

WHARTON

M A G A Z I N E

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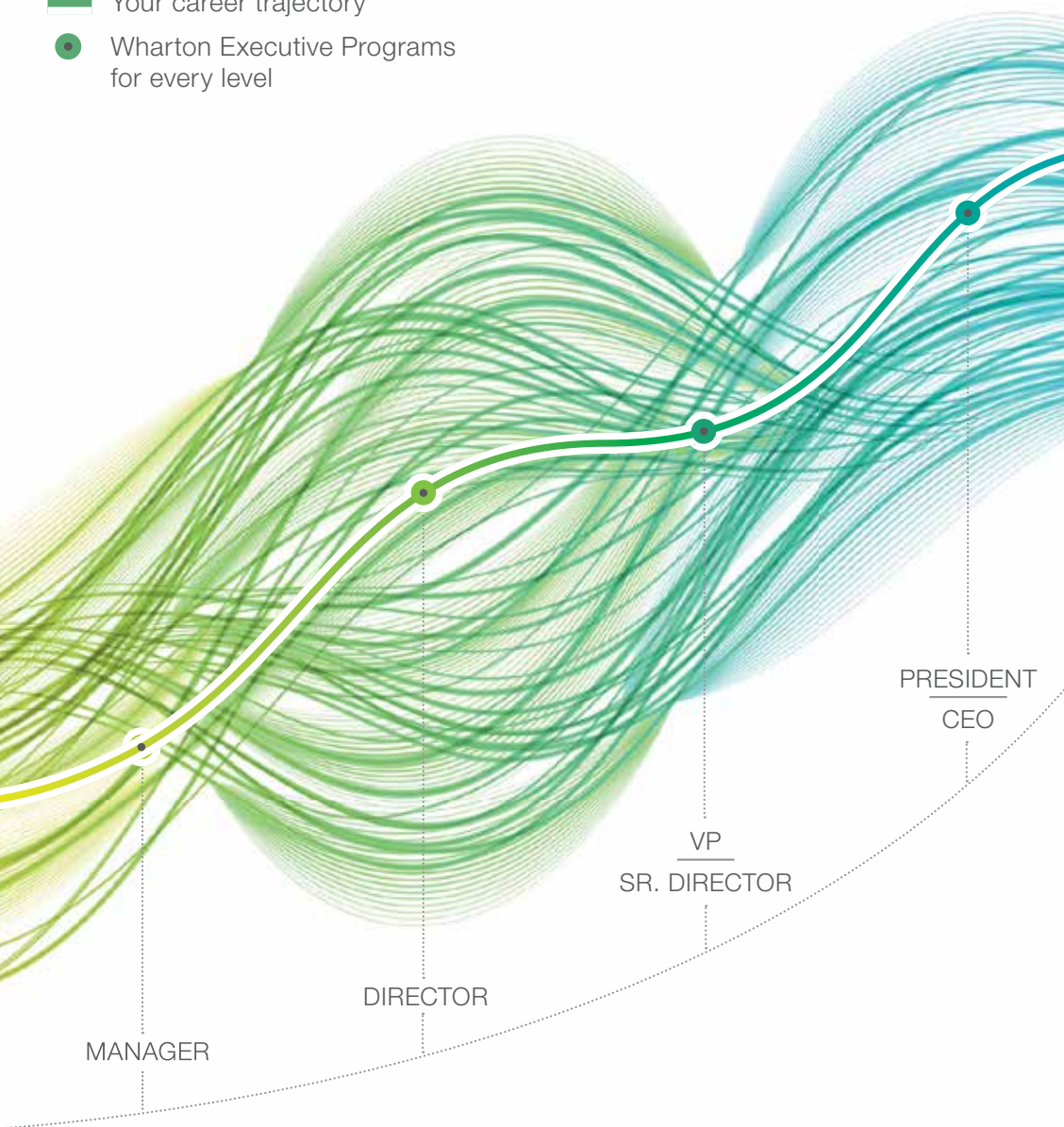
Innovation: An Alum for That App

On, About & For
More Leadership:

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- Your career trajectory
- Wharton Executive Programs for every level



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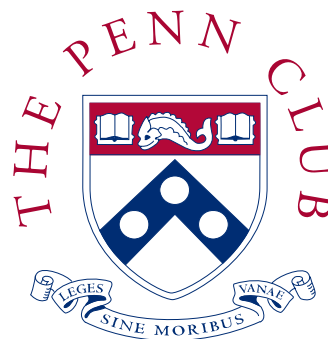
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A full-page photograph of four students walking through a series of brick arches. From left to right: a man in a black long-sleeved shirt and jeans, a woman in a black dress and purple cardigan, a man in a blue button-down shirt and khaki pants, and a woman in a black zip-up jacket and jeans. They are all pulling black rolling suitcases. The scene is set in a historic building with red brick walls and large stone arches. A hanging lantern is visible in the center. In the bottom left corner, there is a large white planter filled with red and white flowers.

Are they coming or going?
Some weekends, perhaps the
Wharton MBA for Executives
students themselves don't
even know. Here, four
students—Class 38 members
Tim O'Friel, Kelly Brown, Vishal
Goenka and Lisa Osterling (left
to right)—get their start at Q1
at Wharton | *San Francisco*.



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BY PAUL RICHARDS, C'10

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Technology and changing demographics are driving the retail industry toward innovation, or bust.

BY MEGHAN LASKA

74 Mobile and Mobilized

Mobile computing devices, already ubiquitous, are still growing in their relevance and involvement in our lives. In fact, the mobile revolution is just beginning, and Wharton alumni tell us to keep an eye out for what's coming our way. BY LEE GOMES

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About the cover: Wharton undergraduates celebrate their hike through the mountains to Chinchero, Peru, during a 2013 Wharton Leadership Venture. In the inset photo, Wharton's first female undergraduate students register in 1954—the photo from the classic October 1954 *Pennsylvania Gazette* cover. See P. 24 for more.

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EDITOR'S LETTER

Leadership for All

I am not given much space here, so I can't dive deeply into the classic "nature versus nurture" argument. What is clear to me is that for whatever reasons, humans tend to group together. They cluster themselves into clans, and they classify others—whether by hometown, ethnicity, religion, race, gender, you name it. It's not a subject to make light of, and I don't intend to.

Indeed, I treaded carefully when researching our latest cover package: the women in leadership articles contained herein. For them, I interviewed six of Wharton's most prominent female alumni (or "alumnae" in official parlance). All went well, and you can read excerpts of the conversations starting on P. 24. I successfully avoided putting my foot in my mouth while asking what might have been sensitive questions about their work, life and integration of the two.

What am I babbling about? Consider this: At the outset of the project, we put some thought into having someone else beside me do the interviews. The reasoning? Would women in leadership open up more to a female interviewer about these topics?

I believe that a good interviewer is a good interviewer. It's not to say that I am Charlie Rose or Terry Gross (or whoever you think is a good interrogator). Far from it. It's just like how I believe, too, that a good leader is a good leader. Not because someone else tells you they're a good leader, or because their title suggests they ought to be. And not because they fit, or do not fit, certain classifications.

Before I put my foot in my keyboard, let me paraphrase the words of one of our profiled leaders: **Suzanne Shank, WG'87**. I asked her if she's reached a point in her financial career (she is co-founder and CEO of top municipal underwriter Siebert Branford Shank & Co.) at which she sees herself as simply a "business leader" and not a "woman in leadership." She said she has always seen herself as a business leader.

So should we.

Matthew Brodsky
Editor



A MESSAGE FROM THE DEAN

Each year, more than 9,000 executives from around the globe experience the analytical rigor, intellectual challenge and passionate energy of Wharton Executive Education. They learn from the most-accomplished, world-renowned business faculty, gaining knowledge and skills to advance their professional development and transform their businesses for success.

The mission of Wharton Executive Education is to create and disseminate relevant and actionable business knowledge to executives. To further that goal, we offer approximately 200 open-enrollment and custom programs delivered at our Philadelphia and San Francisco campuses, as well as locations around the world. Our faculty combines the latest business research with myriad learning methodologies designed specifically for adult learners. Through our immersive learning environment, executives interact extensively with peers, developing a strong network that typically engages long after a program ends.

Open-Enrollment Programs For Individuals

Are you considering a new approach to your leadership style? Do your strategic thinking and management practices reflect current thinking? Do you want to revisit foundational finance or explore changing wealth-management strategies? To meet the demands of today's leaders, Wharton Executive Education programs are relevant, issues-driven and responsive. In fact, 13 new programs were established in the past two years.

Open-enrollment programs attract executives from around the world and from both for-profit and nonprofit sectors. Wharton's immersive learning environment allows executives to fully engage with faculty and one another and delivers knowledge that can be applied to business for immediate impact.

"We don't keep the discussion at a theoretical level," says Management Professor **Sigal Barsade**, faculty director for "High Potential

Leaders: Accelerating Your Impact." Rather, faculty translate cutting-edge research for immediate practice. "We teach what you need to do next week when you're back at work—from how to read others' emotions, to how to handle difficult conversations. This elite group of executives is planning for their next career moves. We're here to help them succeed."



Custom Programs For Organizations

Is your organization facing a strategic challenge? Does your go-to-market strategy leverage new digital media, or is technology outpacing your company's core competency? Is your company identifying and capitalizing on international opportunities? At Wharton Executive Education, solving organizational challenges begins with collaboration and partnership. We have 23 learning design professionals who are expert in working with organizations of varying sizes, across all industries and throughout the world.

Custom programs are developed from an extensive needs assessment and are designed to reflect an organization's strategy and culture. We provide tools to help measure success post-program and to establish follow-up milestones to help ensure ongoing impact of the learning experience. In addition, the classroom often serves as a live "learning laboratory," where theory and application work together to create a unique experience.

Time and again, we find that alumni and non-alumni who come to Wharton for executive education continue to stay involved in our community, helping to evangelize our mission and support the value and impact of a Wharton education. We invite you to learn more about Wharton Executive Education by visiting our new website: <http://executiveeducation.wharton.upenn.edu>.

Thomas S. Robertson
Dean and Reliance Professor of
Management and Private Enterprise



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Another Philly Miracle Needed?

Carl Shaifer, WG'57, starts his piece with what I assume he intended as straightfaced humor—"Let's not kid ourselves. The United States is not a democracy." (See "The United States Needs Another 'Miracle in Philadelphia,'" Summer 2013, P. 22.) Did he not remember Ben Franklin's observation that the new government was "a republic, madame—if you can keep it"?

He continues with "our Constitution is broken," which is just a lame adaptation of the other liberal favorite, "Our health care system is broken."

And then he offers a laundry list of revisions to our Constitution: Public funding of elections? Do away with the Electoral College? No lobbyists? No possibility of pre-emptive attack? More independent counsels?

I refer Mr. Shaifer to the Federalist No. 51, in which James Madison observed with unequaled clarity:

"Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions."

In short, Mr. Shaifer: It—the Constitution—ain't broke, so don't fix it.

Work instead to find a way to rescind most—no, make that all—Executive Orders signed since 1960, to shut down the EPA, and to restore control of education to local communities by shuttering "the Department of Edjuhmukayshun."

Stu Mahlin, WG '65

Be Careful What You Wish For

Article V of the U.S. Constitution provides for two methods of amending the Constitution, including the yet-to-be-used constitutional convention. Mr. Shaifer would call a convention "for the sole and express purpose of revising Articles I and II of the Constitution."

Many, if not most, constitutional scholars do not believe a constitutional convention can be limited in scope. Who knows what mischief could occur? Fortunately, all amendments must be approved by two-thirds of the states.

I also have concerns regarding Mr. Shaifer's suggested amendments.

Among my favorites:

- Public funding of campaigns: This is another unnecessary drain on the national treasury and does nothing to stop independent groups from spending money to promote or attack candidates.

Better to allow unlimited contributions but instantaneous reporting of whom by name is giving money to candidates. Also, public funding implies spending limits. This favors groups that can muster large numbers of campaign volunteers.

- Make room for more major parties: Can you spell Italy?

- Term limits: Yes, if they are generous, say 15 to 20 years. Otherwise, we lose experience and further empower permanent staffs.

- No lobbyists: Virtually everyone, whether they know it or not, has one or more lobbyists promoting his or her interests. Lobbyists provide expert knowledge to legislators who quickly learn which ones to trust.

There should be transparency, but this would not require a constitutional amendment.

- No possibility of pre-emptive attack: In today's world of nuclear proliferation, such attacks should be restricted but not prohibited.

- Two years of required public service: By definition, charity work is volunteer work. This would also generate unneeded make-work projects.

- Everyone over 18 must vote or be fined or put in jail: On the contrary, no one should be allowed to vote that couldn't pass a general civics, history and economics test.

- Age 40 to 50, must serve four years in elective office: Impractical. What if one can't get elected?

I understand Mr. Shaifer's frustration with our current political stalemate, but it will sort itself out in coming elections.

The process may be slow, but the Constitution makes it so on purpose to restrict government power. When proposing change, always consider the unintended consequences.

Warren Peterson, W'62

An App Upcoming for That

I think the online edition is the responsible way to go. There is no reason to waste printing costs, paper and postage on mailing the magazine.

Michael F. Manion, WEV'94

Editor's note: Michael's comments are in response to the email version of the magazine. While we will continue to print and mail hard copies of the magazine to all alumni who want it, we also have our online version—and will soon unveil a mobile app too. Stay tuned!

Missing Art

Once again, a great issue. I particularly liked "Find Art" (Summer 2013, P. 2). The next time you run something like that, might I respectfully suggest that you include the trolley car covering the entrance to the subway at 37th and Spruce streets.

Bernard M. Gross, W'56, L'59

Debrief

At the Head of the Class

New vice deans state their plans for the new school year.

Three new, or relatively new, vice deans are no strangers to campus. All were on the faculty before taking on the lead roles in the Undergraduate, Executive Education and MBA for Executives programs.

Peggy Bishop Lane, the new vice dean of the Wharton MBA for Executives Program, has taught financial accounting as an adjunct professor for nearly 10 years on the Philadelphia campus and is teaching it at the San Francisco campus this year. The course is a core class for

the MBA for Executives students.

“We really pride ourselves on delivering the same degree as the full-time MBA,” she says of the difference, or lack thereof, between executive and full-time MBA students. “I think when some people hear the word ‘executive,’ they think it’s something short of that.”

Prior to becoming vice dean, Lane was deputy vice dean for academic affairs in the full-time MBA program.

Two of her goals for MBA for Executives going forward are to enhance learning through technology and to better

produce global leaders. The Wharton-Cisco Connected Classroom will play a role in integrating student experiences in Philadelphia and San Francisco. As for global learning and leadership, the program is rethinking its international trips.

“Just taking people around the world doesn’t necessarily make them globally savvy, but we see it as part of a bigger package,” Lane explains.

As vice dean of Wharton Undergraduate, **Lori Rosenkopf** plans to leverage her academic interest in social networks, which she has pursued as the Simon and Midge Palley Professor of Management.

“We are looking to collaborate with all sorts of entities within the School and outside of the University, including reaching out to alumni,” she says.

One strategy underlying that goal is the full implementation of the Wharton Sophomore Experience. A pilot program last year, the initiative is designed to help students overcome the “sophomore slump” by providing the ability to connect with and engage in a variety of opportunities. The program offers incentives and an online “Guide to Personal Success” to track academic and career activities, options and accomplishments.

Rosenkopf, who has taught Management 101 for the past 10 years,



Lori Rosenkopf



Peggy Bishop Lane

says she has been overwhelmed by the offers from staff, faculty and alumni to help her and the program succeed.

"It's fantastic," she says. "I am looking forward to a great term."

As an adjunct faculty member, consultant in leadership development, executive coach and expert in adult learning, **Monica McGrath** has been part of the Wharton community for 15 years. Now as vice dean of Executive Education, she has an opportunity to advance the educational mission of Wharton to the more than 9,000 attendees of Wharton Executive Education courses. These executives are back in the classroom, often for the first time in many years, and they want to learn from the best.

"Business leaders today at every level of the organization are facing a complex set of challenges that often require new ways of thinking and behaving," McGrath says. "The vision of Executive Education is to deliver transformative learning experiences through a well-designed course, taught by faculty thought leaders, and where the ideas come alive in classroom interaction with peers from around the globe."

—By Anne Freedman

wharton folly



The Welders of Wharton

NEWS BRIEFS

More Promise From the Lipman Family

Prize Barry R. Lipman, W'70, extended an additional gift of \$1.5 million to the University of Pennsylvania and Wharton to grow the scope and impact of the Barry and Marie Lipman Family Prize. Lipman established the annual prize in 2011 to recognize and expand the work of organizations from around the world that are dedicated to creating sustainable solutions for social and economic challenges. Lipman's gift will provide additional awards and resources to the competing organizations. The cash award for the winning organization has increased from \$100,000 to \$125,000, for instance, and finalists will now receive a cash award of \$12,500.

Wharton-Zurich Form Risk Cooperation

Wharton's Risk Management and Decision Processes Center entered into a multiyear agreement with Zurich Insurance Group to develop key initiatives and research focused on flood resilience. Funding for this initiative will be provided by the Z Zurich Foundation. Building on the history of collaboration between Wharton and Zurich, a unique interdisciplinary approach will broaden the scope of current flood resilience research, providing opportunities to advance global understanding of flood impact, risk reduction, financial protection and community resilience.

Providing for Better Public Policy Coverage

A new Penn Wharton Public Policy Scholarship will allow three business journalists whose reporting highlights public policy issues either domestically or internationally to attend the Wharton Seminars for Business Journalists flagship program in Philadelphia this year. Each scholarship covers the cost of tuition, course materials, most group meals, lodging for three nights and airfare within the U.S. (where appropriate). The Wharton Seminars for Business Journalists, now in its 45th year, features intensive lectures and hands-on exercises led by the Wharton School's most prominent professors. The goal: to help participants gain a better understanding of key business and economic issues.

SOCIAL MEDIA

**@DONALDJTRUMPJR**

Donald Trump Jr., W'00, is active on Twitter—with personal bits and news from the Trump Organization—worthy of following on his own (or along with @realDonaldTrump).

**STEWODA.COM**

Steve Woda, WG'01, CEO of uKnow.com and founder of buySAFE, is dedicated to Internet security. On his blog, he tills other fertile ground: #entrepreneurship and #ecommerce.

**LOVEBROWNSUGAR**

Christina Brown, W'09, star of LoveBrownSugar.com, is gaining traction as a fashionista, #socmed maven and writer.

**@ADBRANDT**

It helps to write about American football for ESPN and have your own interactive football platform: National Football Post. But Andrew Brandt, lecturer in sports business, is possibly the campus' most powerful tweeter.

**DAMN, I WISH I'D THOUGHT OF THAT!**

Andy Sernovitz, C'92, W'92, is the "word-of-mouth marketing guy." Among many online properties, this one offers practical marketing tips.

A VC

Among alumni, especially in startup circles, Fred Wilson, WG'87, needs no introduction. His blog and Twitter feed about "musings of a VC in NYC" need little promotion either.

**HUFFPRESIDENT**

Jonathon Youshaei, C'13, W'13, Huntsman Program grad and former Penn senior class president, blogged at *The Huffington Post* as a student. His other claim to fame? "I have every vowel in my last name."

**LINKEDIN INFLUENCER**

Besides the LinkedIn boss himself (Jeff Weiner, W'92), Neil Barofsky, C'92, W'92, former TARP inspector general, is perhaps top Whartonite among Influencers.

4X1

THE WHARTON CLUB NETWORK consists of independent, volunteer-driven and self-sustaining networking organizations, founded, developed and organized by alumni around the globe. How are the regional and affinity alumni clubs able to deliver on their promise of top-quality programming and engagement? We asked four club presidents:

How have you been able to engage interest in your club, in terms of attracting new members and attendees at club events?

"The WHCMAA is extremely fortunate to have an engaged alumni base and an active board. We have also engaged the faculty at Wharton. We utilize these resources in developing content. This, in turn, drives events and interest (new membership). We hold more than 35 learning events per year, including an annual alumni conference attended by greater than 150 people. Lastly, since health care cuts across a number of Penn schools, we promote membership across them."

—JEFF VOIGT, WG'85, PRESIDENT, WHARTON HEALTH CARE ALUMNI ASSOCIATION (WHCMAA)



"Anyone who lives in New York is automatically a member of our club, so we are most concerned about engagement. We accomplish that by following three principles. Enlightened self-interest—when you help people, you help yourself. Tangible results—our events and networking are a means to an end, not an end unto themselves; you actually have to get what you need, otherwise you're not going to stay engaged. And programming—small, interactive events are more effective than large, passive events."

—KENNY BECK, WG'87, PRESIDENT, WHARTON CLUB OF NEW YORK



"We have launched a few initiatives over the last three years to attract new members and improve attendance at our events. Members paying dues at the silver and gold levels can attend events free of charge. We have created an annual cocktail event open to members and one guest of their choice at the beginning of the summer, taking place in a beautiful garden in the center of Paris. We have also decided to organize joint events with other top business schools' alumni clubs to increase the attractiveness and level of networking." —DIDIER RIEBEL, WG'89, PRESIDENT, WHARTON CLUB OF PARIS



"The Wharton Club of South Florida attracts new members primarily through our diverse programming. Each season (September through May), our members are treated to monthly events throughout our region. These events include topics we repeat every year (such as an annual Economic Forecast), as well as timely, local business topics driven by members' interest. For example, this season we will feature events on Miami's role as an international business hub and private equity in South Florida. Our season concludes with a formal banquet recognizing either a South Florida entrepreneur or statesman of the year." —RICHARD VIENS, WG'08, PRESIDENT, WHARTON CLUB OF SOUTH FLORIDA



((ON THE web)) Find out more information about the Wharton Club Network at <http://whr.tn/WhartonClubNetwork>.



CALENDAR

November

November 1
Finance Conference

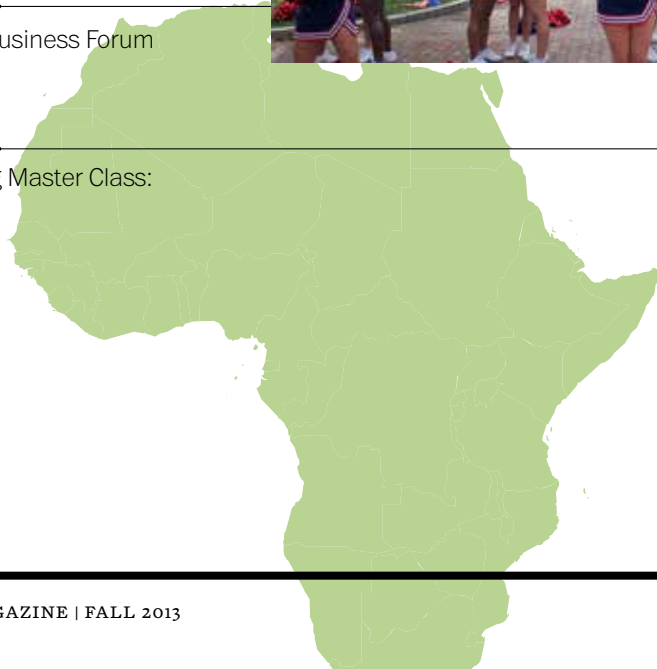
November 8
Wharton Energy Conference

November 9
Penn Homecoming

November 13
Lifelong Learning Master Class:
Sao Paulo, Brazil

November 16
Wharton Africa Business Forum

November 19
Lifelong Learning Master Class:
New York City



1

8

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December

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December 3

Wharton Global Summit
(part of MGMT 611/612)

December 6

Whitney M. Young Alumni
Reception and Master Class

December 21

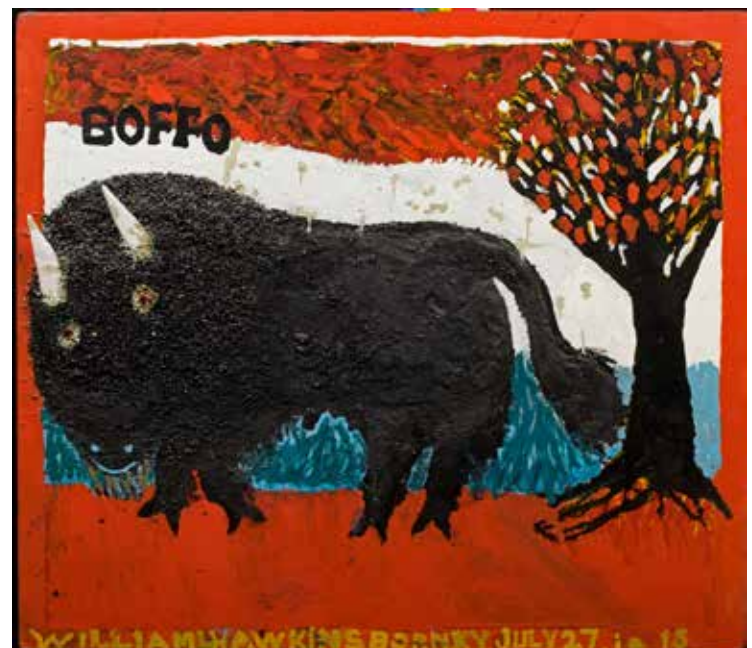
Last Day of Fall Term



Sheldon Bonovitz, W'59, and wife Jill own more than 200 pieces from “outsider artists”—people who are self-taught or otherwise did not participate in the traditional “artistic discourse.” Their collection has gained accolades, especially recently. They donated it as a promised gift to the Philadelphia Museum of Art, and the iconic institution celebrated with a limited-run exhibit, *Great and Mighty Things: Outsider Art from the Jill and Sheldon Bonovitz Collection*. Pictured is the couple and artwork from the show.



ABOVE: *Family Band*. Jon Serl, Oil paint on fiberboard, 43-3/4 x 104 inches (111.1 x 264.2 cm), Philadelphia Museum of Art, The Jill and Sheldon Bonovitz Collection, Photography by Will Brown. RIGHT: “*Boffo*”. William Hawkins, Alkyd house paint on Masonite with fiberboard horns; textured mane and raised body made of alkyd paint mixed with broken starch chunks (possibly dried glue), 44-1/2 x 51-1/2 inches (113 x 130.8 cm). Philadelphia Museum of Art, The Jill and Sheldon Bonovitz Collection, Photography by Will Brown.



Leadership Lessons From the C-Suite

An experimental class delivers a star-studded educational experience on leading the enterprise.

Professor **William Zucker**'s real estate development class some 30 years ago stuck with **William P. Lauder, W'83**. Though Lauder didn't go into real estate—he's executive chairman of the Estée Lauder Companies—he remembers the power of sitting in a classroom each week for three hours and having direct interaction with industry leaders. In the case of Zucker's class, Lauder the undergrad sat in a graduate class and presented to real-world developers. Lauder hoped to bring today's Wharton students the same experience. His topic is leadership.

The class—Management 892: “Decision-Making in the Leadership Chair”—became a reality in spring 2013. About

40 second-year MBA students were chosen out of hundreds of applicants to participate.

They were treated to seven weeks of unique leadership education and to a star-studded class. Lauder himself taught the first session (topic: the role of the chief executive). In subsequent weeks, he passed the lectern to Lauren Zalaznick, executive vice president at NBCUniversal (leading creativity); Ed Breen, chairman of Tyco International (leading through restructuring); James D. Robinson, managing partner of RRE Ventures (leading a portfolio of companies); Arthur Sulzberger Jr., chairman and publisher of *The New York Times* (leading during transformation); Richard Parsons, former chairman of



Email: europe@wildernesstravel.com or call: 800-368-2794

Join **Michael Useem**, Professor of Management and Director of the Center for Leadership and Change, Wharton School, University of Pennsylvania, and **Edwin Bernbaum**, Ph.D., mountaineer, scholar and authority on the inspirational value of mountains, for a life-changing opportunity to hone your leadership skills in a unique seminar while hiking in the Cortina Dolomites of Italy.



Citigroup and AOL Time Warner (leading the board); and William Clay Ford Jr., executive chairman of Ford Motor Co. (leadership transitions).

Lauder pulled together such a cast through a two-part planning process. He considered which business leaders would be interesting to have speak given the challenges they faced, and which would be compelling given their expertise in leading a certain type company. He also decided which core leadership themes needed to be covered and who could address them.

"It was sort of an iterative process; it's kind of hard to say which came first," Lauder recalls.

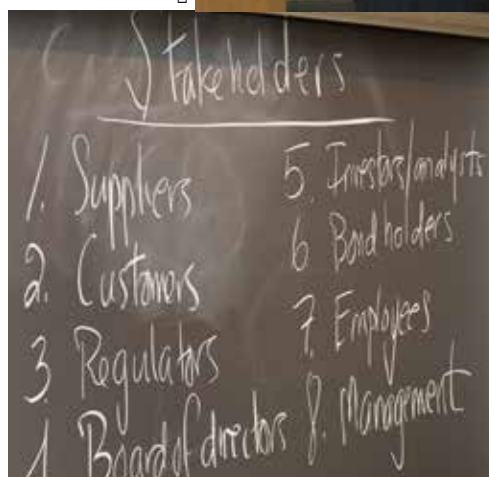
In describing what the guest speakers brought to their talks in a Wharton Blog Network post, **Michael Useem**, the William and Jacalyn Egan Professor of Management, wrote: "In recounting their personal experiences navigating through significant challenges, the guest instructors stressed the importance of balancing both head and heart in their leadership decisions; reconciling the competing interests of employees, customers, regulators, investors, suppliers and shareholders; and bringing both personal leadership agility and a deep understanding of the business to the corner office."

Along with Useem, faculty members **Mauro Guillen**, **Adam Grant** and **David Wessels** also participated.

The result was an increasingly dynamic course that featured a combination of guest lecturers; student presentations and feedback; student blogging; and interactive dialogue among faculty, students, Lauder and the guests. The Q-and-A didn't stop in the classroom. Each week featured a dinner. For the first and



William P. Lauder, W'83, and Jim Robinson, co-founder and managing partner of RRE Ventures, (left to right) enjoy class discussion.



final week, all students were invited, and each week in between, students could attend a dinner with their guest leader of choice.

Out of the intense experience, Lauder is not able to name one favorite moment. For him, though, watching the students develop and learn before his eyes was worth it.

"Seeing how the students responded, seeing how they grasped some of the concepts and how they would apply the concepts over time, and the quality of their questions as the class progressed from one to the other was actually very interesting," he says.

Ultimately, Lauder hopes the experience will be a highlight of the students' two years at Wharton,

something they can tap for wisdom during the career years ahead. He also hopes to inspire other alumni to collaborate with Wharton to create a new, similar course.

"My other goal is that there'll be more people who will want to teach classes like this so that instead of only being 40 students out of a class of over 800 who will have this opportunity, maybe there can be more," he says.

—By Matthew Brodsky

((ON THE web))

For the key lessons shared in the course, read Prof. Useem's blog about MGMT 892 at wharton/LauderCourseBlog. Also search Knowledge@Wharton for video interviews with the lecturers.

FOUR TIPS TO SUCCEEDING WITH THE SHARKS

WHAT ARE THE BEST WAYS TO PREPARE FOR NEGOTIATIONS IN THE “SHARK TANK”?

About a year ago, my co-founder **Kunal Sarda, WG’12**, and I received the once-in-a-lifetime opportunity to pitch our business to seasoned investors on the popular ABC reality TV show *Shark Tank*, thanks to an application notification from the Wharton Venture Initiation Program. We knew that if we wanted the Sharks to fund VerbalizeIt, a language translation community that offers users real-time access to human translators, we would have one chance to deliver a succinct pitch and negotiate for seed funding in front of 7 million viewers.

We spent weeks (or, more accurately, months) preparing for our negotiation, and we are pleased to report that our hard work paid off. We generated a bidding war among the Sharks and successfully negotiated a funding offer. (Editor’s note: The episode aired Friday, May 17, but you can watch a recording of Shark Tank Episode 26 on VerbalizeIt’s website.)

Since the show, we’ve negotiated with several more investors. Below are the strategies that helped us raise \$1.5 million in investment capital with the right mix of investors.

We asked questions to understand what was important to each investor. Before the negotiations, we researched their past investments and interests. We looked at past comments made by the Sharks and talked to people who have worked with them so we could understand what factors made a deal attractive. Our goal was to discern how we could be flexible on the terms that the Sharks cared about, while avoiding giving up too much of the things we strongly valued.

We determined the least we would accept and were prepared to walk away. Kunal and I were both confident that travelers and small business owners would be excited about our business, but it was tough to ascribe a value to a market that has never been served before. In the end, we tried to make conservative estimates of our growth potential and agreed on a baseline valuation for our company.

We tried not to focus solely on the money. In case we received competing offers, we evaluated the non-monetary assets each investor could add, such as areas of expertise, business contacts and specific skills. This was a crucial step because we ultimately had to choose between offers from two different Sharks within a matter of minutes. Even when time is less crunched, we have



MAX KOSTENKO

found it easier to rationally evaluate non-monetary factors before getting into the heat of the negotiation.

We learned to control our emotions. We knew it would be difficult to contain our emotions when the cameras started rolling, but we understood that failing to maintain our composure would cost us. The only effective approach for improving our emotional control was practice, practice and more practice. We called on many of our Wharton friends for mock negotiations, and while we’re still working on this aspect, we felt that the practice significantly improved our mental readiness for negotiation. ■

Ryan Frankel, WG’12, is the CEO and co-founder of VerbalizeIt, the company that delivers instant access to a global community of translators. Prior to enrolling at Wharton, Ryan was a financial analyst at Goldman Sachs in the firm’s Special Situations Group. A former collegiate baseball player, he is now an endurance athletics enthusiast who has enjoyed competing in an Ironman triathlon and a marathon.

((ON THE web)) This article first appeared on the Wharton Blog Network at whartonmagazine.com/blog.

*Women's Hooded V-Notch Pullover Sweatshirt
with cotton appliqué Wharton block logo.
Color: White on Vintage Blue*



*Men's and Women's Pop Outerwear Jacket
with embroidered Wharton logo.
Color: Black.*

*Unisex Hooded Full-zip Sweatshirt
with cotton appliqué Wharton block logo.
Colors: Navy on Grey; Red on Navy.*



*Men's Striped Performance Polo
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REDEFINING LEADERSHIP

Although women comprise more than half the population in the United States, they only hold 18 percent of the seats in Congress, 4.2 percent of Fortune 500 CEO positions and 23 percent of college presidencies. The only way we can close this leadership gap is by helping girls recognize at a young age that they have the potential to change the world. They must be told that they can navigate the tumultuous path to success before they fall victim to their own self-doubt. Thanks to the generous support of the Wharton Social Impact Initiative and the Wharton Innovation Fund, I undertook one of the most fulfilling projects of my life as a young entrepreneur, passionate about empowering girls.

I studied leadership development in high school girls and women across different industries, ages and cultures. Sitting in her office on the 25th floor of Trump Tower, I had the opportunity to ask my role model, **Ivanka M. Trump, W'04**, how she would define leadership.

"Leadership is modeling behavior by setting the example," she said.

I asked this question to more than 700 high school girls, 40 female executives and 30 educators from all 50 states, nine countries and four continents. My research confirmed my belief



((ON THE web))

Katlyn is interested in talking with more alumnae about their leadership experiences. If you would like to share your story and reach her, please contact us at magazine@wharton.upenn.edu.

that every girl has the ability to be a leader. Not every girl will become class president or softball team captain, but that does not mean she cannot set an example for her peers by raising her hand first in a class of shy students or stopping a bully from teasing a classmate.

After talking with hundreds of girls, I was inspired to create the Leadership Camp for Girls 2013, a free development program for high school girls in Western New York. I believed that organizing a camp was the best way to observe how girls approach leadership situations and inspire them to challenge themselves. When I first began advertising for the camp in June, I was hoping to get 10 girls to attend our Monday night sessions in July. More than 30 girls registered.

The camp's four fundamental principles were confidence, public speaking, social impact and innovation. Every week, I brought in a different expert to speak about one of these core values and conduct skill-building activities. The speakers ranged from Dr. Gloria Zemer, the founder of BlackDog Strategy & Brand, to Dr. Donna Fernandes, the president/CEO of the Buffalo Zoo. In addition to the classes, I designed

an interactive website that allowed the girls to reflect on the speakers' presentations and learn about current female leaders.

I learned more from running my own camp than I could have in any traditional internship this summer. Every Monday night, I could not wait to go to the camp and live my passion. It was incredible to see the progress the girls made; every week, they became more confident, ambitious and determined.

The most important lesson I learned this summer is that one person can truly make a difference in her community. It all starts with one goal, one camp and one girl. Currently, I am developing a female empowerment startup to expand upon the success of my camp and reach even more high school girls. ■

Katlyn Grasso is a Wharton junior from Buffalo, NY, concentrating in finance and strategic globalization. She is the managing practice leader at the Wharton Small Business Development Center and plans to pursue a career as a social entrepreneur.



Katlyn Grasso poses with a few of her summer campers.

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Karl-Heinz Oehler, Senior Vice President, Global Talent Management
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MY TRANSFORMATION AT WHARTON INTO AN ENTREPRENEUR

I was a bit of an outlier when I earned my MBA at Wharton in 1999. I was an entrepreneur in a class of almost all aspiring consultants and bankers. What made the situation even more unique was that I did not just aspire to start my own business—I was founding and running businesses while I was still in school. Today on campus, where 70 first-year MBAs launched or participated in startups before arriving, it is the norm. But back then, my entrepreneurship was a bit odd.



I founded my first business in the craft I had learned right before Wharton: consulting. A senior manager from my prior employer, Deloitte, called me in November 1997 in a panic right before my winter break after my first semester. He had sold a client, the Department of Labor in Louisiana, on a project in which he would build a system to track their adult education system, replacing their current paper-based filing systems with a client-server design. This would allow for more efficiency, better reporting and analytics. The problem: He had a very small budget and no idea how to build it. So he turned to me.

And I was in. I had two weeks during that winter break to create the entire system from scratch. I learned a new programming language with the help of a very smart friend, who happened to be visiting the Wharton campus to consider his own MBA. I was absolutely determined to prove that I could do it. I worked every day and night until around 3 a.m. during that two-week period, including during the ball dropping to celebrate New Year's Eve.

Fortunately, I have a very understanding and independent wife, Debra, and she wanted me to prove to myself that I could do it.

The confidence that gave me was transformational. I knew after succeeding with the project that I would never have to take a job again. I would be an entrepreneur for the rest of my life, following in my parent's footsteps. Hurt Technology Consulting LLC was born.

I continued to grow the consulting business throughout my time at Wharton, but I also chased scalable entrepreneurial dreams with three other businesses.

One was a business named MBA ZoNe. I had two co-founders: **Brenda** and **Marc Mizgorski**, both **WG'99**. It was a virtual community for MBA prospects, students and alumni. It was advertising based. I was the CTO, and I built the whole site and sold our first advertising—to Deloitte Consulting. I believe it was a \$7,000 banner ad campaign with a certain number of impressions. There was just one problem: I didn't like selling advertising. So that business ended for me

when I sold my equity stake back to the husband and wife, who still run it today.

Another was a business named BodyMatrix. My parents were always retail and direct-marketing entrepreneurs, so I decided to try my hand at retail—but online. I built the e-commerce engine from scratch. We launched after one month and we were getting orders from the U.S., U.K. and American military bases all over the world. We sold sports nutrition products because they are products that customers frequently reorder. Debra and I knew because we were customers ourselves and exercised almost every day (and still do). I negotiated an agreement with a Dallas-based wholesaler, and they handled all the inventory management and shipping for us. It cost about \$150 to launch (mostly in hosting and incorporation fees) but with quite a bit of sweat equity.

Then I launched Coremetrics, which grew out of BodyMatrix. The most frustrating part of e-commerce was that all customer behavior was masked by a Web browser. At least in my parent's stores you could ask customers questions like, "Are you finding everything you need?"; "How did you hear about us?" or "What other products do you think we should carry?" But online, we were blind.

So I built the technology to see. And because I had built the e-commerce platform myself, I did what I thought was most logical: I wrote the customers' actions as they occurred directly to the underlying e-commerce database. Where did they visit us from? What products did they look at? What products did they buy? What products did they search for? What products did they abandon from their shopping carts?

To validate if this was the big business I had been looking for, I talked with two of my classmates who worked at Amazon and CDnow. I showed them a demo of my analytics solution and how I was using it to personalize offers.

To my surprise, they were blown away. I fully expected them to give me ideas for improvements based on their presumably much more sophisticated systems. But they didn't; instead, they told me that I should start this business as soon as possible. I remember those meetings like it was yesterday, and I walked out of them more excited than I had ever been. I

named the business Coremetrics because if you listen carefully, executives use the words "core" and "metrics" frequently.

I kept all four businesses going until I was about to graduate. I frequently worked through the night, fortunately capturing a little sleep before my classes. In retrospect, this may have been a little bit insane. But I was driven by the passion to be an entrepreneur, and I have no regrets. Once I determined that Coremetrics was the huge market opportunity I had been looking for, I sold the other three businesses as fast as possible and went after Coremetrics with all I had.

My successes and challenges with Coremetrics are well documented, as is the subsequent launch, IPO and acquisitions of my next company, Bazaarvoice, which helps retailers tap consumer conversations for growth.

What perhaps is not as known is my desire now to give back. I do so as an investor—for instance, as a former partner at Austin Ventures and now as co-founder of my own VC firm, Hurt+Harbach—as a mentor (at TechStars Austin and Capital Factory and as a Wharton Entrepreneur in Residence), and as a writer (on my personal blog Lucky7.io and now as a Wharton Blog Network contributor).

I am motivated to give back to Wharton in particular because of what the School did for me. I experienced nothing short of a personal transformation on campus thanks to my professors, classmates and alumni. Being on campus is still an empowering experience for me every time I return. Everywhere you look at Wharton, there are aspiring entrepreneurs. I invite all alumni to return to campus, to give of their time or to simply visit, to experience it for themselves. To teach is to learn. ■

Brett Hurt, WG'99, serves as vice chairman of the board for Austin-TX-based Bazaarvoice and co-founder of Hurt+Harbach, a seed-stage venture capital firm. He received the Serial Entrepreneur Award for 2012 from the entrepreneur empowerment group RISE, the Austin Entrepreneurs Foundation's Community Leadership Award for 2012 and Entrepreneur of the Year for Austin recognition in 2009. In 2013, the Wharton Club of New York honored him with the Joseph Wharton Award for Young Leadership.

((ON THE web))

Read Brett's contributions for the Wharton Blog Network at whartonmagazine.com/blog.

CROSSING THE GREAT SUSTAINABILITY DIVIDE

Visit any of the major developing cities in Asia—Dhaka, Mumbai, Shanghai, Jakarta—and you will be amazed by their rapid transformation. Even when you step out of the cities, you cannot miss the signs of overall amplification in material quality of life, the distribution of electricity and water, and increased industrialization. The hasty advance in the emerging economies is not without its downsides. Rapid urbanization is diminishing natural resources at an ever-increasing rate. Focusing on quantity of development rather than the quality is harming human lives and unbalancing nature. Sustainability in the emerging markets is an immense challenge, as businesses find it almost impossible to bond social good with financial objectives.

In the past five years, I gained keen insights on these challenges while serving in the financial industry of Bangladesh. As I worked with local manufacturers, it dawned on me that the field of finance can offer solutions.

In practice, sustainability may mean higher initial investment, lower financial returns and longer payback periods. This situation is exacerbated by the fact that emerging economies are mostly driven by small and medium enterprises that lack the deep investment and borrowing capabilities of larger cousins. It also doesn't help that traditional profitability calculations do not take environmental and human costs into account. In most cases, owners/shareholders are happy as long as their financial targets are met and turn a blind eye toward the true economic cost.

Although most developing nations now have regulations to contain the damage, lack of enforceability means that the rules come to little or no avail. These days, a lot of countries have also implemented taxation to punish the noncompliant. But errant business owners almost always find a way to get out of trouble by being resourceful and cozy with regulators.

At the individual level, the issue is more about the tragedy of commons. Individuals fear that if they do not exploit the common resources, then someone else will. The cost of sustainable behavior is also remarkably high in the short term for most emerging-economy households, except the very rich.



The good news is: Not everything is gloom and doom for sustainability in the emerging markets. Economic development organizations like the World Bank and the International Finance Corporation (IFC) promote sustainability by offering easy financing to businesses with environmentally responsible operations. IFC recently opened a \$400 million soft loan facility in Bangladesh to support sustainable brick production, which has traditionally been one of the biggest polluters. The World Bank is investing in the development of renewable energy sources in conjunction with local partners in Bangladesh.

These efforts and their effectiveness have impressed me so much that I aspire in the long term to join the World Bank or IFC and foster sustainable development in critical areas such

as renewable energy.

Economic development organizations may be catalysts for change in the emerging world, but to make sustainability viable from a commercial perspective, we should focus on several areas.

We must translate sustainability into financial terms through proper environmental accounting. Governments and economic development organizations have to push forth regulatory regimes that incentivize compliant behavior and swiftly dispense with any breach. Effective enforcement by the judiciary and legal system is the key. In addition to credit and financial outlook ratings, an independent sustainability rating should be provided for compliant companies that investors weigh in buying and selling shares. In a capitalistic society, when return on capital is affected, sustainability will become a part of the calculus.

Financial organizations also must play an important role, promoting sustainable businesses by offering easier terms and conditions for the project and working capital. This financing can be in the forms of higher lending amounts, lower interest costs or longer payback periods. Governments should also fuel this initiative by creating gap funds with budgetary support in case commercial initiatives fall short.

Innovative financial instruments should be used to allow compliant individuals and businesses to transfer the cost of sustainability to the noncompliant. One example is carbon emission trading, though this is still a novelty in the emerging markets. For example, only one city in India is trying to

ALUMNI ASSOCIATION update

implement particulate emission trading, and only one company in Bangladesh is working on carbon trading. For emissions trading to succeed, emerging-nation governments have to impose carbon cap-and-trade systems and support their growth and ease of access for small and medium enterprises.

Finally, developed nations should set up intergovernmental financial entities to facilitate the transfer of technology and infrastructure to emerging markets. These organizations can follow the principles of the Export Credit Agencies, which already support long-term technology transfer projects by providing financial arrangements to developing countries. This arrangement will not only ensure the transfer of sustainable technology, but will also provide higher revenue to developed countries through additional tax income.

China, the largest carbon emitter in the world, is a prime example of a country burdened with unsustainable development. Although heralded as the next superpower, its industrialization has led to environmental pollution and human health hazards, including one of the highest cancer rates in the world.

Mopping up its pollution and providing health care to the ill are not only very costly in the near term, they may ultimately impede the speed of development itself.

It is high time emerging nations push for a route to economic development that incorporates human and environmental well-being. ■

***Mehedi Zakir** is a first-year Wharton MBA student who spent the past five years in the financial industry of Bangladesh, delivering innovative financing and risk management solutions to transform his local market.*

Thankful Times

It is an amazing fall, and I am filled with gratitude as I reflect on where we are at Wharton.

I am thankful for the tremendous leadership provided for so many years by our former Board of Overseers Chairman **Jon M. Huntsman Sr., W'59, HON'96**, and for six years of dedicated service from our former Alumni Executive Board Chairman **Rob Newbold, WG'99**. Both proved that Wharton leaders are unmatched in their ability to lead not only in business but in service to others.

I am also thankful for the tremendous success of Penn's *Making History* Campaign and *The Campaign for Wharton*. The generosity of our alumni throughout one of the most challenging economic cycles in history reveals our collective hearts and minds around the importance of Wharton as a channel for advancing the development of the world in a way that no other organization can.

I am thankful that our board is moving forward and working closely with the School on key major initiatives that are critical to everyone's future.

Lifelong Learning is an initiative that extends every Wharton four-year and two-year experience into their lives and careers—through education, knowledge sharing and peer engagement. Think about how much Wharton has impacted how we all think and act. Continuing that neural nutrition is a no-brainer!



The Penn Wharton Public Policy Initiative (Penn Wharton PPI) may be the most important initiative of our

time. Never has our country more needed the knowledge and wisdom of Wharton faculty, alumni and students. The initiative seeks to drive research and education that focuses on issues that are relevant to business and the economy.

Through independent, practical, timely and nonpartisan data and analysis, it will inform government decision-makers and positively impact the

American economy.

Looking forward, we will continue to work through our Wharton Global Forums, Class Ambassadors, Global Clubs Network and other activities to drive the engagement of alumni in our community. More and more alumni are experiencing the full benefit of the community that is Wharton, but we don't want even one to miss out. So join our incoming Alumni Executive Board President **Bruce Schulman, WG'99**; our new Board of Overseers Chairman **William "Bill" L. Mack, W'61**; and me in finding an old friend and rejuvenating engagement with Wharton.

L. David Mounts, WG'04
Chairman, Wharton Alumni
Executive Board

ON,
ABOUT
& FOR

MORE LEADERSHIP

Wharton alumnae
talk about their
own experiences
on campus, in the
workforce and
at the heights of
leadership.

The playing field at the Wharton School has been in the process of being leveled for more than 80 years. When it comes to gender, the campus has reached historic levels of diversity. As **Howard Kaufold**, vice dean of the Wharton MBA Program, announced at Convocation in August, the MBA Class of 2015 is the fifth in a row in which women represent greater than 40 percent. If we look inside the the numbers, we see a campus where opportunities avail themselves on a daily basis to all students. Social impact volunteering, entrepreneurial endeavors, career interviews, student clubs, leadership adventures—you name the activity, and women will be found in the forefront of involvement. Likewise for Wharton's undergrad students.

We must admit such was not always the case. In 1881, when Wharton began, there were no female matriculates. Likewise, no women entered when the MBA program launched in 1921. A literal interpretation reigned of founder **Joseph Wharton's** intent for his School: to prepare the nation's "young men of inherited intellect, means and refinement" to assume leadership of industry.

Not until 1931 did the University of Pennsylvania award **Alma Katherine Ledig, ED'26, WG'31**, a Master of Business Administration. She had completed a thesis, 139 pages' worth, titled "Training of Salespeople for Ready-to-Wear Departments."

"How vast the change!" the *Pennsylvania Gazette* announced in its October 1954 edition. On the cover was a photo of eight

of "Wharton's first women students" in the process of registering. (The image is powerful enough that we chose to repurpose it as the cover for this issue.)

In an essay in that '54 *Gazette*, then-chair of the Board of Trustees, **Robert T. McCracken, C'04, L'08**, delineated the Penn timeline: in 1900, the total Penn enrollment was around

2,600; by 1954, 2,600 women were at Penn (out of a total of 17,000 students).

"From 2,600 students to 2,600 women is the record of the last 50 years," McCracken praised.

Wharton was one of the last schools to admit women (the School of Engineering and Applied Science was the other). In that first class of female undergraduate Wharton students in 1954, 15 women entered. Nine women graduated in 1958 with a bachelor's of science in economics.

Coincidentally, the School appointed **Jean Andrus Crockett** as assistant professor of finance in 1954, making her the first woman to join the standing faculty in one of its departments of business education. She earned the title of associate professor in 1959, full professorship in 1965—all firsts at Wharton.

One can argue that more needed to be done quicker, but Wharton was a pioneer and continues to be a pioneer among the ranks of elite institutions of business learning.

We are here to celebrate that—by presenting the stories of some of Wharton's most successful graduates and allowing them

voices

ON LEADERSHIP

“Leadership is about being passionate, taking risk, setting a vision and being inspiring enough to motivate others to achieve their full potential. Failing or being wrong means that you have taken enough risks to know what works and, most importantly, makes you aware of your own strengths and weaknesses. True leadership is the ability to lead with passion and perseverance, not with defined power or formal position.”

Stacy Bash-Polley, WG’94,
Partner at Goldman Sachs

to tell their experiences and viewpoints in their own words.

We interviewed six prominent leaders in the business community:

Dr. Zeti Akhtar Aziz, G’74, GR’78, governor of the Central Bank of Malaysia, whose calm, talent for innovation and technical expertise has helped her nation and the global banking system chart calmer economic waters.

Karen Finerman, W’87, founding partner of Metropolitan Capital, who blazed her way in the hedge fund world and now onto bookshelves with *Finerman’s Rules*—a book about advice she gives her daughters for navigating the working world.

Jamie Moldafsky, WG’89, chief marketing officer at Wells Fargo, who has helped to build one of the most valuable corporate brands while continuously and often unorthodoxically growing her own personal reputation.

Linda Pavy, WG’80, Burson-Marsteller’s European health care-nutrition leader, who has never felt held back in her career trajectory as a corporate marketing professional and global communications leader—unless you consider her desire to feel inspired in life and on the job an impediment.

Jacqueline Reses, W’92, chief development officer at Yahoo, who has clear views about leadership and how to return her employer to its former tech titan status—views that have placed her firmly in the international spotlight and cultural debate about women in the workforce.

Suzanne Shank, WG’87, co-founder, president and CEO of Siebert Brandford Shank & Co., who has helped to lead the municipal underwriter to unprecedented heights—though she believes success in life and work is a journey everyone must take for themselves.

In the process of researching this article, we spoke with many other prominent Wharton alumnae about their professional experiences and their views on leadership.

Women such as **Stacy Bash-Polley, WG’94**, a partner at Goldman Sachs, who told us:

voices

ON LEADERSHIP

“Being a leader starts within each of us, with our values and our passion—understanding what matters to us and why. One of my greatest passions is to help others be their best and live their best. As a leader, I strive to ignite a similar passion in others by articulating a vision of a different and **BETTER FUTURE** and why it is important to all of us.”

Ellen Stafford-Sigg, WG’88,
Principal, Deloitte

FIND MORE VOICES ON LEADERSHIP ON P. 34-35. >>

“Leadership is about being passionate, taking risk, setting a vision and being inspiring enough to motivate others to achieve their full potential. Failing or being wrong means that you have taken enough risks to know what works and, most importantly, makes you aware of your own strengths and weaknesses. True leadership is the ability to lead with passion and perseverance, not with defined power or formal position.”

Or **Ellen Stafford-Sigg, WG’88**, whose 25-year career at Deloitte has spanned client development, partnership, leadership development and global growth.

“Being a leader starts within each of us, with our values and our passion—understanding what matters to us and why. One of my greatest passions is to help others be their best and live their best. As a leader, I strive to ignite a similar passion in others by articulating a vision of a different and better future and why it is important to all of us,” Stafford-Sigg said.

See P. 34-35 for all their responses.

We hope these stories and insights will inspire you and resonate with how you think about the School and about your own career—and perhaps prompt you to share your own thoughts about life, work and leadership with us and the wider community.

Dr. Zeti Akhtar Aziz

She had accomplished so much by the time *Wharton Magazine* published its 125 Influential People and Ideas issue in 2006. **Dr. Zeti Akhtar Aziz, G'74, GRW'78**, had steered the Malaysian economy through the Asian financial crisis in 1998 soon after becoming interim governor of Malaysia's central bank. Her steady leadership earned her the full-time governorship of Bank Negara Malaysia in 2000—making her the first female in all of Asia to become head of a central bank. Dr. Zeti then set her nation's economy on a sustainable, more inclusive course and in the process became an economic leader across Asia and the Islamic world. Since, she has earned accolades as a top bank governor—if not the top one—and continued to be a pioneer. Malaysia weathered the global financial crisis of 2009 with minimal damage, for instance, and when Dr. Zeti raised interest rates in 2010, India and China followed.

WHARTON MAGAZINE: When in your career did you feel like you were breaking down barriers, if at all?

ZETI AKHTAR AZIZ: Surprisingly, I was never confronted by gender-related challenges during my entire career. I always had every opportunity to develop and advance in my career based on my capability and performance.

Perhaps the challenge was more from deviating from the orthodox and conventional approaches to policies for managing the economy and financial system, particularly during a crisis or when undertaking initiatives that involve breaking new ground. It is always tough for a central bank from an emerging economy to deviate from the conventional. You really have to be sure that as an organization you are standing on solid ground with great clarity on the outcomes that you want to achieve and that you have the capabilities to do what it takes to pursue such outcomes.

More exciting is, however, undertaking efforts that are groundbreaking. This has been achieved in the area of regional financial collaboration with other central banks in the Asian region and in the area of Islamic finance with central banks in other parts of the world. More recently in 2009, we were amongst the first in the world to operationalize the settlement of trade with China in renminbi. This will facilitate

greater trade and investment activities with China.

WM: What does being a leader mean to you?

ZETI: The great leaders are those who can contribute towards creating a better future. They are the leaders who are able to envision such a future and be focused on not just the immediate and short term but on the medium- and longer-term outcomes—and then to have the ability to pursue such goals with unrelentingly tenacity. Articulating the vision with great clarity and generating the energy in others, whether it is a team, or an entire organization, to pursue the aspirations. Leaders are also those who pursue the goals for the collective good and not for their personal gain. Principles and values are therefore important in a leader. Building the organizational capability so it is in a position to deliver is also important. This is so that every part of the organization is aligned to the common purpose of the vision with the capacity and energies to make it happen. This is particularly challenging in these times of rapid change.

WM: Your father [Royal Professor Ungku Aziz Ungku Abdul Hamid] is one of Malaysia's leading intellectuals. Is that how you got into academia in your early career?

ZETI: My father is a development economist. His early work focused on poverty eradication and rural development. He was also an educationist with more than 20 years heading the main university in Malaysia. I was, however, never really drawn to academia. My first job was as a research economist with a regional organization that was established for central banks in the Asian region, the SEACEN Centre. During my time there, I wrote two volumes on interest rate reform in the Asian region. From the very early stage of my life, my interest was in monetary economies, and soon after graduating school, I knew that I wanted to be a policymaker.

WM: He is also an incredible public figure. Had you felt pressure to live up to or escape his shadow?

ZETI: Both my parents were public figures, at times highly controversial for their ideas and opinions. My mother [Sharifah Azah Mohamed Alsagoff] was a well-known journalist. They have always been a tremendous inspiration to me. They are both individuals that have made a difference in their respective areas. They have also always been there to support me. This has allowed me to have a career and a family. Equally important is the upbringing I received from my



parents, which I have valued and for which I am truly grateful.

WM: You are a role model for current Wharton students and young people in finance around the world. What are the important traits of a role model?

ZETI: My own experience has been to observe highly successful individuals from different parts of the world, and in different fields, looking at their traits and strengths. Different traits have been important in different individuals. Among the important traits are having the vision and staying true to the cause. They are also the ones that strive with great passion to excel in what they do. They also have the capacity to be tested to the limit and not be discouraged by setbacks. Having values and high energy levels has also been important. These traits can often be observed in sport persons, musicians and artists. This drive with passion to achieve applies in our fields, too, whether in public policy or in the corporate world.

WM: You have earned many honors and awards over your career. Which are you most proud of?

ZETI: Central banking business is always an unfinished business. We can never sit back and think we have done a job that is well done. There is always something on the horizon that needs to be addressed. The payoffs are when we have been anticipatory and pre-emptive. While it's great to be recognized, the greatest reward is when we achieve outcomes that contribute to our society and to the world. This encourages us to persevere to make the difference.

Karen Finerman

She is both an entrepreneurial financier and a TV personality on CNBC's *Fast Money*. She wrote a best-selling book titled *Finerman's Rules* about being a leader in business and a mother of daughters (she has four children in all: two sets of twins, 16 years old and 12 years old, a boy and a girl in each.). When **Karen Finerman, W'87**, was 16 herself, things seemed clearer. She read an article by Ivan Boesky (before his conviction for insider trading) and decided she wanted to go to Wall Street to make money and become financially independent. She succeeded, ultimately co-founding the hedge fund Metropolitan Capital Advisors Inc. But with her multifaceted achievement comes a very nuanced and down-to-earth approach to life. She is always ready to tell it like it is.

WHARTON MAGAZINE: Your life has taken you from the West Coast to Wharton and Wall Street, then starting your own hedge fund to the media. At what point during your career do you think you stopped being a “woman in business” and became a “business leader”?

KAREN FINERMAN: “I’m not there yet,” would be my answer.

WM: Why?

FINERMAN: Because I think it is somewhat different to be a woman in business, certainly in a field where there are relatively few women.

WM: Can you ever really get away from the gender issue?

FINERMAN: No, and that’s OK because I do think that there are innate differences and that’s certainly not always the overriding factor.

WM: With your book *Finerman's Rules*, did you intend to enter the “women in the workplace” debate? Do you intend to stay in the debate?

FINERMAN: I didn’t intend to. I certainly had no idea about Sheryl Sandberg’s book [*Lean In*]. I wasn’t aware of its existence at all until the month before it came out when I was invited to a book-launching party. It was interesting to me there’s an overlapping—we’ve had similar experiences, hers on a much bigger scale.

I have some positions, some views, that are not so PC, that don’t quite mesh with

hers. For example, I think working at home as a working mother is the worst of both worlds.

WM: Are there things you agree with Sandberg on?

FINERMAN: The one thing that resonates most with me from Sheryl Sandberg’s book is she says—it’s not quite verbatim—she knows of no woman, zero, who are very successful and do not have a partner, a real hands-on partner, at home, and that I think is really important. If you’re going to be a working mom, you have to have someone who is very hands-on, where it really is a partnership.

WM: It sounds like you have a more nuanced view than just women can have it all/they can’t have it all.

FINERMAN: I do, and maybe for some women having it all is being this primary number one parent all the time, but I know certainly at times in my life, that’s not been the case, and other times it has. But to have a partner who is willing to share those roles is extremely important, and I couldn’t do what I do without him [her husband is private-equity executive Lawrence Golub].

WM: What advice do you have for freshmen and first-year MBAs?

FINERMAN: I would say to them, “You

will fail. Each of you will fail at something. In your career and in your life, somewhere, or both or maybe at the same time, and that’s going to be a really important turning point, that failure. It’s not so much that you’re failing, it’s what do you do from that failure.”

WM: What advice do you have about work-life integration?

FINERMAN: The advice is different to women than men just because it has to be just because of the biological differences, right? So if you want to have a family and you’re a woman, you’ve got to think about when that’s going to happen, and I realized later when it became difficult for me to get pregnant that we don’t get to choose exactly when it fits, when it’s the best time.

One of the most difficult issues women face is: Do they go back to work or not? And my advice to people who ask me about that is [to look] for the 51 percent solution, which is the outcome that works for you 51 percent of the time or more.

You have to expect to feel ambivalent at later points, expect to second-guess the decisions. Feeling that ambivalence doesn’t mean you’ve made the wrong decision; it just means it was a difficult decision.

WM: How much time did you take after each set of twins?

FINERMAN: I took off six weeks for the first set and eight weeks for the second.

WM: Do you see yourself as a role model?

FINERMAN: I accept that there are people who see me as a role model. After [one recent speaking engagement], I had this woman come up to me and say, “You’re my Ivan Boesky,” and I don’t think she realized that wasn’t a great thing to be someone’s Ivan Boesky, but it was funny.

WM: What does it mean to be a role model?

FINERMAN: I think I try to promote financial independence and that it’s OK to want to be ambitious. Now there’s an odd stereotype ... that it’s OK to *be* successful for women, but it’s not OK to *want* to be successful, that somehow ambition is seen as impolite or it’s not a favorable characteristic. It should be OK.



Jamie Moldafsky

Jamie Moldafsky, WG'89, sees herself as the ultimate customer champion for one of America's biggest banks. To become the chief marketing officer at Wells Fargo, she has taken chances and great leaps in her career—working at American Express before going to a small private toy company, working abroad then running a business for Whirlpool in an industry in which she had never been prior, to her current C-suite spot. In that span, she also found time to get an executive MBA at Wharton—as well as start a family. Her career success reflects not a grand master plan, but her ability to be open-minded, to know herself and to leverage her strengths at work she's enjoyed.

WHARTON MAGAZINE: In branding and marketing, companies refresh messages every so often. In careers, when should we refresh personal brands?

JAMIE MOLDAFSKY: I do think generally you want to refresh your brand before it gets old, at the right point of “the curve.” When you're right at the top of the curve, there's a point at which it's going to fall off a little, and you want to change before it falls off. It's the same way with careers, at least for me. You clearly have a learning curve when you're in a new role and so you want to be there through your learning curve and you want to be there when you're at your high performance because that's when you're of most value to your company. But there's this window where you know that you're loving what you're doing, but six months or a year from now, if you're not loving what you're doing, you're going to be bored. And that's the right time to move.

WM: How has that worked for you?

MOLDAFSKY: I've been really lucky. I get to experience new things as part of what I do all the time, and that keeps me engaged and excited about what I do. I've never sat in a role that hasn't changed for more than probably a year. ... Part of it is I seek it out.

WM: How have you felt held back in your career as a woman?

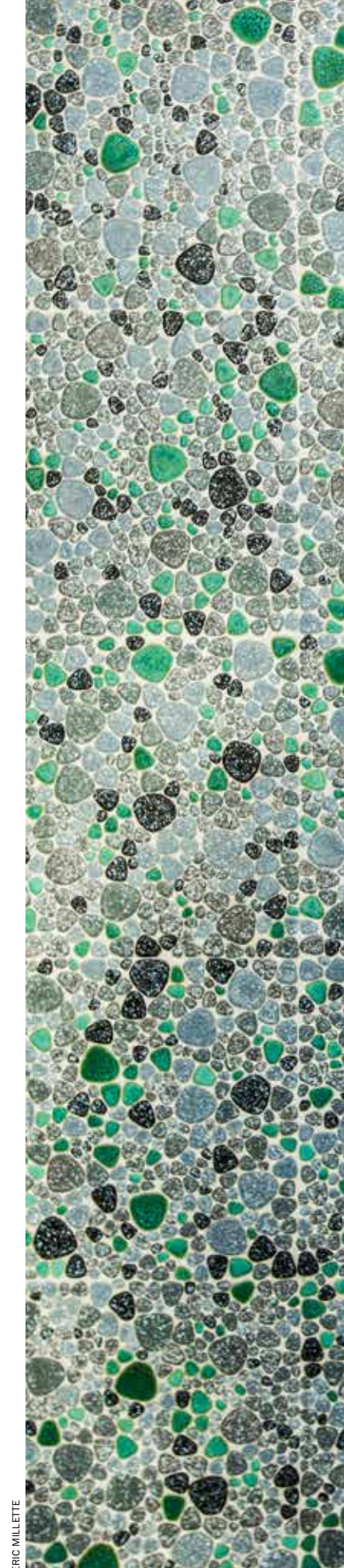
MOLDAFSKY: I never thought of it as held back; I think of it as everyone has their challenges

and everybody has things that they have to compensate for or be conscious of in how they engage and how they interact. That's a common theme among all diversity conversations. There are so many ways in which people are different, and being in an inclusive environment is important. Some environments are more inclusive than others, and you have to figure out how to leverage what you do in a way that allows for it to be more inclusive.

WM: Do you have advice for current students or recent grads about work-life integration?

MOLDAFSKY: I had in some ways the benefit of not having kids until later, and so I was fairly established in my career and you could argue whether that makes it easier or harder. But I guess the advice I would have is to not think that there is only one right way to do it. It's a little bit about having that optimism and that positive confidence to know that it will work out no matter what you choose, and that family and friends are critically important to being a “whole” leader.

I'd say [with] the exponential change in the world right now, you don't know how to fully plan anyway. Nobody knows whether in five years 90 percent of the work force will work remotely, or people will be able to work three-day-a-week jobs ... no one knows because it's just going to change with technology and the



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nature of new companies, and different industries popping up with new models and cultures.

It's not trying to predict what that future's going to look like. Instead, it's about being open to the fact that, if anything, there are going to be more options in the future versus fewer, and so doing what's right is a very personal decision.

WM: Can women have it all?

MOLDAFSKY: What I always say to people is, "It's all in your own head." If "all" is defined as everything in your life being 100 percent, then, no, because you only have 100 percent. So the theory behind having it all suggests being home all the time with your kids, being at work all the time in a career that you love, being a partner to your partner all the time, and one can't physically do it. So there is a tradeoff.

Having it all means being comfortable with the tradeoffs you're making, and I think you can do that all the time. But you have to decide at each and every point in time what's important to you and understand that the tradeoff doesn't make you less successful.

WM: What Wharton knowledge do you still leverage?

MOLDAFSKY: Maybe this is partly because I did get the degree while I was working, [but] I think it gets incorporated every day in real time. A lot of it is a mindset and a way of thinking. Particularly with Wharton and the analytics background, for me what's been great is being able to ground a lot of what I do and a lot of the leadership I provide into the financial side of things in the analytics, and yet still be able to lead in a way that enables me to move quickly and make decisions quickly. It's a little bit of the 80/20. It's not trying to take everything to 100 percent certainty if you don't have to, but being sound and reasoned based on data and leveraging intuition and judgement as well.

Linda Pavy

Linda Pavy, WG'80, has had tremendous serendipity with career and life. She wowed the CEO of SmithKline and scored a management trainee job right out of Bryn Mawr College. Harvard Business School courted her, but she chose Wharton, where she met her husband and received 38 job offers after her MBA. One was a marketing dream job with Baxter. When her husband moved to Europe, she followed—to more job offers. Her current professional role is as European health care and nutrition leader at communications giant Burson-Marsteller. At home, she is the mother of four successful children (the oldest, 29, becoming a heart surgeon and the youngest, 20, entering France's Sciences Po school.) How has this been possible?

WHARTON MAGAZINE: Across your diverse work history, are there lessons that you've picked up over the years in terms of management and leading people?

LINDA PAVY: Definitely. My husband today is a Freudian and Lacan psychoanalyst. And the reason why I'm saying that is that management is all about people and a lot about psychology, understanding where people are coming from—because we all think we're rational, but we're not necessarily as rational as we think we are.

WM: How does that translate to managing people for you?

PAVY: I'm part of a generation where sharing all the information is not something one wanted to do because information was power. But I never thought that way. Being an optimist and [having] self-confidence, my leadership style is getting people to be motivated and sharing as much information as possible.

[In] my first job with Johnson and Johnson, I quickly became marketing director. And unlike the previous marketing directors who tried to keep as much information as possible so that they could have good control over their product managers, to every new product manager that I would hire I would say, "Your job is to try and be in my seat, take over my office quickly as you

can. So I'm going to share with you as much as possible because instead of thinking that I'd lose my job, I think that, the faster I get people to do what I do, the faster I will be able to do things that are bigger and better."

WM: With your international role, have you found that different cultures have different leadership styles?

PAVY: I have quite a strong personality, and my leadership style is not the French style.

WM: Do you have advice for today's students about career and family?

PAVY: The decision to have kids should not be linked at all to career. It should be linked to the personal desire. The career will fall into place, everything will fall into place. That's the first thing that I want to say. Secondly, the quality of the time that you spend with your kids is more important than the quantity.

Nevertheless, one cannot ignore that certain compromises have to be made and one has to learn to acknowledge them and accept them.

WM: Do you feel as if you were ever held back in your career?

PAVY: Being a woman, a minority woman, may have held me back in certain cases, but in others, it probably also opened up doors and gave me opportunities.

WM: What do you mean by "personal reasons"?

PAVY: I didn't want to become like a **Donald Trump, W'68** ... money wasn't what I was looking for with my Wharton [degree]. That was never a goal, and among the 38 job offers that I got, I did not take the highest paying job. I had several job offers that paid more than the one at Baxter.

That's maybe why motivation pops onto my list when we're talking about leadership. Having fun, being motivated, being excited to go to work every day, was fundamental. And that's the only way I could have four kids and an exciting job.

I definitely did not go as far as I could in my career because I wanted to have fun, and I wanted to raise four kids.

WM: You speak upward of seven languages. Which ones?

PAVY: I was born and raised in Germany, even though I'm American and only American. So I had to speak German. My parents (my mom was a schoolteacher, and my dad worked for the American government) mainly spoke English. I have older sisters whom my parents tried to send to the American School in Paris, because before my dad started working in Germany he tried working in Paris. And somehow, that didn't work out, [but] my dad made the decision following the difficulties he had with my older sisters that all his children would go wherever he lived to French schools. From kindergarten to the baccalaureate, I always attended French school. We lived in Spain two months out of every year. It was a way to save money and allow us to go on



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vacation. So my parents built a home way back, and that's how the Spanish came into play.

The French school that I attended in Germany had over 50 percent of the population coming from Russia, so I grew up hearing Russian all my life. And as you know, I was a Russian major at Bryn Mawr and studied in the Soviet Union. That gives you five languages.

When I started working [after the MBA in France], I had to use Italian quite a lot. So Italian came quite quickly because it's so close to French and Spanish. And I've been studying Hebrew and know how to read it and write it now.

WM: Are we missing any?

PAVY: I just found out I have to learn Chinese and Romanian ... it's one of these never-ending things.

MORE
LEADERSHIP

voices

ON LEADERSHIP

"To me, being a leader plays out on two different levels. First, there is the more external manner in which an individual sets vision and direction in whatever entity or environment one exists. More importantly, though, is the intrinsic side of leadership, which plays out at your core and requires staying in touch with who you are and what your values are, especially in the face of adversity."

Lynne E. Dant, WG'02, Director of Marketing and Business Development, Fortune 250 Company in Chicago

"It's when you stop trying to be someone else's idea of a successful person that you can truly influence with integrity."

Monica Mehta, W'97, investor, Finance Columnist and Author of *The Entrepreneurial Instinct*

"LEADERSHIP IS A STATE OF BEING."

It is a state of being in which there is no alternative to taking responsibility, a voracious appetite to know and understand and a visceral need to act in an inexorable and infinite search for better. "

Mary Spelman, WG'06, Senior Investment Officer, International Finance Corp.

"As CEO of a growing family company, leadership is not about marshaling vast amounts of people or resources. For me, it's about small, daily acts of **consistent integrity.**"

Andrea Cid, WG'06, CEO & Partner, Cid Botanicals

"Whether you are leading a group, company, charity or Girl Scout troop, LEADERSHIP IS SERVING THOSE YOU LEAD and helping them perform at their best both as a group and as individuals. A true leader strives to leave an organization stronger than when she arrived."

Kristina Kohl, WG' 88, President, HRComputes

"One of my favorite Wharton professors, **Ed Moldt**, used to tell us to look for business opportunities that met a critical need but that everyone else had overlooked, preferably opportunities no one else even wanted. During the two decades since Wharton graduation, Professor Moldt's advice has proven surprisingly useful, versatile and gratifying."

Leslie Morgan Steiner, WG '92, Best-Selling Author and Speaker

"Being a leader is to marshal the skills of a group of people with different talents, visions and motivations and make them coalesce in one force which will, hopefully, result in a great outcome—or at least one which will not embarrass everyone involved."

Alix Madigan, WG89, Oscar-Nominated Producer, Anonymous Content

"Creating a vision towards some better goal that is meaningful and inspirational to yourself and to others, something that can be accomplished best by the power of a group rather than by an individual. Then doing that dance of orchestrating, directing and encouraging others to take action and put forward their best efforts, to make that shared vision become a reality."

Beth Caplow, WG '95, Strategic Marketing Consultant

"Being a leader means having **perspective**, providing a **strong** example to follow, and taking **time** to know and **respect** people."

Leah LaPlaca, WG'01, Vice President, Digital Video Distribution, ESPN

"Being a leader is not about you; it's about reaching out to others, filling the void, being gracious and inspiring others to do more than what's expected of them."

Sharon Kornstein, W'80, Founder & President, ImageDesign Consulting

"Apart from the usual qualities, leadership involves the ability to think with flexibility and courage in crisis situations."

Madeleine Champion, WG'87, Founder & CEO, Champion Global Advisors

"In working with peers toward a common goal, I have mostly led *without* authority, relying on thought leadership, unflagging integrity and a certain amount of charisma."

Cynthia McVay, G'88, WG'88, Strategy and Branding Consultant, McVay Associates

"Being a leader means providing a vision and inspiring others to work together to fulfill it. In my professional and community work, I find that people seek direction and clarity on how to meet their goals."

Susan Ganz, WG '95, Estate & Financial Services Professional

"I lead, therefore, I serve."

I am not a boss, a supervisor, or a manager. I am a facilitator of positive change and a monitor of (forward moving) workflow."

Erika Ellison, WG'04, Budget Director, Baltimore City Public Schools

"I've learned the most about leadership on the job—as a mom to my four kids. Here are my big takeaways: **1.** You can't please everyone; **2.** No micromanaging; **3.** Mistakes happen; **4.** Find the win-win. I'm still learning everyday how to be a leader. But whenever I confront a new challenge, putting on my 'mom hat' almost always helps."

Paulette Light, WG'95, Founder, MomStamp

"IMPORTANTLY, LEADERS WORK NOT ONLY *WITH* THEIR TEAM BUT *ON BEHALF OF* THEIR TEAM."

Elizabeth Crain, WG'92, Chief Operating Officer, Moelis & Company

"There were many times in my career when I could've chosen an easy road, but I found the greatest satisfaction and fulfillment from blazing my own trail. I uncovered leadership skills I never knew I possessed by taking chances and creating opportunities for myself."

Lauren Mitchell Sveen, WG'90, President, Mom Corps Denver

"A leader is inspired to create a firm where what you do matters in the context of an evolving world, not only improving on yesterday, but building for tomorrow."

Debbie Harmon, WG'87, Co-Founder and CEO, Artemis Real Estate Partners

"Leadership means having and communicating a noble vision and path that may not be apparent yet becomes so clear that others become engaged and excited about it."

Denise L. Devine, WG'90, CEO & President, Nutripharm Inc.

Jacqueline Reses

Of all the big names and powerful personalities involved in the resurrection of tech titan Yahoo, **Jacqueline D. Reses, W'92**, is right up there. As chief development officer, she has been tasked with growing the company from within and without. As a result of these efforts, the company has an entirely new executive team, the attrition rate of employees leaving the company voluntarily is down 59 percent and resumes are peaking at more than 12,000 per week. We talked with her about her own professional and personal experience as a leader.

WHARTON MAGAZINE: What does leadership mean to you?

JACKIE RESES: The notion of leadership is complex. Leadership means making the decisions without a full view of all the facts you'd like to have; it means being good enough to earn the respect of those who are following your lead; it means driving team performance to be better than the sum of the individuals.

Leadership is an honor bestowed upon you, and you better be ready for it. You better be willing and able to earn the respect of those whom you are leading.

WM: You have been in positions of authority before and came to Yahoo well-respected in private equity. Still, was there a steep leadership learning curve in your new role?

RESES: Domain expertise associated with the talent group was probably my steepest learning curve. While hiring, promoting and compensating talent was always an important part of my role in private equity, I've never actually run an HR team before. So I had a lot to learn with the specifics of how the function operated at Yahoo.

During this period of growth, HR is integral to Yahoo's success. Companies with the best talent win, and my team is in charge of ensuring that that talent comes to Yahoo and stays there and enjoys a gratifying career at the company.

WM: What would you say has been your biggest accomplishment to date at Yahoo?

RESES: We have had a busy year. We've executed 22 acquisitions since I started. We've hired more than 2,000

people, including a group of world-class leaders. Overall, more people want to work at Yahoo, and less people are leaving to work elsewhere. There are so many differences between now and a year ago it's hard to pick out only a few highlights. However, I will say that all of these changes have resulted in a renewed sense of energy.

WM: Do you see yourself as a role model in general or to women?

RESES: I've always cared about making sure that women in finance feel like the industry was open to them. I was a role model and voice of that community, particularly in private equity where there were so few women.

At Yahoo, I don't really think about it so much because of the diversity of our executive team. It's become a non-issue for the first time in my career.

WM: Ever Google yourself to see what people are saying?

RESES: If I did, I would use Yahoo Search.

WM: How do you view your own work-life balance?

RESES: I think of my personal and professional life as one. I have always been blessed with work colleagues and relationships that are both for me. As for my family, I always prioritize the events and moments that matter. I don't always do that well, but I try.

WM: When you crafted the "work from work" memo for Yahoo employees, did you expect it to have a mass culture response?

RESES: The memo you refer to was an internal memo to our employees. We weren't making a cultural statement about telecommuting—we were focused on what was right for Yahoo.

Our goal is to drive innovation, and we see more success where teams are co-located. When I look back at all of the amazing progress our teams have made over the past 12 months, it is clear that this was the right decision for Yahoo.

And we've gotten a lot of positive feedback from employees as a result of the renewed energy and collaboration inside the company.

WM: What did you think about the size and the response to the memo when it went public?

RESES: I was surprised by it, and how it became a public debate about telecommuting and also women's flexibility to work from home.

We were focused on the outcome at Yahoo and not what was being debated publically. We recognize that there are times when working from home can be more productive, but when you're focused on innovation and lightening-speed execution, it's always better when teams can work together.

WM: One of the accolades you've recently received was "a most influential woman." How do you see yourself?

RESES: I think you reach a point in your career where your influence is based on the impact you have on your teams and the people around you. I come to work every day and do my best to focus on excellence.

I hope that means that I do make a positive impact on the people I work with.

ERIC MILLETTE



Suzanne Shank

We first recognized **Suzanne Shank, WG'87**, as one of Wharton's 125 most influential people and ideas in 2006 at the School's anniversary. Since then, Shank has not slowed down. As president and CEO, she has led Siebert Brandford Shank & Co., a municipal bond underwriter she co-founded in 1997, to become a top-10 player, a competitor with the biggest banks around. She was most recently named acting CEO of Siebert Financial Corp., the financial firm founded by her recently passed long-time friend, partner and role model Muriel F. Siebert. It's one more impressive addendum to a trailblazer's CV.

WHARTON MAGAZINE: In giving you the Maynard Jackson Award this past year, the National Association of Securities Professionals stated that you succeeded on Wall Street "in the right way." What does that mean?

SUZANNE SHANK: Oh, I think it means integrity and strong ethics. It means friendly competition with your peers at other firms. Even though public finance is a deal-oriented business, my growth strategy centers around a focus on garnering repeat business rather than on each individual transaction. What that means to me is that when you go in and get a deal, you can maximize revenue on that deal or you can do the right thing by your client while being fairly compensated and know that they'll call you when they have the need again to hire a firm.

WM: Were you ever tempted to do it the wrong way?

SHANK: I don't think I've ever been tempted to do it the wrong way. I'm fairly conservative. I grew up in the South. My parents are conservative, and we laugh a lot when we see examples both in our personal lives and in business where it seems things have been easy.

When we started the firm, I knew the origin of every single deal for several years. Today, I have been fortunate to build a group of senior producers within the firm and capitalize on a pipeline of deals that neither my partner nor I originated or impacted. But competition is still fierce.

WM: Did you see yourself as a role model?

SHANK: Within the firm, I feel like I'm a role model because I think when you're at the helm, everyone within the firm has the feeling that you're working as hard as they are. And you also have to set the culture for the organization, and the way you do that is not by just what you say and dictate but best exemplified by how you conduct yourself.

WM: How about outside the company?

SHANK: Everyone is looking for a mentor, and it's not like I've done everything perfectly. I think some of the success has been being in the right place at the right time and capitalizing on opportunity. So I get a lot of calls from people I don't know or people you just run into looking for advice and what should they do, and often they're asking, "Well, what did you do, and how can I do

what you did?" And I say, "Don't worry about what I did. What is your passion and what is your plan? And I'm happy to comment on that."

WM: Who were your role models while growing up?

SHANK: I would say easily my parents, and both my parents were working very hard, very long jobs that didn't necessarily end at 5:00. So they instilled in me at a very young age the value of a strong work ethic. I knew growing up I was going to get a job and be on my own or go to college at 18. And they have said I would do so or I was out of the house.

WM: Do you still have role models?

SHANK: I still call my mother every day and many times to discuss challenges at work, and I would say my partner Napoleon Branford has also been a role model. Muriel Siebert, prior to her death, was one of my role models. She was extremely successful while not compromising her integrity.

WM: Any advice to current students?

SHANK: Work is work, work is hard and work is time-consuming, and it takes you away from things you might



ROSH SILLARS

want to do personally. I know it's a cliché, but I love what I do, and I think that's why I've succeeded. It is absolutely critical to get as many opportunities to explore what you think you might want to do, hands on. Volunteer your time if you have to with the company to get the hands-on experience.

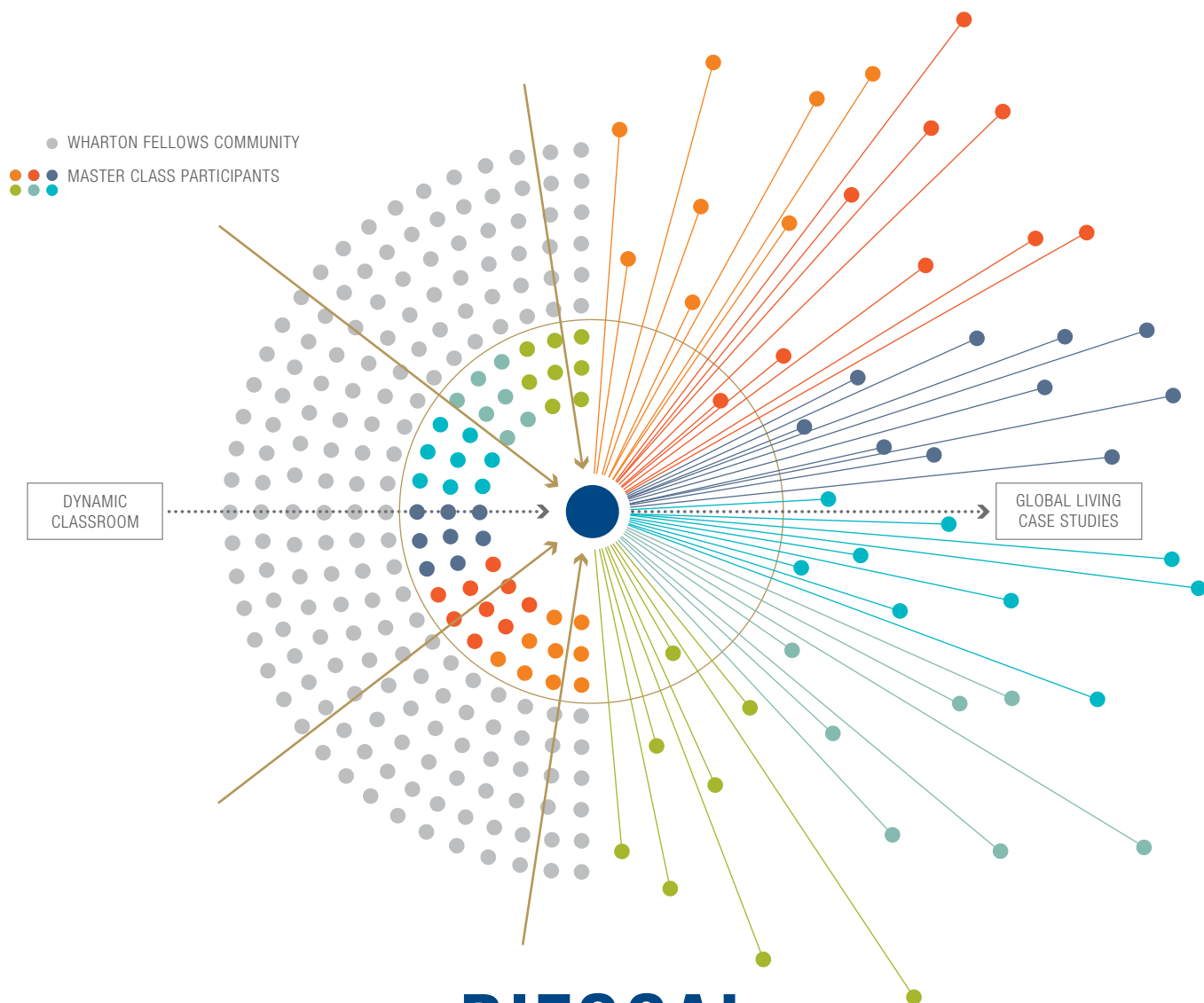
WM: About work-life integration?

SHANK: I have two daughters. While it has been very difficult running a business and raising two daughters (now 14 and 18 years old), I really believe that it gives you a balance of perspective that is critical, and it has helped me manage stress. It has helped me have empathy as I work with others who also have families.

Perhaps it has helped me to be an entrepreneur and not have to report to someone or adhere to a rigid time schedule because I can go to work out of home and work on a tough geometry problem with one of my kids and then get back on the computer and keep working.

WM: Was there a certain point in your career where you stopped seeing yourself as a "woman leader" and just saw yourself as a "business leader"?

SHANK: I've always seen myself as a business leader. Being a woman has armed me with attributes that are indicative of great leaders. Women tend to multitask well. Women promote collaboration and teamwork. Women are their own toughest critics so we work hard. And as I said previously, we have great empathy for others. These are qualities necessary to be a great leader, and women are just wired with these strengths. But my goal is to be viewed as a leader, not only a woman leader, as I have great men working for me too. ■



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LOST & FOUND

on an International Vision Quest

THE LAUDER INSTITUTE

Lauder students take on the historic Orient Express—and language barriers, bandits and local customs—in the Institute's version of *The Amazing Race*.

By Paul Richards, C'10

TEN DAYS. SEVENTY-FIVE PARTICIPANTS. ONE MISSION: to travel from Vienna, Austria, to Istanbul, Turkey, via any route, using any form of transportation except air travel, while racking up race points along the way. This is the basic formula for Culture Quest, a groundbreaking Lauder Institute course that combines experiential learning with a fast-paced, multicountry romp. This year's iteration, themed after the Orient Express, took place in May.

Culture Quest participants were eager to embrace the challenge—or better yet, challenges.

While plotting the route of her team, “Off the Grid,” second-year student **Katie Littlefield** recalls looking at the map and thinking, “It’s not a matter of if things are going to go wrong, but when and where.”

Language barriers were an obvious impediment to all the teams. Bulgaria posed a particular challenge. Fellow second-year Lauder student and Off the Gridder **Wallrick Williams** recalls a famous subway map in the capital Sofia designed for tourists, but written entirely in Cyrillic.

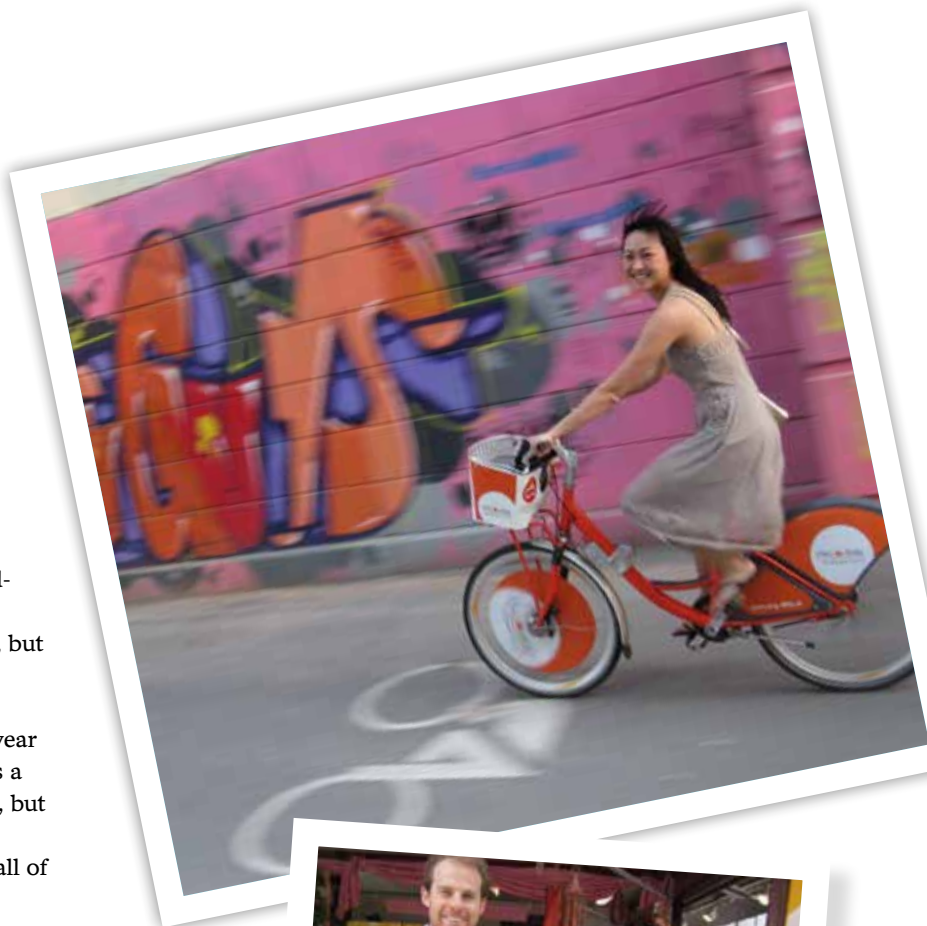
“No one would be able to read that,” he says. “Pretty much all of the languages that we knew didn’t help us.”

Nicholas Majka, WG’13, G’13, tried to talk to people, but many didn’t speak English, or any other dialect he knew.

“Maybe the Croatian I learned yesterday isn’t useful in Slovenia today. There was a lot of charades and pointing,” he recalls.

Transportation also posed a challenge. Team “Variety Pack” rode an overnight train from Serbia’s capital, Belgrade, to Sofia, only to learn that in the middle of the night, the train was scheduled to split in two, with each half traveling to a different city, as second-year Lauder student **Meghana Mudiya**m tells it.

“We asked a million people to make sure we were in the right half,” she says (which they managed to do).



TEAMS BUDDY MOON AND COWABUNGA (TOP AND BOTTOM) EARNED “PHOTO OF THE DAY” POINTS FOR THESE SNAPSHOTS DURING THE “ORIENT EXPRESS” CULTURE QUEST. TEAM VARIETY PACK (MIDDLE) EARNED A MOMENT OF REST AND FUN SHOPPING AFTER ONE TOO MANY NIGHT TRAINS.

Transportation safety was sometimes a cause for concern too. On second-year **Karan Raturi**'s first overnight train, he was given a steel chain by the conductor to tie shut the sliding door.

"They told us we needed to watch out for Hungarian bandits that might show up while you're asleep," Raturi says. Instead of worrying though, his team enjoyed the thrill, playing pranks on each other throughout the night.

Overnight rides, however, meant a lot of early-morning border crossings, passport presentations and questions from border guards.

"It's pretty confusing to explain to an immigration authority that you're a group of MBA students doing a trek across Eastern Europe," says Raturi.

The long stretches of travel, with the obstacles and interruptions, also presented many

benefits—perhaps the best being to bond with teammates.

"It's one thing to travel for work or travel with old friends, but to travel with your classmates and form meaningful friendships, I think that's really what Lauder's all about," says Littlefield.

Of course, the Lauder Institute is and has always been more than that. The international business program has a 30-year tradition of preparing future business leaders through a joint degree program in international management—a master's degree in international studies from Penn's School of Arts and Sciences and a Wharton MBA or a JD from Penn Law. The long-established degree program has changed careers and lives. Culture Quest has become a highlight in only a few years of existence.

The class evolved from a lunch between Professor **Mauro**

Guillen, the director of the Lauder Institute, and a group of students and alumni three years ago. In just a 20-minute conversation with then-student **Davis Smith, WG'11, G'11**, they had

"They told us we needed to watch out for Hungarian bandits that might show up while you're asleep."

designed the course's structure, modeling it after the popular reality television show *The Amazing Race*. The inaugural Culture Quest took place in May 2011 in Central America, and the second "season" led students throughout South Africa.

VIENNA, AUSTRIA



Students compete in teams that they form themselves. The competitive aspect comes in the form of racking up points, which are won through a long list of suggested activities developed by a student rules committee. Educational elements are incorporated through a pre-Culture Quest lecture, assigned readings, a post-Culture Quest paper and a panel discussion with local alumni at the final destination. Teams were invited to document their travels using the blogging platform Tumblr. The “suggested” route this year began in Austria and moved through Hungary, Romania and Bulgaria, ending in Turkey, but teams were encouraged to deviate and design their own adventures.

Guillen, who approved the itinerary and designed the curriculum, says that the route was appealing for several reasons.

“There’s a very interesting historical angle,” he says. “You start in Vienna, which used to be the capital of the Hapsburg Empire, and you end in the capital of the former Ottoman Empire.” He was also happy to hold programming in a region that was new to most participants.

For the teams themselves, Culture Quest presented an opportunity to design a 10-day trek unique to their interests.

For Majka and his teammates, their travels were defined by their plan to skim the Croatian coast and visit Albania before continuing east to Turkey. In all, they visited nine countries and traveled 1,519 miles. They called themselves “Team Buddymoon,” as he and his now wife, **Annie Wang, C’05, WG’13, G’13**, were married the day before graduation and used this trip as their honeymoon, accompanied by a mutual friend and classmate. In addition to their country preferences, Team Buddymoon planned the trip around a shared passion—food.

“Every meal we had was a meal from that country,” Majka says. “The great part about exploring is you see the difference in the cuisine. The fishing, the kinds of beer, kinds of wine, crops they’re growing; the agricultural mix was showing up on the table.”

Food and drink provided memorable moments for many of the teams. Mudiyaam and Variety Pack—a team so named because of its diverse representation of Lauder language tracks—fondly recalls a meal in Sofia at a restaurant that claimed to offer a dish representing each of the country’s 161 monasteries.

“The menu they gave us was like an encyclopedia,” she says. Cooking tips from different monastery kitchens peppered the list of dishes.

Mudiyaam’s team also nabbed points for the most coveted task—crashing a wedding. She and her teammates were invited to take part in wedding photos in Belgrade.

“It was so much fun to be a part of their special day,” she says.

Raturi, whose six-person team consisted of two classmates and all their girlfriends, took part in a wine tasting in the dungeon of a castle in Bucharest, Romania, which they only knew about from reading the list of Culture Quest point opportunities.

“It’s hard to be in the know in Eastern Europe when you’ve never visited before,” he says. For that, he and his teammates were grateful for the pre-established point system.



LAUDER CULTURE QUEST PARTICIPANTS ALWAYS DIG INTO THE LOCAL CUISINE: IN THIS CASE, PANDA EXPRESS LATE NIGHT (TOP) AND COWABUNGA IN A FLIGHT OF FANCY (BOTTOM).

Some teams took Culture Quest as an opportunity to delve more deeply into one or two countries. Romania’s vampire legend inspired Littlefield and the rest of Off the Grid to rent a car and spend a night in a Romanian countryside village in their hunt for Vlad the Impaler’s birthplace.

“There’s sort of a cultural belief that there’s something magical or spiritual about Romania that can’t be explained,” says Littlefield. “People are very proud of that part of their culture.”

Pride was a recurring theme throughout the journey. One of the Culture Quest teams was made of undergraduate students from the Huntsman Program, the four-year interdisciplinary undergraduate course of study that integrates business education, advanced language training and a liberal arts education, and they were



VARIETY PACK SCORES POINTS FOR CRASHING A WEDDING (ABOVE). THE REAL FABIO MOVEMENT HAS A FAUX MOMENT (BELOW).

struck by the amount of pride the locals had in their countries and hometowns. About Serbian youth, for instance, junior **Abhi Ramesh** notes, “Despite the fact that they’ve gone through so much, they have no doubt that they’ll live there and raise their kids there.”

The Lauder Institute also makes a point of inviting prominent locals—the Wharton alumni—to participate in the course. Meeting with prominent alumni in their hometowns served as the perfect bookend to an extraordinary journey filled with constant cultural and linguistic adventure.

For Culture Quest 2013, **Vedat Sadioglu, W’86**, a member of Wharton’s Executive Board for EMEA and partner and manager at Kapital Real Estate, hosted all the participants for a panel on private equity at his home in Istanbul at the conclusion of the event. Panelists included Actera Group Vice President **Ali Ispahani, W’00**, and Turkven Private Equity Principal **Ali Nalbantoglu, WG’05**, with **Sami Habbab, W’98**, co-president of the Penn and Wharton Club of Turkey and CEO of Delta Rubis Petroleum, serving as moderator.

For Sadioglu, the finish-line event was in part a chance to show how Turkey’s own history has contributed to the development of the region.

“The students had the opportunity to observe the influence of centuries of interactions with the Ottoman Empire in Eastern Europe while they traveled in Austria, Serbia, Croatia and Bulgaria. Once they reached Turkey, they had the chance to witness how it has been influenced by the West and see that it is now one of the most modern, developed countries among those visited,” he says.

ISTANBUL, TURKEY



Culture Quest participants raved about the panel itself.

"To be in Istanbul and see daily life and then have a lecture on Turkish private equity and macroeconomics, the concepts seem so much more tangible than on a slide deck in Huntsman Hall," says Littlefield. "You're going to go out and see the economy later that day."

Members of the alumni community also popped up along the route. Majka and Wang met a classmate in Sofia, and Ramesh and his Huntsman teammates randomly encountered a Wharton alumnus in Bratislava, Slovakia, while sitting at a café. They shared a three-hour conversation and exchanged contact information.

Guillen has involved alumni in the program since its inception. In Central America two years ago, **Max Harari, W'90**, spoke to participants about the history of Panama and growth in its real estate sector, and **Anthony Hamilton-Russell, WG'90**, welcomed students into his South African winery in 2012.

For all participants, Culture Quest was a time for great adventure, but also for reflection about their current and future place in the international business community.

"It's about really thinking, what are the opportunities for business in these places? What are they going to look like in five, 10, 15 years?" asks Majka.

The impact of history on the present was a resonating theme for many.

"A textbook doesn't quite capture it," says Williams. "You don't feel it when you just read about it, but when you see it, it's like, wow, it wasn't really that long ago, and it's still going on."

Overall, the journey provided the chance to put knowledge gained in the classroom into action while getting course credit. That was the intent. In the end, the program is distinctly Lauder-esque in its approach.

"We always emphasize how you can see what is going on today in various countries by looking at their histories," says Guillen. Despite the differences in culture and development in the countries along the route, "you can't understand one of them without understanding its neighbors." The spirit of Culture Quest, says Guillen, is "to see change in action; to see what's going on in the world, on location, right in front of your eyes." ■

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10 Years Into the Revolution

Technology and changing demographics are driving the retail industry toward innovation, or bust.

BY MEGHAN LASKA

RETAILING

When the Jay H. Baker Retailing Center was launched 10 years ago, many of the most significant trends in retail revolved around malls, big box stores and category clubs. Stores such as Circuit City, Best Buy, Home Depot and Toys“R”Us were “category killers,” offering a large assortment of products and value pricing. On the other end of the spectrum were successful niche players in malls like Gap, Abercrombie & Fitch, Ann Taylor and American Eagle Outfitters. Today, these trends are “morphing,” says **Barbara Kahn**, director of the Baker Retailing Center and the Patty and Jay H. Baker Professor in the Marketing Department.

Primarily, the rise of Internet shopping is the root. A decade ago, online shopping accounted for a relatively small fraction of sales, but in 2012 e-commerce sales topped \$1 trillion, according to eMarketer.

“Customer needs are the same—they still want large assortments at cheap prices—but the category killers of yore are being replaced by online retailers like Amazon, which can offer vast variety at a much cheaper price by getting rid of some of the costs of physical stores,” Kahn says.

As for the strategy of going after specialized markets, the Internet now allows retailers to reach a global niche segment.

Kahn adds that creative new concepts remain popular today.



Ten years back, the club stores such as Costco were offering an exciting shopping experience with low prices and a treasure hunt. Today, the new concept landscape includes the excitement of “innovative retailers”—for instance, Warby Parker, LEGO and American Girl—she says.

“It’s a pretty thrilling time in retail because there is so much going on,” says **David Jaffe, W’81, C’81**, CEO of Ascena Retail Group and a member of the Baker Center Advisory Board. “Up until the last 10 years, the changes were more gradual, but the drivers behind the trends today, like technology, have really upset the apple cart of retailing.”

The “Endless Aisle”

One of the biggest trends enabled by the Internet is a move toward an “omnichannel” model. This refers to customers’ ability to interact with a retailer in the same way, regardless of whether that interaction is online or in person, whether it is a sale or a return. As Kahn explains, customers have come to expect it. While retailers are striving to become omnichannel, most of them aren’t there yet.

“It’s like internationalization and globalization,” Kahn says. “If your business started in the U.S. and

then went to France, you could call it international. But to be global, you have to think of the world as one marketplace. Being omnichannel involves that same type of mindset.”

Jaffe, whose retail group includes dressbarn, Justice and Lane Bryant, agrees. The model requires the creation of an “endless aisle,” he explains.

“If you go to a store and they don’t have what you want, the store can order it for you from the endless aisle, which is online,” Jaffe says. “The lines are all blurred, and out-of-stock items can always be ordered.”

Neil Blumenthal, WG’10, co-CEO and co-founder of eyeglass retailer Warby Parker, observes that the omnichannel model is becoming so much the norm that he expects the term “e-commerce” to fall out of use in five to 10 years.

“E-commerce will just be assumed,” he says.

Blumenthal, a member of the Baker Director’s Council, attributes that five- to 10-year delay to “antiquated” legacy platforms still in use by some older companies. It was national news, he points out, when a few years ago Nordstrom integrated the inventory in its online warehouses with stores.

“Some big retailers haven’t prioritized technological innovation as much as they need to. This is why so many insurgent companies have been able to come in and take so much market share so quickly,” he says.

Denise Incandela, WG’92, chief marketing officer and executive vice president of Saks Fifth Avenue, says that being omnichannel is a “major strategic initiative” for her company as well as many other department stores.

Incandela, also a member of the Baker Advisory Board, describes her company’s approach to omnichannel as involving multiple aspects, such as the customer experience, inventory, marketing and organization. For example, through its marketing Saks aims to be agnostic about a customer’s shopping channel



“It’s an experience that people want to talk about and post on Instagram.”

by integrating its multimedia campaigns and providing an “omnibenefits” loyalty program.

“From an organizational point of view, employees’ performance reviews and compensation are based on omniperformance rather than individual channels,” she adds.

Anywhere, Anytime

Another significant trend: The Internet is mobile. Retailers should assume that all consumers are armed with smart technology, whether mobile phone, tablet or both, enabling them to price shop, make purchases and interact with retailers at any time.

“You can be in a Bed, Bath & Beyond and look up whether you can get a certain spatula in pink on Amazon. Mobile devices are used all the time to influence purchases,” says **Beth Ferreira, C’96, WG’04**, COO of Fab.com, an online design store.

Ferreira, who sits on the Baker Director’s Council with Blumenthal, claims that some retailers downplay the importance of mobile sales.

Her company, on the other hand, sees more than one-third of its sales from phones and devices. Fab.com’s top customers are on mobile, she adds, so those transactions are often more valuable.

“We make it completely seamless, whether customers come from the Web or mobile,” Ferreira says.

Mobile is very important for Saks too, Incandela says—with a massive percentage of its sales coming through mobile and 85 percent of that through tablets.

“We also use mobile point of sale (POS), so you can pay with a device when standing in the store and don’t have to wait in line at the cash register. We’re constantly working to optimize the user experience across all devices,” she says.

Snapdeal.com, now one of India’s largest online marketplaces, also focuses on the mobile experience for customers. While tablets aren’t as common in India, Snapdeal’s founder **Kunal Bahl, W’06, ENG’06**, says that the use of mobile phones for transactions has exploded.

“There are now more mobile phone users than PC users, so this is a big market,” he says.

For Snapdeal, that has translated to mobile phone sales numbers jumping from 3 to 30 percent in the past year.



Expanding Boundaries

It is no secret that online shopping is increasing around the world, but Bahl points to an interesting companion trend: the gravitation of new e-commerce companies toward a “marketplace” model. Rather than buying products to sell directly through a website, many online businesses like Snapdeal, he says, are finding success acting as the conduit to connect buyers and sellers. Americans got familiar with this model with eBay and, more recently, Amazon. Now, sites in India, China and Latin America are marketplaces. Bahl cites MercadoLibre in Latin America (in which eBay has an 18 percent stake) and Taobao in China as examples. According to China Internet Watch, Taobao sales exceeded 1 trillion yuan (\$163.4 billion) in 2012; *Daily Finance* reported that MercadoLibre’s second-quarter profits in 2013 were up 18 percent and revenue up nearly 40 percent.

Overall, e-commerce is leading to a “flattening of the world like we’ve never seen before,” Bahl says. It is destroying traditional geographic and political boundaries. He has seen a dramatic increase in the global demand for B-to-C commerce, which he expects to overtake B-to-B commerce by “many multiples.” He credits improved logistics, including more cost-effective shipping of individual packages around the world, for this trend.

Jaffe points out that globalization is impacting physical stores as well. Consumers in different regions have different needs and tastes.

“Sometimes, it’s obvious like not sending wool sweaters to stores in Florida, but stores need to plan for varying attributes,” he says.

Globalization can result in the opposite. Take the case of high-end luxury and fashion group LVMH Group, where up to 70 percent of the clientele at its Paris brick-and-mortar stores consists of international, nonlocal shoppers.

Says **Pierre-Yves Roussel, WG’93**, chair and CEO of the LVMH Fashion Division and a member of the Baker Advisory Board, “We have to organize ourselves to sell to them efficiently, which means thinking about languages, seasons, tastes and even the ways people shop based on culture.”

Socially Media Conscious

As anyone on Facebook, FourSquare or Pinterest already knows, social media platforms have become integral tools

Celebrating a Decade of Retailing Leadership

The retail business had a bad reputation among the best and brightest. Even just 10 years ago, young business professionals shied away because of the perceived long hours and poor pay. Very few industry leaders were coming to Wharton, or other top business schools for that matter, to recruit.

“They didn’t feel they could get the top students,” says **Jay Baker, W’56**. “Quite honestly, a lot of that has changed.”

Baker initiated this shift. In 2002, he and wife Patty established the Baker Retailing Initiative through a generous gift.

Soon thereafter, business leaders solidified the center’s position in the industry by joining its advisory board and participating in its many projects and conferences. Retail became a Wharton concentration. The number of students who get placed in retail internships and full-time jobs now tops 100 annually; only two students went into retail in 2002. And externally, the center has earned a reputation as the research center for the business—in the U.S. and increasingly internationally—in no small part because of the leadership of Director **Barbara E. Kahn**, the Patty and Jay H. Baker Professor of Marketing, her team and the world-class Wharton faculty. In 2012, Baker solidified this continued success by endowing it in perpetuity as a center.

“We’ve been able to get the industry and academia to work together. It’s something we’ve nurtured and built, and it’s really working now,” Baker says.

Looking forward, the center will remain relevant by anticipating emerging trends.

“I really see retailing as changing very rapidly now,” Baker says. “We need to change with it.” (For a full discussion of the changes buffeting the business, see our main story starting on P. 68.)

Part of the center’s response has been the founding of the Baker Director’s Council—a group of leaders from the new online and startup space—which promises to become a fruitful collaboration between academia and new practitioners with the goal of discovery and interaction.

Other schools have since tried to copycat the success at Wharton—such as programs at Columbia Business School, the University of Arizona and Indiana University.

“There’s no doubt we’re the leaders in this, and we’ll continue to be,” Baker says. “I don’t think 10 years ago I could have anticipated what we’ve accomplished and what we see for the future.”

—Matthew Brodsky



“We got to the point where we felt it was better to start from scratch ... reinventing the new department store of the 21st century.”



for retailers. In addition to providing valuable word-of-mouth marketing, social media platforms also allow retailers to engage with customers in a new way.

“It’s much less expensive to send out an email or post about a sale than mailing paper. It’s also more efficient if I can tailor it to the type of content a customer wants, which goes to customization. The key is making the message relevant to the customer so that it’s informative and not overly pushy,” says Jaffe.

One way Saks leverages social media, according to Incandela, is with in-store screens that show customers “social feedback.” For example, customers in the shoe department might see a Twitter feed scrolling on screens with relevant information about the shoes. Customers also can scan bar codes with their mobile phones to access product reviews.

She adds that sales associates are encouraged to engage with customers via social media. “It’s a tremendous opportunity to enhance relationships and directly connect with customers via all social media platforms.”

The Rise of the 360° Customer

Driving many of these trends are the millennials, the generation typically defined as people born from the 1980s to 2000. According to *Barron’s*, this group makes up the largest population cohort ever in the U.S. and accounts for an annual \$1.3 trillion of consumer spending—21 percent of the total.

With this wave of spending come new norms, new attitudes.

“There is a cultural shift happening where people used to judge each other by the type of car they drove or size of a house, but those things no longer have the same value in society,” Blumenthal observes. “Attitudes are changing, and people are valuing experiences more, which you can see on millennials’ Facebook and Instagram postings when they talk about a vacation or an amazing meal.”

“We call this a move to emotional commerce. They are looking for more meaning in every purchase,” Ferreira agrees (though adds that some of this might be driven by more value-consciousness by many shoppers, not just the youth).

For brands that do want to make that emotional connection, a focus on design is key. This means attention to everything from the design of a façade to a website to a store’s interior.

Blumenthal says that when you walk into Warby Parker’s flagship store in New York, it feels more like a library than an optical store, with 18-foot ceilings, the appearance of book stacks and terrazzo floors with rolling ladders.

“It’s an experience that people want to talk about and post on Instagram,” says Blumenthal.

Incandela describes how Saks is creating “a playground” for millennials in its stores.

“We’re constantly challenging ourselves to ensure our store experience is animated and engaging,” she says.

Current examples include mobile POS to avoid waiting in lines, in-store Wi-Fi, those aforementioned scrolling screens displaying relevant social media posts, the ability to scan bar codes with mobile devices for product reviews and in-store iPads to access Saks online.

Beyond design and fun, engagement also comes down to better customer service to connect emotionally with customers—sometimes customer service of the old-fashioned, personal variety.

Warby Parker hires graduates from top universities like Penn to staff its customer experience team.

“People think we’re crazy to invest so much in hiring talented people, but it’s an important touch point with customers, and when we provide an awesome experience, it comes back 10-fold. Word of mouth is over 50 percent of our business,” Blumenthal says.

“Luxury brands have offered it for years, but now it’s become more the standard in the retail industry,” LVMH’s Roussel observes about customer service.

He adds that shoppers want the full “360 degrees” experience.

“In particular, they want to experience a meaningful connection with the brand (either physically or online). Our staff in the stores plays a major role in making that connection, building the relationship,” Roussel says.

The Pressure to Change

Given these inexorable trends—technological, global, demographical—retailers stare down the reality that innovation is essential for survival, much less success.

Roussel explains it this way: “When you go without changes for a long time, then it becomes that much harder to do something different. Meanwhile, the bar gets that much higher. Sometimes innovation requires radical changes.”

He cites the closure of the department store La Samaritaine in Paris, established in 1870.

“We got to the point where we felt it was better to start from scratch, closing all operations in 2008 and reinventing the new department store of the 21st century targeted toward

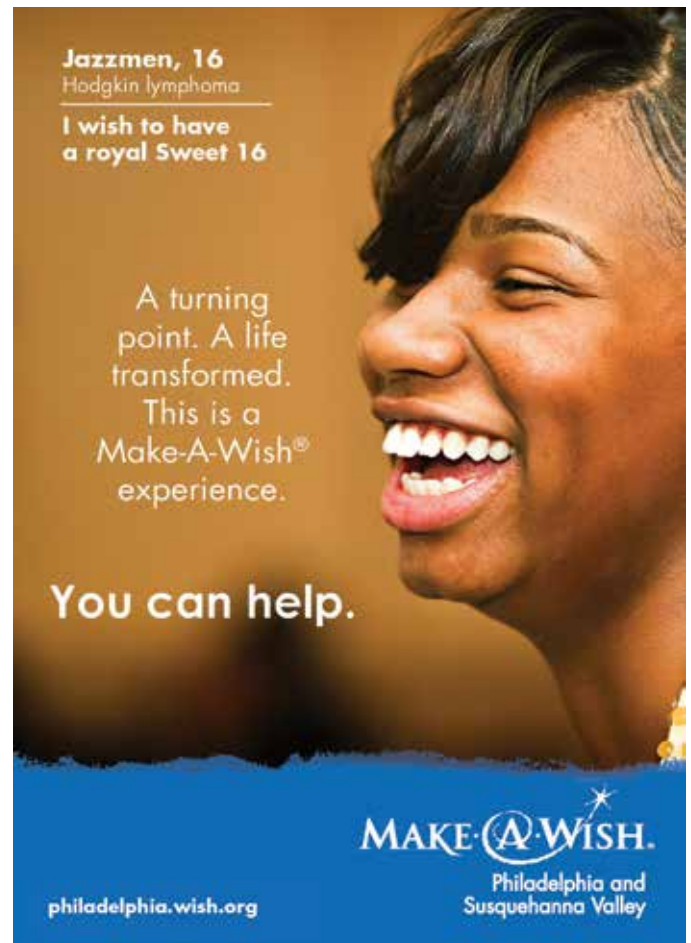
mostly international customers, which will reopen in 2014.”

In China, Roussel’s company depreciates investments in stores every three years to gain “flexibility.”

“It’s a fast-changing market in China, so we have to shorten the life cycle of retail concepts and be able to redeploy assets/change locations rapidly,” he says.

For Incandela, future innovations could come in the form of ever-more-amazing and engaging technology, such as mobile wallets, magic mirrors to virtually try on clothes, and digital mirrors and hangers that display product reviews and social media “likes.”

“In the end, though, the more things change, the more some things stay the same,” says Wharton’s Kahn. Retailing is about creating customer value, understanding customer needs and providing something that they are willing to pay for. Whether it’s global, omnichannel or mobile, retailers need to figure out how to get consumers to go to the store and buy.” ■



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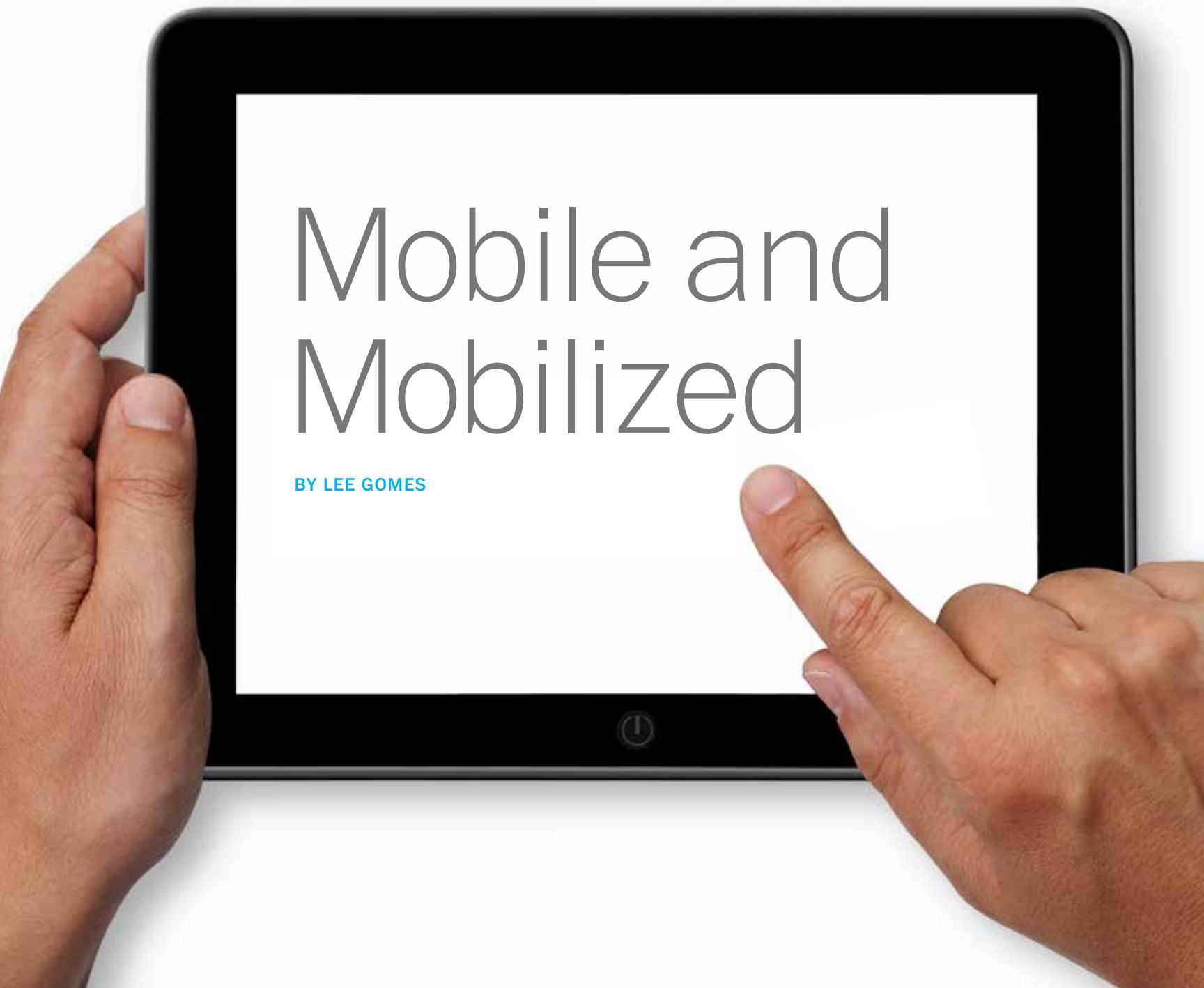
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Mobile and Mobilized

BY LEE GOMES



P

ractically every adult on earth is a customer. How many industries can put that in their sales brochures?

The global mobile industry is a few years away from being one of them. Handsets weren't even around a generation ago; now, more than 6 billion of the world's 7 billion people have access to them, according to the United Nations, more than have working toilets. For the time being, the richer countries tend to have iPhone-style "smartphones," with their larger displays and more powerful microprocessors, while citizens of developing nations are still using more rudimentary "feature phones." But thanks to the relentless progress made possible by the phenomenon known as Moore's Law, that technology gap is rapidly narrowing; in the first quarter of 2013, global shipments of smartphones exceeded feature phones for the first time.

So widespread is the ascent of mobile computing that it is the common denominator in scores of seemingly disparate headlines from the business pages. Consider Apple Inc., whose shares reached just above \$700 in September 2012, largely because of iPhone sales, making it the most valuable company on the planet. Their subsequent dramatic decline, to below \$400 in April 2013, was attributed to ferocious competition from Korea's Samsung, especially for smartphone sales in the developing world.

All that makes mobile one of the most important technological, social and business trends of our age; epic fortunes are being made, wagered, lost and transformed. Mobile may be the most "disruptive" technology the world has ever seen, and everywhere you look, Wharton graduates are on the front lines of ushering in this new mobile world.

"It's a very, very big deal," says **Santo Politi, WG'97**, whose Boston-based Spark Capital makes venture investments in

mobile companies. "Mobile is becoming the way we interact with the world, and we are only at the very beginning of what we can do with the technology. Today, only a few companies, like Facebook, have close to a billion users. But in 10 years, there will be thousands of them."

The main reason for that forecast is the simple scale at which mobile phones are being used, Politi explains, and very soon almost everyone on the planet will have one. Along with the fact that it gets easier every year to run a big, Facebook-style data center, the result will be more companies operating at Facebook's scale. Politi's own track record of investing indicates he's doing his part to run up those numbers; he's been involved with such massive successes as Twitter, Tumblr and Foursquare.

Social networks such as Twitter and Foursquare thrive on mobile because of something that nearly every new iPhone, Lumia or Galaxy owner realizes very early on, which is: Once you begin living with a mobile phone, it's hard to imagine life without it.

"It's always on, and it's always with you," says **Joe Meyer, WG'97**, president and CEO of HopStop.com Inc., whose app provides mass transit and walking directions in more than 500 cities throughout the world. "It sometimes becomes very hard to dis-attach from the digital world, and that can be a bad thing. But mobile has also brought so much convenience and utility into our lives that the good of being always on far outweighs the bad."

The Mobile Manager

The manner in which mobile phones are reshuffling business fundamentals is evident in the daily calendars of one of



Justin Overdorff, WG'11

the managerial class' newest job titles: director of mobile business development. Virtually every company of any size has one now.

Justin Overdorff, WG'11, fills that role for Yelp, the "crowdsourced" local review site that is especially popular in cities.

"Mobile has become the most important part of our business," he says, adding that 60 percent of all searches on Yelp come from mobile as well as 40 percent of ad impressions.

So Overdorff spends most of his time putting together deals with carriers like AT&T and Verizon to have them preinstall Yelp's mobile app and integrate Yelp's local content on the handsets the carriers provide to their customers. Yelp makes its money from ads, Overdorff says, and its deals with carriers usually involve revenue-sharing in return for Yelp being preloaded.

It's a case study in how mobile is rewriting the rules of a major industry. On account of mobile, according to Overdorff, carriers are increasingly worried about becoming "dumb pipes" that supply a commodity service—while companies like Apple, Samsung

and Google make all the profits. Carriers are now especially interested in developing new revenue sources, including striking up deals with the Yelps of the world.

In the Enterprise

Meanwhile, virtually every established brand that interacts with consumers has developed a mobile app, and more likely than not has an ever-expanding team of programmers adding to the app's functionality. Consumer-oriented companies are finding themselves being forced to adapt to life in a mobile-enabled world. But it's striking how much mobile is also affecting companies ordinarily considered far-removed from the consumer marketplace—say, a firm in the \$300 billion enterprise software market that sells products for internal use at big corporations.

These companies, too, are remaking themselves to take mobile into account, says **Narinder Singh, WG'04**, co-founder of Appirio Inc., a seven-year-old firm that provides technology to enable



Jing Chen, W'07, ENG'07

big companies to take advantage of cloud computing. Originally, Singh says, virtually all of Appirio's products, like those used to keep track of human resources data, were designed for users sitting at traditional desktop computers.

"But now, more than half of what we do has a significant mobile component," he reports. "If we build something for a company's sales

department, they are going to make sure it's available to their mobile users."

In fact, Singh says, many companies are now developing smartphone versions of their enterprise programs first, adding support for traditional desktop computers only after they are available via mobile.

"A huge percentage of people are mobile first," he says.

There may be no better evidence for the "mobilization" of the world than the experience of **Andrew Clark, W'84**, who helps run a Houston-based tech "accelerator" called Surge that helps startups in the energy field get off the ground. Houston is a global energy capital, and its world of offshore oil rigs and horizontal natural gas drilling is about as far away from Silicon Valley as one could imagine.

But, Clark says, nearly every one of his startup companies in the energy field need to take mobile into account in coming up with their business plans. Consider Dynamo Micropower, founded by a group of MIT students. The company makes a new breed of microturbine portable electrical generators that can run off unrefined natural gas. It is designing mobile sensors into its products so they can be monitored from far off-site, and so all its user documentation and service manuals can be accessed from iPads and smartphones. Then there's Skynet Labs, which helps oil prospectors calculate the exact composition of the "mud" that is used as a lubricant in the drilling process.

How does Skynet provide the service? Through a mobile app, of course.

An App Developer for That

Skynet is but one example of the literally hundreds of thousands of companies taking advantage of the new app stores, where iOS or Android platform customers download new programs for their devices. The mobile app market is often written about as a source of boundless wealth for entrepreneurially minded programmers willing to quit their day jobs to develop the next "Angry Birds" hit.

The truth is another matter entirely; virtually every single category of mobile apps is crowded with scores of competing products, and only a few of them garner enough sales to make the undertaking worthwhile.

This is a phenomenon **Jing Chen, W'07, ENG'07**, knows all too well. Her six-year-old San Francisco company, K-Factor Media, supplied an analytics app used in corporate planning. But seeing where the action was moving, the company switched to games and other mobile apps. Now, its most popular product is one that reminds users of their friends' birthdays. There are, Chen admits, dozens like it, but her company has been able to stand out, reaching both profitability and 100 million monthly active users through the savvy use of big data analytics.

"We weren't the first birthday reminder site, but we got to be one of the biggest because we are very good at marketing and distribution," Chen says. "We track everything. Where people come from, and what they do on our sites once they get there. If users keep getting stuck on one level of our game, we'll see that, and then redesign the game to prevent that from happening."

Gordon Su, W'08, ENG'08, is also tackling the game market, but from an entirely different angle. His startup, PennyPop, is developing a hybrid breed of games that allow different people to play together at the same time on the same team, as happens with "massively multiplayer" games like "World of Warcraft." But rather than engage in



Narinder Singh, WG'04,

virtual combat, with guns and swords, PennyPop's customers work in teams on puzzle games, like "Bejeweled," a brightly colored pattern matching game that has been one of the mobile gaming world's smash hits; it's been downloaded more than 150 million times, and has inspired a legion of copycat games. "Bejeweled" was one of the first games to attract attention for its considerable following among women; at one point, 70 percent of the people buying it were female.

The expanding demographics of mobile gaming are one reason that Su thinks the market is enormous. "Everyone now is gaming enabled," he says.

PennyPop makes its money by charging users for "in-app purchases." Players might pay to advance to a new level, or to acquire extra abilities for their on-screen characters. Purchases can be in nickels and dimes, but they add up.

Su estimates that his ARPDAU, or average revenue per daily active user, is 50 cents, which is five to 10 times the industry average, he says.

"Our average users play over an hour a day," he says. "Their engagement with the game is through the roof."

Their one game, only in beta on iOS in select countries, generates enough revenue to make the entire company profitable, he explains.

Anton Bernstein, W'08, who uses Su's PennyPop graphics engine for his own gaming company, says one of the biggest challenges for the mobile gaming industry is to keep the attention of its customers with games that are clever and compelling to play, rather than games that are simply compulsive and addictive.

"Some of the biggest companies in the game business got that way by feeding a gaming addiction, and not by feeding any

gaming joy," he adds. Those companies, Bernstein continues, end up having very short half-lives, because users eventually tire of being manipulated by the game's design and abandon it. (His own game, "Pocketz," is particularly popular with teenage girls.)

The model Bernstein aspires to with his own gaming company? Disney.

"The first Disney was built around movies. But the Disney of the next 15 years is going to be built around games. Games are the perfect vehicle to build a quality brand around, one that gets people excited in the first place and keeps them coming back," he says.

Through the Hype

For all its explosive potential, the mobile market has the reputation for being difficult to make money in. Mobile screens simply don't have the space for the sorts of advertisements that

regularly fill up web pages. Indeed, one reason that Facebook's share price hit a rough patch after the highs of its first few days of trading last year is the perception that the company can't monetize its growing number of mobile users as easily it could those with personal computers.

Mobile entrepreneurs say the secret lies in designing business models that take advantage of the unique characteristics of the mobile experience, especially the fact that advertisers can often know a user's exact whereabouts. For example, the HopStop app, which tells users when the next bus is due, might also suggest a nearby coffee shop where they can grab an espresso while they are waiting.

HopStop's Meyer calls these pushes "geo-targeted calls to action." It's a practice his company is able to hone on

account of the success it's achieved to date in powering greater than 1 billion direction searches. HopStop's mobile apps have been downloaded nearly 4 million times. An impressive figure, enough, as it turns out, to bring the company to the attention of none other than Apple, which bought HopStop in July 2013 for an undisclosed sum.

At the moment, the word "mobile" is associated with handsets like smartphones and tablets, but new kinds of mobile devices are just around the corner. They could fuel even more industry growth. Google has generated a lot of attention for its Google Glasses, which embed a tiny computer display on a special headset that users can glance up at. The device is expected to be used initially in specific industries. Health care organizations, for example, are considering the eyeglasses for doctors and nurses because they can see a patient's data, and the actual patient, in front of them at the same time. But the glasses could be popular with general consumers too. Much the same could be said about Apple's rumored watch, a wristband with a matchbook-sized, built-in screen that might display not only the time, but also text messages, emails and anything else a user might want to see.

These new intelligent devices may well proliferate on a scale to rival smartphones someday, says investor Politi.

If you think you can never get away from a computer now, just wait.

"We are going to start seeing mobile computers everywhere," he says. ■



Joe Meyer, WG'97



Gordon Su, W'08, ENG'08

More Education Door to Door

From coast to coast and continent to continent, the Lifelong Learning Tour has been, by all accounts, a success.

Jorge Margain, WG'07, vice president of Tresalia Capital and past president of the Penn and Wharton Club of Mexico City, helped to host the master class taught by **Mauro Guillen**, the Dr. Felix Zandman Professor of International Management and the director of the Lauder Institute. “Uncertainty, Complexity, Volatility” was a hit with alumni in attendance, says Margain, because it explored the topic of Mexico’s role in the global economy.

“Everything was top level,” he stated, “and the room was packed. The Q&A section was incredibly active.”

Energy and engagement levels were high in Mexico because the Lifelong Learning Tour was fulfilling a primary objective: delivering tailored, relevant content. The Tour made 12 stops between Sept. 10, 2012, and Sept. 9, 2013. At each stop, Wharton staff ensured that programming answered and even anticipated the interests of the local alumni.



Attendees take notes during a Lifelong Learning master class, as they once did as students on campus.

One year after launching the successful Lifelong Learning Tour, we reflect on the experience and plans for its future.

BY ABIGAIL RAYMOND

Laura Zarrow, GED'95, who heads up Lifelong Learning as senior project director of the Wharton Innovation Group, cites “Increasing Disaster Resilience,” the Jan. 29, 2013, event in New York City with **Robert Meyer**, as another excellent example.

Meyer, the Gayfryd Steinberg Professor and co-director of the Risk Management and Decision Processes Center, is renowned for his work in catastrophe management.

“It was in the wake of the hurricane [Sandy], and it gave us a chance to highlight the cutting-edge research and outstanding teaching that happens in our faculty—but to bring it to our alumni in a way that’s really relevant to what they’re facing every day,” Zarrow says.

Zarrow also sees the Tour as a gateway for alumni to become involved with other Lifelong Learning programs, including its digital library of videos and webinars. The Tour is part of Wharton’s multidimensional approach to investing in the education of its students long term.

“We’ve continued our commitment to doing it for the coming year,” says Zarrow about the Tour. “We have picked another slate of cities where we’re trying to reach out to groups of alumni who we know would welcome Wharton coming to them.”

These will include “Beyond Digital” in São Paulo, Brazil, on Nov. 13, 2013, with Associate Professor of



MAKING WAVES

KNOWLEDGE FOR ACTION

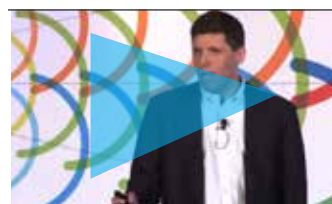


Professor Robert Meyer presented on "Increasing Disaster Resilience" during a master class in New York.

Legal Studies & Business Ethics **Kevin Werbach**, and "What is Success?" on Nov. 19 in New York City with **G. Richard Shell**, the Thomas Gerrity Professor of Legal Studies and Business Ethics and Management.

"I'm always glad for opportunities to share my research with our alumni," says Werbach, who also taught the 2012 master class in Philadelphia about gamification. "Events like the Lifelong Learning Tour that put faculty in front of businesspeople are a win-win-win: for the alumni attending, the professor and our students. Having a chance to present to alumni who are out in the business world is a valuable reality check for me as a teacher."

Writing after the Philly event on the Wharton Blog Network, **Kristina Kohl, WG'88**, president and executive director, sustainable strategy, at HRcomputes, reported: "Werbach is an



((ON THE web))

Watch videos of the Lifelong Learning Tour master classes at <http://whr.tn/LLL-Videos>.

engaging speaker, and the session provided a new business tool applicable in my world of sustainability."

For Margain, the Mexico City event had added significance. Several MBA prospects attended, and Margain hopes that the quality of Guillen's master class will help encourage more students from Mexico to apply to Wharton. That would mean more alumni to enjoy Lifelong Learning content. ■

Final Exam

In each issue of *Wharton Magazine*, we test your knowledge with a question crafted by one of the School's esteemed faculty members (often straight from an actual Wharton course). Submit the correct answer and you'll be entered into our drawing for our grand prize—a \$400 gift certificate to the Wharton Store. This Final Exam challenge comes from **Shane T. Jensen**, associate professor of statistics and co-director of the Ph.D. program. Good luck!

Winner of the summer issue Final Exam challenge:
George Benz, GED'73, WG'78
Congratulations, George!



The Basics:

The standard metric for evaluating players in hockey is the “plus-minus” statistic. A player’s plus-minus is the total number of goals scored for their team minus the total number of goals scored against their team while that player was on the ice. A problem with plus-minus as a measure of scoring ability, however, is that it does not account for the different quality of line mates or opponents.

The Question:

Consider a particular player with a plus-minus of +40 who plays with very good teammates, and use regression analysis to adjust his plus-minus to account for his four line mates. What is the most reasonable value for his “adjusted plus-minus”?

- A.** +50
- B.** +40
- C.** +30
- D.** 0
- E.** -10

((ON THE web)) Think you know the answer?

Submit your response to magazine@wharton.upenn.edu by November 22. We will post the correct answer on December 2 on our website. Out of all correct submissions, one winner will be randomly selected to receive a \$400 gift certificate to the Wharton Store. Prize may be subject to taxation; must be 18 years or older to win.

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