources of real estate price trends, and particularly the sources of bubbles. While Wachter does not believe that there is a national real estate bubble, there may still be localized over-valued markets, and there is a need for local market information to determine whether and where local bubbles are forming.

## The importance of GIS

These days, Wachter is devoting some of her research efforts at Wharton to the uses of Geographic Information Systems (GIS), a new technology that has many uses for business and government policy decision making. GIS allows data to be collected, stored, and tracked spatially, for instance showing trends in homeownership not only through time but also across neighborhoods. Wachter founded and directs the Wharton GIS Lab, a cutting-edge facility specializing in this technology. Through work in the lab, she has pioneered academic uses of GIS, as well as business uses through private sector partnerships. Recently, Wachter hosted a conference at the Wharton School on the expanding role of GIS in business and government, bringing together leaders from academia, government, and the private sector to discuss implications and issues for the new technology.

While in Washington, she established an office on GIS Research. This office initiated HUD's Research Maps, which allows HUD to do large- and small-scale geographic analyses of neighborhood development throughout the United States, using local data. CD-ROMs are being used throughout the country by state and local planning agencies. A Web-based component is in development.

“Geospatial knowledge can be the foundation for fact-

based policy on community and regional development,” Wachter says. “The new access to local spatial data and the ability to analyze such data in real time is increasingly important for locationally based community and business decisions.”

New federal policies, coupled with her own observations and research on urban issues, only serve to strengthen Wachter's conviction that the future of America's cities is positive.

“The evidence is that cities that were declining in the '70s and '80s are now either showing growth or at least not losing population. Of the top 30 cities, two-thirds that were losing population in the '70s and '80s are now growing. This includes cities of all sizes: New York, Chicago, Wilmington, Providence, Atlanta. That makes all the difference in the ability to invest in the future and maintain some population growth. The key factor in real estate values is expectations. If the expectation is that cities will grow, that expectation will be reflected in property values and a high property tax base, giving rise to a virtuous cycle that can reverse the vicious cycles of urban abandonment of the past.” ♦

## Knowledge@Wharton

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reached millions of people. What it really wanted to do, however, was target one important buyer at a major retailer. “Our ad agency said to the client, ‘Why don't you put billboards between the buyer's home and office? It would cost \$10,000 instead of \$10 million.’ The buyer at the retail firm was captivated by the billboards, and our client made the sale.”

Many marketers resist the notion of metrics, partly because they view their responsibilities as more art than science. But Reibstein urges marketers to adopt metrics because, if for no other reason, it will strengthen the leverage they wield in their companies. “CFOs are starting to play bigger roles in making marketing budgeting decisions,” according to Reibstein. “That's disturbing from my standpoint. CFOs aren't marketers.” ♦



# Alumni Association Update

## Home Team: *The Wharton Club of Philadelphia*

Like many of her fellow Wharton alumni, Gloria Rabinowitz, WG'78, recently found herself at a career crossroads. DuPont, the Wilmington, Delaware-based company at which she had worked in several executive capacities, was shutting down the Internet-oriented unit she was heading. While Rabinowitz had other positions she could have pursued within the company, noting that she "never expected *not* to work for duPont for the rest of my career," she decided to explore other opportunities.

While her own job search was quick – she is now director of strategic analysis at AmeriGas in suburban Philadelphia – the lessons learned about the need for lifelong career management were longer lasting. It fueled her interest in helping fellow members of the Wharton Club of

Philadelphia with similar challenges. A longtime member of the club, she approached its leadership about wanting to share her new-found knowledge and help create alumni career programs. Her timing was perfect: a survey the club had just conducted had shown that the top reasons members get involved include career development and job change. Working with fellow club members Patricia Berenson, WG'89, and Melinda Schorr, WG'81, Rabinowitz has coordinated a series entitled *Business Is Our Business, Managing Your Career Is Your Business – A Lifetime Pursuit*. The first program, held in mid-September, focused on "ins" and "outs" for job changers; subsequent programs will highlight entrepreneurship and moving up in an organization.

Rabinowitz's experience is an example of how the alumni club in Philadelphia, representing the second largest concentration of Wharton grads in the world, responds to the needs of its constituents. As a club member, Rabinowitz felt encouraged to pursue her interests in lifelong career management with an entrepreneurial spirit that reflects the best lessons the Wharton School offers. And the career program is but one of several thematic niches in which the club operates: other members have volunteered to develop a well-received Wharton Women's Network; a breakfast series spotlighting leaders from the local business community; and social events that take members around the greater Philadelphia area for art exhibits, wine tastings, and baseball games.

Rabinowitz's experience is an example of how the alumni club in Philadelphia, representing the second largest concentration of Wharton grads in the world, responds to the needs of its constituents.

GERALD (GERRY) ROBINSON, W'54, MELINDA SCHORR, WG'86, LEE KORINS, W'54, AND KAREN KORINS AT THE 2002 PHILADELPHIA [CONNECT] EVENT HOSTED BY THE WHARTON CLUB OF PHILADELPHIA.



As befitting their "home team" status in the Wharton network, the 16,000 Wharton alumni in the region represent the breadth of the School's Undergraduate, Graduate, Executive, and Doctoral programs. According to club president Adam Fein, PhD '97, the club's schedule of events, membership outreach, even the composition of the board of directors has been calibrated to reflect that diversity. "Our strengths are diversity and deep networking," Fein said. "The network is broader and stronger than those we interacted with while attending Wharton. The club's leadership and membership base represents different age groups, career paths, industries, and experiences. The services and programs developed for our members are definitely enhanced by

this level of diversity and participation."

In addition to the programs already mentioned, the club most recently sponsored a sold-out event at Wyeth Pharmaceuticals, featuring a presentation by Wyeth President Bernard Poussot; interacted with students at campus-based programs; and co-hosted a reception for Dean Pat Harker. The club will also be an active part of the Jon M. Huntsman Hall celebration on October 25 and 26. To find out more information on the club's upcoming schedule of events, or to get more specific information about the Wharton Women's Network, visit their website at <http://www.whartonclub.org/>, or e-mail club administrator Maureen Waddington at [maureen@whartonclub.org](mailto:maureen@whartonclub.org). ♦

DEAN PATRICK HARKER TALKING WITH  
PHILADELPHIA ALUMNI.

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The Wharton Alumni Virtual Experience (WAVE) offers Wharton alumni:

- a password-protected, searchable alumni database, which offers full control over your individual information;
- password-protected message boards;
- career management services;
- lifelong e-mail;
- electronic mailing lists for alumni to create and join; and
- links to information from throughout the School, including the Alumni Club Network, online publications, reunions, and alumni conferences.

Visit WAVE at <[wave.wharton.upenn.edu](http://wave.wharton.upenn.edu)>.

### **Address Update**

Moving to a new location? Changing jobs? Notify Alumni Affairs at 215.898.8478 (phone) or 215.898.2695 (fax) or via e-mail at [alumni.affairs@wharton.upenn.edu](mailto:alumni.affairs@wharton.upenn.edu).

### **Career Services**

Interested in making a career change or researching other job opportunities in your industry? MBA Career Management offers several ways to assist you. Contact them at 215.898.4383 or online at <[mbacareers.wharton.upenn.edu](http://mbacareers.wharton.upenn.edu)>. For information on undergraduate alumni career resources, call 215.898.3208.

### **Clubs**

Network with alumni in your area, and take advantage of opportunities to attend speaker events, seminars, and club programs. Contacts and a calendar of events can be found on our alumni website at <[wave.wharton.upenn.edu](http://wave.wharton.upenn.edu)>.

### **Fundraising/Development**

Support Wharton's future by making a gift to The Wharton Fund. Get more involved by encouraging your Wharton friends to do the same or by offering your marketing expertise to the school. Call 215.898.7868, or give online at <[www.wharton.upenn.edu/development/wf.html](http://www.wharton.upenn.edu/development/wf.html)>.

For those interested in planned giving, contact Greg Wolcott, director of gift planning, at 1.800.400.2948 or via e-mail at [wolcottg@wharton.upenn.edu](mailto:wolcottg@wharton.upenn.edu).

### **Executive Education**

Stay current and build on your success through courses offered by the Aresty Institute of Executive Education. For information, call 215.898.4560, or e-mail [execed@wharton.upenn.edu](mailto:execed@wharton.upenn.edu). Online information is available at <[www.wharton.upenn.edu/execed](http://www.wharton.upenn.edu/execed)>.

### **Admissions**

For undergraduate admissions information, call 215.898.7507, or e-mail [Info@admissions.ugao.upenn.edu](mailto:Info@admissions.ugao.upenn.edu). Our website is <[www.upenn.edu/admissions](http://www.upenn.edu/admissions)>.

Children of alumni may schedule on-campus interviews by contacting the Alumni Council at 215.898.6888.

For MBA admissions information, call 215.898.3430, or e-mail [mba.admissions@wharton.upenn.edu](mailto:mba.admissions@wharton.upenn.edu). Online, visit <[www.wharton.upenn.edu/mba](http://www.wharton.upenn.edu/mba)>.

For PhD admissions information, call 215.898.4877, or visit <[www.wharton.upenn.edu/doctoral](http://www.wharton.upenn.edu/doctoral)>.

### **Wharton Admit Network**

Get involved in the admissions process by interviewing prospective students worldwide. Alumni volunteers should contact MBA admissions at 215.898.3430.

### **Library Services**

Access the wealth of resources that the Lippincott Library provides to alumni. Check out the Library's homepage at <[www.library.upenn.edu/lippincott](http://www.library.upenn.edu/lippincott)>, or contact the circulation department at 215.898.7566.

### **University Bookstore**

Wharton is everywhere – on pens, sweatshirts, T-shirts, key rings, and more. To order Wharton insignia products, call 215.898.7595, or browse through the mail order catalog featured at <[www.upenn.edu/bookstore](http://www.upenn.edu/bookstore)>.

### **Knowledge@Wharton**

Stay informed of Wharton research, faculty, conferences, and speakers. Browse Wharton's free online business journal, Knowledge@Wharton, at <[knowledge.wharton.upenn.edu](http://knowledge.wharton.upenn.edu)>.

Knowledge@Wharton provides insight on issues ranging from finance, general management, and marketing to e-commerce and business ethics. The site is updated with new, in-depth features every two weeks and includes analyses of business trends and current events, interviews with industry leaders and Wharton faculty, articles on recent business research, book reviews, conference reports, and hyperlinks to related sites.