

fall 2004

# Wharton

ALUMNI MAGAZINE



## In Good Hands

Alumni mentors make  
all the difference

**Also:** Dean Harker  
on Credentialism  
vs. Substance





TOMMY LEONARDI

Freshmen participate in a stock market simulation led by Matthew Greene, WG'89, during the second annual Wharton Colloquia, held during the first week of classes. (See our cover story beginning on page 14 for more information.)

## Save the Date

### November 2004

#### November 2

Musser-Schoemaker Leadership Lecture:  
Rich Riley, W'96, VP & General Manager, Yahoo! Small Business

Time: 4:30-6:00 p.m.; Location: F85 Jon M. Huntsman Hall, Philadelphia

#### November 4

Wharton Leadership Lecture:  
Bruce Chizen, President and CEO, Adobe

Time: 4:30 p.m.; Location: Philadelphia

#### November 5

Wharton Women in Business Conference  
Location: Park Hyatt at the Bellvue, Philadelphia

#### November 8

Musser-Schoemaker Leadership Lecture:  
J.D. Power III, Chairman of the Board, J.D. Power and Associates

Time: 4:30-5:30 p.m.; Location: F85 JMHH, Philadelphia

#### November 10

Musser-Schoemaker Leadership Lecture:  
Joe Scoby, W'87, CEO, UBS-O'Connor

Time: 4:30-6:00 p.m.; Location: F85 Jon M. Huntsman Hall, Philadelphia

#### November 10

Wharton Impact Conference:  
"Maximizing Your Workforce: Employees Over 50 in Today's Global Economy"  
Location: Philadelphia

#### November 10

Wharton Leadership Lecture:  
Alain Belda, Chairman & CEO, Alcoa  
Time: 3:00 p.m.; Location: Philadelphia

#### November 11-14

Whitney M. Young Conference  
Location: Wyndham Hotel, Philadelphia

#### November 11

Wharton Leadership Lecture:  
Ralph Shrader, Chairman and CEO, Booz Allen Hamilton  
Time: 4:30 p.m.; Location: Philadelphia

#### November 11

The Globalization of Business Education:  
Guest Speaker: Wharton Dean Patrick Harker  
Time: 12:00 p.m.; Location: Commonwealth Club, San Francisco

#### November 18-19

Wharton Impact Conference: "Credit Risk Modeling"  
sponsored by the Financial Institutions Center  
Location: Philadelphia

#### November 19-20

Global Business Forum Conferences  
Location: Philadelphia

#### November 30

Musser-Schoemaker Leadership Lecture:  
Charles Pizzi, President and CEO, Tasty Baking Company  
Time: 4:30-6:00 p.m.; Location: F85 JMHH, Philadelphia

### December 2004

#### December 2

Wharton Leadership Lecture:  
General Peter Pace, Vice Chairman, U.S. Joint Chiefs of Staff  
Time: 12:00 p.m.; Location: Philadelphia

#### December 2

Wharton Leadership Lecture:  
Ed Zander, Chairman and CEO, Motorola, Inc  
Time: 4:30 p.m.; Location: Philadelphia

#### December 3

Wharton Impact Conference: "Globalization and Emerging Technologies"  
Location: Philadelphia

For more complete information and updates on Wharton events, visit [www.wharton.upenn.edu/whartonfacts/news\\_and\\_events/calendar/](http://www.wharton.upenn.edu/whartonfacts/news_and_events/calendar/).

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## High-Impact Recruits: 23 New Faculty Hires

Every fall, Wharton welcomes new hires to its nearly 200-member faculty. This year's crop of 23 professors includes new senior faculty members who will add to Wharton's already-strong Marketing, Management, and Health Care Systems Departments.

**Dawn Iacobucci**, a methodologist from Northwestern University's Kellogg School of Management and the editor of the *Journal of Consumer Research*, has joined Wharton's marketing department as Professor of Marketing. Iacobucci edited the books, *Kellogg on Marketing*, *Kellogg on Integrated Marketing*, *Networks in Marketing*, *Handbook of Services Marketing and Management*, and is co-author, with Gilbert Churchill, of the best-selling text *Marketing Research*. Her research focuses on models for dyadic and network data, statistical and methodological tools, services marketing and conceptual models of customer satisfaction, rounding out the Marketing Department's traditional strengths in consumer behavior, decision-making theory, modeling and measurement, and marketing strategy.

"Dawn Iacobucci is at the very top of the profession with respect to her impact on both practitioners and scholars," said Wharton Deputy Dean

TOMMY LEONARDI



SOME OF WHARTON'S NEWEST FACULTY MEMBERS

David Schmittlein. "Her expertise and leadership will be a great addition to Wharton's outstanding Marketing department, and will solidify its preeminence in both consumer research and methods for understanding important marketing phenomena."

In addition to serving as Professor of Marketing at Kellogg from 1987 to 2004, Iacobucci was also the Coca-Cola Distinguished Professor of Marketing, Professor of Psychology and Head of the Marketing Department of the University of Arizona during 2001-2002, and she was a recent editor of the *Journal of Consumer Psychology*.

Organizational psycholo-

gist **Katherine Klein**, whose recent investigation of leadership systems for emergency medical teams garnered a major Army Research Institute grant, also joins the School as a Professor of Management, buoying the department's already strong Human Resource and Organizational Management area. Klein comes from the University of Maryland at College Park and has published widely in leading journals on leadership and team models and performance.

In the School's Health Care Systems Department, **Scott Harrington** returns to Wharton as Professor of Health Care Systems from the University of South

Carolina's Moore School of Business. Harrington focuses on applied economics and finance in the context of insurance markets, with particular interest in medical malpractice liability insurance, the market regulation for individual health insurance and other health insurance and related legislative issues. He has published widely in leading academic journals on subjects including risk management and insurance, insurance deregulation and the public interest, and he is co-author or editor of numerous scholarly books including *Cycles and Crises in Property/Casualty Insurance* and *Risk Management and Insurance*. A 1990 Insurance



Educator of the Year, Harrington spent a decade at Wharton prior to his appointment at Moore.

Other new faculty members include established professors from Duke, Yale, and New York University as well as new PhDs from universities including MIT, Harvard University, New York University, Carnegie-Mellon, Princeton, University of Chicago, and Berkeley. The group brings strengths in technology strategy, labor economics, financial theory and asset pricing, mergers and acquisitions, community redevelopment, and decision making and risk assessment, among other areas.

**For information on Wharton faculty, visit <[www.wharton.upenn.edu/faculty/](http://www.wharton.upenn.edu/faculty/)>.**

## New Co-Director for Retailing Initiative

Louis W. Stern, John D. Gray Distinguished Professor Emeritus of Marketing at the Kellogg School of Management of Northwestern University, has been appointed co-director of Wharton's Jay H. Baker Retailing Initiative.

Stern, who is also the Dorinda and Mark Winkelman Distinguished Scholar and a Senior Fellow of the Wharton School, will lead the initiative along with Co-Director Stephen Hoch, the John J. Pomerantz Professor of Marketing and chairperson of the

Marketing Department, and Managing Director William Cody, C'91, WG'98, a Marketing Department faculty member.

Stern joined the Northwestern faculty in 1973 from The Ohio State University. His research efforts have focused on issues related to designing and managing marketing channels and on antitrust. His articles have appeared in a wide variety of marketing, legal, and behavioral science journals. Among the books he has co-authored are *Marketing Channels*, *Management in Marketing Channels*, and *Legal Aspects of Marketing Strategy: Antitrust and Consumer Protection Issues*. His article "Distribution Channels as Political Economics: A Framework for Comparative Analysis" (with Torger Reve) was named the best article on marketing theory to appear in the *Journal of Marketing* during 1980. In 1986, he received the Paul D. Converse Award from the American Marketing Association for "outstanding contribution to theory and science in marketing." In 1994, he was selected as the



STERN

recipient of the American Marketing Association/Irwin Distinguished Marketing Educator Award, and he was named as one of the twelve best teachers in U.S. business schools by *BusinessWeek* magazine.

"Lou Stern is the father of Marketing Channels, and the retail sector is undoubtedly an important part of most supply chains," said Hoch. "He brings a wealth of both academic and practical experience and insight to our efforts to enhance Wharton's reputation as a leader in retailing education and in scholarly research on retailing. It is great to have him on board."

Funded by a \$10-million gift from Patty and Jay H. Baker, W'56, the Jay H. Baker Retailing Initiative links retail theory with practice through a partnership between world-class researchers, educators, students, and the global leaders of today's retail industry.

## Community Service to the World: The Wharton International Volunteer Program

For MBA student Simone Lee, this summer's Wharton International Volunteer project in Mumbai, India, was a time of "frustrations and wonders."

"Imagine living steps away from the poorest slums in the world, taking a shower with nothing more

than a bucket and a cup, having mosquito bites swell up to the size of your hand, and seeing rivers that have become open sewers," Lee said. "Contrast that with the incredible hospitality of strangers opening their homes to you, enjoying an Ayurvedic massage, and walking in caves where 5th-century Buddhist monks carved incredible statues and paintings. It was an amazing time."

Lee was one of 50 Wharton students who



LEE, WG'05

recently returned from volunteer projects in 14 developing countries as part of the Wharton International Volunteer Program (WIVP). In all, 21 projects took place in Africa, Asia, and Latin America in fields ranging from health care to education to microfinance. Volunteers tackled issues including developing an expansion strategy for a children's charity in Vietnam; creating a budget, website, and brochure for a youth education project in Brazil; and designing a long-term business plan for the largest sexual and reproductive health services organization in Swaziland.

Lee's group developed a

fundraising strategy targeting financial services and information technology companies for the Yuva Parivartan, or youth transformation movement, at Kherwadi Social Welfare Association, a 75-year-old NGO (non-governmental organization) that provides vocational training services to slum dwellers who live between Bandra East and Khar East in Mumbai. "My past experience volunteering for various community projects showed me that I would never be satisfied working solely for money and that I wanted a career where I could help the needy directly," said Lee, who is also co-president of WIVP. "This volunteer program gives me a tremendous opportunity to fulfill this dream."

Now in its 19th year, the Wharton International Volunteer Program is a non-profit, student-run organization that enlists the varied talents and experiences of Wharton MBAs to improve the social and economic development of emerging economies while providing MBA students with valuable international development experience. Each summer, WIVP sends MBA students as volunteers to work with small to medium NGOs in developing countries; projects typically last two to four weeks and involve two to four students each.

WIVP's work around the world is supported through donations from companies and alumni as well as fundraising activities organized by student members, including a Winter Ball that

traditionally draws more than 800 students each year.

## New Vice Dean of Executive Education

Dean Patrick Harker has announced the appointment of Jonathan Spector as vice dean of Executive Education. Spector, who holds an MBA from Harvard Business School, was a former director at McKinsey & Company as well as CEO of two venture-backed corporations.

"I am confident that Jon's experience with major corporate clients and business development will be strong assets in leading the Wharton School's executive education programs," said Harker. "He brings outstanding leadership skills and enthusiasm to his new role, and I look forward to his contributions to the School."

Spector began his career at McKinsey & Company, where he rose to director (senior partner). In his 20 years with the firm, he consulted to the senior management of large corporations on issues of strategy, organization and operations. His major clients were leading companies in the information technology and communications industries, as well as large clients in the energy, transportation and insurance sectors. He also helped lead the development of McKinsey's Chinese and Southeast Asian practice, and founded and managed

the firm's Taipei office.

Over the past four years Spector has served as CEO of two venture-backed corporations, Darwin Networks, a wireless ISP, and Seurat Company, a consulting firm engaged in precision marketing services. He raised more



MICHAEL REGAN

### SPECTOR

than \$100 million to support the growth of these companies. He launched Easy411, Inc. in 2003, providing directory assistance services to mobile phone and landline users.

## Going the Distance: MBA for Executives Students Visit India

More than 80 second-year Wharton School MBA for Executives students from Wharton West, the School's San Francisco campus, traveled to India in September to meet with key government and business leaders as part of an ongoing effort to learn more about the

country's growing influence in the international marketplace.

The students represented both the Wharton School and the various companies for which they work. The international trip, part of the Wharton curriculum, provides both students and international industry and government leaders the opportunity to learn from one another about forward-looking business trends in the region. It also is an excellent opportunity for relationship-building between the regions.

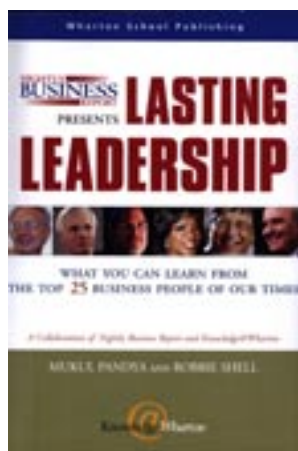
"For years, the Wharton School MBA Program for Executives, which has campuses in both Philadelphia and San Francisco, has made international trips a tradition," said Anjani Jain, vice dean and director of the Wharton School Graduate Division. "India's rapid ascent in the global economy and its established market and regulatory institutions make it a logical and important choice for increased exposure to future business leaders."

"This is the first time such a large contingent of students and faculty from any leading business school will visit India in an effort to better understand how regional companies plan and execute business locally and abroad," said Govind Iyer, a member of the Wharton Alumni Club of India. "Wharton's already strong presence in the region is growing via ongoing student visits, faculty research, and an active alumni network."

## Leadership That Lasts

Knowledge@Wharton <[www.knowledge.wharton.upenn.edu](http://www.knowledge.wharton.upenn.edu)> and Nightly Business Report have joined forces to select and profile the 25 most influential businesspeople of the past quarter century in a new book, *Lasting Leadership: What You Can Learn from the Top 25 Business People of Our Times*, published by Wharton School Publishing.

Written by Knowledge@Wharton's top editors, the book explores the theme of lasting leadership through a series of profiles showing the challenges each leader faced and how he or she met them. It also identifies eight attributes of leadership, ranging from building a corporate culture and managing risk to seeing the invisible and using price to gain competitive advantage. Readers will meet familiar leaders such as Bill Gates, Jack Welch and Steve Jobs, but also less well-known ones, including Mary Kay



Ash, Johnson & Johnson's James Burke, and Grameen Bank's Muhammad Yunus, whose microlending revolution helped millions of the world's poorest citizens transform themselves into entrepreneurs. Most of the subjects profiled agreed to one-on-one interviews for the book.

For more information on *Lasting Leadership*, visit Wharton School Publishing online at <[www.whartonsp.com](http://www.whartonsp.com)>.

## First in Wharton INSEAD Alliance Book Series

The first edition in the Wharton INSEAD Alliance book series has been published by Cambridge University Press.

In *The Alliance on Globalizing: Strategies for Building Successful Global Businesses*, Wharton Professor John Kimberly and INSEAD's Hubert Gatignon have collaborated to edit a comprehensive book that looks beyond the broad issues and focuses on the manager's response to the opportunities and challenges of larger, global markets. Written by experts from both INSEAD and Wharton, the book should be of interest to managers wrestling with the many challenges of globalization for their firms, to policy makers concerned with whether and how to slow or to accelerate the process, and to those in non governmental organizations



concerned with understanding more clearly how and why firms are positioning themselves as they do in the global marketplace.

## Dean's Lecture Series Focuses on Leaders

The Wharton School's inaugural Dean's Lecture Series premiered with Andy Grove, chair and founder of Intel Corp., at Wharton West in San Francisco on Sept. 17. Grove was interviewed by Mukul Pandya, editor of Knowledge@Wharton, the School's online business journal, and the event was telecast to the Philadelphia campus.

"We are pleased to present the Dean's Lecture Series, as it will provide a forum for the most senior leaders in business to share their insights with the entire Wharton community," stated Dean Patrick Harker.

The Dean's Lecture Series was created following Wharton faculty collabora-

tion with Nightly Business Report to produce a special featuring the top 25 business leaders of the past 25 years. A group of Wharton faculty served as judges, considering more than 700 nominees proposed by NBR viewers and revealing the final 25 on a special which aired last January. Knowledge@Wharton's newest book, *Lasting Leadership: Lessons from the Top 25 Business People of Our Times*, is based on that special. (See "Leadership That Lasts" above.)

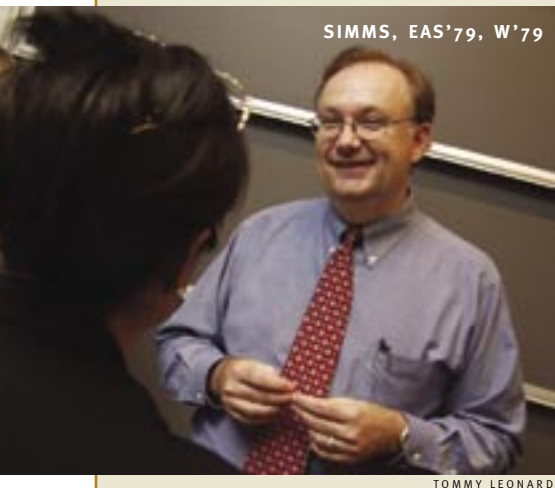
The Dean's Lecture Series will focus on, but is not limited to, NBR's list. The lecture series follows the academic calendar, and most events are co-branded with and co-sponsored by the Wharton Leadership Lecture Series and the Musser-Schoemaker Leadership Lecture Series.

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

## David Simms, EAS'79, W'79: Building Bridges to the Non-Profit World

BY ROBERT STRAUSS

World T.E.A.M. Sports, a non-profit organization that tries to pair disabled and non-disabled athletes for unique sporting events, was at a crossroads. Its executive director since the organization's founding 12 years before, Stephen Whisnant, was leaving for a



SIMMS, EAS'79, W'79

TOMMY LEONARDI

new job and, with many of the board members living in and around Boston, the board had decided to move the organization from Charlotte to Boston.

Those board members include such luminaries as pro bike racer Greg LeMond, former world champion distance swimmer Diana Nyad, and Thomas Kenny, managing director of Goldman, Sachs & Company, not to mention its founder, Jim Benson, the President and CEO designate of John Hancock. The organization had never really had to search for an executive director before, and it was determined to do that search right.

"Non-profits have a unique set of challenges, talent, and paradigms. It isn't exactly like a for-profit company's search," said Willis J. Hulings III, WG'85, a World T.E.A.M. Sports director and private investor in Boston. "You

turn a search over to a general firm and they are used to getting larger fees, based on salary. You have to wonder if they are interested."

World T.E.A.M. Sports sponsors events like the Face of America Ride, where it gathered people affected by the 9/11 tragedy to bicycle from Ground Zero to Washington. "We tend to be an experiential philanthropy, much of which is funded by our directors," said Hulings. "We needed someone who understood and was enthusiastic about that sort of commitment, but someone who also had business sense."

Hulings had heard of a new firm, Bridgestar, a spinoff of the global business consultants Bain & Company, whose managing partner, David Simms, was a fellow Wharton graduate.

"I went to a presentation, and they really seemed to have it all together, to have the spirit of what a non-profit was all about," said Hulings. Within weeks, Hulings and other board members were interviewing what he felt were top-notch candidates, and a couple of months later, World T.E.A.M. Sports had hired its new executive director, Chris Carigg, a former director of the tennis program of the Massachusetts Special Olympics.

"We were looking for someone committed to the world of non-profits, someone with former experience, and someone who wanted to be in Boston," said Hulings. "It was going to be really difficult for the directors themselves to come up with that, but the people at Bridgestar knew the way to go about it. I applaud their taking the initiative to move into a sector like this."

Simms himself had been looking for a mission in the non-profit world when he helped found Bridgestar last

year. He had himself been a bit of a "bringer," going back and forth a few times between the profit and non-profit world. After graduating from Wharton's dual-degree undergraduate and engineering program in 1979, he went on to another joint-degree program, Harvard University's JD/MBA.

"I took the usual path and got a good job with Bain," he said "It was a chance to use my skills in a way that gave me an opportunity to see a lot of different industries and work with a bright and talented group of people. Who wouldn't want to do that?"

Despite mostly working with for-profit companies, Simms still had the desire to do more public service. A mentor at Bain, William Hamilton, directed him to the White House Fellows program, and Simms spent the 1988-89 year working for John Whitehead, a deputy secretary of state in the Reagan Administration, and his successor in the first Bush presidency, Lawrence Eagleberger.

"It was a huge piece of education. I got to see how public policy worked, and that is really the basis of where I come to in Bridgestar," said Simms. After his White House Fellowship, Simms stayed in Washington, first running his own marketing and consulting firm and then bridging back again to the non-profit sector as Chief Executive Officer of the Red Cross Blood Services Washington region. "I was seeing both sides, and knew non-profits needed a special kind of person who was different than the kind of person who runs a for-profit entity."

Fortunately, his old firm, Bain and Company, had this idea in mind, too. It was looking for a way to expand its consulting services in the non-profit



area, one clearly not as lucrative as for-profit consulting, but an area in which Bain thought it could differentiate itself from the other top consulting concerns. After a three-year study, Bain started The Bridgespan Group in 2000 to specialize in consulting for non-profits. But even after that, Bridgespan decided it was doing well in non-profit strategy, but not enough to search out those who could implement that strategy — the top executives and board members to run those non-profits.

So Simms became the managing partner of Bridgestar, challenged with finding a community of sorts of non-profit executives and board members — something, Simms said, that has been mostly unaddressed by traditional search firms and consultants.

“It’s important to understand the dynamics of what is the same and what is different in for-profit and non-

**“When you think about what a venture capitalist does for the for-profit business, well, that is what I am hoping to do for non-profits,” said Simms.**

profit businesses,” said Simms. “You’re running a dual-mission environment in non-profits. Why people work there in the first place is mission-centric. Basically, it is, ‘How do I make the world a better place?’ The mission is the force and energy behind the or-

ganization. People want to find a way to make something or do something socially significant. But you can’t deny that financials are a necessary piece of this, yet not in the worrying about quarterly-over-quarterly results.”

Simms said that lots of consulting firms did a good job of helping non-profits with strategy. Even though there was not as much revenue coming in on every contract with non-profits, the consulting firms were willing to deal in strategic planning, especially when a non-profit had its leadership team in place.

But when it came to looking for people to run non-profits or to take seats on boards, they fell short. For the most part, said Simms, they are used to looking at cadres of people from the for-profit world who are, first, more interested in guiding the affairs of a more bottom-line business. Further, the salaries of for-profit leaders are so much higher that the fee the traditional search firm makes on finding a prospect there is much greater.

So Bridgestar took the unusual tact of forming as a non-profit itself. It’s not that money doesn’t matter, said Simms, but it at the very least put Bridgestar’s mission in perspective.

“Those of us who have transitioned from Bain now live and breathe the non-profit world,” he said. “We see our strength as being part of the community we are trying to form.”

Bridgestar has assembled non-profits of many stripes, like World T.E.A.M. Sports, to be on its roster. Then it has done recruiting and seminars just to sign executives, board members, and universities up as references and, sometimes, potential employers or employees.

*Continued on page 34*

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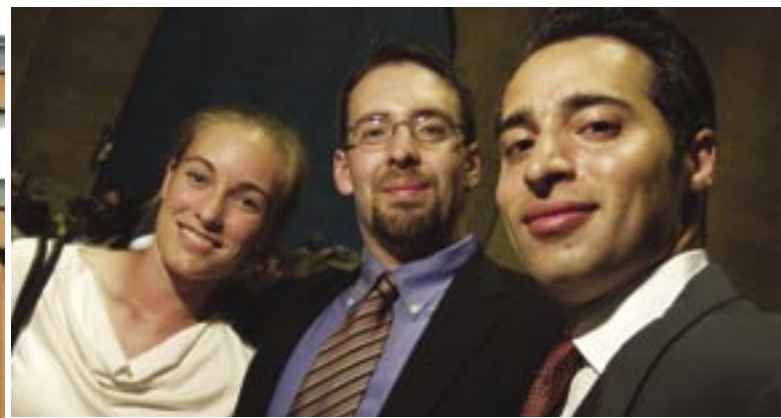
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# The First Few Days: Welcome to Wharton







PHOTOS: TOMMY LEONARDI



**Sunny September** weather provided a perfect backdrop for the arrival of Wharton's newest alumni-to-be.

Out of 3,900 applicants for the undergraduate class of 2008, 514 were accepted into the program with an average combined SAT score of 1440. The students hail from 46 states and 40 countries.

Equally impressive is the incoming MBA class. Eight hundred and ten students are enrolled, drawn from a pool of 7,200 applicants. The students' average GMAT is 714 (out of 800) and their average GPA is a 3.5.

The new undergraduates were introduced to the School through a three-day student orientation based on the theme "Extend, Explore, Experience," which included introductions to Management 100 teams, student skits, a welcome from the Dean, and an Alumni Association Welcome Breakfast. The Wharton Undergraduate Alumni Relations Council (WUARC) also invited students to the second annual Wharton Colloquia, a series of seminars held for incoming freshman and taught by Wharton alumni. WUARC's Colloquia offers Wharton freshman an early introduction to the Wharton network, shedding light on topics from stock markets to presentation skills to business etiquette. (Read more about the Colloquia in our cover story on alumni-student mentoring on pages 14-20.) In all, more than 300 new undergraduates participated in 12 different seminars.

On September 8, the School also held its annual MBA convocation to welcome new MBA students. Dean Patrick Harker addressed the new class in a speech about the learning experience at Wharton, highlighting the challenges and opportunities that lie ahead for all members of the Wharton community. (The full text of Dean Harker's speech follows on page 10.) ♦





# Credentialism vs. Substance

A speech delivered by Dean Patrick Harker at the 2004 MBA Convocation describes the foundation of a great business education: service, trust, morality—and a lot of hard work.

IT'S A PLEASURE to get together with you again. A lot has happened since we last spoke on the first day of pre-term. Math camp is behind you, as is the Leadership Retreat. You've been matched up with your learning teams, and you're a full two days into your "real" classes. More importantly, you're two days closer to graduation!

You've probably also noticed it's a little more crowded on campus. That's because you've been joined by your second-year MBA colleagues and our Wharton undergraduates — bringing our daily census in Huntsman Hall up to nearly 5,000 students. An additional 20,000 students from Penn's 10 other undergraduate, graduate and professional schools have also arrived. I hope you're getting a sense of what a large and vibrant intellectual community you've joined.

This evening, as tradition dictates, we gather to mark the official beginning of your academic experience. Your faculty welcome you as candidates for the degree of master in business administration, and we have some thoughts we'd like to share as you begin this journey.

During your first weeks with us, we've given you a look at all of the opportunities available to you — both inside and beyond the classroom. Each of these activities is important and will shape your experience here. They will also define your readiness for the next chapter in your business careers.

Among this vast menu of choices, however, your academics are paramount. Extra- and co-curricular activities augment, but cannot supplant, the learning that you must do through coursework. After all, the degree of master in business administration — by its very name — requires that you master a knowledge and a practice of analysis and action that will make you effective business leaders.

Jane Jacobs, in her recently published book, *Dark Age Ahead*, explores what she believes are the root causes of the vast changes taking place throughout the world today, changes that she believes predict a steep decline in human progress.

It's true that our world has changed dramatically in just a short period, and I believe we are in a time of real crisis. Social, political and economic polarization along ideological lines has perhaps never been so serious, threatening the global marketplace, and, with it, the full energy of human potential.



We stand at a turning point. If we allow public discourse to degrade any further into a battle of simply who is right and who is wrong or whose beliefs are superior to all others; if we attempt to super-impose the economic or political ideologies of one culture on top of another without regard to the values and history of that culture; if we do not seek to expand basic human freedoms of self-determination and full social and economic participation — then, our future is, indeed, bleak.

Jacobs identifies problems under five categories of specific concern that she believes underscore our ability to turn this situation around: the roles of family and community; independent scientific inquiry, government, public trust in the professions, and higher education.

The final two — public trust in the professions and higher education — are of particular interest to our academic enterprise here at the Wharton School.

Jacobs contends that in higher education there has been a disturbing shift: that there is more emphasis today on credentialism than there is on true learning.

I'm hard pressed to argue with her observation. I don't like the generally accepted notion among some students that the hardest part about business school is getting in. It implies that you won't have to work still harder to get out successfully — that is, with the degree.

This comes up in discussions with my fellow business school deans with increased frequency these days. They, too, are witnessing a diminished expectation that academics are the core of the business school experience.

I'm deeply disturbed by this mindset, and your faculty here at Wharton are determined to do our part to reverse the equation. When you were shopping for business schools, you no doubt placed a great amount of importance in the "brand" of each institution you considered. You wanted a credential that opened doors, that made you stand out, that gave you an edge in the job market.

There's nothing inherently wrong with that desire. And it's true that the Wharton MBA degree has that effect. Ours is a brand of growing strength, already recognized and valued the world over. But like every brand, it is vulnerable to decline — because without substance, any credential is worthless.

If it's just an empty designation, if you — as an individual — don't have the substantive knowledge and skills that built the reputation of the brand in the first place, you won't be able to sustain the expectations that come with a recognized credential. Without "true learning" by all members of our community, the Wharton degree may still open doors. We could all ride the wave of reputation for a while. But I know this to be true: when we coast, there's only one direction we can go — downhill.

It's important to remember that the doors a credential opens swing both ways. If enough of our graduates leave this institution without possessing a higher set of skills, and a broad

Learning is not a passive activity — you have the responsibility to work hard to "get" not only what your faculty are sharing with you, but also what your classmates can contribute to the learning experience, because each person in the classroom must be engaged and must contribute thoughtfully to the learning process.

This isn't just a matter of showing what you already know. It is also about realizing what you don't know, taking risks, examining everything from new angles, challenging assumptions.

Business thrives on innovation, and innovation doesn't spring just from the wisdom of the ages. It arises from the knowledge we create through experimentation and analysis.

It is not an accident that we have students from all over the world, from a range of industries, and with widely different goals regarding their Wharton educations and their plans for after they graduate.

Wharton is a learning laboratory — a community of learners — students and faculty alike. We actively encourage debate and the open exchange of ideas. We believe one of the greatest advantages of our diversity is that it brings the breadth of ideas and perspectives best suited to promote innovation, because innovation and change are born in the cracks, in the "in between" of one idea and another.

You and your professors will work together to nurture the environment where this type of learning and knowledge creation can best occur and where your Wharton MBA credential will gain its substance.

This brings me to the second of Jacobs' concerns that we each have a responsibility to correct: the decline in public trust in the professions.

For business, this has been most clearly evident in the accounting and corporate governance scandals still playing out on the world stage, and I believe there is a clear link between the emphasis on credentialism in higher education and the decline in public trust in business.

## In higher education there has been a disturbing shift: there is more emphasis today on credentialism than there is on true learning.

knowledge gained from rigorous study, analysis and experimentation, doors will begin to close with the same speed that they were once flung open to welcome those with the Wharton degree.

These facts impose a set of responsibilities on the faculty and students alike in the academic enterprise. "True learning" that will give the credential of your degree lasting value requires, first of all, that the faculty offer a broad core curriculum to give you a solid grounding in the underlying disciplines of all business.

It also requires that we present the curriculum through the most effective learning methodologies — a combination of lecture, case discussions, technology simulations and experiential opportunities — so that you can learn most effectively.

The practice of business requires more than substantive knowledge of the how of business — how do you maximize profits, increase market share, design effective strategy and management solutions, for example. Business leaders must also have a firm grasp on the why of business — why and for whom we do what we do as business leaders.

When Joseph Wharton approached the Trustees of the University of Pennsylvania 1881 with a proposal to establish a "school of finance and economy" — the first such institution in the world — his goal was to ensure that business would be studied in an environment that would shape the progress of economic development on a global scale. He hoped, above all else, that the school would produce graduates who would — and I'm

quoting here — “serve the community skillfully as well as faithfully in offices of trust...maintaining sound financial morality.”

You enter business school at a time of great crisis. A dense cloud of suspicion and mistrust hangs over business practice — and with good reason. We are in danger of losing sight of our most basic responsibilities to shareholders, workers and customers. Too often we place personal gain and personal power above those responsibilities.

Again, when you were making the choice to go back to school for an MBA, I’m sure you considered the ROI equation. You wanted to advance your career, earn a higher salary and become more influential in firms for which you’ll work — or will create — after you graduate.

There is nothing wrong with this type of personal ambition. It’s healthy, and it fuels business growth, but business is about more than just making money. That may sound like blasphemy here at this bastion of market capitalism, but it’s true.

Business is essentially about serving others and about making their lives better — not just by increasing stock values and the net worth of individuals at the top of the economic scale, but also by providing meaningful, safe work at a living wage; protecting benefits and retirement savings; safeguarding the environment; producing reliable products and services at affordable prices; and by expanding opportunities to participate in the

economy and enhancing the quality of life throughout the social order. Business is — as Joseph Wharton said — about service and trust and morality.

Your academic work must take place against the backdrop of this reality. By the privilege of your education, you will become the stewards of the global economic system. That system must be inclusive, enhancing opportunities for everyone on the social scale.

For more than a century, these have been the defining features of the Wharton degree and the value of the credential you will earn if you successfully complete this program:

- that our graduates have gained an unparalleled level of business knowledge, coupled with the desire to continue learning and creating knowledge,
- and that they possess an unwavering commitment to apply themselves to serve others.

It is our joint responsibility — you and your faculty — to safeguard the value of the Wharton brand through our work together in the academic enterprise.

I urge you to honor your commitments as members of this community and to the great responsibility we all bear for the future of our global community.

Thank you. ♦



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# In Good Hands

By Sharon L. Crenson



# Alumni mentors

## make all the difference

**D**AVID FELDMAN, W'82, L'85, AND CHAIRMAN OF THE Wharton Alumni Association Board, swears this is a true story: A Wharton student walked up to an acquaintance who is an administrator at the School one day and said: "You know, everyone here talks about getting a job as an investment banker, but I don't really know what one is."

"And these are smart kids, really smart kids," says Feldman, managing partner of the New York-based law firm Feldman Weinstein, LLP. But academic life, he says—even at the highest level of the game—doesn't often include teaching detailed job descriptions. If a student wants to know what it's like to work in the tax department of a Fortune 500 company, or how a stock broker starts his day, or how to organize the press launch of a new advertising campaign, their best bet is likely to ask someone outside the classroom.

That doesn't necessarily mean looking outside the Wharton community, however. The School is actively seeking alumni willing to donate a small amount of their time to mentor students, something the students say has proved invaluable.

Take Edward Byun, for example, a Wharton undergraduate in his senior year who is studying for a dual degree with the College of Arts and Sciences. Byun enrolled last spring in an entrepreneurial management class that called for developing a business plan from scratch. It also offered the chance to work with a mentor matched with the group through Wharton Entrepreneurial Programs (WEP).

Clare Leinweber, associate director of WEP, says the staff forwards mentor applications to professors for distribution to students. Interested students send their completed applications directly to Clare's office, including details about their proposed business ventures. The WEP staff then searches a database for mentor candidates with related industry experience, and Clare sends out inquiries to potential mentors to gauge their interest and availability. Mentors and students are then connected via email.

Byun's group came up with the idea of starting an on-campus and on-line apparel company catering to the needs of student groups like fraternities, sororities and clubs. Although other businesses sell tee-shirts, sweatshirts and the like imprinted with student group logos and mottos, Byun and his student colleagues conducted

a study suggesting that student-centered service was missing from the marketplace. Student groups, for example, wanted the convenience of on-line shopping and the opportunity to have sample items custom made before buying in bulk.

The business plan for Byun's group project described the product and included an analysis of market need, how to fulfill it, and how to differentiate the business from competitors. The young entrepreneurs brought in friends and interviewed them, then designed an advertising plan. The final piece of the project addressed financing: how much the business would cost to start, how much cash flow would be needed at various points, etc.

Although the idea seemed potentially viable, the young entrepreneurs knew they faced a big obstacle: financial margins in the apparel industry are continuing a downhill slide. Enter Seth Berger, WG'93, founder and CEO of AND 1, a \$200 million-a-year company that makes basketball shoes and other apparel worn both by fans of the game, playground stars and some of the NBA's big-name players.

**"Everyone here talks about getting a job as an investment banker, but I don't really know what one is."**

After a series of introductory e-mails, Byun and one of his fellow group members visited Berger at AND 1 headquarters, which Byun calls "an incredible place."

"You can immediately tell it's a cool place to work. Everybody was very approachable, very friendly. They have a basketball court in the office," he says in awe. "It's just a dream workplace for somebody who loves basketball, like me." And like Berger: the name 'AND 1' refers to a popular basketball expression uttered when a player is fouled while making a shot.

The students ended up talking with Berger for an hour and a half, not just about their project, but also about their professional goals, their school experiences and life.





"It really is a great program that gives students like us the opportunity to meet somebody like Seth," Byun says.

For his part, Berger says he believes pursuing entrepreneurship is the best decision a Wharton grad can make, assuming they can afford to overlook the short-term opportunity cost. "Over five to 10 years, most Wharton grads will get more satisfaction and financial rewards from starting their own business than from taking a job," he says. "Any time I can help sway a student in this direction, I always take the opportunity."

He does so at least once a year, making time to return to campus, speak to classes and take students to lunch. He credits a Wharton entrepreneurship class with inspiring him to found his own company back in the early 1990s. For the class, Berger authored a feasibility study on starting a sportswear retail outlet. He concluded overhead was too high and competition too fierce, but hung on to the kernel of the idea thanks to his professor's urging.

On the eve of a third-round interview with an investment bank, Berger says he was sitting in a bar in New York City, listening to his best friend's advice: Take a chance. You're already broke.

"He said, you don't want to be in a job in two years, asking yourself, 'What if I had started AND 1?' I woke up the next day, called the bank, canceled the interview and decided to start."

Byun is at that pivotal juncture now, on the eve of recruiting season. And although he's not planning to follow in Berger's entrepreneurial footsteps just yet, their conversations did embolden the soon-to-be graduate to take a chance of his own. He will likely start work next year for Goldman Sachs in Hong Kong, rather than in a culturally less challenging U.S. location.

He also says he will keep Berger's story in mind and wouldn't hesitate to call him if he ever finds himself at a professional crossroads. Especially if that crossroads involves an entrepreneurial venture.

"Our experience with Seth was really a very overwhelmingly positive one," says Byun. "In the truest sense of the word, he really did serve as a mentor to us."

## Knowledge in 30 Minutes: The Entrepreneur-in-Residence Program

For those students feeling the entrepreneurial urge, the chance to sit down and have a one-on-one conversation with the founders of such companies as J.D. Power & Associates, And1, and Texas Monthly is a dream. Now in its fourth year, the Entrepreneur in Residence (EIR) program offers all Penn students this rare opportunity by bringing a different highly accomplished entrepreneur to campus every Tuesday during the academic year. Developed by Wharton Entrepreneurial Programs, the EIR allows students to meet with the entrepreneurs for 30-minute sessions to discuss ideas, opinions, and strategies for potential or actual business ventures. Registration opens two weeks before the EIR arrives on campus, and students must sign up in advance via the EIR program website.

For the Fall semester, the EIR program has announced a new slate of company founders:

**Jason Olim**  
Founder & CEO, CDNOW

**Angelique X. Irvin, WG'00**  
President, Clear Align

**Ron Murayama, WG'03**  
Chairman & CEO,  
Amden Corporation

**Marty Grims**  
Founder, Moshulu Restaurant

**Betsy Ludlow, WG'82**  
Founder, Slim and Tone

**Seth Berger, W'89, WG'93**  
Founder & CEO, AND1

**David Power, WG'59**  
Chairman of the Board,  
JD Power & Associates

**David V. Johnson**  
Chairman, Victor International

**Mike Levy, W'68**  
Founder & Publisher,  
Texas Monthly

**The EIR program welcomes successful entrepreneurs who enjoy working with students aspiring to follow in their footsteps. (For information on how to become involved, see our sidebar "Mentoring 101" on page 20.)**

# Welcome to your New Network

BETH HAGOVSKY, SENIOR ASSOCIATE DIRECTOR OF THE WHARTON Undergraduate Division, says contact with alumni helps embed students in the Wharton community right from the beginning of their campus lives.

"It's especially important in introducing students to the breadth of career options a Wharton degree opens," she says.

Hagovsky cites these as the main reasons Wharton administrators have strongly backed a student-inspired program to introduce alumni to incoming freshmen even before classes begin.

For the past two years, student leaders of the Wharton Undergraduate Alumni Relations Council (WUARC) have teamed up with Alumni Association Board chairman Feldman and the Undergraduate Division staff to arrange for alumni to make hour-long presentations to incoming freshmen. The one-day event, held the day before classes begin, focuses on topics not likely to be found on the standard class syllabus.

Collectively known as the Wharton Colloquia, this fall's dozen seminars included such topics as "Getting Rich: Lessons from America's Wealthiest Families"; "Becoming a CEO before you're 40"; "Why Most Career Choices Change-and Why it's OK"; and "Is it Still a Man's World? Being a Young Woman in Business Today." (See sidebar on page 18 for a sample of this year's Colloquia topics and alumni presenters.)

The sessions, so far open only to freshmen, attracted some 350 students, up from 273 in 2003, according to Joshua Choi, W'05, chair of WUARC.

Choi, whose group also orchestrates regular brown-bag lunches for small groups of students to meet alumni, says WUARC's goal for the Colloquia was to create an institutional tradition connecting incoming freshmen to the vast pool of Wharton alumni. "The importance of a business education doesn't necessarily come just from the classroom," he says. "It definitely comes from people, from networking."

Feldman's presentation during this year's Colloquia was titled "Effective Business Networking." He covered the appropriate times to ask for a person's business card (always at a business function, less so at social or charitable events); what to do with it once you've got it (follow up with an invitation to meet); the particulars of networking with people of different professions; and how to keep up contacts that could be useful in the future.

That included advice on when to do business with a contact you meet, and when not to do so. In the latter category, Feldman told the story of a close friend he went to school with, but has never pursued for business. He describes the guy as someone who kept a disorganized apartment, missed deadlines, and partied a little too much. Those impressions stuck with Feldman and made him nervous about ever getting professionally entangled. He reminded his student audience that networking starts now, and that they should be careful how they present themselves on campus. It's not that you can't wear sweats to class, he says but don't ever look too sloppy. What if you run into the dean?

## Contact with alumni helps embed students in the Wharton community right from the beginning of their campus lives.

"I have a lot of connections with people I met at school that have turned into opportunities," Feldman says. "The truth is, if you want to move from mid-level success to high-level success, you almost certainly will not be able to do it without networking."

Another wildly popular colloquium was given by Vige Barrie, CW'74, WG'76, who covered presentation skills and dressing for success.

TOMMY LEONARDI



FELDMAN, W'82

TOMMY LEONARDI



CHOI, W'05





## Share Your Success: Wharton Colloquia

How do some people become CEOs early in life? When is it appropriate to ask for a business card? Is business still a man's world? Wharton undergrads recently got some answers to these and other questions not typically covered in the classroom at the second annual Wharton Colloquia held by the Wharton Undergraduate Alumni Relations Council (WUARC). The series of seminars designed for incoming freshmen and taught by Wharton alumni included:

**Effective Business Networking:** David Feldman, W'82, L'85 (Managing Partner, Feldman Weinstein, LLP) discussed the art of networking and how to maintain relationships that will help an individual in future career positions or internships.

**Presentation Skills, Dress for Success, Etiquette and More:** Vige Barrie, CW'74, WG'76 (Director of Media Relations, Hamilton College) explored the ways students can leave a lasting impression on professors and colleagues and prepare for climbing the corporate ladder.

**Defining Successful Leaders:** James Anchin, W'65, WG'66 (Managing Partner, Anchin Block & Anchin, LLP) led a discussion of what it means to be a successful leader in college, the meaning of leadership in the workplace, and the myths about leadership.

**Stock Markets 101:** Matthew Greene, WG' 89 (Managing Director, Utendahl Capital Partners, LP) described how he has successfully worked the stock market and offered some steps for success.

**Are you an Entrepreneur?:** Nigel Edelshain, WG' 93 (President, Ivy Technology Partners) discussed some common characteristics of entrepreneurs and described his own experiences starting a business.

**Becoming a CEO Before You're 40:** Anne Kalin, WG'91 (General Manager, Lynka Promotional Products) described her own experiences to illustrate how one can become a CEO early in life and how students can better prepare themselves for a corporate leadership role.

**Is it Still a Man's World? Being a Young Woman in Business Today:** Ellen Desmaris, WG'02 (Management Development Program, McGraw-Hill Education) explored the "glass ceiling" in business today and described how she has successfully overcome obstacles in building her own career.

**Why Most Career Choices Change—and Why It's OK:** Lorrie King, WG'91 (Director-Marketing, Boots Retail USA, Inc.) used her background to explore the positive and negative effects of career changes.

**Venture Capital 101:** Dr. Teo Dagi MD, WG' 85 (Managing Partner and Managing Director, Cordova Ventures) outlined the key steps in pursuing capital for a new venture.

**Managing Your Career Like a Brand:** Chris Malone, WG'91 (Senior Vice President, Aramark) explained how to tackle career choices, resumes, and personal presentation to manage them like a commercial brand.

**For information on how to become involved in future Colloquia, see "Mentoring 101" on page 20.**

Barrie, who is director of media relations for Hamilton College, began her presentation wearing a 'crunchy-granola' folk singer skirt, a long vest and stocking feet shod with open-toed shoes. About half way through her talk—just as she was mentioning the merit of wearing clothes you feel comfortable in—Barrie said: "I'm sure you must have noticed this is not my ideal outfit." After saying that, she pulled down her elastic-banded skirt and peeled off the vest to reveal a suit skirt and black top, to which she quickly added a smart-looking jacket and decent shoes.

The transformation really demonstrated that a picture is worth a thousand words.

"It also brings you closer to the audience. They are laughing at you and you are laughing at yourself," Barrie says. The quick-change also re-enforces her point that good visuals improve the quality of just about any presentation.

Hagovsky says sessions like Barrie's were such a success that many ran overtime because the audience swamped alumni with questions. "Certainly the buzz as the day went on was that more and more kids were trying to get in because they heard how great it



BARRIE, WG'76 (BEFORE)

was," Hagovsky recalls. "These are topics that every business school should be telling the kids about . . . We love it. Everything about it is great for the School."

So great, she says, Wharton plans to launch a similar program this spring open to sophomores, juniors and seniors.

Choi is also working on another mentoring event to cement at least one alumni contact for graduating seniors like himself.

Called the Senior Send-Off, the idea is to group seniors together based on post-graduation geography: all those headed for Boston in one group, New York in another, etc. Then Choi wants to find at least one Wharton alum from each major metropolitan area to come to campus in the spring and introduce themselves to their soon-to-be neighbors.

Hagovsky has some concerns about capturing seniors' attention as their final semester wears on, but says the school is continually looking for ways to involve students with alumni. Another possibility is for local alumni clubs to host receptions for seniors during winter break. "That to me would be ideal. You kind of welcome them into the Wharton club before they even graduate," Hagovsky says.



# “Grizzled Veterans” and Fledgling Ventures

WHEREAS THE COLLOQUIA ARE A BRIEF AND FUN INTRODUCTION to a handful of Wharton alumni, the school’s annual Business Plan Competition takes mentoring to a whole other level. Contacts that participants make with alumni via the year-long competition can infuse fledgling entrepreneurial ventures with the very lifeblood they need to get off the ground: money, and direct links to industry leaders and venture capitalists.

Contacts that participants make with alumni via the year-long competition can infuse fledgling entrepreneurial ventures with the very lifeblood they need to get off the ground.



The competition—which attracted some 200 student teams last year—is managed by Wharton Entrepreneurial Programs and is open to any Penn student. Past final-round judges have included representatives of St. Paul Venture Capital, Canaan Partners, JK & B Capital, Johnson & Johnson, Sienna Ventures and Microsoft. Some 300 volunteers served last year as judges for earlier stages of the competition and as mentors.

Eliot Jarrett, a Wharton senior whose team won the undergraduate award for their plan to launch a computer animation company, was paired with mentor Paul Hynek, CEO of Santa Monica, California-based Spitfire Ventures. Hynek not only made himself available to Jarrett, but introduced his student protégé to his brother Joel Hynek, whose work on the 1998 film *What Dreams May Come* garnered an Oscar for visual effects.

Jarrett says he has never taken a class that covers how to develop a business plan, but has participated in the Business Plan Competition since his freshman year. He decided to tackle the process of rendering in animation because: “I had read about how intensive the process is, and it struck me as absurd that it took so long.”

Hynek, WG’90, G’90, says the idea of mentoring a business competition student appealed to him because he believes entrepreneurship fits well with “the grizzled old veteran lending his input.”

“I’ve looked at so many business plans, it’s easy in my mind to distill the key parts of a business and see the pitfalls,” he says. He credits Jarrett with asking very high-level questions during their telephone calls and e-mail exchanges—no surprise, considering that Jarrett began developing his concept freshman year and had previously ushered it to the Business Plan Competition semifinals.

Hynek told Jarrett most venture capitalists care about one thing: return on their investment. Next they look a candidate in the eye and size up whether they think he or she can deliver what’s promised. Then and only then do they ask, “Okay, what are you making?”

He says the biggest concern he had about Jarrett’s venture was the likelihood that a major entertainment company like Pixar would be willing to give something as valuable as a feature-length animated film to an outside company and entrust that company with adding shading, lighting, etc. to the rough sketches Pixar would supply. The process is called rendering, and Jarrett’s proposed company, Distributed Resource Imagery, proposes to do it faster and more efficiently.

In the end, Hynek says he was convinced that Jarrett not only had a better mousetrap to sell, so to speak, but that Hollywood’s oh-so-insular world might be convinced to buy it because the process of rendering is really peripheral to film making itself. Why not outsource a task that isn’t your core strength anyway?

Once Hynek delivered his own expertise on product development and marketing, which is what Spitfire does for its clients, he turned Jarrett over to his brother. Joel Hynek, in turn, offered some inside-the-industry tips and a letter backing Jarrett’s idea.

Paul says introducing Jarrett to Joel seemed natural. “I signed up to give Eliot the best help I could . . . Joel and I swap ideas back and forth a lot so it seemed like I could give Eliot the business stuff and Joel could give him the technical stuff,” he says.

## Mentoring 101: How to Get Involved



### 1. Join the Alumni/Student Network.

More than 3,900 alumni have signed up for Wharton's online matching service for alumni who are willing to talk with students who have similar career interests. To participate, visit [www.wharton.upenn.edu/alumni](http://www.wharton.upenn.edu/alumni) and select "Alumni/Student Network" from the menu on the left. Follow the direc-

tions for updating your online directory listing to indicate your willingness to connect with current Wharton students.

### 2. Participate in future Undergraduate Colloquia (or similar events).

Events like the Colloquia provide students with their first introduction to the Wharton Network. To become involved, email Beth Hagovsky, senior associate director of Wharton's Undergraduate Division, at [hagovsb@wharton.upenn.edu](mailto:hagovsb@wharton.upenn.edu).

Also, the Wharton Undergraduate Alumni Relations Council (WUARC) offers a brown bag luncheon series featuring alumni guest speakers. To express interest, contact WUARC via email at [wuarc-04-05@wharton.upenn.edu](mailto:wuarc-04-05@wharton.upenn.edu) or Justin Lo at [justinlo@wharton.upenn.edu](mailto:justinlo@wharton.upenn.edu).

### 3. Apply to become an Entrepreneur-in-Residence.

Student spaces in this program fill quickly, as individual feedback from an established entrepreneur is a rare opportunity. Entrepreneurs who are willing to share their expertise are asked to:

- Provide an up-to-date biography, a photograph and a description of three areas of expertise offered
- Be in residence at Wharton for at least one day
- Meet with students in 30-minute intervals that day
- Protect the confidentiality of any proprietary business information the students may share.

If you are interested in participating, contact the EIR program by email at [entrepres@wharton.upenn.edu](mailto:entrepres@wharton.upenn.edu). An application form can be found on the WEP website: [www.wep.wharton.upenn.edu/Student\\_involvement/entrepreneur\\_offeralumneirs.asp](http://www.wep.wharton.upenn.edu/Student_involvement/entrepreneur_offeralumneirs.asp).

### 4. Consider mentoring a Business Plan Competition team.

Mentors for the Wharton Business Plan Competition play an important part in guiding University of Pennsylvania student teams, and they also can benefit by gaining exposure to other mentors, judges and entrepreneurs. Mentors are also eligible to become early phase judges in subsequent Competitions.

For information on the requirements for mentoring a team, visit [www.wep.wharton.upenn.edu/bpcmentoring.html](http://www.wep.wharton.upenn.edu/bpcmentoring.html) or email [wep@wharton.upenn.edu](mailto:wep@wharton.upenn.edu).

Not that Paul was completely out of the entertainment loop. He was paired with Jarrett partly because of his experience launching a film production company and serving as president of a company specializing in "motion capture," a technology that uses computers to document a person or animal's movements so the patterns can be used by another entity on screen.

He describes his interaction with Jarrett as smooth and professional.

**"Us Wharton MBAs, we're very laid back. The undergrads, man, they're sharks."**

"It was a nice experience for me because the signal to noise ratio was very high—I was very impressed. Us Wharton MBAs, we're very laid back. The undergrads, man, they're sharks."

Jarrett called his mentor "a fantastic match" because Hynek had knowledge that was specific to the film industry and remained available even after the year ended.

"Paul was only assigned to me for sophomore year," Jarrett says,



JARRETT, W'05 (RIGHT) WITH JOSH GILPER, ENG'03

"but he continued to answer my e-mails. It was good to continue the relationship." ♦

*Freelance writer Sharon Crenson's cover story on alumni who work in the media ("Making News") appeared in our Winter 2004 issue.*



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BY NANCY MOFFITT

# Performance Pays

Wharton Marketing Professor David Bell has seen his research take shape as practice—and strengthen the retail industry.



**D**avid Bell was nervous. He'd been asked to give a talk at a retailing conference in San Francisco and, to his surprise, found upon arrival that he'd been scheduled as the keynote speaker. Before him was a room of 75 or so of the nation's leading retailers and manufacturers, two groups known for decades of bitter conflict, with the retailers camped stiffly on one side of the room, the manufacturers on the other.

The speech he'd prepared was a somewhat abstract mathematical/economic analysis of trade promotions – deals manufacturers and retailers had traditionally used as weapons in a zero-sum game. Manufacturers had long been tied to an “off invoice” system that gave retailers periodic discounts during a promotion period – discounts that, in theory, retailers were supposed to pass on to consumers. But retailers had abused these promotions, often “forward-buying,” the practice of purchasing more than they could sell during the official promotion period and/or diverting the product to other retailers who were not privy to the trade deal, thereby pocketing the savings themselves. Not surprisingly, manufacturers despised the system, and even retailers claimed to be frustrated by funds wasted on administrative and inventory costs.

Bell, an associate professor of marketing, was about to propose an overhaul of the dysfunctional arrangement – a way to seek peace, and profits. But in a room with many more manufacturers than retailers facing him, he wondered how what he was about to propose would go over. “I was quite worried about how my talk was going to be received,” said Bell. “But there I was, so I just forged ahead with it.”

The upshot: Bell told the group that retailers are not inherently “evil” – they were simply responding to the incentives on the table. A solution could be found, Bell said, in a variation of what was then a new but unpopular type of trade promotion known as pay-for-performance – rewarding retailers based on what they sell rather than offering up-front discounts. If manufacturers were willing to sweeten their pay-for-performance deals enough, the counter-intuitive result was that they could offer a better deal to retailers, yet make themselves, and ultimately consumers, better off in the process. Give away more money to get more money, Bell told the manufacturers, wondering what the reaction would be among the embattled, cost-conscious crowd.

“But they were surprisingly candid – as were the retailers,” he said. “Both agreed that the system was problematic, but I think that after our discussion the manufacturers were less enamored with the view that retailers were underhanded and that all the retailers were doing was responding to an incentive system fueled in part by the manufacturers themselves.”

“If you give a retailer an incentive that's based on what she's going to buy, then she's going to try to optimize the buying function,” Bell said. “So you have to turn the incentive around and say, ‘Ok, instead of giving you a dollar for everything you are buying from me – a discount – I'll give you a dollar discount for every case of product that you sell, that you scan through your system.’”

Ultimately, Bell's uncomfortable, unexpected keynote speech in 1999 was the beginning of a real shift in organizational culture. Immediately after the talk, a former Procter and Gamble executive named Bob Gibson approached Bell, explaining that the analysis the professor had just presented was the crux of a company he'd founded called Scanner Applications. Gibson, a Harvard MBA,

had spent his early career in the packaged goods industry working for leading manufacturers and had grown increasingly frustrated by the enormous waste in trade promotion. He'd started Scanner Applications to promote the pay-for-performance concept, using the retailing industry's ubiquitous scanner as a way to track sales. Gibson invited Bell to his Cincinnati headquarters to talk to his sales force about the theory underlying what they were doing. He also got Bell access to data – data that allowed Bell to test, prove and forward his theory via two high-profile research papers, a 2002 article in the *MIT Sloan Management Review* and another last year in *Marketing Science*.

Both papers went beyond purely hypothetical data, reporting evidence from a yearlong field test – an experiment that showed that “scan-backs” really work. In the field test, a national-brand beverage manufacturer implemented both off-invoice and scan-back trade deals in cooperation with retailers in four regions of the United States. Each retailer received up to four scan-back and four

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off-invoice deals at different times over the year. To make the two deals equally attractive to the retailers, the scan back included a deeper discount than the off invoice.

What happened? The results revealed that scan-back deals generated more sales and marketing support from retailers, greater pass-through of discounts to consumers, limited “forward buying,” the process of stockpiling discounted product for later sale, and more stable retailer demand.

Today, the sea change Bell proposed has increasingly become a reality. Roughly 65 percent of packaged-goods retailers' promotion dollars are devoted to pay-for-performance deals, up from about one-third a decade ago. And Bell has enjoyed seeing work that began as theory take shape as practice, and strengthen an industry.

“When you compensate the retailer based on what they sell, there's no longer any benefit in them loading up on all this inventory,” Bell said. “And all of the inventory infrastructure and shipping things all over the country – which is paid for by the retailer at the manufacturer's expense, but from a systems point of view is a complete dead-weight loss – is eliminated. Retailers can dramatically cut inventory costs and reorient their activities around what should be their core competencies – selling and marketing,” he adds. “The news is good for consumers, too, because retailers are much more likely to pass on the full amount or even greater than the full amount of the deal on to the customer.”

## A Rising Star

Bell, 38, a native of New Zealand, moved to the United States at age 25 to attend Stanford University, where he earned his PhD.

He joined Wharton in 1998 after three years at UCLA, where he began his academic career in spite of early offers from Wharton and other East Coast schools because California reminded him a bit of home. An avid rugby and squash player, Bell also plays the guitar and started a band with a group of friends, including two professors from Harvard and MIT, and says he loves playing pool so much he became the PhD Association president at Stanford for the sole purpose of buying a pool table for the student lounge.

He fell into academia somewhat by accident: As an undergraduate at Auckland University, he found he particularly enjoyed his research-oriented classes. "Something about trying to answer questions of human consumer behavior really intrigued me," he said. "I liked marketing in particular because it is very eclectic." When he graduated at age 20, Bell admits, he opted for graduate school as a way to avoid joining the workforce. "Now that I am in this job, I feel that it really fits, but a lot of getting here was a matter of luck and circumstance," Bell said.

A prolific scholar, Bell has published 15 research papers in leading journals between 1997 and 2003 – with nine others under review or revision – on everything from the effect of word-of-mouth on Internet sales to how store location and pricing structure affect shopping behavior.

A 2001 research paper called "Store Choice and Shopping Behavior: How Price Format Works" scrutinized shopping patterns at "every day low price" stores such as Wal-Mart versus HILO stores, such as clothier Ann Taylor, which have great disparities between the highest and lowest prices, thus relying on sales and promotion strategies to entice buyers. The study provided managers with a new shopping framework by considering both pricing and location in store performance, weighing such factors as distance to the store, familiarity with layout, product assortment and pricing strategies to create a model store managers can use to predict how and when people will shop.

A more recent study on the effect of inventory on buying habits, meanwhile, challenged traditional economic frameworks that suggest that full coffers negatively affect a person's willingness to buy: laundry room shelves stocked with detergent, it stands to reason, mean a consumer won't likely buy more on their next shopping trip. Bell's research found, however, that when it comes to discretionary food products such as ice cream and soda, the opposite actually occurs. "If it's a discretionary food product, the level of inventory seems to directly affect the rate of purchase," Bell said. "People actually consume items like this more quickly when they have more on hand. Other more mundane product categories like paper towels, butter and detergent don't seem to be affected."

And in the brave new world of Internet retailing, Bell studied the effects of word-of-mouth or other "social contagion" factors on consumer willingness to try an online retailer, using data provided by Lisa Kent, the CEO of netgrocer.com, who was introduced to Bell by a Wharton MBA student. "For retailers, 'location, location, location' is a familiar mantra," Bell said. "But for the Internet retailer, the physical location of the store is meaningless, and this unique market context, with geographically dispersed customers and competitors, raises important and largely unstudied questions about the evolution of the customer franchise."

Bell's study found a significant "neighborhood effect," with a 50-percent increase in the base rate of consumers trying an online retailer's services once they talked about or otherwise observed its

use locally. "What seems to be critical," Bell said, "is the location of existing customers relative to new potential customers. And why this is really important for the manager is that if this effect is really going on, maybe there's a way for you to feed the process. Maybe if you put a billboard up on a major highway and get people in a very urban, dense region to buy first it's going to spread a lot more quickly." Interestingly enough, this effect disappears for repeat purchases – once consumers have their own experience they rely on this and are more likely to disregard the actions of others.

As for the future, Bell has ongoing projects in retailing customer base evolution, customer response to marketing initiatives, and coordination issues. He is also interested in trying to explain and describe fundamental market characteristics, such as price dispersion and the diffusion of information, and is working on a textbook using his marketing strategy notes as a starting point.

"I'd like to advance the use of scientific approaches to tackle important marketing problems," Bell said. "I'm a firm believer in the value of data, models and empirical analysis to complement managerial intuition, and I try to demonstrate this value in my own research, whether explaining a particular market phenomenon or

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simply quantifying the response to a marketing decision. This view of academic research has a big influence on my teaching as well."

Bell enjoys introducing students to a new "spin" on marketing – namely that marketing problems are amenable to scientific analysis and that practitioners can benefit tremendously from this approach. This philosophy, Bell said, is typically somewhat surprising to students, as they often have a completely different view of marketing. "It's very gratifying when they come to embrace this idea," Bell said. "I've been fortunate to teach the marketing strategy elective because this course allows me a lot of flexibility with respect to content and approach. I enjoy interacting with students, challenging them and being challenged in the classroom, and I feel very fortunate to be able to interact with students of the caliber that we have at Wharton." ♦

*Frequent contributor Nancy Moffitt is the former editor of the Wharton Alumni Magazine.*

EDITOR'S NOTE: Complete versions of most of David Bell's research papers can be found at <<http://www-marketing.wharton.upenn.edu/people/faculty/bell.html>>.



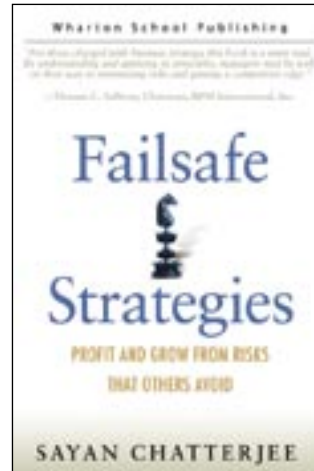


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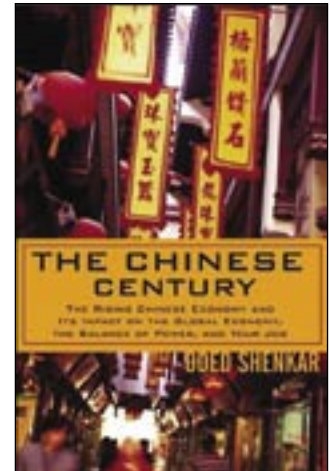
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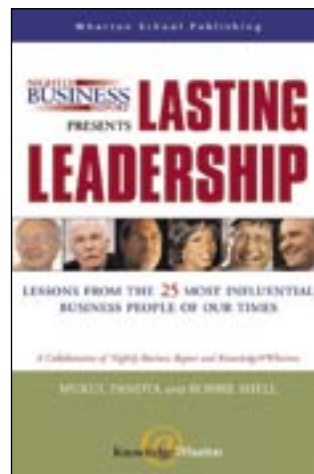
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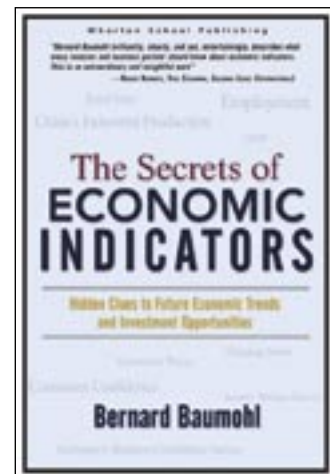
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## Teaching Kids about Money: Why It's Not Just Fun and Games

*"Improving basic financial education at the elementary and secondary school level is essential to providing a foundation for financial literacy that can prevent younger people from making poor financial decisions that can take years to overcome."*

— Alan Greenspan, chairman of the Federal Reserve Board, 2001

When he was in the sixth grade, Ned S. got his first taste of the stock market. As part of a project for his math class at Germantown Friends School in Philadelphia, Ned and his classmates "invested" in corporations to see if they could make a few bucks. Ned and a partner bought shares in Aramark, Comcast, Microsoft, Wal-Mart and a once-obscure energy company that had become page-one news, Enron.

At the conclusion of their yearlong effort at portfolio management, Ned and his partner ended up with about the same amount of money they had when they started. "Some things went up and some things went down," recalls Ned, who will enter the ninth grade this fall. The pair had bought Enron right after the company declared bankruptcy in the hope that the shares would rebound. They didn't.

What lessons did Ned take away from his exercise? "Try not to buy top-sy-turvy stocks; get the most even ones. Don't take a big risk and you might make some money."

That's a pretty worthwhile message for a boy to absorb at such an early age. Ned probably didn't know it, but this project marked his first formal participation in programs aimed at improving his financial literacy.

Schools, companies and nonprofit organizations around the country, including educators at Wharton, say

helping children and teenagers learn the rudiments of free markets, entrepreneurship, credit, spending, saving and investing is one of the most important, yet usually neglected, components of a young person's education. Places for



kids to learn about money and business abound, but typically these are not among the regular curricula at schools.

Often, parents have to take the initiative and enroll their children in financial literacy programs.

Most young people "are dismally financially illiterate, I'm afraid," says Laura Levine, executive director of the Jump \$tart Coalition for Personal Financial Literacy, a Washington, D.C., advocacy group whose supporters include 140 corporations, education associations, government agencies and non-profit providers of financial education.

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"I think [financial illiteracy] is an extraordinary problem for us nationally," says Dede DeRosa, an executive at Lincoln Financial Group who helped develop a Lincoln program for elementary school children called The Value of Money. "Every parent I talk to seems to feel similarly."

### Teen Allowances and Credit Cards

Jump \$tart's most recent survey to test the financial knowledge basics of some 4,100 high school seniors turned up both good and bad news. The good news was that, on average, students taking part in the 2004 survey answered 52.3% of the questions correctly, up from 50.2% on the previous test. The unhappy news was that 65.5% of students failed the exam, while only 6.1% scored a C or better. The test is designed to measure basic knowledge of spending, the role of credit, and saving and investing.

Is it asking too much to expect teenagers — preoccupied as they are with the opposite sex, music, sports, computer games and other adolescent priorities — to be proficient in rudimentary knowledge about dollars and cents? "I don't think so," Levine says, noting that young people are as interested in getting, spending and protecting money as any adult. Jump \$tart, she adds, "would like to see financial topics introduced in



courses beginning in kindergarten.”

Jump \$tart, which advocates financial literacy courses in public schools as well as stronger educational efforts by parents in the home, says interest in teaching about money is growing. It notes that state lawmakers are ready to help in this area, and that the U.S. congress has established a new Financial Literacy and Education Commission to coordinate the education initiatives of federal agencies.

**“Kids who come from families whose parents are in business have a head start on other kids,” says Krinsky. “They hear it around the dinner table. They watch their dad or mom in business.”**

A 2004 survey conducted by Junior Achievement, the world’s largest organization dedicated to teaching young people about business, economics and free enterprise, and the Allstate Foundation offers additional insights into kids aged 13 to 18 and their approach to money. The JA Interprise Poll on Personal Finance found that 67.6% of those surveyed felt that they influence the buying decisions of their households. About 35% said that they receive an allowance; of these, 58.4% said the allowance was \$20 a week or less. Older teens receive fewer allowances, since they are able to earn money on their own. The poll also found that 27.4% of 18-year-olds and 12.9% of 17-year-olds have credit cards and that 15.5% own stock. The survey found that only 48.7% of the students believe that Social Security will be around in its current form by the time they are 65.

Darrell Luzzo, senior vice president-education at JA, says the students’ feelings about Social Security should serve as a wake-up call. “There’s a pessimism regard-

ing the future of their own sense of security financially,” he says. “I’m hoping that propels kids to learn about financial literacy.”

There is no single definition of what it means for a boy or girl to be financially literate. But generally speaking, Luzzo says, the term means that teens “should be able to be relatively effective in carrying out the day-to-day duties of being a consumer.” One of JA’s programs is an online course for

high school students — titled “JA Personal Finance” and funded by the Goldman Sachs Foundation — that aims to help young people understand the basics of a paycheck and what the deductions mean; how to create a budget; the fundamentals of

saving and investing; the role of interest rates in the economy; how to decipher a credit card statement; and the role that insurance policies — from health and property to disability and life — play in managing risk.

Courses in financial literacy may not yet be a required part of the curricula in most elementary and high schools across the country, but many other programs and publications exist to help kids learn about money.

## **The Money Savvy Pig**

Lincoln Financial’s Value of Money program teaches affluent children from kindergarten through fourth grade about saving, spending, investing and donating money. The curriculum, a customized version of the Money Savvy Kids Basic Personal Finance Curriculum developed by Money Savvy Generation, incorporates values that are associated with President Abraham Lincoln. These values, such as honesty,

integrity and fairness, are given as much emphasis as rudimentary money-management topics. Each pupil receives a plastic Money Savvy Pig, also developed by Money Savvy Generation, that is divided into four sections — Spend, Save, Donate and Invest. Each chamber has a slot into which the child can insert coins. The pig is translucent so that the child can watch his or her money pile up. The pig is a big hit with kids, and even some adults have clamored to get one.

At the end of the course, parents are invited to the classroom. A mock press conference featuring the financial planner is held so that parents and kids can “start a dialogue about money that will continue at home,” says Laura Dambier, second vice president, producer solutions and strategic initiatives, at Lincoln Life & Annuity, and co-founder of the program with DeRosa.

Most of the eight 45-minute lessons, held once a week, are taught by the pupils’ regular teacher; weeks four through eight are taught by professional financial planners from Lincoln. The program was piloted among third and fourth graders in Shaker Heights, Ohio, during the 2003-04 school year and will be expanded further in the Greater Cleveland area schools, as well as in Chicago, Phoenix and Washington, D.C. for the 2004-05 term. DeRosa, senior vice president and chief operations officer at Lincoln Life & Annuity, says the company plans to introduce the course to less affluent children and teenagers in years to come.

The lessons are already sinking in from the Lincoln effort. As one boy named Jack wrote in a letter thanking the teachers: “You taught us that Aberham [sic] Lincoln was very honest and walked all the way to a house far away just to return a penny.”

## **When the Pro Leagues Don’t Pan Out**

Some business and financial literacy programs are aimed at less affluent youngsters. Each summer, Wharton’s

four-week Leadership, Education and Development Program in Business (LEAD), which was launched in 1980, introduces 30 talented minority students about to enter their senior year in high school to the world of business. The students, who receive scholarships, live on Penn's campus, take classes taught by Wharton faculty, develop business plans, visit companies such as McNeil Laboratories, which helped found the program, and make presentations to executives. The teens also meet Wharton's dean, Patrick Harker, and other school officials.

"What we're trying to do is interest talented students of color in education and business," says Anne Greenhalgh, director of undergraduate leadership programs at Wharton and an adjunct professor of management. The students are encouraged to pursue business careers. LEAD has grown over the years

from Wall Street as one can imagine. It is a place where youngsters' knowledge of business is limited to the corner market and liquor store, says Jacqueline Hrabowski, vice president, community relations, at T. Rowe Price. Many parents do not have checking accounts and pay bills by buying money orders. The neighborhood's median annual income is about \$15,000.

Volunteers from T. Rowe Price and Rouse Company, a real estate developer, go to schools once a week and teach students in various grades the basics of how to save money, how to draw up a budget, and the differences among stocks, bonds and certificates of deposit. New Song does not develop its own courses to teach financial literacy. Its volunteers use existing materials from organizations such as Junior Achievement and the National Council on Economic Education, known as Nee-cee.

**"Helping children and teenagers learn the rudiments of free markets, entrepreneurship, credit, spending, saving and investing is one of the most important, yet usually neglected, components of a young person's education."**

and is now offered at 10 other U.S. business schools. In all, some 6,600 students have attended the program.

In Baltimore, T. Rowe Price, the mutual fund company, sponsors a financial literacy program called the New Song Investment Academy. The program is one component of a larger effort to revitalize a once-thriving African-American community known as Sandtown-Winchester through educational initiatives and job training. The name New Song Academy refers more broadly to a year-round public school effort aimed at poor kids that began nine years ago.

Sandtown-Winchester is about as far

"We also get into life skills," Hrabowski says. "If you earn a certain amount of money per year, what does it cost to live? We have them look at the cost of an apartment versus a house: If you have this much income, what can you do with it?"

The volunteers emphasize the relationship between education and the likelihood of earning a higher income. Far too many kids want to be professional athletes when they grow up. "The [low] probability of their making it to that level is not what they're told about," Hrabowski says.

## Getting on 'The Business Track'

Most financial literacy programs, however, are aimed at youngsters who are not poor.

Wharton offers a four-week summer program called Leadership in the Business World, which introduces rising high school seniors to the fundamentals of leadership in business. LBW, which just completed its sixth year and costs \$4,950 for room, board and tuition, has a global reach. The 60 students in the class of summer 2004 hailed from 18 countries. Among other things, teams of LBW participants battle one another in a stock market competition and engage in a daylong business simulation in which companies compete with one another.

"They need to think about profits and margins, their competitive advantages, operations, how to manage costs, customer needs, how they're going to work as a team, and who's going to make decisions," says Greenhalgh.

The participants in the LEAD and LBW programs are perhaps more financially literate than other high school students. All of the teens who apply for the programs already have a predisposition toward business, Greenhalgh explains, and some come from families with parents who have succeeded in business. But it is not as though they have nothing to learn. As one ingenuous teen wrote in an evaluation of LBW: "It's interesting how profits are cut down by taxes and other costs."

Julian and Tina Krinsky operate a number of summer programs and camps across the country in subjects as diverse as tennis, golf and cooking. One, however, focuses on giving kids a taste of business. The program, called The Business Track, is held at Haverford College near Philadelphia. The Krinskys say achieving a level of business literacy at a young age can provide a real boost for kids who show an interest in making business a career — especially if their parents are not

*Continued on page 33*



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## Finding Fertile Ground

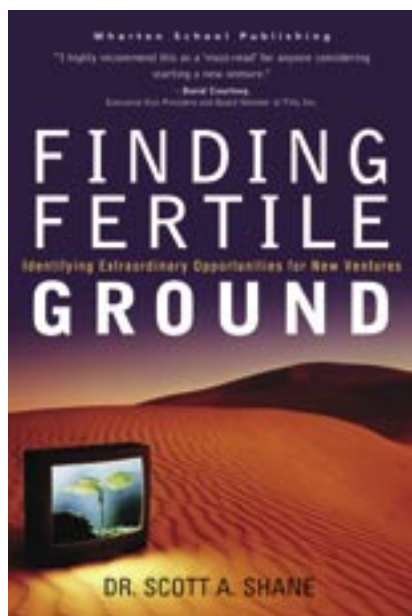
In a new book from Wharton School Publishing, alumnus Scott Shane, G'92, identifies key factors for success for high-tech startups.

If you're starting a business, your best odds of success are in high technology industries — not just computing and telecom, but also biotech, aerospace, electronics, manufacturing and materials, medical devices, pharmaceuticals, robotics, and other knowledge-intensive fields.

In a new release from Wharton School Publishing entitled *Finding Fertile Ground: Identifying Extraordinary Opportunities for New Ventures*, Scott Shane, G'92, identifies the drivers behind the world's successful knowledge-intensive startups and offers readers strategies for aligning those drivers behind their own businesses. Along the way, he shows how to account for critical issues such as network externalities, and the emergence of dominant designs and technical standards. In short, Shane's book offers entrepreneurs the tools they need to beat the odds; in fact, David Courtney, Executive Vice President and Board Member of TiVo, Inc., has called the book "a 'must read' for anyone considering starting a new venture."

Shane, who is a professor of economics and entrepreneurship at the Weatherhead School of Management at Case Western Reserve University, has authored over 50 scholarly articles on entrepreneurship. His other books include *A General Theory of Entrepreneurship*, *Foundations of Entrepreneurship*, *Academic Entrepreneurship*, and *Wealth Creation and Entrepreneurship*. He also edits the Innovation and Entrepreneurship Division of the leading scholarly journal, *Management Science*. He has taught at MIT's Sloan School of Management, Georgia Tech's DuPre School of Management, and the University of Maryland's Robert H. Smith School of Business.

In the following Q&A, excerpted from *Soundview Executive Book Summaries*, Shane answers questions about his new book and navigating the high-tech startup field. (The complete interview with *Soundview* editor-in-chief Chris Murray is available on an audio CD included in Shane's book.)



**Q: What is a high-technology venture?**

**A:** These days, when you turn on CNBC or read the *Wall Street Journal*, and you hear or see the word "technology" to describe something, it is usually in reference to IT companies. This book uses the word "technology" in a broader, more traditional sense. Technology is the embodiment of knowledge in ways that make it possible to create new products, exploit new markets, use new ways of organizing, incorporate new raw materials, or use new processes to meet customer needs. Certainly, information technol-

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ogy — the use of zeros and ones in digital form on computers — is an important technology, but there are many other important technologies as well. Biologically based technologies, such as those used to create new drugs or to clean up pollution, are also important. Similarly, mechanically based technologies, such as those that make pumps or valves, matter. New materials, such as those in new ceramic composites, are valuable.

**Q: You say that high-technology ventures have a greater chance of success than low-technology ventures. Why is a high-technology business more likely to be successful than a low-technology business?**

**A:** High-technology businesses are based on advances in technology— developments in materials, drugs, software, equipment— that make it possible to develop new products, design new production processes, create new ways of organizing, and target new markets to meet customer needs that could not previously be satisfied, or satisfy those needs in a way better than the competition. They also provide ways to capture the returns to entrepreneurship so the profits go to the entrepreneur, not imitators. This can be done much more easily in high technology than in low technology. And the numbers reflect that.

**Q: Also, doesn't the mass of dot-com busts indicate that online ventures are just as risky or riskier than off-line ventures?**

**A:** Even at the height of the dot-com bust, a smaller percentage of dot-com start-ups went under than the percentage of new restaurants or retail stores. So, no, dot-com ventures are less risky than typical retail businesses.

**Q: You say that “if you start a biotechnology firm, your chances of success are much greater than if you start a restaurant.” That seems absolutist. Aren’t there situations that change that equation? For example, I live in a rural community that is booming with new home construction, bringing in hundreds of middle- to high-income families to the area. There are great opportunities for entrepreneurs in that area, because there is a huge demand that is not being met — including for restaurants.**

**A:** To be successful, an entrepreneur needs to identify a need, find a way to satisfy that need and come up with a way to keep others from imitating the solution. The problem with restaurant businesses is twofold — first you might benefit from some local demand, but there are going to be limits to how large your business can be. If you develop a drug that cures heart disease, you have worldwide unmet demand that is very large. There is no world-wide unmet demand for your restaurant. Second, you can patent your drug, making it difficult for others to imitate you. But your restaurant can be imitated. If you see excess demand in your area, so will others. They, too, will start restaurants. The number of restaurants founded in your area will be proportional to this excess demand and, unless you have something that makes you better than the competition (perhaps your mother’s secret recipes), you will not capture the profits.

These forces are what show up in the data. The average new restaurant’s rate of becoming an INC 500 or IPO firm is about 1/265 that of the average biotech firm.

**Q: In your book, you discount the so-called entrepreneurial skills and attributes. Others have argued that**

**there are personal keys to success an entrepreneurship, including risk-taking, hard work, vision and so forth. Do you believe that anyone can be an entrepreneur no matter what their personal characteristics, or is your point that anyone can fail as an entrepreneur, no matter what their personal characteristics?**

**A:** Having done a great deal of research on entrepreneurship, two patterns are undeniably clear. First, there is no robust evidence that entrepreneurs are more risk taking, harder working, have better vision, etc., than other people. Most people want to believe that entrepreneurs are special because of a concept psychologists call the fundamental attribution error. That is, people have a tendency to attribute success to human factors even when structural factors explain performance. So we want to attribute the disproportionate success of software entrepreneurs over the past 30 years to the people founding those companies. However, in reality, it is the fact that these people identified valuable opportunities in software that explains their performance.

Second, even if someone has great personal characteristics, that won’t stop them from failing as an entrepreneur if they select a lousy opportunity for a new business. Swimming against the tide is exhausting and often futile. Entrepreneurs are much better off picking valuable opportunities and going with them.

**Q: You spend some time in your book looking at the issue of customer adoption patterns. What are adoption patterns and why are they important to entrepreneurs?**

**A:** Adoption is the rate at which new products or services are chosen by potential customers. Adoption is important to entrepreneurs because the pace at which new products and services are adopted by customers is not linear — it takes the form of an S-curve. Most markets are made up of a normal distribution of customers. Take DVDs as an example. A small number of people

adopt early and late, but most adopt in the middle. This pattern means that markets grow slowly at first, accelerate and then slow down their growth. Entrepreneurs need to understand these patterns because they influence how to project demand, how to develop products that satisfy customers, and how to compete with other firms.

**Q: What are some of the specific questions that entrepreneurs should ask themselves about market adoption before deciding to launch a new product?**

**A:** You want to ask yourself the following questions: What adoption pattern do I expect my product or service to follow? Why will innovators buy my product? Why will the majority of the market buy my product or service? Why do customers have a compelling reason to buy? How large is the market that I am planning to enter going to be? What will influence how fast my product or service will diffuse? What products and services will my new product or service substitute for?

**Q: You emphasize that this book explains how to identify a business concept that can support the development of a successful technology-based business, which is important because the performance of technology-based businesses depend on a variety of factors that are not present in businesses not based on technology. Can you explain some of those factors, and why they don’t apply to non-technology ventures?**

**A:** Technology-based businesses differ because many of them are based on increasing rather than decreasing returns. Agriculture is an example of something based on decreasing returns. The more land you farm, the worse ground that you have to exploit. A web auction site is an example of something based on increasing returns. The more customers you have for it, the higher the returns because the more attractive your site becomes for selling products. Many things are different in increasing returns businesses — how you price products, mar-



ket entry strategies, ways to work with other companies. So you need to know that to be successful in a high-tech new venture. But low-tech businesses, which are often based on decreasing returns, demand different approaches.

Another factor is intellectual property protection. Patents matter a great deal in technology businesses. For example, in biotechnology they are a crucial competitive advantage. However, they don't matter very much in retail. So a technology entrepreneur needs to understand intellectual property laws much more than does a non-technology entrepreneur.

**Q: One of the subjects you cover in your book is the evaluation of customer needs for new products. How can you tell if a customer is going to need your product? And, is need even the right term? It seems that in today's affluent society, luxury items that are not needed, per se, are very successful. Plasma screens for example are hardly needed. Everyone has TVs. Yet they are upgrading to this luxury item.**

**A:** Need is subjective. You don't want to think in terms of what customers have as their absolute physical needs. If that were the case, all we would need for shelter is a roof over our heads. Customers need something if they have something that they want and that want is unsatisfied by existing solutions, or if your solution is superior to that offered by others already satisfying a particular want.

**Q: The ideal for an entrepreneur is to enter a field in which there are no competitors. But sometimes, entrepreneurs will be going against established businesses. However, you say that this may be an advantage for the new firm. What are some of the disadvantages that established businesses may have against new businesses?**

**A:** Even the best established companies have Achilles heels by virtue of being established entities. Such things as seeking efficiency, exploiting exist-

ing capabilities, listening to customers, exploiting an existing organizational structure, and rewarding people for doing their jobs, provide advantages to established companies in many settings, but make it difficult for established companies to compete with entrepreneurs to exploit many opportunities. Successful entrepreneurs exploit these points of weakness by focusing on opportunities in which these things offset the advantages that established firms have over new firms.

**Q: One of your rules of success is to successfully manage technological transitions — understanding how technology evolves so you can be at the forefront of technology, where starting a new business is easier. What is the single most important issue that entrepreneurs need to be aware of concerning technological evolution?**

**A:** Timing the point of entry is crucial. If you start too early, before the technology takes off, you will run out of cash and not capture the transition. If you start too late and the new technology has taken off, you run the risk of not having the first mover advantage or being behind on the learning curve.

**Q: One thing that fueled the dot-com boom followed by bust is hubris — people overestimated how important the Internet was or how much it changed everything. Do you have any cautionary words in your book about this, what I'd call, e-hubris?**

**A:** People have always engaged in hubris with new technologies. If you look back at the telegraph ventures in the mid-19<sup>th</sup> century, the new automobile industry, the new electricity industry, people always say that the new technology will change everything. Waves of people start companies, only some are successful and there is a huge shakeout. The problem is that the Internet entrepreneurs of the 1990s weren't around for the electricity or auto revolutions that had "changed everything" for previous generations. So they made the same

mistakes that those entrepreneurs made.

This book is helpful because it provides a way to learn the lessons of history and what they mean for starting new technology companies. By reading the book and seeing the standard patterns, entrepreneurs can see that what they are doing is less unique than they might otherwise think and can apply the lessons from those earlier days.

**Q: Why do you think this book is necessary?**

**A:** This book is necessary for three reasons. First, technology businesses are different than non-technology businesses. Things like intellectual property and increasing returns that we just discussed make the knowledge that technology entrepreneurs need to have different from the knowledge that non-technology entrepreneurs need to have. And there aren't any books focused on technology entrepreneurship. Second, to be successful, entrepreneurs need to understand answers to "why" questions, not "how" questions. Most entrepreneurship books answer "how" questions. How do I incorporate? How do I hire employees? However, the answers to "how" do not influence success. What successful entrepreneurs need — and this book provides — is answers to why questions: Why should I price low in increasing returns businesses? Why should I protect my intellectual property through a patent rather than trade secrecy? Third, much of the success of new technology businesses lies in finding the fertile ground — identifying the right opportunity for the new business. Most entrepreneurship books focus on the characteristics of entrepreneurs. Unfortunately, this attention is misplaced. The data show that the effect of having the right opportunity and pursuing it correctly matters more than having the right personality traits. ♦

**To purchase books and find out more about Wharton School Publishing, including special alumni discounts, visit <[www.whartonsp.com/alumni](http://www.whartonsp.com/alumni)>.**

business people. They say programs like theirs offer the kind of education usually absent in public schools.

"Kids who come from families whose parents are in business have a head start on other kids," says Tina Krinsky. "They hear it around the dinner table. They watch their dad or mom in business. I don't think schools are going nearly as far as they should [to teach financial literacy]. They often get stuck with curricula and it takes a long time to react. Here, we try to be ahead of the curve on a lot of fronts."

The Business Track exposes students to entrepreneurship, accounting, marketing, stock market analysis and sports management. The students begin their day reading and discussing stories in *The Wall Street Journal*, take field trips to companies, and are taught by both professors and business practitioners.

## Keeping Money, In addition to Making It

At The Money Camp in Santa Barbara, Calif., the emphasis is on giving young people the skills they need to eventually become financially independent.

"What makes our program different is on the first day we talk about belief systems, what money means and how to think about money," says Elisabeth Donati, the nonprofit's executive director. "Before we talk about how you make it, build it, invest it, we talk about taboos, what money means, what financial independence looks like. We lead kids through visualizations — what it means to wake up poor and what it means to wake up knowing you have a lot of money."

Donati says it is important that children and teens realize that if they do not make a conscious choice to be financially independent, they never will be. "If you take a child who doesn't know that he or she can choose it, you can give them all the financial skills in the world but they won't choose it for themselves." She adds: "It's not how much money you make, but how much money you keep."

Donati says The Money Camp's definition of financial independence is straightforward: "When your monthly income exceeds your expenses for your chosen lifestyle, you're now financially independent." The camp stresses the importance of cash flow and encourages kids to measure wealth in time, not necessarily in amounts.

In one exercise, pupils are shown that by making purchases of certain items — what Donati calls "piddlety crap" — they can end up throwing away their time as well as cash. All kids get excited about buying a new car, for example, but Donati shows them that it can be a big waste. Someone who earns \$10 an hour must work 700 hours to buy a modest \$7,000 car. In buying that car, she tells kids, "you just threw away 700 hours of your working time in the garbage." She drives the point home further by explaining how new cars lose a big chunk of their value as soon as they are driven off the dealer's lot.

Soon after starting The Money Camp three years ago, Donati and her colleagues realized that financially challenged parents are often a stumbling block to their sons and daughters achieving literacy.

Donati tells of one couple "who were like little kids. They

made enough money but didn't know how to spend it or talk about it to each other. The wife said, 'Budgeting to me is like a dark hole. It makes me feel like I can't spend money, and every time we do a budget, I spend more.'" Donati explained to the woman that budgeting is simply "a tool to allow you to meet other goals, not a way to restrict spending." Another shortcoming on the part of many parents: not letting their children into their financial lives. Having recognized the literacy needs of grown-ups, The Money Camp also offers programs for them.

## Financial Journalism and the 'Anti-Textbook'

People who help youngsters become financially literate say that while it is necessary to provide kids with examples they can relate to, it is not necessary to dumb down content.

Krishnan M. Anantharaman, managing editor of *The Wall Street Journal Classroom Edition*, is in charge of story selection for the 24-page tabloid, which is published monthly during the school year. He says nearly all the articles in the *Classroom Edition* are chosen from the pages of the *Journal* (one column is written by an outside contributor). While he may change the length and structure of stories to fit the paper's news hole, copy is not heavily reworked to make the subject matter easier to read or more palatable for high school students.

"I read the *Journal* every day," Anantharaman says. "After a while I know where to look for stories. They have to relate to a teenager's life in some way. I happen to think all stories in the *Journal* are educational in some form. The trick is finding ones that teenagers can really relate to."

Recent articles in the *Classroom Edition* have included a cover story, titled "Indecency on the Airwaves," about the Federal Communications Commission's attempt to regulate racy programs on TV and radio. There was also a piece about the rise in sales of all-terrain vehicles and an increase in deadly ATV accidents, a historical analysis of federal budget deficits, and a story on a corporate-reputation study headlined "A Black Eye for Big Business." All stories were accompanied by color illustrations. "We see ourselves as the anti-textbook," says Anantharaman. "Economics is so much richer than what the textbooks show."

The *Classroom Edition*, which was launched in 1991, reaches 750,000 students each month in more than 5,000 high schools. Corporations, organizations and individuals sponsor about one-third of the subscriptions. The *Classroom Edition* comes with a teacher guide to help instructors initiate discussions about the issues raised by stories.

Anantharaman agrees with others involved in financial education that parental shortcomings constitute one reason why so many youngsters are financially illiterate. "As adults, we feel a responsibility to teach them. We need to start with ourselves," he says. "There are a lot of adults who don't know

*Continued on page 34*

## David Simms continued from page 7

Wharton was one of the first to become part of the Bridgestar network.

"We are very supportive of Bridgestar's mission," said Peter Degnan, Wharton's director of MBA Career Management. "The initial audience will be alumni with experience, either as CEOs, COOs or CFOs, or board members of these organizations.

"But we have seen a growing interest in the not-for-profit world here in recent years," said Degnan. A growing number of students graduating from Wharton are pursuing roles in this field, and around five percent of the School's 2005 graduates took summer internships in the non-profit world. "They are not simply going to work for consulting firms without giving this greater thought. The Net Impact Club has about 100 members, and that is a very good indicator of people looking in the non-profit world. Bridgestar will help educate everyone that Wharton has this base of talent, and likewise it will help us educate students who want to go into that world."

Simms has already visited campus, not to recruit for any particular organization, but to excite students about working in the non-profit world.

"When you think about what a venture capitalist does for the for-profit business, well, that is what I am hoping to do for non-profits," said Simms. "They look for strong talent to bring an idea to fruition. I want to take that talent dimension and add passion for a cause to it to create stronger non-profits."

Despite Bridgestar's success so far with organizations like World T.E.A.M. Sports, Simms knows he isn't fooling himself. Not everyone is going to want to be a non-profit leader or even want to bridge up and back between the two worlds, nor should they, he said.

"I wouldn't say that it is something everyone should even want, let alone be able to do," he said. "You have to look at the skill sets necessary to thrive and survive in the non-profit world.

"First, it is a resource-constrained environment. The availability of people and dollar resources are severely limited compared to for-profits," he said. "You have to be able to roll up your sleeves and want to make a difference. You need huge communications skills and the ability to work in a collegial environment, which is not always necessary in a for-profit. You have a lot more stake-holders in your office, people with passion, large boards of directors, volunteers, all who really care about the mission. It's not just workers looking for a paycheck. There is a high bias towards action and pressure to have results without a huge bankroll.

"So it really takes a different kind of person to run a

non-profit. It takes a really different temperament, so a whole different set of skills than for-profit leaders," he said. "But you still have to know business and that is where we hope our relationship with Wharton and other business schools, and with Bain, makes Bridgestar effective."

Simms has put himself on a difficult schedule. He commutes to Bridgestar's Boston headquarters at least three days a week from his home in Newtown Square, west of Philadelphia. He lives there with his wife of 21 years, Kim, and sons Stephen, 14, and Ryan, 11.

"In a way, that is part of the passion of a non-profit life," he said. "It is good for our family to be there, so we make it work."

If there is one piece of advice he would give to non-profits, though, about looking for good executives and board members, it would be take time doing so.

"The mission is so important to a non-profit that you can't afford to have the wrong person guiding it," he said. "Get a good interim person, perhaps a board member with some extra time, and then slow down. We need organizations with fabulous missions and we need the right people to guide them." ♦

*For more information on Bridgestar, visit <<http://partners.bridgestar.org>>.*

*Robert Strauss is a frequent contributor to the Wharton Alumni Magazine.*

## Knowledge@Wharton continued from page 33

about money and don't manage it well ... Kids get the wrong message based on what their parents are doing: loading up on credit cards, using zero-percent financing to [purchase] furniture or an extra recreational vehicle."

He adds that many of his relatives live in India where until very recently credit was unavailable to all but the rich. "Now in India interest rates are down from 20% to 5%," he says, "and people can finance cars and houses and spend way beyond their means."

Ned, the young Philadelphia-area investor, is probably as good an example as any of the typical challenge facing financial literacy educators. Yes, Ned enjoyed his experience at picking stocks in middle school. Yes, he wants to own stock when he gets older; in fact, he already owns some real-life shares of Wal-Mart, which were a gift from a grandparent. And, yes, he knows the value of setting aside money for a rainy day. But, no, he no longer thinks about the market with any regularity. And, no, his friends are not interested in the market either, or much of anything else that has to do with finance, what with all the other things they can do with their time.

Says Ned: "[The stock market] was a lot of fun in the sixth grade, but then you forget about it." ♦



# Alumni Association Update

## The Most Extraordinary People



DAVID N. FELDMAN,  
ESQ., W'82, L'85

### DEAR FELLOW ALUMNI:

I recently had the pleasure of addressing and welcoming new Wharton students, both the undergraduate and graduate candidates. During my talks with them, I asked and then attempted to answer the question: What is Wharton?

Let's start with what most people know. We know that Joseph Wharton founded the school in 1881 as the very first institution of business education and that our 125th anniversary is approaching next year with plenty of celebration to come. Of course, we know that both the undergraduate and MBA programs are consistently cited as the world's most prestigious programs. It is also well known that we just completed a record-setting

\$425-million capital campaign, strengthening our endowment and creating a state-of-the-art center of learning right in the center of campus, Jon M. Huntsman Hall.

I continued my discussion with the new students by addressing a topic that is not as well publicized and talked about when Wharton is the subject: Wharton, simply, is about people.

Wharton is a combination of the most extraordinary people one can imagine — incredible students, world-class faculty and staff, and the tightest and most connected alumni around — forming an irreplaceable mosaic of brilliance, talent, experience, youthful enthusiasm, 30,000-foot, big-picture thinking and practical hands-on “in the trenches” opportunities. It's also very much about the connections that each of these groups of people make within their groups and, more importantly, among the other groups.

What kinds of connections? Let's examine just a few:

- An alum in New York who meets five new mean-

ingful business contacts working in a “leads council” set up for that very purpose.

- A group of alumni who attend an alumni conference in Shanghai, then hatch an idea for a new private equity fund.

- A student, who benefits from an externship visit to a New York law firm run by an alum, gets a summer internship there, helps design the firm's marketing plan, and assists with the planning and implementation of a student conference filled with alumni speakers that the student met as a result the externship.

- Jobs, jobs, jobs: An alumnus scoured the private equity community and helped to create 75 previously unavailable internships during the depths of the recession.

- An alumni information database, the Wharton Alumni/Student Network, that is available to all MBA students and upper-class undergraduates, with the ability for each alumnus to indicate that they are willing to be contacted by students and fellow alumni.

What else are Wharton people doing? More and more, we are wearing our pride visibly. Despite Penn's background, which values modesty, we have not hesitated to mention the Wharton name wherever possible. Wharton faculty are seen regularly on news and cable channels, writing books, conducting ground-breaking research, and touring the world speaking about today's most relevant topics. More and more of our biographical information prominently mentions the Wharton name. And, of course, the School has received an enormous amount of free publicity thanks to alumnus Donald Trump's tremendous success with “The Apprentice.”

I hope all of our alumni will think about what Wharton means to them and how to extend these feelings worldwide. Help us all promote and protect the Wharton brand. Wear the Wharton name (buy some shirts!).

Reconnect by coming back to campus, whether to speak, visit, or just explore with the administration how you can give back, not just with your

money, but with your time, experience and talent (as this issue's cover story illustrates).

If you are not sure how to get started, feel free to email me directly (see below). We as alumni have a special obligation to make sure that we continually leverage our history with Wharton. This will happen if we all make the effort to reach out and benefit from our experience with this great institution.

As always, if you are currently an active member of Wharton's alumni network, thank you for your dedication. If you are interested in getting involved and would like to find out more information about volunteer opportunities, please contact the Alumni Affairs office at [alumni.affairs@wharton.upenn.edu](mailto:alumni.affairs@wharton.upenn.edu). There are many ways in which you can make a difference. Start by going to [wave.wharton.upenn.edu](mailto:wave.wharton.upenn.edu) to update your information and find a Wharton alumni club in your region or your area of interest.

I look forward to continuing our dialogue with you in this column this

year. Please feel free to call or email me directly with any questions.

Thank you for your support of the Wharton Alumni Association.

Sincerely,

David N. Feldman, Esq.,  
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## Club Spotlight:

### THE WHARTON CLUB OF DALLAS/FORT WORTH

When you're passing through the Dallas/Fort Worth area, drop by one of the Dallas/Fort Worth Wharton Club events and say "howdy" to the 800+ alumni in North Texas! The DFW Wharton Club hosts monthly events during the school year, and all visitors are welcome. The club's typical alumni events consist of networking followed by brief presentations by key executives from local businesses. Presentations

of alumni turning out for our popular panel discussions. Over the last two years, the club has hosted panels on topics such as Customer Relationship Management, Working with Executive Recruiters, and Wireless Technology. In response to member requests for more informal opportunities to meet fellow alumni, the club has re-launched its Wharton Club Happy Hours.

One of the Dallas/Fort Worth club's broader strategies has been to interact with other area clubs, with the goal of providing members with more opportunities for networking among

**One of the Dallas/Fort Worth Club's strategies has been to interact with other area clubs, with the goal of providing members more opportunities for networking among local business leaders.**

are generally followed by Q&A sessions, so there are plenty of opportunities for interaction. Past speakers have included Robert Crandall, the former CEO of American Airlines, and Robert Cavanaugh, the CFO of JC Penney. The club also has had scores

local business leaders. They have successfully invited other Ivy League alumni clubs to selected events and partnered with their clubs' events. For example, the club recently partnered with the HBS and Columbia alumni clubs to produce a program

featuring Michael Jordan, Chairman and CEO of EDS.

The DFW Club has an outstanding line-up of events for the fall. The Dallas Business Leaders speaker series will include:

- Business Intelligence - Strategic Insights (PepsiCo)
- Travel Industry Post 9/11 (Travelocity)
- Reverse Mergers - Going Public Without an IPO (David Feldman)
- Internet Security (Entrust) and
- The Kinko's Turnaround Story.

So, when you're planning a trip to Dallas or Fort Worth, take a look on the DFW club web page <[www.whartonfw.org](http://www.whartonfw.org)> to see what events are planned. The club looks forward to offering a big Texas welcome to any students, alumni, faculty and prospective students who would like to attend.

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## Club Events Calendar:

### 2004

#### November 6

Wharton Club of  
Washington DC  
Networking Social

#### November 8

Wharton Club of New York  
Real Estate Forum

#### November 9

Wharton Club of  
Southern California Panel:  
Entrepreneurs of the Small  
Private Enterprise

#### November 9

Wharton Club of  
Washington DC Board  
Meeting: Members invited

#### November 11

Wharton Club of  
Washington DC Speaker:  
Richard Shell, *Make the  
Rules or Your Rivals Will*

#### November 19

Wharton Club of the  
Triangle, North Carolina  
Recreational Event:  
Authentic Italian Cooking  
Class at Capri Flavors

#### December 2

Wharton Club of Atlanta  
Breakfast Series

### 2005

#### January 27

Wharton Club of Atlanta  
Breakfast Series

#### February 24

Wharton Club of Atlanta  
Breakfast Series

#### March 24

Wharton Club of Atlanta  
Breakfast Series

*For complete informa-  
tion and calendar updates,  
visit <[www.wharton.upenn.  
edu/alumni/](http://www.wharton.upenn.edu/alumni/)> and select  
"Alumni Event Calendar"  
from the menu on the left.*

## Recent Events:



WHARTON CLUB OF JAPAN: AN AUTUMN MBA INFORMATION SESSION WAS HELD IN SEPTEMBER AND FEATURED A PANEL OF SIX ALUMNI— TOSHIHIKO OKIAYU, WG'00 (NOT PICTURED); (FROM LEFT) RITSUKO SAKAI, WG'02; KAZUAKI MORI, WG'02; TOSHIYUKI HIRASAWA, WG'00; YOSHIKI INOUE, WG'03; AND TAKAAKI TSUBAKI, WG'04. THE PANELISTS ANSWERED QUESTIONS AND OFFERED THEIR PERSPECTIVE TO THE NEARLY 150 PROSPECTIVE STUDENTS WHO ATTENDED.



WHARTON CLUB OF MICHIGAN: IN RECOGNITION OF THE 2004 RYDER CUP GOLF TOURNAMENT BEING HELD IN BLOOMFIELD TOWNSHIP, MICHIGAN, CLUB PRESIDENT JAY HANSEN, W'85, ARRANGED FOR A PRESENTATION BY TOURNAMENT OFFICIALS. FROM LEFT: ANDY ODENBACH, TOURNAMENT DIRECTOR, 2004 RYDER CUP; JAY HANSEN, W'85, PRESIDENT, WHARTON ALUMNI CLUB OF MICHIGAN; BOB GIGLIOTTI, GENERAL CHAIRMAN, 2004 RYDER CUP; PAT CROSSWELL, HEAD GOLF PRO, OAKLAND HILLS COUNTRY CLUB.

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- password-protected message boards;
- career management services;
- lifelong e-mail;
- electronic mailing lists for alumni to create and join; and
- links to information from throughout the School, including the Alumni Club Network, online publications, reunions, and alumni conferences.

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

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

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

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

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

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### **University Bookstore**

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### **Knowledge@Wharton**

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