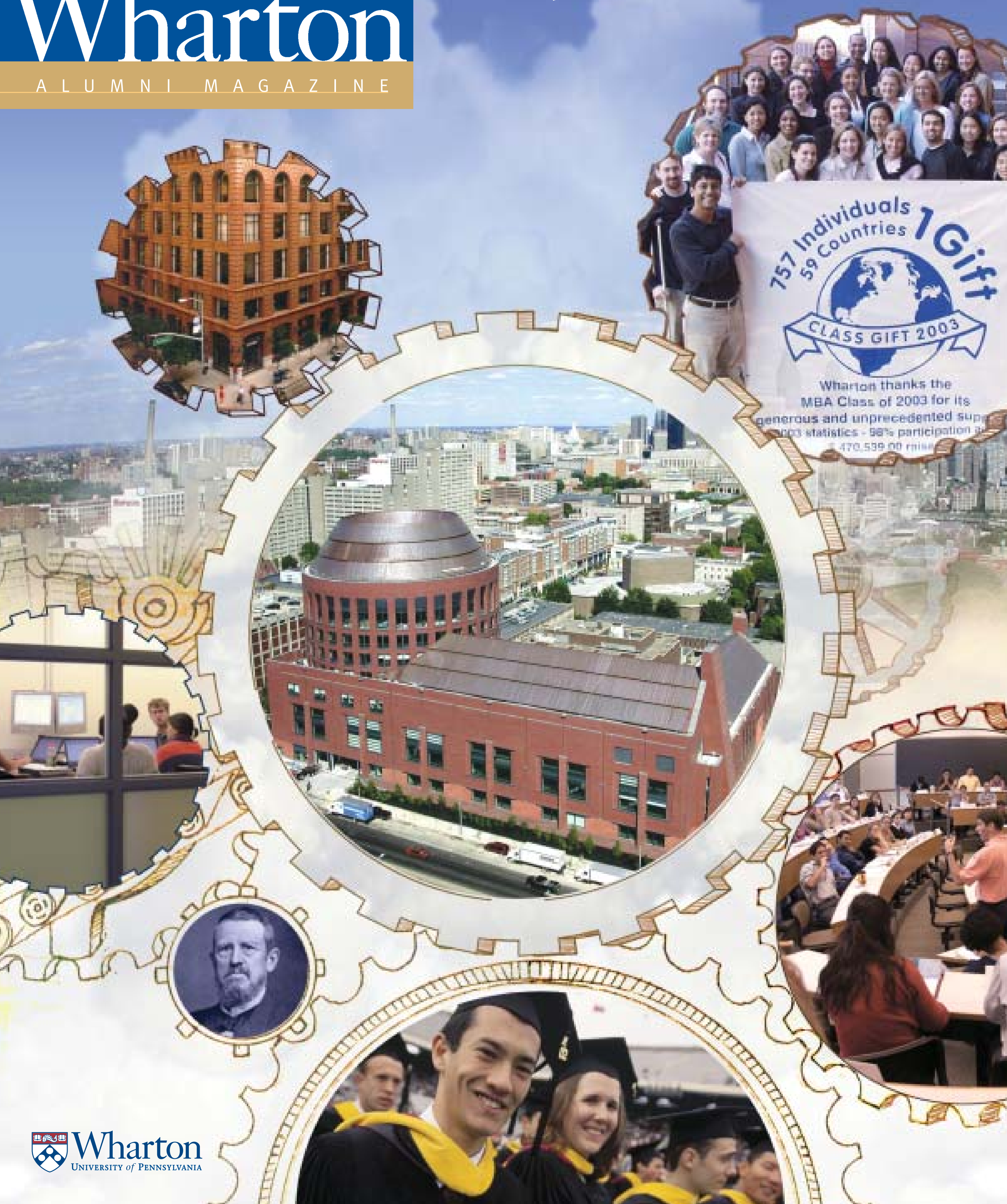
fall 2003

Wharton

ALUMNI MAGAZINE

Special Report:

A Campaign of Transformation



Wharton
UNIVERSITY of PENNSYLVANIA

Save the Date

2003

OCTOBER 31

Wharton Women in Business 2003 Conference
Park Hyatt, Philadelphia, PA
<www.whartonwomen.org>

NOVEMBER 7

6th Annual Wharton Investment Management Conference
Union League, Philadelphia, PA
<www.wimc2003.com>

NOVEMBER 14-15

Wharton Global Business Forum 2003
Park Hyatt/Union League, Philadelphia, PA
E-mail: wgbf@wharton.upenn.edu
<www.whartonglobalforum.com>

DECEMBER 4-7

30th Annual Whitney M. Young Conference
Loews Hotel, Philadelphia, PA
<wmy.wharton.upenn.edu>

2004

MAY 20-22

8th Regional Alumni Meeting for Europe, Africa and the Middle East
Moscow*

JUNE 3-6

10th Asian Regional Alumni Meeting
Shanghai*

JUNE 24-26

5th Latin American Regional Alumni Meeting
Mexico City*

*See back cover for more details.
E-mail: regionalalumnimeeting@wharton.upenn.edu
<regional.wharton.upenn.edu>

COVER ILLUSTRATION.JON CONRAD

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ALUMNI MAGAZINE
Fall 2003

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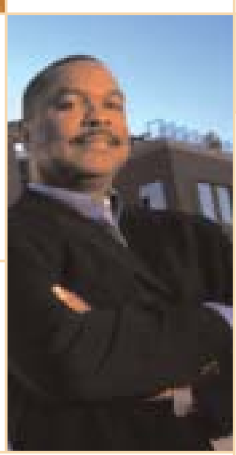

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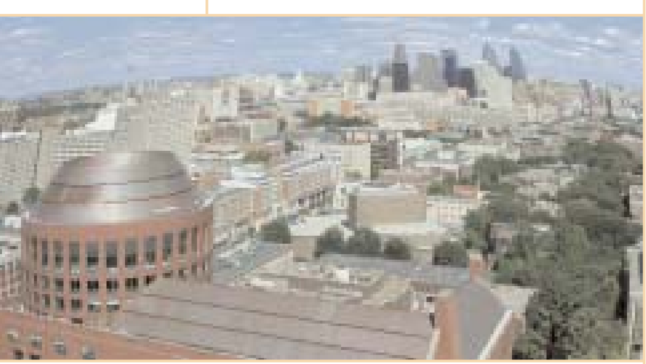


Departments

MAURICE RAMIREZ

WHARTON WEST '03

First West Coast MBA for Executives Class Graduates

The Wharton School held the graduation of its first West Coast class of MBA for Executives students on August 24, 2003, in the San Francisco War Memorial and Performing Arts Center's Herbst Theater. The 59 graduating students began their MBA studies in August, 2001, when the School opened its West Coast facility — Wharton West — in San Francisco. They commuted to the residential program from all over the country, bringing an average of 10 years' experience in industries ranging from finance and manufacturing to telecommunications and entertainment.

The graduation keynote speaker was Jon M. Huntsman, W'59, H'96, founder and chairman of the Huntsman Corporation. Huntsman is the chair of the School's Board of Overseers and namesake of a new $139.9-million state-of-the-art facility on the School's Philadelphia campus.

"This graduating class represents the fulfillment of an important outreach goal of the School to reach new student populations and bring the highest quality of management education to the West Coast," stated Dean Patrick Harker. "I congratulate the students for completing a rigorous academic curriculum in an equally rigorous format."

Wharton West Vice Dean Leonard Lodish added his congratulations, stating that he is "particularly gratified to see how these students already have added significant value to their sponsoring companies using new knowledge they have obtained at Wharton."

Whether based in San Francisco or Wharton's home campus in Philadelphia, the MBA for Executives Program **<www.wharton.upenn.edu/wemba>** offers qualified candidates the same program, faculty and degree as Wharton's world-class MBA program. The two-year program is designed for the working professional and provides the value of a full-time Wharton MBA education to experienced managers with high growth potential.

The MBA for Executives Program was one of the School's first programs launched at Wharton West. Successive classes of students have come from California, the western U.S. and as far away as Asia. The incoming class size has grown to more than 80 students.

In addition to serving as the West Coast base for the School's MBA for Executives program, Wharton West also offers non-degree executive education programs. It is located in the historic Folger Building at Howard and Spear Streets, near the San Francisco business and financial district.

Knowledge@Wharton Announces Partnership with Economist.com

Knowledge@Wharton, the online business analysis and research journal of the Wharton School, and Economist.com have entered a partnership to launch a series of web-based briefings on current business topics. The seminars will be accessible from Economist.com and Knowledge@Wharton websites, reaching a combined audience of nearly 1.8-million senior executives around the world. These online events will reside in a new section of both websites to be called The Global Business Report.

"Wharton is delighted to work with Economist.com on this project," said Dean Patrick Harker. "Our shared commitment to advancing global business practice by delivering cutting-edge knowledge to executives makes this a great partnership. We hope everyone will take advantage of the opportunity to learn from the world's top business research faculty through these seminars."

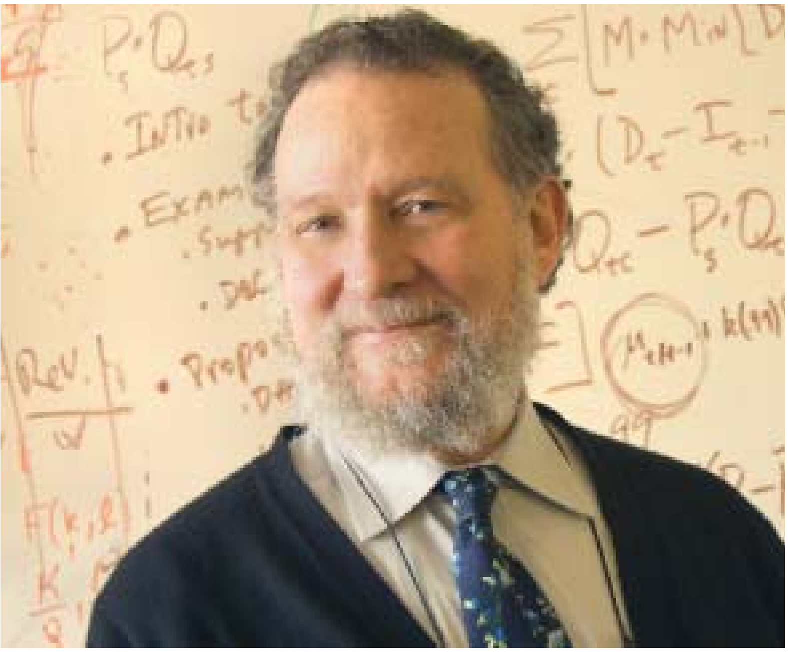
"This is an exciting opportunity for us to bring our authoritative global brands together", commented Paul Rossi, publisher of Economist.com. "It will allow us to offer our audience of internationally-minded senior business people insight into the issues facing global organizations."

Each online seminar — or "Business Briefing" — will feature Wharton faculty, journalists from *The Economist*, and other industry experts. The format will include audio interviews, readings, and online panel discussions. After each seminar, Knowledge@Wharton will produce a conclusions paper highlighting findings from the event.

Topics will focus on issues that business leaders have indicated are crucial challenges their organizations must confront over the next decade. These range from strategic approaches to business process outsourcing, new competition for the pharmaceutical industry, the crisis in health care coverage, shifting business climates in Asia and Europe, and the role of small business in a global economy. The series is scheduled for launch in the fall of this year.

Knowledge@Wharton is free and can be accessed at **<http://knowledge.wharton.upenn.edu>.**

KLEINDORFER



TOMMY LEONARDI

Faculty Awards Honor Outstanding Teaching

Paul R. Kleindorfer, Anheuser-Busch Professor of Management Science, was this year's recipient of the Helen Kardon Moss Anvil Award for teaching in the MBA division. The winner was elected by the MBA student body using a weighted average number of votes that takes into consideration the number of students he or she has taught in the past year. In addition to receiving a cash award, Kleindorfer was recognized at Spring Salute and graduation.

In the Undergraduate Division, Anne Cummings, assistant professor of management, and William F. Hamilton, Ralph Landau Professor of Management and Technology, were named the 2003 recipients of the David W. Hauck Award for Outstanding Teaching. The David W. Hauck Award for Outstanding Teaching, the most prestigious in Wharton's Undergraduate Division, is given to recipients for their ability to lead, stimulate and challenge students, knowledge of the latest research in the field, and commitment to educational leadership.

The New Faculty

This fall, Wharton welcomed thirteen new faculty to its roster. They include:

Sigal Barsade
Associate Professor
Management Department

Jennifer Blouin
Assistant Professor
Accounting Department

Philip Bond
Assistant Professor
Finance Department

Xavier Dreze
Assistant Professor
Marketing Department

Skander Essegaier
Assistant Professor
Marketing Department

Nicolae Garleanu
Assistant Professor
Finance Department

Kartik Hosanagar
Assistant Professor
Operations and Information Management Department

Brigitte Madrian
Associate Professor
Business and Public Policy Department

Albert Saiz
Assistant Professor
Real Estate Department

Stephen Shore
Assistant Professor
Insurance and Risk Management Department

Uri Simonsohn
Assistant Professor
Operations and Information Management Department

Geoffrey Tate
Assistant Professor
Finance Department

Anita Tucker
Assistant Professor
Operations and Information Management Department

Entrepreneur in Residence Program Returns with New Roster of Company Founders

Wharton's "Entrepreneur in Residence" program, which allows University of Pennsylvania students the chance to tap the brainpower and expertise of successful entrepreneurs, has anounced a new slate of successful business owners participating this year. Penn students are provided one-on-one, 30- minute sessions with the Entrepreneurs in Residence, gaining the opportunity to access their insight, experience and business advice.

Entrepreneurs arrive nearly every Tuesday while school is in session and represent a full range of industries and life experiences. In all, there are ten visiting entrepreneurs for the fall semester.

"We are delighted that students get involved in this program for such varied reasons such as an industry interest or to solicit feed-back for a business concept, or to simply gain inspira-tion," said Nicole Righini, associate director for Wharton Entrepreneurial Programs.

Entrepreneurs coming to campus this fall include:

- John Osher, who sold his SpinBrush toothbrush to Crest for $475 million and also helped produce "Hairspray" on Broadway
- Michelle Peluso, W'93, founder of travel website Site59, and now COO of leading online travel agency, Travelocity
- Rebecca Mathias, a Penn alum, who launched maternity apparel maker Mothers Work and is on Penn's School of Arts and Sciences Board of Overseers
- Dennis Weiss, WG'70, family business member and owner of West Central Produce of Los Angeles
- Chris Ingram, founder of British advertising agency CIA, which he sold to WPP for £64 million.

For more information, visit:**<www.wep.wharton.upenn.edu/student_involvement/entrepreneur_inresidence.asp>.**

For more news, visit <www.wharton.upenn.edu>.

Correction: In our Summer 2003 profile of Lucinda Kasperson, WG'53 ("Innovation is the Key"), we incorrectly identified Ms. Kasperson's undergraduate institution. The correct institution is Mount Holyoke College.

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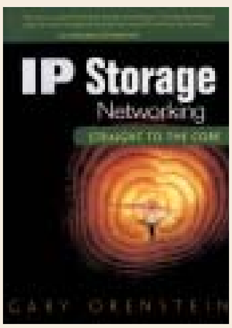
Recent Alumni Books

The Old Girls' Network

By Sharon Whiteley,
Kathy Elliott, and
Connie Duckworth, WG'79
Basic Books (2003)

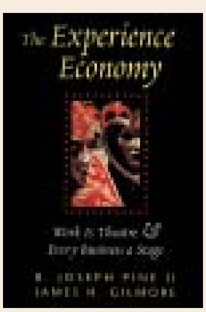
"The 'old girls' speak wisely and directly, offering shrewd recipes for successful business creation that will make any budding entrepreneur feel she has an angel by her side."
–Rosabeth Moss Kanter, Harvard Business School



IP Storage Networking: Straight to the Core

By Gary Orenstein, WG'97
Addison-Wesley (2003)

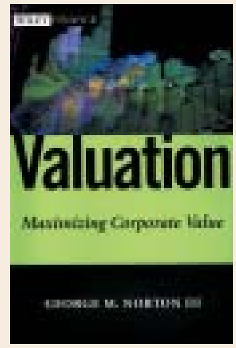
"Unlike traditional storage networking analysis, *IP Storage Networking* goes beyond technical descriptions to the business reasons and justifications for implementing a storage architecture."
–Doug Ingraham, Senior Manager, Cisco's Storage Technology Group



The Experience Economy: Work is Theatre & Every Business a Stage

By B. Joseph Pine II and James H. Gilmore, W'81
Harvard Business School Press (2003)

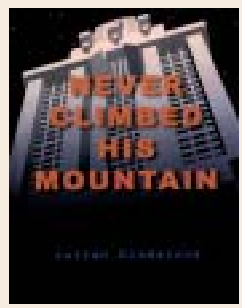
"Pine and Gilmore confirm our sense of excitement about the *Experience Economy* and the role experiences play in building stronger, more personal relationships with employees, corporate customers, and consumers."
–Marilyn Carlson Nelson, President, CEO, and Vice Chair, Carlson Companies, Inc.



Valuation: Maximizing Corporate Value

By George M. Norton III, WG'72
John Wiley & Sons, Inc. (2003)

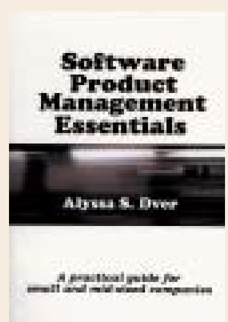
"George Norton has made the complex subject of business valuation and value creation understandable. …For a business book it is not only a 'good read,' it is a 'must read.'"
–Craig Lentzsch, President and CEO, Greyhound Lines, Inc.



Never Climbed His Mountain: A Retailer's Journey to the Heights and Disaster

By Julian Gladstone, W'48
Infinity Publishing (2002)

"…A memoir like no other."
–Publisher



Software Product Management Essentials: A Practical Guide for Small and Mid-sized Companies

By Alyssa S. Dver, W'87
Anclote Press (2003)

"A solid treatise on product management techniques and practices, the majority of which are applicable well beyond just software product management."
–The Product Development & Management Association (PDMA)

The Two-Income Trap

BY NANCY MOFFIT

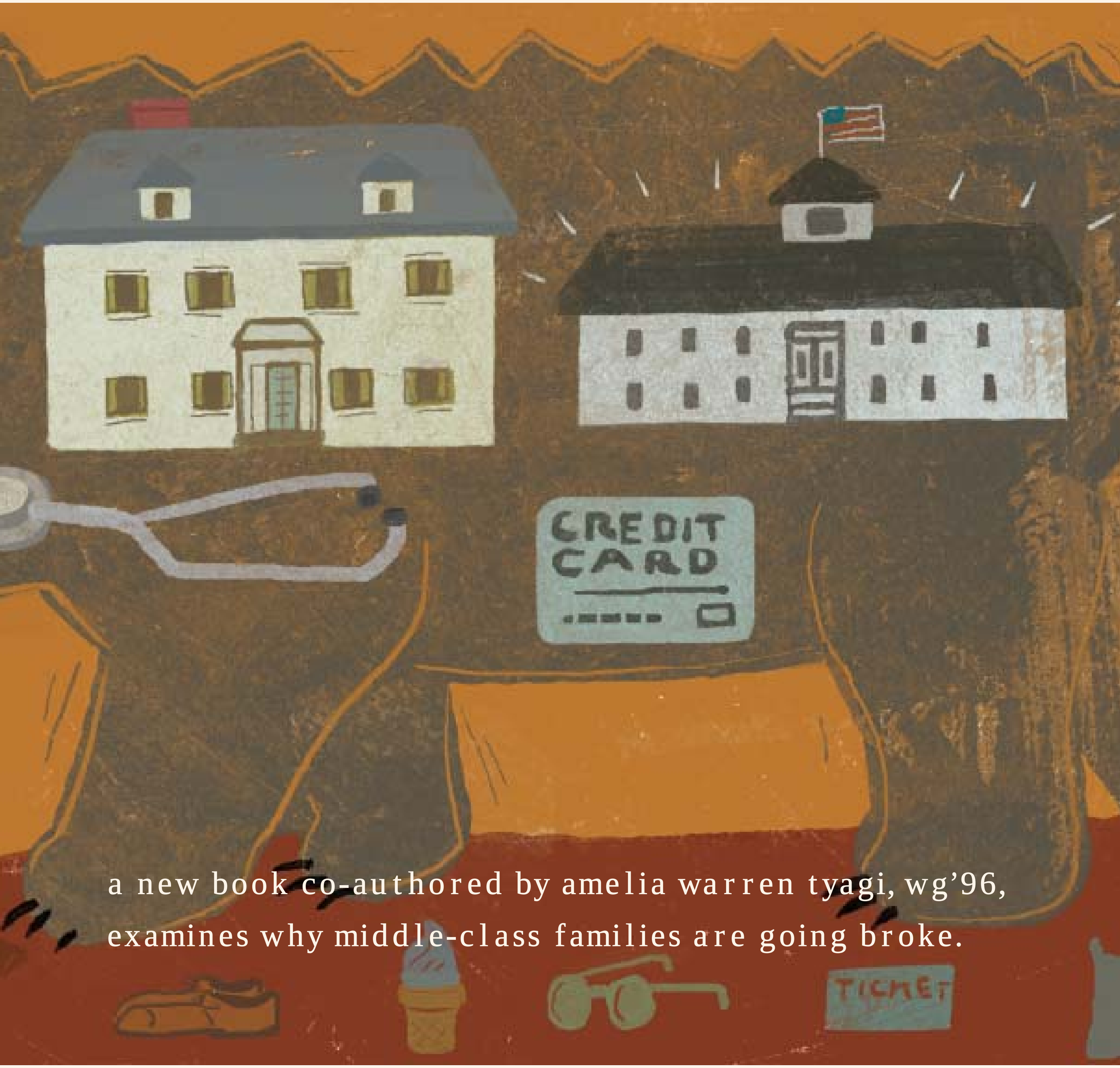
Amelia Warren Tyagi assumed that her freelance gig running numbers for her mother's research project would be an interesting, if somewhat routine bit of work – a great way to ease back into the professional world after the birth of her daughter. Her mother, Harvard law professor Elizabeth Warren, was continuing an earlier research stream on personal bankruptcy in America and asked Tyagi to help her run some analyses of several federal databases.

But as Tyagi began working through 30 years of bankruptcy, U.S. Census and Bureau of Labor Statistics data, a pattern began to emerge that was anything but routine. "As we worked through the analysis together a story began to take shape that wasn't just about macro economic trends," says Tyagi, WG'96. "It was about how much things have changed for middle-class families with kids, from my mom's generation to mine – a story of how these families are struggling, quietly, just to provide their kids the basics."

Warren and Tyagi published their findings in the book, *The Two-Income Trap: Why Middle-Class Mothers and Fathers Are Going Broke*, released last month to a flurry of attention from national media and presidential hopefuls eager to capitalize on findings that reveal that all, in fact, is not well.

Families with children, the book reveals, are nearly three times as likely to go bankrupt today than those without. The nation is now on a trajectory where one in seven families will go bankrupt by the end of the decade. And while the modern, two-income family earns 75 percent more (inflation-adjusted) than the one-earner family of a generation ago, it actually has less discretionary

ILLUSTRATION. JUD GUITTEAU



a new book co-authored by amelia warren tyagi, wg'96, examines why middle-class families are going broke.

income and far more financial instability.

"We are talking about issues that are invisible," says Tyagi. "When you tell somebody that more children will go through their parents' bankruptcy than their parents' divorce, people stop in their tracks. When you say that one in seven middle-class families will go bankrupt by 2010, people wonder how this can be."

How this can be in fact has little to do with big screen TVs, weekly jaunts to the mall and too many family dinners at The Olive Garden, Tyagi and Warren demonstrate in *The Two-Income Trap*. What's happened, they say, is that a decline in public education has bid up the price of housing in the best school districts. Parents overextend their mortgages to buy homes near good schools, a trend that's flourished as deregulated lenders have continued to relax down payment standards from 20 percent a generation ago to 3 percent or less. And today, in a single year, more than five billion pre-approved credit card offers, totaling $300,000 of credit per family, pour into mailboxes across America. Credit card debt has increased accordingly, Tyagi and Warren write, from under $10 billion in 1968 (inflation adjusted) to more than $600 billion in 2000, an increase of more than 6,000 percent.

But "there is no evidence of an increase in impulse buying or luxury acquisitions of the past 30 years," the authors write. "If families aren't buying more goods, then what are they using all that debt for? The bidding war (for housing) has inflated the cost of middle-class life to the point that once they have paid the mortgage and other fixed expenses, families have little discretionary income left – and less margin for error."

The real spending increases, Tyagi says, are for housing, health insurance, a second car, preschool and college education. "Not very sexy stuff. And even when you add in all those dinners out, families are spending less on food when you adjust for inflation than they did a generation ago – more than 20 percent less. I find that pretty surprising."

"It's the same for clothing," Tyagi continues. "When you look at the numbers, you see that the average family spends less on clothing than they did in the early 1970s. You forget that our mothers took us to Stride-Rite to buy a new pair of leather shoes every three months. We don't do that for our children," she says. "My daughter has one pair of sandals I bought at Target."

How should families protect themselves from the two-income trap? Tyagi and Warren's recommendations counter the penny pinching, cut-the-frills advice found in most financial planning books. Families with no extraordinary problems such as unemployment or illness who nonetheless find themselves struggling to meet their day-to-day expenses should take a hard look at cutting their fixed costs, however painful that might be. Managing a few more years without a new car, signing up for a less expensive HMO, choosing a lower-cost preschool or college for your child, or considering moving to a less expensive home are some of the difficult choices families need to make, the authors say. "We believe it's okay to splurge on a few extras," Tyagi says. "No one goes broke because of one too many dinners out or because they bought their kid a new pair of Nikes. As long as your fixed costs are low enough that you can manage during a crisis, then you can count yourself secure enough to go ahead and have some fun."

The Two-Income Trap, called a "grenade of a book" in a recent, highly favorable *BusinessWeek* review, makes a number of other potentially controversial policy proposals, including a school-choice voucher system that would pay the entire cost of educating a child, allowing them to apply to any public school. "So much of the housing trap has to do with families struggling to buy a home in one of those few school districts that has held on to a strong reputation," Tyagi says. "Zip codes have become the invisible fence around the educational haves and have nots."

The book also argues for reviving usury laws. Federal law could be amended, the authors say, to close the loopholes that let one state override the lending rules of another, and

Families with children, the book reveals, are nearly three times as likely to go bankrupt today than those without.

WARREN AND TYAGI, WG'96

enable states to impose a meaningful cap on interest rates. Or, Congress could impose a uniform rate to apply across the country.

"Everybody knows that Americans' debt is spiraling out of control, but it's generally viewed as a symptom of moral decay," Tyagi says. "But it didn't happen in a bubble. Usury rates that used to keep mortgage companies and credit card companies in check effectively disappeared. In the last 25 years, credit card companies have fallen all over themselves flooding all of us with credit card offers, as we all know. But what most people don't know is that the bankers are most aggressively targeting people who are already in trouble. We could fix all that with one very simple regulation that wouldn't cost taxpayers a dime by simply reinstituting the usury rates, which have been in effect in America since the Colonial days. We could just call deregulation a failure and move on."

How likely is such a move, given the financial services industry's powerful political ties? Tyagi is idealistic. "I believe that this is the great, hidden populist issue today," she says. "Ultimately, it's one that millions of Americans can relate to. I believe that at the end of the day, the voters will win, and that not everyone is beholden to the lending industry."

A Seating Chart at Dinner

In the past three years, Amelia Warren Tyagi has given birth to a company, a book, and a baby.

She grew up trailing her law professor parents, attending nine public schools between kindergarten and 12th grade, and fighting every move along the way. "If it doesn't kill you, it makes you stronger," she says. "My mom says I resisted from the very first move when I was five and determined not to be separated from my next door neighbor, right up until I went to college. And of course, once I got to college all I wanted to do was travel the world." The family settled in Philadelphia in 1987, where Elizabeth Warren and Bruce Mann became the first married couple on the faculty at Penn Law School. (Bruce Mann is still a professor at Penn Law today).

Her status as the daughter of two attorney/professor parents brought with it some inevitable teasing. When Tyagi was in 11th grade, the Law School Follies created a skit poking fun at what they imagined dinner must be like at the Warren/Mann household. "It started with my mom taking out a seating chart," says Tyagi, laughing. "Then she conducted dinner conversation using the Socratic method, 'So, Ms. Warren, what did you learn in 11th grade today?' And then she turned to the man playing my kid brother and said, 'Mr. Warren, what can we learn from Ms. Warren's comments? What might we do to improve her analysis?'" Tyagi, who'd always assumed her family life was completely normal, began to wonder when she saw the audience laughing. "We didn't have a seating chart, but we did have napkin rings with our names on them that made it clear who was supposed to sit where."

Tyagi, 31, says she never felt overshadowed by her high-profile mother, who began her career as a public school teacher, graduated from law school years later while pregnant with Tyagi's younger brother and went on to become the first female chaired professor at Harvard Law School. Warren, the author of several nationally known books on the plight of the American family, "started her career as a law professor later in terms of her family cycle than a lot of women do today. She had two kids in tow as she took on her early teaching jobs," Tyagi says. "My mom was always my hero. I looked up to her as someone who succeeded professionally and was there for her family. But mostly, mom is just my mom." Today, her daughter Octavia a bright and active two-year-old, Tyagi is working to similarly balance her life, working from home with a daytime babysitter's help.

Tyagi graduated, with honors, from Brown University with a degree in history. She came to Wharton so naive, she says, that she thought her interest in consulting was an unusual path for a Wharton alum to take. Along the way, she met husband Sushil Tyagi, also WG'96, who now runs a Los Angeles film production company.

Before coming to Wharton, Tyagi took a post negotiating contracts for a managed care company in Rhode Island, a job that exposed her to the rough underbelly of managed care. "It was in mental health," she says, "And it was important to see up close and personal the struggle over the fundamental issues that America has to come to grips with – finding a way to provide access to and pay for decent health care that people need." After Wharton she went to McKinsey in Los Angeles, where she worked as an engagement manager specializing in health care and public education.

Tyagi decided to leave McKinsey in 1999, when she and a group of other McKinsey alums co-founded a health-benefits firm called HealthAllies in the guest cottage of her 1920s Los Angeles beach house. "The company was about getting people better rates – getting access to the care they want at the same rates that the insurance companies pay," she says. "It was a thrill." HealthAllies continues to operate today, working with thousands of businesses to help their employees save money on healthcare services.

Tyagi, who admits her young career has taken a circuitous route, is at work on another, completely different project with her mother – a novel set at Harvard Law School. "Writing *The Two-Income Trap* has changed the way I think about everything, from raising children to corporate ethics and the American political process," she says. "I suppose it has broadened my perspective, helping me to see the forces at work in the larger economy rather than just the problems of one company or family. I'm grateful for that." ◆

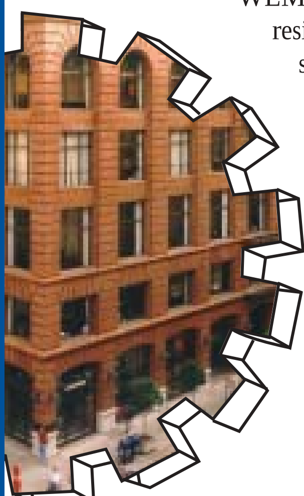
Nancy Moffit is a frequent contributor to and former editor of the Wharton Alumni Magazine

Special Report: A Campaign of Transformation

By Robert Gunther

The most successful campaign in business school history did more than raise over $445 million dollars from more than 23,000 donors. It transformed the campus, academic and research programs, individual lives, and the Wharton community.

On August 24, 2003, an unseasonably warm and sunny day in San Francisco, Jon M. Huntsman, W'59, H'96, looked out across the audience gathered in the Herbst Theatre for the historic graduation of the first West Coast class of the Wharton MBA for Executives (WEMBA) program. "This is a bit of an emotional experience for me today, as I know it is for you," Huntsman told the graduates, their families, Wharton faculty and administrators as he stood on the stage. "It was almost 50 years ago today, right next door that I, as a senior in high school, was called by Mr. Zellerbach to come and be interviewed for a scholarship to the Wharton School. I was grateful to be sent to the Wharton School, grateful for those wonderful men and women who made that privilege and opportunity possible. Today I am very proud that we have Wharton West."



Scott Brubaker, WG'03, a graduating WEMBA student and San Francisco resident, sat in the front row of the 928-seat recital hall. He had joined the Wharton community just two years earlier as part of this first Wharton West class. "I knew I wanted to get my MBA degree," he said. "When I found out about the Wharton program in San Francisco, it was a simple decision from my standpoint. In the two years I've been there, I've really watched Wharton West establish itself with a very strong link to the Philadelphia campus. I didn't feel like we were a satellite program. We were really a part of the Wharton program."

A few minutes after Huntsman's speech, Brubaker stood on the stage as a representative of the WEMBA West Class Gift Committee to present an oversized check to Dean Patrick Harker for more than $100,000 from a record 88 percent of his class. "On behalf of the future generations of students that will benefit for years to come from your generosity, I thank you," Harker said.

While this moment in San Francisco was a personal one for Brubaker, Huntsman, Harker and those present, in a broader sense, it also was a celebration of the confluence of forces that came together in the most successful fundraising campaign in the history of the Wharton School – or of any other business school. The Wharton West program, which didn't exist when the campaign started seven years ago, is just one of many ways that the School has been transformed through Wharton's Campaign for Sustained Leadership. The $445 million raised in the campaign was the result of alumni giving back, students reaching forward, and entrepreneurial ideas, such as Wharton West, becoming a reality. In this report, we look at some of the transformations that have taken place – where we have come, what these new resources have allowed us to do, and the opportunities we can now see from the broad windows of the eighth floor of Jon M. Huntsman Hall.

WHARTON WEST GRADUATION

"A GOOD CAMPAIGN RAISES A LOT OF MONEY; A GREAT CAMPAIGN TRANSFORMS AN INSTITUTION."

– Steven Oliveira, Associate Dean for External Affairs

"A Watershed Moment"

When the campaign started seven years ago, there was no Wharton West, no Huntsman Hall, no global alliance with INSEAD, and there were more limited teaching and research programs in key areas such as biosciences, entrepreneurship and retailing. While buildings, programs, professorships and scholarships are the most tangible legacy of the capital campaign, its impact was deeper than can be represented in statistics of donors or dollars.

"A good campaign raises a lot of money; a great campaign transforms an institution," said Steven Oliveira, Associate Dean for External Affairs. "The Campaign for Sustained Leadership has transformed Wharton. This campaign succeeded because of the broad participation of the whole community, with gifts large and small. It was this level of grassroots enthusiasm and energy that allowed Wharton to 'defy gravity' by raising the most funds in its history during one of the most challenging economic periods in recent memory. This momentum across the entire community was so great that we raised $15 million during the last 10 days of the campaign alone – with only two gifts above $1 million – illustrating that every gift, no matter the size, counts. This was a watershed moment for the School."

The participation of more than 23,000 alumni in the campaign also represents the strengthening of one of the

largest and broadest alumni networks in the world. Some 86 percent of faculty contributed to the campaign and a record 98 percent of the second-year MBA class gave nearly half a million dollars for an unrestricted class gift to The Wharton Fund. “What I’m really proud about is that this was a community effort,” Harker said. “The alumni stepping forward, the students with their class gifts, and the faculty feeling so committed to the School that they gave back. That is the most heartwarming part of this campaign – how the entire community came together and made this a success.”

The Wharton World Tour

The story of the success of the capital campaign is not centered in Philadelphia or San Francisco. The story is everywhere there are Wharton graduates and programs, which is to say, everywhere in the world. The ubiquity and strength of the Wharton community was demonstrated in a whirlwind road tour by Dean Harker in a series of 50 Wharton Connect events on four continents. It was an intense pace that might have exhausted the most veteran musician, but it left Harker and many alumni feeling energized and increased contributions from these regions.

In Chicago, Harker was struck by alumnus John Thompson, WG’67, who spent the entire day traveling by train to attend one of the first Connect events. “That was replayed in city after city, people coming and wanting to reconnect to a school that changed their lives,” Harker said. “We need their commitment. They are the ambassadors of the School. The way they live their lives, the way they talk about the School – that is the story of the School.”

“It was a big event for alumni,” said Marc Wolpow, W’80, founder and co-CEO of Audax Group, who sponsored and spoke at the Connect event in Boston. “It was the first time we came together in any significant way in downtown Boston.”

Clearly, the Connect events increased the visibility and pride in the School among alumni. “In city after city, we’d see people look at each other at these events and say, ‘I didn’t know you went to Wharton,’” Harker said. “There were next-door neighbors who went to the events and didn’t know they had both gone to Wharton. It may be a bit obnoxious to drop the Wharton name in

"[Alumni] are the ambassadors of the School. The way they live their lives, the way they talk about the School–that is the story of the School."

–Dean Patrick Harker

A Chance meeting at the Hardware store

The roots of the success of the Campaign for Sustained Leadership run deep and stretch across decades. In the mid-1970s, Morris Nunes, C'70, W'70, walked into a Hechinger's hardware store in Fairfax, Virginia, drawn by a newspaper circular to purchase a bookcase. "My wife and I had just bought a house and were looking for some furnishings," Nunes recalled. "We had trouble finding this bookshelf and looked for some help. There was a young kid there named Phil Darivoff. I was impressed with him. This was someone who had something on the ball."

Nunes struck up a conversation with Darivoff, who was working there part-time as a senior in high school. Nunes, who was on the alumni admissions committee for Northern Virginia, asked the teenager where he was going to college and then urged him to apply to Wharton.

"I owe a great deal to Penn and also to Wharton," said Nunes who practices business law in Falls Church, Virginia, and teaches in the MBA program at Georgetown and at the Catholic University Law School. "I have very strong feelings about the School. I've recommended Wharton to a number of students over the years."

But never again in a hardware store, and perhaps never with such an unexpectedly dramatic effect on his listener.

Prior to meeting Nunes, Darivoff had never heard of Wharton. He had never read *The Wall Street Journal*. But after that chance encounter, he applied to Wharton, and, again by chance, showed up for an interview with, of all people, Nunes. Darivoff was admitted, completed his undergraduate degree at Wharton in 1979 and went on to earn his MBA in 1985. He joined Goldman Sachs & Company after graduation and rose to become a partner and a managing director.

"Meeting Maury Nunes changed the direction of my life," said Darivoff, W'79, WG'85. "Maury was thrilled I was applying to Wharton, and he was excited to begin my business education right away. The meeting changed the rest of my life. At Wharton I met my wife, and I also met friends,

the first five minutes of a conversation, but you should mention it in the first five years."

Wolpow, also a graduate of Harvard, said the successful capital campaign has raised the School's visibility and strength. "The School has positioned itself and acknowledged that it can compete on an international and national level with Harvard and Stanford and doesn't have to take a second seat. This is driven by the fact that Wharton alumni have been successful financially and willing to give back to the School."

"Obviously, Wharton is a great institution with great leadership. For any institution, the only way to stay great is through the involvement of its alumni," said Randall J. Weisenburger, WG'87, executive vice president and CFO of Omnicom Group, Inc., and a member of the Overseers Board. "All of our reputations are tied to the School, and the School's reputation is tied to ours. Let's make Wharton as strong as it can be."

DARIVOFF, W'79, WG'85, AND BETSY MARKS DARIVOFF, C'79 now life long friends, who helped guide my career at Goldman Sachs. The family I love and the career success I have enjoyed were made possible by my experience at Wharton. I feel I have an enormous obligation to the School."

While he hasn't discovered any potential students in a local hardware store, Darivoff does continue to encourage rising young employees at Goldman to consider a Wharton MBA. He has been active in recruiting for Goldman at Wharton and Penn, and serves on the Wharton Graduate Executive Board. He was one of the organizers of a corporate campaign among Goldman alumni that raised funds for a classroom in the new Huntsman Hall, and he and his wife, Betsy Marks Darivoff, C'79, also contributed funds from a family foundation to create a study room in honor of his grandfather, along with an endowed professorship, and they contribute annually to The Wharton Fund. "There are many ways to contribute to Wharton," he said. "If you cannot contribute financially, you can contribute intellectually or with your time. Maury Nunes gave his time and energy to Wharton in a way that changed the course of my own life."

An Education Cannot Be Confiscated

When the Sandinista National Liberation Front took control in Nicaragua in 1979, the very successful coffee business started by Jose Antonio Baltodano's father all but disappeared in sweeping nationalization. But there was one thing they couldn't take away. "My father always told us that a first-class education could not be confiscated," said Baltodano, W'73. Baltodano went to New York where he applied his experience and Wharton education to establish the Mercon Coffee Corp., which became one of the world's leading suppliers of green coffee to the international coffee roasting industry, with offices in Latin America, Asia, Africa and Europe. "A Wharton education gives you international connections, the ability to learn from your mistakes, and flexibility in analyzing different aspects not only of business but of a changing world. That is part of the reason we wanted to give something back to Wharton."

Baltodano's grandfather earned his medical degree at Penn in 1893, his father earned his Wharton undergraduate degree in 1939, and his brothers also are alumni – Duilio J., W'70, and Alejandro, W'77. A member of the Latin America Board, Baltodano and family members helped spearhead a campaign to create a scholarship fund for Latin American students, which has swelled to over a quarter of a million dollars in pledges with a goal of reaching $1 million. The fund has already helped support two students from Honduras.

Baltodano also co-chaired the 4th Annual Regional Alumni Meeting in Miami in June 2003. It was one of the largest alumni gatherings in the region, with almost 200 participants, evidence of rising interest and enthusiasm for the School over the span of the campaign. "The change has been remarkable," he said. "I notice a lot more alumni being involved in the School. We were able to bring in alumni from almost every single country in Latin America."

The connections for Baltodano and his family continue to be personal. In September 2003, Baltodano was back on campus with his daughter, who is considering applying to the Wharton undergraduate program. He was impressed by the improvements on campus. "I feel very proud to be associated with an institution like Wharton that is providing such a first-class education," he said.

The Underdog

Howard Marks, W'67, Chairman of Oaktree Capital Management, LLC, in Los Angeles, evokes a distinctively Philadelphian image to describe the challenges that the Wharton School has tackled in sustaining its success through the capital campaign. Sylvester Stallone's

> "We continue to be innovative with the use of our resources. We did not get to the position we are in today by outspending people. We did it by being entrepreneurial."
> *–Dean Patrick Harker*

character Rocky Balboa, dancing with raised fists on the Philadelphia Art Museum steps, is a celebration of the rise of a dedicated underdog to national champion. It is an inspiring story, but as anyone who has seen the sequels can attest, sustaining that greatness is a much harder challenge.

"When you are an underdog, you can make a 'Rocky' kind of move and come from behind," said Marks. "But when you are successful, staying successful for ten years is a great accomplishment, although it may not grab as much attention. Perhaps the greatest accomplishment for Wharton of the past ten years is the steadiness of the excellence."

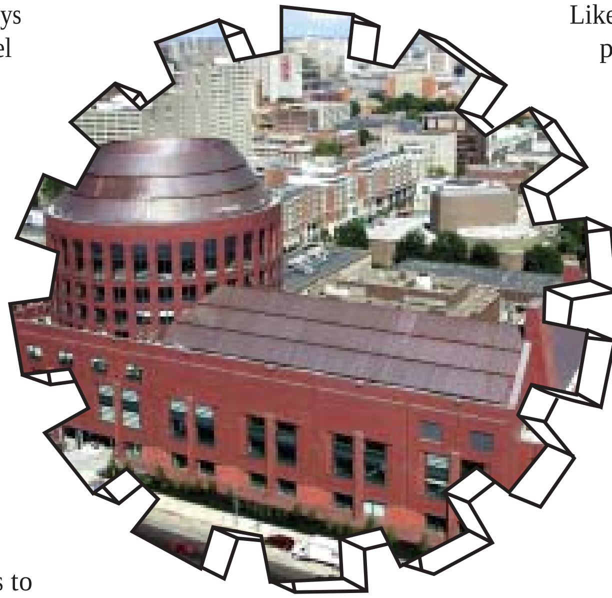
While the challenges of sustaining leadership continue, the School is now well positioned for the future. "Wharton's biggest problem five or ten years ago was its physical plant," Marks said. "Conducting the campaign and getting the building built to such incredible standards was a real milestone over the past ten years. Wharton has surged to the front ranks of business and has achieved great recognition and has stayed there through the ups and the downs."

A View from the Top

In early September 2003, a distinguished group of more than 100 CEOs and other participants gathered on the top floor of Huntsman Hall for a CEO Leadership Forum on "Profiting from Uncertainty." During the daylong event co-sponsored by *BusinessWeek* and Siebel Systems, participants considered economic, technological, political and other forces that are transforming the business environment. University President Judith Rodin, who opened the event, stood at a high-tech podium that is an example of Wharton's relentless commitment to innovation in all areas.

"This is an incredible building," Rodin said at the start of her remarks. "It is the first building on Penn's campus that was built entirely with private philanthropy. We in the University are extremely grateful to our donors, and it continues to demonstrate the entrepreneurial spirit of the Wharton School."

Looking out east through the floor-to-ceiling windows on the eighth floor of Huntsman Hall presents an unexpected view of the campus. The silvery atrium roof of Steinberg Hall-Dietrich Hall rises next to the tops of the trees of Locust Walk, where students walk unseen along the paterned brickways below. In contrast to the insular feel of the tree-lined walkways or inward-looking Wharton quad, this view looks out to the world, past the skyscrapers of the Philadelphia skyline.



Looking west, from the other side of the building, a light rain falls as cars scuttle along Walnut Street. Past the looming Grad Tower, the city fades into mist. The view from the top of Huntsman Hall is expansive. Wharton is in a position to see further and to do more than it has ever done before.

"The campaign has enabled us to continue to fulfill our mission: to create the future business leaders of the world, with outstanding facilities, faculty, student support – not only to reach out to the world but to enable the world to come to Wharton and study," said Dean Harker. "One of the great things we accomplished in the campaign, beyond the financial support, is reconnecting to our alumni around the world and getting them involved in the life of the School. That has been the most rewarding part of the campaign, seeing city by city the alumni getting reenergized and reconnected."

While the capital campaign started with a $350 million goal to "sustain" Wharton's leadership, it became something more. To stay ahead Wharton needs to keep moving forward, and Wharton has a commitment to transformation. "It started as a campaign for sustained leadership, but it is truly a campaign for transformational leadership," Harker said, noting that even after the campaign Wharton's resources are still smaller than its peers. "We continue to be innovative with the use of our resources. We did not get to the position we are in today by outspending people. We did it by being entrepreneurial – but you do need some capital to support the great ideas."

These days, the eighth floor of Huntsman Hall is filled with constant activity, as alumni celebrate reunions or corporate leaders and top thinkers meet to better understand emerging business challenges.

Like the successful capital campaign itself, this new building is not a resting place but a launching pad. "When you are a leader, the only way you stay a leader is to continue to innovate and differentiate yourself," Dean Harker said. "What this campaign has allowed us to do is to continue to distinguish ourselves. That is where the resources of the campaign are so important."

FORMER DEAN GERRITY, HUNTSMAN, W'59, H'96, AND DEAN HARKER AT THE JON M. HUNTSMAN HALL OPENING CELEBRATION.

Transforming Lives: Appreciating the Past, Investing in the Future

The campaign created 29 new endowed MBA scholarships and fellowships, and 145 endowed undergraduate scholarships, in addition to term scholarships, creating opportunities to transform the lives of hundreds of students every year for generations to come.

Robert M. Levy, WG'74, came right to Wharton after completing his undergraduate degree at Vanderbilt. "At the time I was interested in broadening my education and skills. I had a passion for investment management, the business where I work today," said Levy, chairman and CIO of Chicago investment management firm Harris Associates. As a student, he taught evening school classes for community members and volunteered in a community education program to help small, minority-owned businesses develop business plans. His business success provided him an opportunity to support other students like himself and make a lasting contribution to the School when he and his wife, Diane, established the Diane vS. and Robert M. Levy Fellowship. The fellowship is designated for students with less than three years' work experience or women or underrepresented minorities.

"My loyalties and involvement in Wharton accelerated over the years," said Levy who serves on Wharton's Board of Overseers. "I developed a deeper appreciation for the School. I recognized that my road to success began with Wharton, and I owed it to the School to help current students."

The fellowship has supported the aspirations of five members of the Class of 2004. "I felt so lucky to get into Wharton and even more lucky to receive this fellowship," said Mitzi Reaugh, WG'04. Reaugh decided to go back to business school after just three years of working in marketing for several Internet startups, an experience that may not have given her stock options to retire on but did make her recognize the value of a business education. "Having worked at a few startups, I could see that even with money, there are a lot of strategic and business decisions to be made," she said. "I knew my success in the future would probably be helped with a more formal business education." While she is planning to work initially in strategy consulting, she still has an eventual goal to start her own company. "This fellowship has made such a difference in my experience, and I am very grateful," she said.

Levy is impressed by the current students and the progress of the School. "One of the things that strikes me is that there is much more of an interest today in the Wharton community," he said. "When

LEVY, WG'74

I went there, it was a more individualized program, but the cohort system and increased attention to alumni have built up a lot more strength about what the Wharton community means."

Transforming Research and Teaching: Promoting Intellectual Entrepreneurship

The campaign established five new research centers and programs, and these initiatives are generating new knowledge in key business disciplines and developing innovative approaches to education.

The most interesting challenges in business often arrive when companies have the fewest resources to address them. At a time when breakthroughs such as the Internet, biosciences and other emerging technologies were presenting opportunities to transform business, the companies that might be most interested in these areas were struggling with environments of turbulent change. While retailing is crucial to the economy and offers key insights for marketing research, it is often underexplored. During the campaign, several key gifts positioned Wharton for leadership in understanding key business issues and applying new technology and approaches to learning.

Biosciences Crossroads Initiative: Mack Center

While it is clear that biosciences will have a major impact on business and the world, the exact course of that impact is much less clear. "The biosciences are going to have a transformative impact on diverse industries," said George Day, Director of the William and Phyllis Mack Center for Technological Innovation and Geoffrey T. Boisi Professor. "Everyone is seeing it as a tremendous source of new opportunities, and it is also changing the business model for the pharmaceutical industry. If you listen to business leaders, they see that the future is in biosciences. This is where the next wave of dramatic breakthroughs – new therapies, diagnostics and businesses – are expected to come from. It is also an industry that is globalizing at a very rapid rate – not one of those sciences controlled by the U.S. and North America."

Wharton is extremely well positioned to study biosciences. Since 1994, a team of faculty in the Emerging Technologies Management Research Program have been studying strategies for managing emerging technologies. Faculty members have produced many research studies and collaborated on a book, *Wharton on Managing Emerging Technologies*. "We are the only business school that has a schoolwide thrust focused on the management issues of emerging technologies," Day said. The program has built a large and diverse team of faculty members with insights on emerging technology. In addition to Wharton's own strengths in this area, the initiative draws on the Penn Medical School, one of the top research universities in the country in genomics.

While Wharton was in a strong position to explore the business issues related to biosciences and other emerging technologies, finding funding to pursue the research was a challenge. "We are dealing with technology management when the whole sector is in trouble," Day said.

Alumnus William L. Mack, W'61, generously contributed $10 million to create the William and Phyllis Mack Center for Technological Innovation. "It allowed us to do some investment spending in new initiatives during an unprecedented downturn in technology," said Day. "Instead of just hanging on, we were able to push ahead and build something new." In addition to the new Biosciences Crossroads initiative, Wharton also launched the foremost academic conference on technology management, attracting 80 scholars from around the world.

This type of investment is critical to building and sustaining intellectual leadership. "The real leaders in industry and in universities are those that continue investment spending during a downturn while the rest of industry is retrenching," Day said. "This has given us the depth of resources to keep growing."

Retailing

As a successful leader in the retailing industry, Jay H. Baker, W'56, wanted to give something back to both the industry and the School. Baker, current director and former president of Kohl's Department Stores, and his wife, Patty, gave $10 million to establish the Jay H. Baker Retailing Initiative to promote research and education in retailing and encourage students to enter retail careers. The gift was in addition to a major gift to create the Patty and Jay H. Baker Forum, the structural heart of the new Huntsman Hall, and to provide financial aid to undergraduates.

"It is a vibrant industry that represents a big chunk of the economy," said Stephen Hoch, John J. Pomerantz Professor of Marketing and director of the new retailing intiative. "It is also very dynamic. From the point of view of marketing, operations management and other areas, retailing is a place that is important in developing knowledge. It is its own complex little microcosm that can be a focal point and laboratory for research. It is easy to experiment. There is a lot of data and it is easy to observe what is going on."

The initiative, which is designed to cultivate future leaders of the retailing industry, also provides great opportunities for education. "Everyone is shopping," Hoch said. "It is highly observable, so there are a lot of good pedagogical aspects to it." By understanding retail, there may be important insights for other areas as well. "If you look at successful retailers today, they have been able to achieve huge productivity gains." Hoch said.

HOCH AND BAKER, W'56

Rethinking Education

After years of distributing Harvard case studies in Wharton classrooms, the Wharton logo is now appearing on computer screens in classrooms around the world, as Wharton's new computer-based tools for research and education are being disseminated world wide. The advance of Wharton knowledge began with the Wharton Research Data Services (WRDS) business research platform, which puts more than 1.5 terabytes of business data at the fingertips of business researchers. This Wharton innovation is now used by more than 20,000 faculty members at leading business schools around the world through licensing agreements.

The Alfred West Jr. Learning Lab, founded in 2001 through a $10-million campaign gift from Alfred P. West, Jr., WG'66, is now driving the development of innovative applications of technology to education. A software licensing agreement with

Pearson Addison Wesley, announced in early 2003, will allow access to diverse experiential-based learning methodologies created at the lab, carrying the Wharton name and reputation for innovation farther out into the world. Among the products of the learning lab are 15 software simulations, including a real-time securities trading environment, an airline price simulation, and an online equities trading simulation using real-time market data.

The investment in the learning lab continues West's commitment to promoting educational innovation at Wharton. The entrepreneurial founder of SEI Investments, Inc., established the SEI Center for Advanced Studies in Management at Wharton more than a decade ago. The Center, the first think tank on the future of management education, has been a catalyst for curricular innovation at Wharton, including the fundamental redesign of the MBA and undergraduate curricula in the 1990s.

The simulators developed in the West Learning Lab are an important addition to lectures, case method and other educational approaches. "At first, computing was seen as a way for teachers or students to be somewhere they are not through video conferencing," said Gerard McCartney, chief information officer and associate dean of computer and information technology (WCIT) at the Wharton School. "Now, we see that simulators, properly designed, can be a whole new way of experiencing education." He recalled a Wall Street manager watching students play a trading game who commented about how much the simulation reveals about the attitudes of traders. "He said the difference between a good trader and bad trader is ego. Bad traders have big egos and hold onto stocks as the price falls. That is what the simulator reveals. It is not about intelligence or where you went to school. It shows you something about yourself. This is going to add another method to the portfolio of education."

"Seed Funding" for Wharton's Entrepreneurial Programs

Robert Goergen, WG'62, had already accepted an offer from Harvard's MBA program, and even picked out his room, when he received a letter from Wharton. The offer came in "over the transom" for an IBM fellowship for full tuition to Wharton. From a family of modest means and the first to complete college, Goergen accepted Wharton's offer, gave up his room in Boston and moved to Philadelphia. He's never looked back.

Wharton's seed funding in the "start-up" of Goergen's career produced tremendous returns. He went on to found Blyth, Inc., a home-expressions company that began as a small candle maker and has grown into a firm with $1.5 billion in sales in candles and home fragrances. In 1997, Goergen came back to Wharton to give a $10-million gift for Wharton's entrepreneurial programs, renamed the Goergen Entrepreneurial Management Program, and created an endowed professorship in entrepreneurship. At a dinner to celebrate the gift, he calculated that the fellowship he had received from Wharton two decades earlier had produced a return of something like 36 percent per year for twenty years. "It was a fairly high rate of return," he said.

It is not just gratitude for his education and his outstanding teachers that brought Goergen back to Wharton. It is also a commitment to both education and entrepreneurship, which he sees have the power to transform individual lives and society. "I think only in America can someone with no role models, through very good education and independence and aggressiveness and naiveté make a tremendous amount of money," he said. "I got there by putting one foot in front of another. Entrepreneurs are responsible for employment growth, new ideas, and new products and concepts. That is what keeps a country like America strong."

The campaign called upon the entrepreneurial spirit that is a central part of Wharton's tradition and character. Goergen remembers a pre-campaign meeting with former Dean Thomas Gerrity and a small group of executives in New York City. Gerrity reviewed the many areas needing funding such as endowment and facilities where Wharton lagged behind Harvard and other peers. "I said we shouldn't emphasize our deficits," Goergen recalled. "We need to raise money to stay at the forefront. At the start of the campaign, Wharton had something of an inferiority complex, but now the School has risen to the top of its field."

Goergen admires Wharton's continued willingness to experiment to stay ahead. With Wharton West, The Alliance with INSEAD and many other projects, Wharton "has a lot of things going on right now, but that is healthy," Goergen said. "We are living in a very dynamic world. Since we have very capable leadership and faculty, we want them to experiment and think through the possibilities."

Transforming Geography: Expanding Wharton's Global Vision

The campaign supported initiatives including Wharton West and the Alliance with INSEAD, which have expanded the geographic reach of Wharton's education and research.

On August 2, 2002, David Pottruck, C'70, WG'72, president and CEO of Charles Schwab made the first simultaneous address to the WEMBA leadership class of Mike Useem, The William and Jacalyn Egan Professor and professor of management, in both San Francisco and Philadelphia. The first Internet-based videoconference between the two campuses took Pottruck back to Philadelphia without going more than a few blocks from his company's headquarters near the Bay Bridge.

"It is a little unusual, with the camera in front of you and the students at your back, so it is very much a theater in the round," he recalled. "To see their faces you have to turn your back to them. But I enjoyed the opportunity to reach a broader group of students. I had fun with it, and I always enjoy lecturing to Wharton students. They ask such penetrating questions."

The creation of Wharton West has had a tremendous impact on the School and the region. "Wharton West is fantastic," Pottruck said. "It has absolutely shaken up the entire business school community on the West Coast."

POTTRUCK, C'70, WG'72

The capital campaign positions Wharton well for the future. "We have momentum and visibility," Pottruck said. "While we should never underestimate the strength of resources of some of our competitors, we now have greater flexibility and opportunity. We are blessed to be in a good position to move forward."

Although Wharton had international students in its first class, it averages 33 percent international students in its current MBA classes. During the capital campaign the School expanded its geographic reach and strengthened its position around the world. In addition to Wharton West, the School established an alliance for research and education with INSEAD, with campuses in France and Singapore, and encouraged alumni activities around the globe.

"Our role is the same as it has been since 1881 – to serve global business needs and really understand where global business is going," said Dean Harker. "That has been our mission since the beginning. We foster global outreach and bring that perspective back to campus to train the next generation of people who have to go out there and lead."

NELSON, WG'82

Transforming Giving: A Community United

Every part of the Wharton community contributed to the success of the campaign – including current students, faculty and alumni. They spurred one another to greater commitments through challenge grants and record levels of participation, increasing the momentum of the campaign and the School.

Beth Wade Nelson, WG'82, personally presented her challenge grant for the WEMBA class gift to students in Philadelphia and San Francisco. Nelson, a former music major who started as a secretary in a New York securities firm and worked her way up to become partner at Neuberger & Berman LLC, had commuted to WEMBA classes with about 30 classmates in Vance Hall two decades before. This experience gave her a heartfelt appreciation for the "incredible" facilities at Wharton West and the new Huntsman Hall in Philadelphia.

She discussed her career and told students about the importance of giving back, a message she herself heard from former General Electric CEO Reginald Jones, W'39, many years before. Jones, who had served as a University Trustee and Wharton Overseer, stressed the importance of board members making a significant contribution to the School, and Nelson never forgot it. "I have always felt a great deal of gratitude to the Wharton School," Nelson said. "Wharton filled in the holes in my background, and I took a much riskier job directly as a result of going to Wharton. I would not have taken that risk if I had not gone to Wharton."

Beyond the gratitude, there are also the "selfish" motivations for the campaign gift from Nelson and her husband Gary Glynn, WG'70, which included a major gift for a classroom in Huntsman Hall. "Those of us who already have degrees from Wharton need to protect the franchise," she said. "We need facilities that are world class and the School needs financial support. Wharton has historically done more with less, while Harvard and Stanford are much better endowed. Wharton just can't rest now. We have to take the next step."

The MBA Class of 2003 achieved unprecedented levels for both participation and giving in their second-year class gift campaign. In a challenging economic time, when many students were still seeking jobs at the time of the campaign, a phenomenal 98 percent of the Class of 2003 contributed a record $470,539 to The Wharton Fund. "We gave because we know the impact that Wharton is going to have on the rest of our lives, in good economic times and bad," wrote co-chairs Corinne Chao, WG'03 and Katie Mensch, WG'03, in a letter thanking the class.

Wharton faculty also made an unprecedented commitment to the campaign, with 86 percent of faculty contributing more than $725,000 to the campaign. "Wharton faculty members feel very proud of their institution and want to support it," said William Hamilton, WG' 64, Ralph Landau Professor of Management and Technology and director of the Jerome Fisher Management and Technology Program, who chaired a committee of faculty from different departments who organized the faculty gift campaign. "The most common comment I received when I'd ask someone was that it was an honor to be asked to serve and to contribute personally. The contributions were more than we expected. The faculty feel very strongly about the School."

Dean Harker explains why the faculty and class giving campaigns were so transformational. "These gifts did not come in million- or even hundred-thousand-dollar increments, yet their impact was unprecedented. The graduating classes and the faculty have raised the bar for the Wharton community and set a standard for participation."

Transforming Knowledge: Endowed Professorships Recognize Academic Excellence

The Campaign for Sustained Leadership created 26 new endowed professorships, helping Wharton attract and retain leading professors in key business disciplines.

Susan Wachter, a pioneering researcher in real estate economics and housing affordability, helped establish and build Wharton's world-class real estate department with colleagues Peter Linneman and Joseph Gyourko. The department is consistently recognized by its peers as the best in its field, and faculty members have achieved international recognition. Given their stellar reputation, it is no surprise that Wharton's faculty members are attractive targets for other institutions seeking to build their own departments. Wachter herself

WACHTER

has been sought after through an endowed professorship by another institution seeking to strengthen its own real estate department.

She is still happily at Wharton, where she was recognized earlier this year with the new Richard B. Worley Professor of Financial Management. "It is a great honor," she said. "It is a validation of a lifetime of work by one's peers and also the world at large. It shows that the world of industry has faith in our work and wishes to contribute to the ongoing mission of the institution. This level of recognition is important not only to the current holder but also to those coming afterward."

Wachter is particularly pleased to hold a professorship honoring a leader in the world of finance because Wharton's real estate department established its reputation, in large part, through its distinctive focus in going beyond bricks and mortar to integrate financial insights into theory and practice. "That is how the department became a leader," Wachter said. "So it is particularly meaningful to hold a chair named for an extraordinarily well respected leader in the finance industry." ◆

The Most Successful Campaign in Business School History

The Campaign Numbers

Length: 7 years

Goal: Original goal $350 million

Total raised: $445.7 million

Donors: 23,161

Number of new professorships created: 26

Number of new MBA endowed fellowships and scholarships*:* 29 endowed, 16 term

Number of new undergraduate scholarships: 145 endowed, 12 term

Research centers and programs established: 6 plus Wharton West

Wharton Connect events held: 50 events, 4 continents

Second Year MBA Class gift campaign: $477, 509; 98% participation; 51 countries achieved 100% participation; international student participation 96%

Faculty Campaign: 86% participation, $725, 000

Play Hard & Negotiate Well

BY ROBERT STRAUSS

When Kenneth L. Shropshire was growing up in Los Angeles, he and his friends were always playing sports. Even though they mainly played in loosely organized after-school leagues, some were quite good at it. "Marques Johnson and Butch Johnson had the most success from those days," said Shropshire about the U.C.L.A./Milwaukee Bucks basketball star and the former Dallas Cowboys receiver.

"But it wasn't like it is now. My kids are in a multiplicity of organized sports with coaches and schedules and everything. I didn't – and I don't think Marques and Butch even did – play high-level organized sports until we were in high school. Kids have the opportunity to be involved in many more sports now and at a much more intense level. The increased intensity at that level is mirrored on the business side of big-time sports as well."

Shropshire, who is the David W. Hauck Professor and Chairman of the School's Legal Studies Department, has taught everything from negotiation to real estate, diversity issues to general business law. But his passion – and the place where he gets quoted in every major journal in the country – is sports in law and business. He is the author, co-author or editor of six books on the business or culture of sports. (His next co-authored book, *The Business of Sports*, is due out in March 2004.) He was an executive with the organizing committee for the 1984 Summer Olympics in Los Angeles, chaired the Philadelphia Stadium Site Selection Committee, has been a sports agent, and is part of a project to assess whether Philadelphia should bid on the 2024 Olympic Games.

Shropshire is kind of a two-way player when it comes to consulting. He has not only helped Major League Baseball educate team executives on how to deal with negotiations, but has also aided the National Football League Players Association in explaining to new agents their role with players. He has given seminars on sports to the South African government and on negotiation to Fannie Mae; talked about the need to continue affirmative action programs to the American Civil Liberties Union;

Wharton's Ken Shropshire keeps his eye on the business of sports.

and testified before the U.S. Senate Judiciary Committee on professional sports franchise moves.

Yet he remains most passionate about the role of race and diversity in sports.

"There has certainly been progress," said Shropshire. "I would defy any casual sports fan, say, to name every black coach in the National Basketball Association or every black quarterback in the National Football League. Ten years ago, maybe even five years ago, there were so few that it would have been easy."

He said that even his 1995 book, *In Black and White: Race and Sports in America*, is somewhat outdated in that some of the issues there have been resolved.

"But just because there has been some progress, does that mean you slow down? Does it push you to do more?" he asked. "If people have set up a system to interview more minority candidates for front office jobs, don't you have to make sure the system works correctly?"

He pointed to a recent controversy in Detroit, where the general manager, Matt Millen, was fined because he hired Steve Mariucci, white head coach, without sufficiently interviewing minority candidates. Millen, Shropshire said, seems to be chastened by the fine. But the team's ownership – primarily the Ford family – may well not remember the next time the issue comes up, because they were not held accountable like Millen was.

"On the field, yes, there is more acknowledgement that you get the best player out there – Donovan McNabb or Michael Vick – and don't worry about race," he said. "But the front office – general managers and the like – still abounds in an old-boy network."

Negotiating at Home and Beyond

Organized sports these days, said Shropshire, begin awfully young and, as his own busy family life proves, negotiations seem to start not with a pro contract, but at home.

"My wife, certainly, had a much more intense sporting life than I did, but even she did not start organized sports at age eight," Shropshire said about Diane Morrison, who is now an anesthesiologist, but back when they both attended Stanford University in the late 1970s, was the NCAA doubles champion (with partner Susie Hagey). She later played professionally before going to medical school. "I did play Little League baseball and assorted sports in the YMCA," Shropshire said, but unlike his own kids (eight-year-old Samuel and ten-year-old Theresa), "it was one sport per season – not trying to figure out how to get from hockey, to soccer and then to tennis. It gives you a perspective of how things change."

Shropshire's father was a physician in Los Angeles, and while he enjoyed seeing his son play football and become all-City and all-State as a 6-foot-1, 210-pound center, he was more interested in his college choice.

"I was looking at Stanford because, at the time, they seemed to be a football power," said Shropshire. "Those last two years I was in high school, they won the Rose Bowl over Ohio State and Michigan. They beat the hometown powers, Southern Cal and U.C.L.A. both years. In my mind, it was Stanford, Oklahoma, Notre Dame – football schools. To my parents, it was Stanford, a future."

Sure enough, Shropshire went to Stanford on a football scholarship and proved his parents right. He played all four of his years there, but after two years of playing it was clear to him that he was not going to make it into the N.F.L., as his teammates Tony Hill and James Lofton seemed destined to do.

"All right, so now I was not going to be in the N.F.L., but I still wanted to do something in sports," he said. "A bunch of the guys on the football team were talking law school, so I started heading in that direction. Sports agents were just being talked about, so maybe that was something worth considering."

Shropshire came east to go to law school at Columbia University, but after graduation headed back to California to practice law and eventually landed a job helping negotiate sponsorship contracts for the 1984 Summer Olympic Games.

"But then that was all finished about a year before the games, and they had to figure out something for me to do. They moved me to be the committee member in charge of the boxing competition. I was a 27-year-old lawyer, and it was the already the best job in my life," he said.

Shropshire got to travel the world, talking to various countries' Olympic boxing committees about how the sport would operate in Los Angeles. He had to make sure the East Germans were coming and entreat the Chinese – who had not been to the Games since 1952–to get interested in boxing as well. He met with Cuban sports officials to see how their country's boxing federation worked and traveled to Europe to make sure each country there got its fair hearing. He worked closely with Danny Villanueva, the former Dallas Cowboys and Los Angeles Rams placekicker who had made a fortune as a founder of the Spanish television network Univision, who was the business executive working most closely with Olympic boxing.

"My experience and time with Villanueva served as a foundation for what 'minority' and 'diversity' could mean," said Shropshire. "Certainly today, with Arturo Moreno, the new Latino owner of the Anaheim Angels, and Yao Ming in the National Basketball Association, and the Latins and Asians in baseball, just talking about black and white is no longer appropriate in professional sports."

After the Olympics were over, Shropshire for a short time partnered with Anita L. DeFrantz, who worked on the Olympics with him, in a sports agency, but soon afterwards, she was tapped to help run the Los Angeles Amateur Athletic Foundation and to serve on the International Olympic Committee. He chose not to continue running the business.

"Now I was nearly 30, with a lot of experience in the sports business, but no sports teams or leagues were banging my door down offering employment," he said. He also thought about getting into TV or print journalism, but had no stomach to start shooting videotape of fires in Fresno or reporting on high school baseball in Bakersfield. But he enjoyed teaching a night course in sports law at Southwestern Law School in Los Angeles. So, he went to an annual hiring conference for prospective law professors in Chicago, in hopes of finding a full-time teaching gig.

"I didn't have a traditional prospective law professor's resume. I had been in practice for a while, had not clerked for a judge, and having no prior teaching ambitions had not labored on a law review in preparation for the profession. I went to about 20 interviews, and none felt like the right fit," he said. "Then I was at an end-of-the-day cocktail party when a guy with a Wharton name tag came up to me and struck up a conversation. As he learned more about my background, he said that I might be the kind of person who would enjoy teaching law to business people. I tried to turn him down, but he insisted on my coming to an interview. I never wanted to return east, but when they offered me the job, I thought, okay, let's try. Now I have two kids who know nothing but Philadelphia, and it has turned out far better than I could imagine."

A Complex Field

Certainly, the field of sports law has changed immensely in the 17 years since Shropshire came to Wharton. It has grown to encompass many fields, from real estate to municipal law to antidiscrimination law and, to be sure, contracts. Along the way, Shropshire has been able to soak up expertise by practicing and consulting, rather than just studying.

"The great thing about Ken is that, as bright as he is, he is able to present things in layman's terms, especially to us sports guys who aren't used to hanging around academics," said Larry Needle, the executive director of the Philadelphia Sports Congress, an arm of the local tourism bureau that tries to interest sporting events and teams to come to the Philadelphia area. Shropshire has been a consultant for the Congress on several projects and is on its executive board. "He can see it through the legal

Today, it is a near-certain reality that government will shell out just to keep or attract a major sports franchise. Given that, Shropshire **tries to advise** clients — be they governments or teams — that building a stadium **downtown,** rather than in a suburb, is the **best** policy.

and business end, but also through the sports prism with all that experience he had at the 1984 Olympics and as an agent and teacher."

Shropshire has written two books on the evolving business of sports agentry, one critical – *Agents of Opportunity: Sports Agents and Corruption in Collegiate Sports* (University of Pennsylvania Press, 1992) – and the other more a primer for agents themselves – *The Business of Sports Agents* (University of Pennsylvania Press, 2003). He wrote *The Business of Sports Agents*, as well as edited an anthology *Sports and the Law*, with Timothy Davis, another Stanford graduate and a law professor at Wake Forest University.

"I didn't know Ken at Stanford, since he was one of those football players and I, well, was one of the academic crowd," said Davis with a chuckle. "But he sure isn't just that football player any more. It's sort of a fraternity of us who are in this field that crosses academia and sports and business, and Ken is the star. Many of those who write about this are merely academics. It's only a few like Ken who can deal with it in both an academic and practical way."

Shropshire strictly wore his practical hat a couple of years ago when he helped negotiate the sale of the sports agent practice of his college teammate, Ray Anderson, to the mega-agency, Octagon. Shortly after Shropshire put that deal together, Anderson was offered the job as Chief Operating Officer of the Atlanta Falcons, perhaps the highest front-office job offered an African-American in modern National Football League history, but Anderson didn't know which way to go.

"Ken negotiates in the win-win philosophy, which is extremely difficult," said Anderson. "I had recently been the agent for Tyrone Willingham, who was offered the chance to be the first African-American football coach at Notre Dame. Tyrone was secure as a coach at Stanford, but he knew this was a landmark opportunity. I told him to go for it.

"So when it came to my offer, Ken said, 'Look in the mirror. What did you tell Tyrone? How can you not do the same thing?'" said Anderson. "Ken came to Stanford as a scrapping little lineman, always in the midst of the action, never thinking about giving up and giving in. In negotiations, he gets focused and sticks to it. I'm sure he teaches in the same way."

Ironically, Shropshire did not even think teaching negotiation was something that could be done. Now it is one of his favorite courses, and he even travels to the Wharton West campus in San Francisco to teach it.

"Part of me was just a believer that you either were able to negotiate or you weren't, that there was little to teach," he said. He sought the counsel of Wharton professor Richard Shell and went to a week-long executive negotiations course at Stanford and found that not only was negotiation teachable, but fun as well.

"It's not about teaching people tricks, but giving them a way to focus and develop a road map to what they want that they can achieve," he said. "It's vital to people in sports these days. Almost everyone has an agent, but even finding an agent can be a negotiation."

His consultation on stadium issues burgeoned with another of his books, *The Sports Franchise Game*

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How Much Money Will You Need for Retirement? More Than You Think

What you don't know can't hurt you, according to the old saying. When it comes to retirement planning, though, the old saying doesn't apply.

Most people understand, at least superficially, that the sooner they begin planning for retirement the better. Putting money aside now rather than later means that you will have more assets in the long run. What many people don't know, however, is the amount of money they will need to live on in their golden years.

To be specific, they seriously underestimate the possibility that they may outlive their assets, according to experts at Wharton. Indeed, Olivia S. Mitchell, professor of insurance and risk management, has this strong dose of advice: It may be a good idea for people to assume that they will need the same level of income during their retirement years that they need now.

Mitchell, executive director of Wharton's Pension Research Council, says people tend to focus on the "accumulation phase" of retirement planning – those years on the job when they are socking away money and making decisions as to how that money should be allocated among stocks, bonds and cash investments. What they do not give much thought to is how much income they will need after they stop working.

"A lot of people don't have very good information about what their expenses will be during retirement," says Mitchell. "We know from our research at the Pension Research Council that there's a substantial underestimation of the need for long-term care and nursing home insurance. People also don't understand what medical costs may be in retirement. And many people don't focus enough on the risk posed by inflation. We haven't had a lot of inflation lately, but even a low rate over 30 years of retirement can erode one's nest egg."

Perhaps the most neglected facet of retirement planning is longevity risk. "People tend not to think about mortality; it's not a question people willingly face," says Mitchell. "When people do think about mortality, at best they think about life expectancy. But they may not understand that about half of all people live longer than their life expectancy. Women especially can live into their 90s or even reach their 100th birthday."

> **"Research has shown that retirement-saving shortfalls run up and down the income scale and wealth scale," Mitchell says.**

Lack of Preparation

Any number of studies has shown that people are not properly prepared for retirement. In a May 2003 survey conducted for MetLife, a major life insurance company, people aged 56 to 65 were asked a series of questions designed to test their knowledge of retirement and income-planning statistics. On average, those surveyed answered only five of 15 questions correctly.

Among other things, a majority underestimated the life expectancy of a 65-year-old and did not think that longevity was a significant risk in planning for retirement. When asked, "What is the greatest financial risk facing retirees?" only 23% correctly answered longevity risk. Another question asked: "An individual who reaches age 65 has a life expectancy of age 85. What are the chances he or she will live beyond that age?" Only 37% gave the correct answer, which is 50%.

Another study – conducted by Watson Wyatt, a human resources consultancy, and reported in the Aug. 23/24 issue of London's *Financial Times* – examined how the bear market in equities over the last three years has affected people's retirement plans. The study, which included 4,500 United Kingdom residents aged 50 to 64, found that about one-quarter of respondents had experienced losses of 25% to 50% in their stock portfolios, while about one-fifth had lost between 11% and 25%. Many of those surveyed said they have had no choice but to postpone retirement.

Survey results released Aug. 12 by Merrill Lynch show much the same thing. Only 47% of Americans interviewed as part of Merrill's Retirement Preparedness Survey were either "somewhat confident" or "very confident" that they will have saved enough once they retire. That was down from 90% in 1998, a year when the bull market was still surging. Moreover, one-third said they believed that they will not be able to retire at age 65, and only 20% said they were "very confident" in their overall investing ability.

In a prepared statement, Cynthia Hayes, a Merrill Lynch executive, said, "We know that Americans have traditionally under-saved for retirement, but these 2003 survey results serve as a wakeup call – for plan sponsors, individual investors and financial services providers."

Wharton's Mitchell points out that people with high incomes are not necessarily the best retirement planners. "Research has shown that retirement-saving shortfalls run up and down the income scale and wealth scale,"Mitchell says. "In some cases, shortfalls were worst for people with high earnings. Of course, these people are in a position to save a lot, but people with high earnings also spend a lot. They don't necessarily set money aside."

The Inertia Factor

Brigitte Madrian, a professor in Wharton's business and public policy department, says many workers do not plan properly for retirement because of sheer inertia. Madrian has conducted extensive research into the design of 401(k) plans at 30 large U.S. companies over the last few years and how they affect employees' savings decisions.

"The striking thing that has come out of this research is the importance of plan design in encouraging people to save money," Madrian says.

One key feature of 401(k) plans is that they offer a slew of choices concerning the amount of money people can contribute, how people want to allocate their assets and, perhaps most important, whether employees want to participate at all. For many years, there was a presumption that having a lot of options was the best approach to take in designing plans because it offered employees freedom of choice. But many companies found that their 401(k) plans had anything but universal participation rates despite the plethora of choices.

Madrian found that while it makes sense to offer choices to people who are somewhat knowledgeable about investing, options and flexibility actually confuse many workers. Hence, many decide not to take part in their company's 401(k). Madrian has studied one solution to overcome this inertia: Rather than requiring employees to sign up for a 401(k) plan, companies can automatically enroll them and require them to overcome their inertia only if they wish to drop out. Companies that have tried this approach have found that 401(k) participation rates rise sharply.

"The standard 401(k) plan is set up so that you're not a participant unless you take some action to enroll – by logging onto the company's benefits website or calling the company's benefits hotline," explains Madrian. "When you have that kind of enrollment mechanism, only two-thirds of employees participate in the plan. But several companies over the past few years have made a very simple switch: They just automatically enroll everyone in the plan. Employees don't have to stay; they can log on or call the benefits hotline and opt out of the plan. When companies set up this kind of arrangement, they see participation rates among employees who are subject to automatic enrollment go up to something like 90%."

Companies that have adopted automatic enrollment do not immediately deduct contributions from people's paychecks. Employees are typically given 30 or 60 days to opt out, after which contributions are deducted.

No figures are available for the number of U.S. corporations that have adopted automatic enrollment, but Madrian says companies that have taken this approach have been satisfied with the results. In addition, she notes, the Internal Revenue Service approves of the idea.

Some companies are reluctant to embrace automatic enrollment. Since many workers do not want to be bothered making choices about contribution amounts or asset allocation levels – at least not right away – companies must do it for them by default.

"And this would be okay if companies picked default levels that worked well for most employees, but most companies have picked rather lousy defaults," says Madrian. "They deduct only 2% or 3% of an employee's income and put it all into a money market fund because they're afraid of putting employees' money into an equity mutual fund or bond mutual fund that could actually have a negative return. Now, that's the fear that companies have, but I think that fear is unwarranted.

Companies could choose instead to put employees' money into a combination of lifestyle funds [consisting of stocks and bonds], as well as money market funds, which would be less risky, until employees got around to making their own decisions."

A 401(k) can play a major role in accumulating assets, but asset accumulation alone may not necessarily address a key risk of growing old – the chance that an investor could outlive his or her retirement assets. Mitchell and Madrian agree that people who wish to avoid this possibility may want to consider purchasing an annuity.

Annuities at a Glance

An annuity is a contract sold by an insurance company under which the person buying the annuity is guaranteed a regular stream of payments over a period of time. There are many kinds of annuities. Deferred annuities are designed to accumulate tax-deferred assets over the long term and are usually used to produce a steady income at retirement. Immediate annuities, by contrast, begin making annuity payments right away and are typically bought with a lump-sum contribution. There are two types of deferred annuities: fixed annuities, which pay a fixed rate of interest guaranteed by the issuing company for a specified period, and variable annuities, whose value fluctuates depending upon the performance of the stocks, bonds or other vehicles in which the annuity's principal is invested.

The most important feature of a variable annuity, from the standpoint of eliminating longevity risk, is that it can be structured so that it throws off income for as long as the person who bought the annuity is living. What's more, a variable annuity can be structured to provide a death benefit that guarantees that a beneficiary will receive, at minimum, what the annuity purchaser contributed to the account if the purchaser dies before the income payments commence.

Madrian found that while it makes sense to offer choices to people who are somewhat knowledgeable about investing, options and flexibility actually confuse many workers.

One downside to variable annuities is that they may have higher annual expenses than other retirement vehicles, such as individual retirement accounts and 401(k)s. A drawback to fixed annuities is that market interest rates may rise while the annuity's rate remains the same.

Annuities can serve as an important component of a person's overall retirement savings plan. A person may wish to buy an annuity at the same time that he or she holds assets in stocks, bonds or mutual funds.

But Mitchell stresses that an annuity should be primarily viewed as a form of insurance, not as an investment. "The most important function of an annuity is to protect against you outliving your assets. At the end of the day, it's an insurance contract. Many people who have written about annuities in newspapers and magazines don't understand the fundamental insurance characteristic. They see it as an investment, but an annuity and an investment are really two different things. You don't buy an annuity just to make money. You buy it to make sure that when you're 97 years old you have income coming in. Do you think of health insurance as an investment? Not really. Medical insurance helps protect against large medical bills. Now, having said all of that, there are variable annuities that do offer an investment feature and that can be beneficial. But the simplest, plain-vanilla annuity involves putting down a sum of money and knowing that the insurance company will pay a monthly income for as long as you live."

How Much Will You Need?

So, just how much will you need to live on during retirement?

Merrill Lynch, for instance, recommends that people assume that they will need 70% of their pre-retirement income each year after they retire: if your annual income is $100,000 today, you should figure you will need $70,000 after retirement.

But Mitchell says that may not be enough. "Financial planners have traditionally espoused 70% or 75% as the replacement rate gold standard. But if you look at what people want to do when they retire, most say they'd like to spend about the same amount of money as they did before retirement. Maybe they won't need to pay to park downtown or spend as much on clothes as they did when they were working, but maybe they'll decide to travel or take up expensive hobbies like golf. My suggestion, which I know will depress people, is to assume that you'll need a 100% replacement rate. If you end up having more than you actually need, you'll be in better shape. Socking away more money while you're working and working more years before retiring – that's a good form of insurance." ◆

Play Hard continued from page 31

(University of Pennsylvania Press, 1995), where he was critical of the economics of municipal stadium building. In 1950, he noted in the book, there was only one major league sports franchise playing in a government-built arena, the Cleveland Indians in Cleveland Municipal Stadium. By 1970, 53 of 73 professional stadiums were government-built or subsidized. Today, it is a near-certain reality that government will shell out just to keep or attract a major sports franchise. Given that, Shropshire tries to advise clients – be they governments or teams – that building a stadium downtown, rather than in a suburb, is the best policy.

"Philadelphia is unique in that they have a sports complex of several arenas and stadiums in a single location, but there is little economic benefit to surrounding businesses, simply because there are so few businesses in that section of town," he said. "The sports complex is convenient, or at least it will be once parking is in place, for people to come into Philadelphia to go to a ball game and to get out without spending any additional time in the city.

"One factor I really liked about a Center City ballpark location, had they decided to build there, was that you had the opportunity for great beauty shots of the city on television. One fear was that people would not use public transportation to come to a Center City ballpark, and traffic would be at a standstill on game days. That has not been the case where people have had to adapt in other cities," he said. "In San Francisco, Pacific Bell Park is right off of downtown and people who otherwise didn't use public transportation do so to come to the park."

Sometimes, Shropshire does like to drop the academic and practical for a little fun writing and editing. He and Dr. Todd Boyd, a professor of critical studies at the University of Southern California school of cinema and television, edited *Basketball Jones* (New York University Press, 2000), a series of essays explaining the rise of basketball and its consciousness in the current culture. There were essays about Islam and basketball, the lonely white guy on a National Basketball Association team, and basketball in the movies. The seeming comparative frivolous nature of this book, compared to his other instructive tomes, was deceiving, though.

"We got together through a mutual friend and discovered we were two of few people who were studying sports in a serious way," said Boyd. He said that he and Shropshire searched for something to do and found that the combination of a Wharton business professor and an L.A. film critic would bring the proper myriad of voices about basketball together.

"It was like putting together a basketball team," said Boyd. "There is this one guy who takes the ball to the basket, takes the chances and tends to draw the ire of the fans, like Allen Iverson, and that is me. Then there is the guy like Tim Duncan – who I actually criticize in the book – who isn't flashy or flamboyant, but at the end of the night, you look at the stat sheet and he has 28 points, 14 rebounds and 8 assists. Every night. That is Ken. Dependable. The solid, consistent one. That makes all our discussions the best of both worlds."

Boyd's analysis seems right on when Shropshire talks about his latest academic leanings. He wants to do more with the negations area, even contemplating a sports-specific course on the topic. "But I will never be able to ignore race and the business of sports," he said. "It is the big issue."◆

Robert Strauss is a freelance writer and frequent contributor to the Wharton Alumni Magazine.

2003 Regional Alumni Meetings

One of the most important benefits of a Wharton education is the opportunity to connect with faculty, students and alumni from around the world. To deliver on this promise, for the past ten years the School has sponsored a series of Regional Alumni Meetings around the world to highlight the value of being actively involved with Wharton's vast community. At these meetings, alumni connect with fellow graduates, learn from faculty, and hear from global business leaders. These events also provide an opportunity for alumni to meet with Dean Patrick Harker and discuss the School's global strategy.

Wharton is a truly global institution, reflecting the many diverse business and personal interests of its students, faculty and alumni. The Regional Alumni Meetings have offered excellent opportunities to take advantage of this unique characteristic of the Wharton community. In addition, alumni club leaders from throughout each region take the opportunity at the meetings to discuss issues of mutual concern in their efforts to keep alumni connected to one another and to the School.

The Regional Meetings were planned to take place this year in Berlin, Shanghai and Miami. The School decided to postpone the Asian Regional Alumni Meeting because of the SARS epidemic, but it has been re-scheduled in its entirety for June 3-6, 2004.

THE BERLIN WELCOME DINNER.

BERLIN

Over 175 alumni and guests gathered for the seventh annual Regional Alumni Meeting for Europe, Africa and the Middle East in Berlin on May 22 to 24. Attendees heard from fellow graduates, faculty, and other distinguished business leaders who traveled from as far away as Australia and India to be part of the program. Participants also had ample opportunity to socialize with one another in venues as diverse as the Mayor's residence in Berlin, a golf tournament, and a boat tour of local attractions.

The conference keynote speakers included Daniel R. Coats, United States Ambassador to Germany; Jacob Wallenberg, W'80, WG'81, Chairman, Skandinaviska Enskilda Banken; and Dr. Klaus Zumwinkel, WG'71, Chairman of the Board of Management, Deutsche Post World Net. Some of the other prominent speakers included Dr. Rolf Kunisch, Chairman of the Executive Board, Beiersdorf AG; and Mohammed Alshaya, WG'84, Chief Executive Officer, Retail Division, M.H. Alshaya Co. W.L.L., Kuwait. There were also interactive sessions on "Economic Prospects in the E.U.," "Navigating underBearish Stock Markets," and "Next Steps for E.U. Integration."

The 2nd Annual Wharton Infosys Business Transformation Awards were presented during the meeting, and a panel discussion with the award winners followed. The conclusion of the Regional Alumni Meeting was marked by the symbolic "passing of the banner" to Shiv Khemka, WG'90, GR'90, Chairman of the organizing committee for next year's host city, Moscow.

BERLIN: 2004 ORGANIZING CHAIR SHIV KHEMKA, WG'90, ACCEPTING THE BANNER FROM THIS YEAR'S CO-CHAIRS WOLFRAM NOLTE, WG'77, AND KLAUS ZUMWINKEL, WG'71.

MIAMI

It's a tossup for what was hotter at the Latin American Regional Alumni Meeting in Miami on July 10 to 12: the sultry weather or the networking that went on among alumni and guests at the educational and social events during the conference. The historic Biltmore Hotel was the site of the gathering, which drew over 200 attendees from countries in the Americas.

The array of speakers at the Latin American Meeting was as diverse as the concerns and interests they represented. Three presidents were on hand: Dr. Judith Rodin, President of the University of Pennsylvania; Enrique Bolaños, President of Nicaragua; and Jorge Quiroga, former President of Bolivia. Two additional keynote speakers were Carlos Slim Helu, Chairman, Grupo Carso, SA de CV from Mexico City, Mexico, and Pedro Malan, former Minister of Finance and former Governor of Central Bank in Brazil. Participants also had the opportunity to learn from fellow alumni and Wharton faculty during panel discussions on globalization, the business

MIAMI: ONE OF THE PANEL DISCUSSIONS.

of sports, investing in Latin America, and family businesses.

But it was not all work and no play for conference participants. The conference schedule was enlivened by social events including a golf tournament, a tour of the historic South Beach art deco area, and a yacht cruise of the South Florida coast. The meeting concluded with a festival featuring Miami's hottest Latin band and a raffle to benefit SOS Children's Village. At the conclusion of the meeting, the banner was passed to Julio A. de Quesada, WG'76, Chairman of the organizing committee for next year's meeting in Mexico City.

The 2004 Regional Alumni Meetings will be held in Moscow, Mexico City and Shanghai. The schedule for the 2004 Meetings is:

Moscow, May 20 – 22, 2004

Shanghai, June 3 – 6, 2004

Mexico City, June 24 – 26, 2004.

For more information, visit the Regional Alumni Meeting website at **<http://regional.wharton.upenn.edu>**.◆

MIAMI: DEAN PATRICK HARKER HELPING FACILITATE THE "PASSING OF THE BANNER" FROM THIS YEAR'S ORGANIZING CHAIRMAN J. ANTONIO BALTODANO, W'73 (LEFT), AND ROBERTO MESTRE, WG'72 (FAR RIGHT) TO THE 2004 CHAIRMAN, JULIO DE QUESADA, WG'76.

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WAVE

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>.

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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.

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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>. 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>.

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>.

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.

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. Online information is available at <www.wharton.upenn.edu/execed>.

Admissions

For undergraduate admissions information, call 215.898. 7507, or e-mail Info@admissions.ugao.upenn.edu.
Our website is <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. Online, visit <www.wharton.upenn.edu/mba>.

For PhD admissions information, call 215.898.4877, or visit <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>, or contact the circulation department at 215.898.7566.

University Bookstore

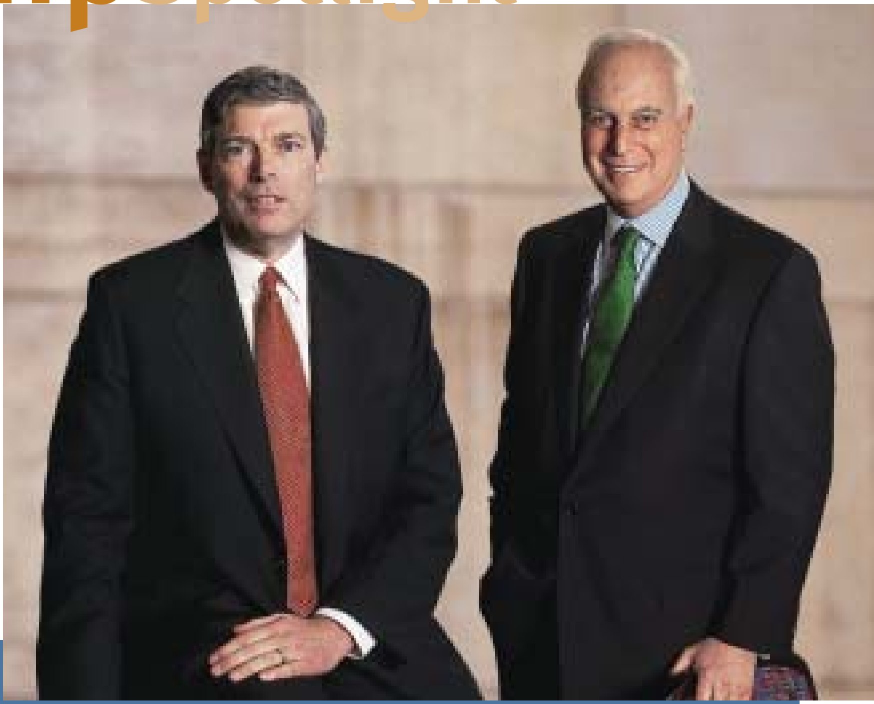
Wharton is everywhere – on pens, sweatshirts, T-shirts, key rings, and more. To order Wharton insignia products, call 215.898.7595, or browse through the mail order catalog featured at <www.upenn.edu/bookstore>.

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>.

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.

Leadership Spotlight



GEOFFREY T. BOISI, WG'71
MICHAEL L. TARNOPOL, W'58

CO-CHAIRS, THE CAMPAIGN FOR SUSTAINED LEADERSHIP

In a community of extraordinary business and civic leaders, Wharton's Campaign for Sustained Leadership was chaired by individuals who stand out for their dedication and support of the School.

In addition to being innovative leaders in their respective industries, Geoffrey Boisi, WG'71, and Michael Tarnopol, W'58, have contributed time and resources to help the School surpass its original $350-million campaign goal to raise $445.7 million—an accomplishment that ensures future generations of Wharton graduates will be able to carry on their spirit of purpose and achievement.

"Wharton is one of the most important institutions in the world of business today — a real treasure," Boisi said. "The magnificent result of the Campaign for Sustained Leadership has allowed us to transform the School, allowed us to look forward, to house and accommodate a world-class faculty, to introduce new and innovative research centers and programs. One of the hallmarks of Wharton is the sense of excellence, and that's part of the DNA of Wharton. We are constantly looking for ways to make ourselves better and to continue the enormous impact we make in business worldwide."

"I have tremendous pride and allegiance towards Wharton," Tarnopol said. "It is a great feeling to be associated with one of the best business schools in the world, and it has been an honor to co-chair the Campaign for Sustained Leadership to ensure the School's future. The results are outstanding, and I am proud of Pat Harker, the Dean, and all of Wharton's alumni and friends."

Geoffrey Boisi became the youngest partner of Goldman, Sachs & Co. in 1978,and, as Management Committee partner, was responsible for the firms world-wide investment banking activities. He then became chairman and CEO of The Beacon Group, LLC, a private equity and advisory firm headquartered in New York City. Most recently he served as vice chairman of investment banking at J.P. Morgan Chase & Company. A leader in the Wharton community, Boisi currently serves on the Board of Overseers and was chairman of the Wharton Graduate Executive Board from 1985 to 1991. In 1993, he was recognized with the Distinguished Service Award.

A Global business leader, Michael Tarnopol serves as vice chairman of the Investment Banking Division of Bear, Stearns & Co., Inc. Since joining the company in 1975, he has helped contribute to its success as one of the leading U.S. securities trading, investment banking and brokerage firms, serving an elite clientele of corporations, financial institutions, governments and individuals. He is also chairman of Bear, Stearns International, Ltd. Tarnopol has long been a leader in the Penn community, serving as a University Trustee and Wharton Overseer. He is the 1997 recipient of the Distinguished Service Award.

"As Mickey is fond of saying, 'the more we give, the more we receive,'" said Associate Dean of External Affairs Steven Oliveira. "And indeed, much has been given. Both Mickey and Geoff were critical components to the campaign's success. This has been a campaign of transformational leadership, and it could not have been accomplished without their support. We are deeply grateful to them." ◆