

s u m m e r 2 0 0 2

Wharton

A L U M N I M A G A Z I N E



Wharton Then & Now

Alums on how the School
has changed over the last
half-century



The Wharton School
University of Pennsylvania



Huntsman Hall's Opening Celebration will take place from October 25-26.
See page 80 for details.

Save the Date

OCTOBER 25-26, 2002

Huntsman Hall Opening Celebration
Philadelphia

MAY 22-23, 2003

Regional Alumni Meeting*
Berlin

JUNE 6-7, 2003

Regional Alumni Meeting*
Shanghai

JULY 10-11, 2003

Regional Alumni Meeting*
Miami

* See back cover for details.

Features



8

A look at Wharton—past and present.

Wharton Then & Now

8

Alums on how Wharton has changed – or not – over the last half-century.

Reunion 2002

18

Images from this year's Reunion in May.

Tracking Digital Transformation

30

Wharton's Raffi Amit has his eye on the future of e-business.



30

What's around the corner for e-commerce?

Departments

Wharton Now

2

In Memoriam: Former Dean Willis J. Winn
Envisia, Inc. wins Business Plan Competition
Wharton [Connect] in Texas

Campaign Update

22

Keep Wharton Moving!

Knowledge@Wharton

34

The Changing Role of the CFO

Alumni Association Update

38

Global.Wharton.Connections

40

Alumni Resources

Class Notes

41

At the Top

81

Art Collins, WG'73



18

Picnics, parties, networking, and . . . the Rolling Clones?

In Memoriam: Former Dean Willis J. Winn



WINN

Willis J. Winn, Wharton's Dean from 1958 to 1971, passed away on April 11. He was 84.

Dean Winn earned both master's and doctoral degrees from Wharton and also served as the deputy dean under his predecessor, C. Arthur Culp, from 1955 to 1957, and acting dean during the 1957-58 academic year. As dean, he is credited with leading curricular reform and upgrading the quality of Wharton's academic programs, the PhD and entrepreneurial programs in particular. Winn further strengthened Wharton's reputation for research through his active recruitment of senior scholars.

In addition to his administrative leadership and considerable scholarship, Winn was a director of the Federal Reserve Bank in

Philadelphia from 1961 until 1970 and its board chairman from 1966 until 1970. From 1971 until his retirement in 1982, he served as president of the Federal Reserve Bank of Cleveland.

He is survived by his wife of 59 years, Lois Gengelbach Winn; a son, Steven; a daughter, Judith; and a granddaughter.

Bone Biopsy Innovators of Envisia, Inc. Win Wharton Business Plan Competition

In a sign that student business plans are reaching new heights of sophistication, the Wharton Business Plan Competition awarded its \$25,000 grand prize to bone biopsy innovators, Envisia, Inc., at the annual Wharton Venture Fair on Monday, April 22. The winning team included



PICKENS, STEPHENS, AND GOMBERT FROM ENVISIA

Onne Ganel, Matthew Pickens, Eileen Stephens, and Bryon Gombert. In all, the Competition distributed more than \$80,000 in cash prizes this year.

Both of the top two winners had already received outside recognition: Envisia is a finalist in the *MBA Jungle* Business Plan Challenge, and first-runner-up Q Systems received the \$7,000 Glockner Award for undergraduates.

One trend emerging throughout this year's competition – which is open to any Penn student and is managed by the Wharton School's Entrepreneurial Management Program – is the “back to basics” nature of products and services represented.

“We are delighted that this year's students seem to have taken advantage of the educational process we provide,” says Anne Stamer, associate director for Wharton Entrepreneurial Programs. “This year we've seen the students drive each other to create

substantive business plans that go beyond gimmicks. That's why we think many are already well on their way to becoming successful business owners and innovators.”

Reflective of the trend, some of the plans reviewed by the judges contained extensive research and others modest revenue projections. Students targeted niche markets in their plans for such businesses as wound care resins, online auction security, and a new jet-powered industrial hammer for the construction industry.

For complete information on the competition, visit the Wharton Business Plan Competition site at www.wharton.bpc.com.

The Heart of Texas: Wharton [Connect]

Alumni throughout Texas rolled out the red carpet at two Wharton [Connect] events in April. Tornadoes that touched down in the Dallas area on April 16 did not deter nearly 100 alumni from gathering at the Mansion on Turtle Creek and receiving an update on activity at the School. Alumni also gathered the next evening in Houston at the River Oaks Country Club to meet Dean Harker and network with fellow alums. The Houston event was enhanced by the presence of Jon Huntsman,



WHARTON [CONNECT] EVENT IN TEXAS

W'59, who spoke to his fellow grads about his ongoing commitment to the School.

For a listing of upcoming Wharton [Connect] events, as well as a photo album of previous events, go to the Wharton [Connect] site on WAVE <wave.wharton.upenn.edu>.

Executive Education Special Offer for Alums

As the business climate changes rapidly and fundamentally, are you changing your thinking to keep up? Take advantage of the special 25% tuition benefit to alumni for any of Wharton Executive Education's three-to-five-day programs that have space available. This also applies to programs held at Wharton West.

Executive Education offers focused programs with

applied knowledge in leadership, management, finance, and marketing. These programs are taught by Wharton faculty, provide high-level peer access, and win accolades for value delivered. Registration is available online; be sure to note "ALUM" in the special needs field.

For more information, visit the School's Executive Education site at <http://aresty-direct.wharton.upenn.edu/execed/index.cfm>, or contact Antoinette Yancy by phone at 215.898.1776 or by e-mail at yancya@wharton.upenn.edu.

News Briefs

David S. Pottruck, WG'72, president, co-chief executive officer, and a member of the board of directors of The Charles Schwab Corporation, was the featured speaker at the School's MBA Commencement on

May 12 in Philadelphia. A University Trustee, Pottruck recently co-authored the best-selling business book, *Clicks and Mortar: Passion Driven Growth in an Internet Driven World*. He also recently completed his appointment as a commissioner on the Advisory Commission on Internet Commerce appointed by the U.S. Congress and the president.

Robert Boruch, a professor in the Graduate School of Education at the University of Pennsylvania and a statistics professor at Wharton, has been named a **fellow of the American Academy of Arts and Sciences Class of 2002**. The author of more than 150 articles in refereed research journals and the author or editor of 15 books, Boruch has contributed to numerous committees of the National Academy of Sciences during the past 30 years and is a fellow of the American Statistical Association.

Finance Professor **Jeremy Siegel** has been named a **recipient of the Lindback Award for Distinguished Teaching at the University of Pennsylvania**. Award winners are determined by nominations and recommendations made by faculty and students, and there are eight recipients each year across the University. Siegel has taught at Wharton since 1976, and has been cited

by *BusinessWeek* as one of the country's "Top Dozen Educators."

"Get It Started," a new e-newsletter from Wharton Entrepreneurial Programs, offers the latest research, activities, and commentary related to all matters entrepreneurial. One special alumni feature is called "Faces of Wharton Entrepreneurship," a series of profiles of Wharton's alumni entrepreneurs. Check out the premiere issue by visiting Wharton Entrepreneurial Programs at <www.wep.wharton.upenn.edu/wep/wepnewsletter.html>. Subscribing to the newsletter is free.



SIEGEL

Alumni in the News

Daniel J. Finnigan, WG'93, has been appointed Yahoo's executive vice president and general manager of HotJobs. Finnigan will be responsible for all HotJobs operations, including ongoing integration with Yahoo and the expansion in online recruitment (*Business Wire*, 4/8/02).

Anne Marie Corner, WG'89, CEO of Biosyn, Inc., was featured for her work over the past decade developing a supercontraceptive called Savvy. Savvy is designed to prevent pregnancy, kill off HIV, and protect against sexually transmitted diseases (*Vogue*, April 2002).

John W. Palmer, WG'79, was appointed executive vice president of Biogen, Inc. Biogen is the winner of the U.S. National Medal of Technology and is principally engaged in discovering and developing drugs for human health care through genetic engineering. Palmer joined Biogen in 1989 as director of marketing and business development (*Associated Press Newswires*, 4/3/02).

Boediono, PhD'79, finance minister of Indonesia, was mentioned in an article on Indonesia's economic policy (*Australian Financial Review*, 4/3/02).

Corrado Passera, WG'80, has been tapped to head the turnaround at IntesaBci, the biggest bank by assets in Italy. Passera made a name for himself after leading the turn-



PASSERA

around of Italy's famously inefficient postal service (*Reuters English News Service*, 3/28/02).

Jay Fishman, W'74, WG'74, was profiled in an article on his position as CEO of the St. Paul Companies. Fishman was once considered a leading candidate to eventually replace Sanford Weill as the CEO of Citigroup but jumped at the chance to strike out on his own with the St. Paul Companies. Fishman is attempting to build the St. Paul Companies into a financial giant similar to Citigroup (*New York Times*, 3/27/02).

Brian D. Finn, W'82, is rejoining Credit Suisse First Boston as the third member of its new office of the chairman, which already included CEO John Mack and chairman Stephen Volk. In his new position, Finn will focus on investment banking and private equity (*The Daily Deal*, 3/27/02).

Alain Levy, WG'72, was profiled in an article on his recent appointment as the man to turn around troubled music company EMI. Levy has spent his entire career in the music business, including a stint as president of PolyGram,

which he grew into the largest and most profitable music company prior to its takeover by Seagram in 1998 (*Independent-London*, 3/21/02).

George Weiss, W'65, was recently interviewed on the Oprah Winfrey Show about his foundation, "Say Yes to Education," which provides college tuition to disadvantaged children (3/14/02).

F. Gary Garczynski, W'68, was elected president of the 205,000-member National Association of Home Builders. Garczynski is president of National Capital Land and Development Co., which develops about 300 unfinished lots each year for some of the Northern Virginia area's largest builders (*Washington Times*, 3/8/02).

G. Michael Sievert, W'91, has been named executive vice president and chief marketing officer at AT&T Wireless. Prior to joining AT&T, Sievert served as chief marketing and sales officer at E*Trade Group, Inc. (*Business Wire*, 3/7/02).

Michael D. DiCandilo, W'82, has been named senior vice president and CFO of Amerisource-

LEVY



Bergen Corporation, the largest pharmaceuticals services company in the U.S. dedicated solely to the pharmaceuticals supply chain (*Business Wire*, 3/4/02).

Roland Wolfram, WG'86, has been promoted to corporate vice president of global operations and technology at Nike. In his new position, Wolfram will manage Nike's global operations at the point of product development through to customer delivery and will ensure coordination of the supply chain's influence in footwear, apparel, and equipment (*PR Newswire*, 2/20/02).

William T. Tolley, WG'84, has been appointed as senior vice president and CFO of Hubbell Incorporated, an international manufacturer of quality electrical and electronic products for commercial, industrial, utility, and telecommunications markets. Prior to joining Hubbell, Tolley served as senior vice president and CFO of Chesapeake Corporation (*Business Wire*, 2/19/02).

Jack Stahl, WG'77, has joined cosmetics maker Revlon, Inc., as CEO. Stahl has spent his entire career at Coca-Cola Co., having resigned last March as the firm's No. 2 executive seeking to explore other career interests and opportunities (*Reuters English News Service*, 2/19/02).

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

Sherry Oshiver, WG'76 Diving in Head First

By Kate Campbell

When she set out to swim competitively ten years ago, Sherry Oshiver, WG'76, was gasping for air by the time she reached the 50-meter mark. Although she was a member of the diving team as a Penn undergraduate and a scuba diver since her 20's, Oshiver quickly learned distance swimming would call for a dose of serious stamina.

"If you think about it, all you have to do as a diver is swim to the ladder," jokes Oshiver, 50, who lives in the Washington, D.C. suburbs, and who in 1993 became a nationally ranked Masters swimmer. Members

to being winded. Gradually, my stroke got better. I thought I would not make it. But after four months, I could swim a mile of freestyle nonstop. It's not just about strength and endurance – it's also about technique."

She was hooked and began swimming in ocean races and has placed fourth in her age group. "A quarter mile out there in the waves I felt a wonderful freedom being where swimmers don't normally venture," says the Philadelphia native and lawyer who worked for the Ford Motor Company and the New York Telephone Company specializing in marketing, finance, and contract negotiations. Also a speech writer and certified mediator, she has worked as a congressional liaison, performed regulatory analysis for the Federal government, and delivered presentations on legislative and regulatory topics nationally and internationally.

"Swimming is a terrific stress and tension reliever," she notes. But her first race in Sea Isle City, NJ, in 1992 was punishing. Oshiver was among 300 swimmers as they crashed into the icy surf. "As the waves rolled over us, it felt like a fistfight in a washing machine. Unfortunately, I had decided I wouldn't need my wet-suit and left it on the shore. The water temperature was 61 degrees."

She tried to focus on the race, she says, to block out the cold. But there were other obstacles. "We hadn't talked about the need to

watch the shoreline and make sure we were not drifting. After a quarter mile, I went off at an angle and did not place too well in that race."

As a competitive swimmer, she has since fought against jelly fish attacks – "it felt like a hundred needles stabbing me" – and powerful currents in many ocean races. All the lessons she has learned in the ocean, she says, have helped her navigate better in life.

"I learned that I had to keep swimming. There wasn't anything else to do. In an ocean race, maybe like the rest of life, you run into a lot of things you can't foresee. The most important thing is not to panic. It's basically about perseverance."

That perseverance has paid off. Most recently, she swam in a regional meet where she placed second in some events. She has even tackled the 100-meter butterfly – universally acknowledged as one of the most strenuous strokes.

Oshiver is hoping to carve out a new career in motivational speaking, transferring the techniques of determination that she's mastered through swimming into helping others who face obstacles in their own careers or personal lives. "Starting to swim competitively later in life is something people might hesitate to do. However, even if you don't do well at first, it's important to stick it out."

The experience of facing a new and physically rigorous challenge later in life

continued on page 37



OSHIVER

of the international swimming organization attend scheduled workouts and races and are ranked periodically at national meets.

Early on, the desire to race spurred Oshiver, who didn't surrender to the exhaustion that came with mastering each stroke.

"I swam six or seven days a week when I began that winter. Physically, it was very hard. I wasn't used

EDITORIAL STAFF

Editor

Steve Guglielmi

Editorial Board

Michael Baltes
Rosemary Connors
Karuna Krishna
Meghan Laska
Tom McMahon
Nancy Moffitt
Mukul Pandya
Robbie Shell
Peter Winicov

Editorial Assistant

Jennifer Urban

Contributing Writers

Juliana Delany
Brigid McCormack

Design

Warkulwiz Design Associates

Production Assistant

Martin Thibodeau

Editorial Office

1030 SH/DH, 3620 Locust Walk
Philadelphia, PA 19104
215.898.7967 Phone
215.898.1883 Fax
magazine@wharton.upenn.edu
<www.wharton.upenn.edu/
alum_mag/index.html>

ADMINISTRATION

Patrick T. Harker
*Dean and Reliance Professor of
Management and Private Enterprise*
Steven Oliveira
Associate Dean, External Affairs
Leslie Arbuthnot
Director, Alumni Affairs and Annual Giving

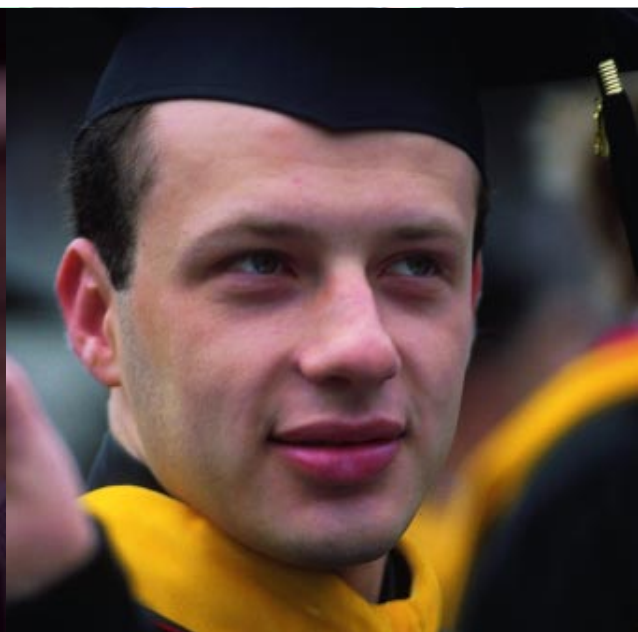
ADVISORY BOARD

Joan Walsh Cassidy, WG'82
*Executive Director, American Council of
Independent Laboratories*
Jay A. Dubow, W'81
Partner, Wolf, Block, Schorr and Solis-Cohen
Ellen Yin, W'87, WG'93
Proprietor, Fork Restaurant

For Change of Address: The Wharton School
Office of Development and Alumni Affairs,
Alumni Address Update, 344 Vance Hall,
3733 Spruce Street, Philadelphia, PA
19104-6360 • Telephone: 215.898.8478 •
Fax: 215.898.2695 • Web: <wave.wharton.
upenn.edu/updateform.html>



Welcome New Alumni





The threat of rain on Sunday, May 12, couldn't dampen the smiles of Wharton's newly minted graduates. Undergraduate, MBA and doctoral student ceremonies were held throughout the day while families, faculty and School administration looked on.

Approximately one-third of this year's 1,285 degree recipients were women. Concentrations with the highest representation were Finance, Management and Marketing. According to early statistics from the MBA Career Management Office, the top functional choices of graduates fall into the categories of finance (corporate and professional services), consulting and strategic planning, and

marketing. However, in light of this year's challenging job market, Career Management is seeing a larger than usual breadth of non-traditional industries and companies surface; industries like real estate and public interest, for example, will emerge as statistically significant industry choices this year.

The MBA speech was delivered by University Trustee David Pottruck, WG'72, president, co-chief executive officer, and member of the board of directors of The Charles Schwab Corporation. Pottruck acknowledged the tough economy faced by this year's graduates, stating that its effects were only a "speed bump on [the] path to greatness." ♦





Wharton Then &



JACK CURLEY, W'54

TOMMY LEONARDI

Alums on how Wharton has changed—or not—over the last half-century

BY STEPHEN J. MORGAN

If you want to get an idea of how different the Wharton School is today from the way it was nearly 50 years ago, just talk to people like Jack Curley, W'54, and Nivee Amin, W'02.

In Curley's day, for example, the guys in his classes – and they were nearly all men – could take their evening meals at Houston Hall as part of their tuition package. But unless you showed up wearing a coat and tie, you would go hungry.

Amin finds that amusing. “We can wear pajamas to our meals!” she says in an interview just a few days before graduating. Having to get dressed for dinner, she says, “is definitely a foreign concept.”

If, on the other hand, you want to get an idea of how much the School has remained the same, all you have to do is talk to those very same alumni.

"I was offered three jobs walking out of Wharton because the School had a great reputation then, and it's been enhanced since then," says Curley, who grew up in the Philadelphia suburb of Bala Cynwyd, PA, and still lives there.

Amin, too, was attracted to Wharton because of its reputation.

down still work in the Philadelphia area; others are scattered around the world. Some have stayed close to Wharton by serving on boards and committees; others are less actively involved with the School, but still feel affection for it. Some work in big cities; others in small towns. Some are entre-

company called IBM. Both men also served in the armed forces. Jones has lived in New York for a long time, but the two remain as close as only men who have known each other since the second grade can be.

"Jack tries to pretend he's a curmudgeon, but he's a young curmudgeon," says Jones, a former vice chairman of the Wharton Club in New York City. Jones says Curley still tells the same jokes that he did decades ago.

Of the three job offers he received, Curley took the one from IBM. "IBM was a growing and expanding company," Curley says, even though computers had yet to become a significant part of IBM's business. "IBM was in the business of time-clock punch-card machines and electric typewriters. Computers started to come in the late '50s and early '60s. IBM was not as well known as it is now."

Curley's era has a black-and-white-photo feel to it. He graduated two years before Dick Clark became host of American Bandstand at the old WFIL-TV studios at 46th and Market Streets in Philadelphia. During Curley's time at Wharton, trolley tracks dissected the campus, and classes moved from Logan Hall to a new building called Dietrich Hall.

As for international exposure – to fellow students, cultures, and business issues – Curley's was limited. One of his teachers was an assistant professor of geography, Michael Dorizas, a "burly Russian" the students called Big Mike, who periodically hauled out a projector and showed movies he had taken behind the Iron Curtain using a 16mm camera. The quirky photography reminded Curley of Hollywood's silent films. Still, Curley says, the teacher's movies "showed you a world beyond 34th and Spruce."

Curley today is president of E-Z Tax, a startup company that installs computers in poor neighborhoods so that low-income people can file tax returns directly with the IRS and avoid paying fees to tax preparers.



TOMMY LEONARDI

"I knew I wanted to study something to do with the economy, but I wanted a practical business background because I eventually want to get into the health care industry," says Amin, who hails from Ellicott City, MD, and has accepted a job in public finance with Morgan Stanley in New York. "Wharton is the best business school for undergraduates."

To learn how Wharton has evolved over the years, the magazine talked with alumni and faculty members who attended or taught at Wharton during every decade since the 1950s. Some of the individuals the magazine tracked

preneurs. All get excited when they talk about their work and about their school days.

Friends from the 50s

Curley and his good friend Tom Jones, WG'58, have deep Philadelphia roots. They grew up in the same neighborhood, were roommates at Penn, and belonged to the same fraternity. Jones attended Penn as an undergraduate, majoring in engineering.

After graduating, Jones and Curley went to work at an up-and-coming

If Wharton's international curriculum in 1954 was not as extensive as it is now, it would be unfair to say that it did not exist.

"I was one of the few people who majored in what was called international commerce in those days," says Jones. "I became an officer of the Propeller Club, a club for international business students. The club's name related to the propellers of freightliners, because international commerce up until that time was mostly at sea. In fact, I did my thesis on IBM and its international business."

In 1966, Jones was selected to be a White House fellow. Jones' interest in things international grew partly out of his experience serving in the U.S. Army's Second Armored Division in Germany in 1955 and 1956. Ironically, Jones says, "When I went

to work at IBM, I was advised not to work overseas because I would get too lost in the shuffle and not be able to move ahead."

Jones today is president and CEO of Fifth Generation Computer Corp., which designs and assembles servers for telephone companies and universities for use in speech recognition.

Cinderblock walls and vinyl floors

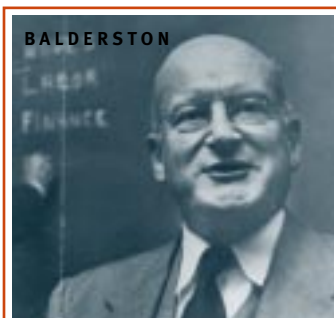
Janice R. Bellace, CW'71, a longtime faculty member in the Legal Studies Department and former deputy dean of the School, says there are many things she remembers about Wharton in the tumultuous 1960s and early 1970s, but the first thing that comes to mind is the old Dietrich Hall.

"It had these pale green cinderblock walls and vinyl tile floors," she says. "You looked down long corridors and went into classrooms where seats were bolted to the floor and the professors were at the front of the room on platforms. Even by the late '60s, the building seemed old fashioned."

More than a few alumni echoed Bellace's remarks about the aesthetically

challenged nature of Wharton's physical facilities. Michelle Smith, W'96, remembers the first time that she, accompanied by four girlfriends, took a stroll on Locust Walk. She was not impressed. "I said, 'Oh, that's it?'" Whereas Steinberg Hall-Dietrich Hall struck Smith as functional, Vance Hall seemed to her a bit of a "dinosaur." "I thought it was a temporary building and that the plan was ultimately to build something else," she says.

"When you compare our school to others, one of the big things is that other schools have established business campuses," says Richard Murray-Bruce, WG'02. "Harvard Business School's architecture is similar. It's all self-enclosed, which promotes a concentrated culture. Wharton didn't have that. There wasn't a great place to meet on campus. That's a subtle thing, but it created a fractured environment that will change radically when Huntsman Hall opens. Huntsman will create a central place to meet, and that will change how people feel about coming to Wharton."



1952

Wharton relocates to **Dietrich Hall**, the first building devoted solely to Wharton. Over the course of a decade, Dean C. Canby **Balderston** raised \$2.3 million to construct the School's new home. With more than 300 rooms, Wharton finally had space to grow.

1954

The University announces that for the first time, women would be admitted to the undergraduate programs of Wharton and the School of Engineering and Applied Science. That September, 15 women enrolled as undergraduates at Wharton. In 1956, **Carole M. Berman** became the first woman to earn a Wharton

undergraduate business degree, and eight other women went on to earn their bachelor of science degree in economics by June 1958.

The same year, Wharton names **Jean Andrus Crockett**, PhD, to the faculty position of Assistant Professor of Finance. **Crockett** was the first

woman to join Wharton's standing faculty in a department. In 1959, she was promoted to Associate Professor of Finance and in 1965 to full Professor of Finance, making her the first woman to earn tenure and hold a senior professorship within a Wharton department.

A few good women

Bellace, who earned a law degree from Penn and a master's degree from the London School of Economics, also remembers being "the only girl" in her accounting class. At a time when women were wearing miniskirts, she recalls being the only student in that class to be asked to write on the blackboard. "Women could not wear slacks prior to 1970," she says. "There was a dress code for both men and women, and I was the only woman. At the time I felt self-conscious."

But it was a male teacher, Alan Choate, who saw that Bellace had promise and encouraged her to enroll in law school. She also was befriended by another faculty member, Fred Kempin, who was the vice dean and director of the Undergraduate Division and taught a course in business law. "Fred later hired me [to teach his comparative Anglo-American law course

when he was on leave in the fall of 1977] and told me I was the only student of his he ever hired."

Edvige Barrie, WG'76, also recalls how it felt to be a young woman in an environment dominated by young men.

"There was a two-week course you had to take if you didn't have a strong background in Fortran programming, something we all use today on a daily basis," says Barrie, whose nickname is pronounced "Veej." "In Fortran, I could barely understand what we were doing. There was an inventory problem I was trying to solve in our group. I was the only female. I said, 'We should do ABC, and that will solve the problem.' There was no reaction.

Five minutes later, a male member said, 'We should do ABC,' and everybody said, 'Great idea!' What it showed me was they couldn't hear me because I was female and had been discounted. That happened on more than one occasion in life, not just at Wharton. I didn't feel I had to fight any great discrimination battle, but I had to fight a bias based on gender."

Bruce Hoffman, W'66, says there may have been fewer than a half dozen women at Wharton during the early 1960s. Hoffman recalls meeting one student who told him "she was an only child, and her father had a business, and he wanted her to find a husband."



1955

C. Arthur Kulp becomes the first dean in Wharton's history to be named with the participation of faculty.



1958

Willis J. Winn is named dean. Winn is credited with leading curricular reform and upgrading the quality of Wharton's academic programs, the PhD and entrepreneurial programs in particular.

1971

Wharton professor Simon Kuznets wins the Nobel Prize in Economics for developing what would become the standard procedure for measuring the Gross National Product.

For his part, Curley does not remember a single woman in any of his classes in the early 1950s.

In the old Dietrich Hall, an observant person could indirectly deduce the absence of women students – the original bathrooms on the ground floor were for men only.

Anti-war, anti-business

Wharton students in the '60s and early '70s were just as eager to build careers as Curley and Jones were in the '50s. The difference, though, was that many Penn students during the Vietnam era took a hostile view of business.

Hoffman says his four years on campus were as quiet as the '50s. It was the calm before the storm of the anti-war movement.

"It was sports and fraternities and parties," he says. "There was a very modest interest in politics. Most people were concerned with making the transition from high school, getting into a fraternity and doing what you wanted to do. Vietnam changed that." Hoffman, president of I. Levy Sons,

Inc., a New York marketing company, and a former president of Wharton's Alumni Board, says he began to hear of political ferment at Penn only after he had left to study for a master's at the London School of Economics.

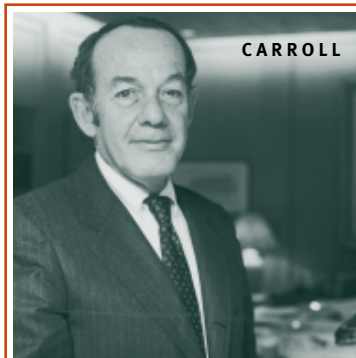
Hoffman also remembers early murmurings of the environmental movement. "There was a big save-our-open-space campaign. When I first went to campus they were still building the new library [Van Pelt], which took up all that space on Walnut Street, and they were knocking down a lot of the old buildings."

Frank Fountain, WG'73, a senior vice president at DaimlerChrysler in Michigan, remembers some protests affecting Wharton. One occurred when representatives of *Playboy* magazine visited the School.

"In the early '70s, [*Playboy*] was doing quite well financially, and they had even begun to recruit MBAs. In the auditorium in Dietrich Hall, the whole meeting was taken over by a protest group from the broader University, who took control of the microphone." Fountain says there was also "a nervousness about some companies, like chemical companies and defense companies involved in the Vietnam War, being visible on campus. It was that kind of an atmosphere."

Ross Webber, emeritus professor of management and former vice president for development and university relations, has met countless alumni. He says the '60s and '70s were pivotal years in many ways.

"When I met with alumni, I found that the older alumni, in reminiscing about their experiences, seemed to identify with the great teacher, the great lecturer, they had – the Sol Huebners and the George Taylors," says Webber, who began teaching at Wharton in 1964. "What struck me was the memories and admiration for somebody bigger than life, particularly



CARROLL



1972

1972

1973

Vance Hall is opened to house the School's ever-expanding graduate division. The new space allowed MBA enrollments to mushroom quickly from 1,050 in 1972 to 1,350, and its modular brick and concrete gave the Graduate Program a modern, physical identity.

Donald C. Carroll becomes Wharton's first dean to have come from outside the School. Carroll developed interdisciplinary programs and created inter-school degrees, including the undergraduate degree in Management & Technology.

Wharton's first **Whitney M. Young Memorial Conference** is organized by MBA students to honor the memory of the former executive director of the National Urban League, Whitney M. Young Jr., who died in a tragic accident. (Photograph taken in 2001.)

somebody who had strong personal positions on issues and who were idiosyncratic in their lectures. That whole style today works for very few people because the whole classroom style is participative.”

(Solomon S. Huebner, who earned a PhD at age 22, founded the world’s first academic program of insurance instruction and research at Wharton in 1913. During World War II, management professor George W. Taylor served as chairman of the federal War Labor Board, which had the power to regulate wages in all industries.)

Webber also says that the change in management techniques over the last 30 years “was definitely related to the culture change in the late ‘60s and ‘70s, when respect for authority declined so much. We never had a counterrevolution here at Wharton, but there was less willingness to accept the word from on high. Even in business today, the most common

form of influence is persuasion, not expert power or authority or coercive power. The manager today has to have the ability to persuade.”

With the winding down of the Vietnam War, the resignation of President Nixon, and the Arab oil embargo of 1973, American students learned that “American omnipotence was an illusion,” Webber says. “The whole anti-business orientation of the early ‘70s began to evaporate rapidly as people discovered that the U.S. had to pay attention to economic activity. The result was a sharp expansion of students’ interest in business and management.”

Racial awareness

The counterculture era also saw African Americans begin to seek admission to colleges in

greater numbers. Two African-American students, Fountain and Milton Irvin, WG’74, worked together with other MBA students to form the Whitney M. Young Jr. Memorial Conference, named for a former executive director of the National Urban League. The annual event, designed to bring students and business leaders together, has evolved from a half-day lecture series to one of the largest student-run business conferences in the country.

“We founded Whitney Young at a time when there was tension between African-American students and the administration,” says Irvin, who today is the executive director responsible for recruiting, training, and professional development for the fixed-income department at UBS Warburg in Stamford, CT. “There was no rallying point for African-American students at that point. We were new to the world of business.”

Irvin first thought of majoring in labor relations but switched to finance when it became clear that most of his peers were doing



✓ 1976

The Wharton Follies has its first performance. Since then, the Follies has become one of the most anticipated events for students and alums alike each year. (Photograph taken in 2001.)

1980

Wharton professor Lawrence Klein, considered the world’s master econometrician, wins the Nobel Prize in Economics. Klein created computer-based models that showed how events such as soaring oil prices affect world economic trends.

✓ 1983

Dietrich Hall is refurbished and expanded, becoming Steinberg Hall-Dietrich Hall.

1983

Recognizing the increasingly global focus of business, Wharton creates The Lauder Institute MBA/MA, the world’s first MBA/MA program in international management.

so. He was so new to business that he had never heard of many of the most prominent names in capitalism. “Three weeks into the school year, I see everyone running toward the auditorium,” he recalls. “They said, ‘Gus Levy from Goldman Sachs is here.’ I said, ‘Who’s Gus Levy and who’s Goldman Sachs?’ A student looked at me and said, ‘If you don’t know, you shouldn’t be here.’”

Irvin made it a point to learn what job opportunities were available for a person with a degree in finance and was later offered a summer job by Goldman.

Becoming adjusted

Irvin was not the only student to feel out of place. Barrie was accepted at Wharton immediately after receiving an undergraduate degree in painting from Penn. “I basically went to Wharton because I liked business but didn’t have a firm plan.”

Barrie, now a media relations consultant working with

Colgate University and Hamilton College in upstate New York, also had to work extra hard at her studies because she held a demanding job as the first manager of Philadanco, an African-American dance company in West Philadelphia. “Once I got to Wharton, I didn’t have enough money to make it through, and my father hadn’t committed to lifelong support,” she says. Today Philadanco is a multimillion-dollar enterprise.

Wharton was also an eye-opener for Tom Leavitt, WG’82, who is senior vice president of Merchants Bank in Burlington, VT, and president of Wharton’s Vermont Club. Like Barrie, Leavitt arrived at Wharton the same

year he graduated from the University of New Hampshire.

Everything about Wharton, smack in the heart of a big city, was different from Leavitt’s experience in college. At New Hampshire, Leavitt was the star quarterback on the football team. At Wharton, he was just one of hundreds of new students. All of them were at the top of their game academically, and more than a few were prominent: one of Leavitt’s classmates was Ferdinand Marcos, Jr., son of the former Philippines leader.

“As I dug into the curriculum, I could see clearly that, in contrast to a state university, which had been my experience in a more provincial region, Wharton would open the world to me,” Leavitt says. “The fact that the curriculum offered international business, along with the diversity of the student body, meant that I was not only going to get exposure to an urban setting but also a global perspective, and that was most exciting to me. I was intimidated by that also.”



1983

1987

1990

Russell E. Palmer is named dean. Through his five-year “Plan for Preeminence,” Palmer successfully strengthened and broadened the faculty, increased the quality of applications the School received, oversaw the building of Steinberg Conference Center, and furthered the

process of creating an international and cross-disciplinary curriculum.

The **Steinberg Conference Center**, a state-of-the-art educational facility, is opened to administer and house the Aresty Institute of Executive Education. Today, the Institute offers a mix of more than 200 programs to more than 10,000 executives annually worldwide.

Thomas P. Gerrity is appointed dean. Gerrity oversaw the reengineering of the MBA and undergraduate programs to reflect the increasingly global and technology-oriented business world, bringing the School unprecedented worldwide recognition for excellence.

Hey, kids, let's put on a show

Wharton students have never succumbed to the temptation of all work and no play. Charles Seymour, Jr., WG'75, was a key figure in bringing out the artistic side of his classmates. He oversaw a series of theatrical productions – *The Fantasticks*, *Jacques Brel Is Alive and Well and Living in Paris*, and *Company* – as part of a program called Wharton and the Arts. Seymour directed all three plays and appeared in two of them.

Seymour once sold real estate in Europe and the U.S. for a living, but says he really wanted to be an

entrepreneur in a field he loves.

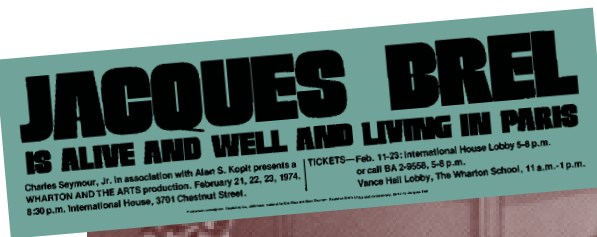
"I'm the fourth generation of my family to work in the same community theater [the Players

Club in Swarthmore, PA]," says Seymour, the owner of Cloche d'Or Productions in Wallingford, PA, a film, video and still-photography company. "I'm not necessarily a guy who's going to be on the cover of a magazine as a great corporate leader."

While at Wharton, Seymour says people frequently asked him how he found time for both theater and his

rigorous coursework. "I would say, 'How do you find time to breathe?' It is what you need to keep going," he says.

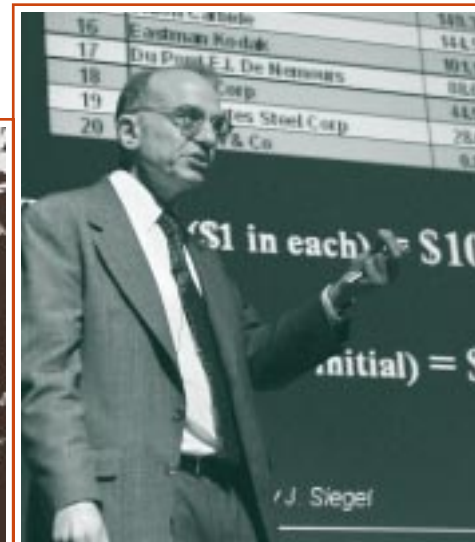
Seymour's productions are considered by many to have laid the foundation for the Wharton Follies, which



CHARLES SEYMOUR, JR., WG'75



GREEN



1990

1995

1995

Dedication of **Lauder-Fischer Hall**, the home of the Joseph H. Lauder Institute of Management and International Studies and the Wharton Real Estate Department and Center.

Professor **Paul Green** wins the coveted Lifetime Achievement Award in Marketing Research from the American Marketing Association. In the 1960s, Green created "conjoint analysis," a measurement tool that allowed companies to chart and analyze

consumer preference and buying intentions, as well as their potential reactions to changes in existing products/services or to a product introduction.

Professor **Jeremy Siegel** writes the best-selling *Stocks for the Long Run*, described by *Forbes* magazine as "the Bible" of equity investing – a book that has made Siegel one of the most widely quoted market experts in the country.

debuted in 1976 and recently celebrated its silver anniversary. This year, the musical review drew more than 2,200 audience members at performances in Philadelphia and New York.

An international perspective

“In the late 1960s, most Wharton students were interested in finance and accounting,” says Bellace. “And there always were people who were going into their parents’ business.” Nowadays, though, “the School is so international, both MBA and undergraduate,” Bellace says. “It’s just changed dramatically. The students, in being interested in what’s going on in whole world, compel the faculty to be much broader. One of my students asked me, ‘How would this policy work in Morocco?’”

Tien Shang (Sam) Chang, WG’77, was here during the transition years between a domestically oriented Wharton and today’s global flavor. A finance major, he saw the need for more international emphasis in the business community at large while working as an investment banker in New York in the 1980s. Conducting financial analysis of loans being made in Mexico and Brazil, he advised that there was no way those loans would be paid back. Despite his sound analysis, the company’s competitors were investing in the region, and so it, too, blindly joined the fray, to disastrous results. Around the same time in 1983, Wharton founded the Joseph H. Lauder Institute of Management and International Studies and initiated the joint MBA/MA in international relations. “Wharton has moved in the right direction,” says Chang, now based in Moraga, CA, with CYHT Corp. “Business leaders now need to

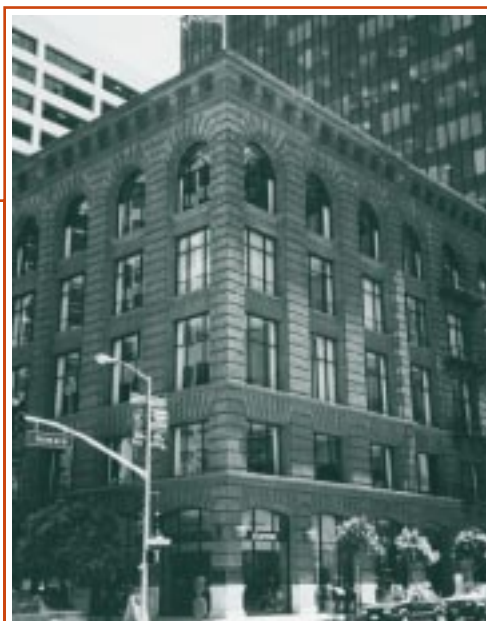


TOMMY LEONARDI

RICHARD MURRAY-BRUCE

apply international perspectives to every transaction.”

“I think the curriculum was extremely international,” says Gautam Chand, WG’92, chairman and CEO



∨ 2000

Patrick T. Harker is named dean of the Wharton School.

∨ 2000

Wharton establishes Wharton West, creating a permanent Wharton location in downtown San Francisco's historic Folger Building.

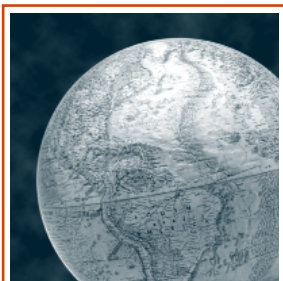
∨ 2001

Professor Olivia S. Mitchell is named to President George W. Bush's Commission to Strengthen Social Security.

of Instanex Capital Consultants in Mumbai (Bombay), India, a financial services consultancy that owns the Skindia GDR Index, a depositary receipt index. “I don’t remember a single day when I felt what I was learning was not applicable in other parts of the world.”

After graduation, Chand had ample opportunity to put his learning to the test.

“When I returned to India, they were starting a new stock exchange in Bombay, which would be totally electronic. I came back to take up membership and to work on that,” Chand says. “It was incredible. This was back when the Internet wasn’t being widely used, and India did not even have telephones that worked properly. And here we were developing a country-wide system using modems, the Over the Counter Exchange of India. That’s no longer in business because they came up with an even larger concept to trade all



stocks, called the National Stock Exchange of India. I was part of that. I saw the writing on the wall. I was one of the first members of the National Stock Exchange when it was formed in 1994. It was set up to take on the 100-year-old Bombay Stock Exchange, which had become very unsystematic. It was run by a club of brokers and didn’t always work in the best interests of investors.”

With the advent of the cohort system, students also found themselves working intensely with others from around the world. Richard Murray-Bruce, a native of England who turned his summer job at the Boston Consulting Group in London into a full-time position upon graduation, says the cohort system has had “a sea-change impact on the culture of the school. Having that collaborative experience built into the core curriculum promotes instinctive teamwork.”

Then and now

Jack Curley and Tom Jones have never met Richard Murray-Bruce or Nivee Amin. But chances are they would have a lot to talk about if they were to sit down at Jon M. Huntsman Hall this fall over coffee: how Wharton has changed, and how it has stayed the same.

Although the school has changed dramatically in many ways – not least of which in the quality and quantity of the buildings that students, faculty, and staff call home – the forces that drive students to excel and to make their marks in the world are the same as they always have been.

Says Webber: “We attract students who are highly self-disciplined and highly ambitious. They want to be movers and shakers, and by and large they’re willing to put effort into that.”

◆
STEPHEN J. MORGAN IS A FREQUENT CONTRIBUTOR TO THE MAGAZINE.



▼
2001

An historic alliance with **INSEAD** is created to develop and deliver management education globally.

▼
2002

With more than 75,000 alumni, **Wharton Regional Alumni Clubs** reach an all-time high of 78 worldwide. (In the mid-1970s, the School had just nine alumni clubs.)

▼
AUGUST 2002

Wharton’s new home, **Jon M. Huntsman Hall**, a \$120 million, 300,000 square-foot academic center, opens at the corner of Walnut and 38th Streets.

Reunion 2002





TOMMY LEONARDI

Picnics, parties, networking, and . . . the Rolling Clones?

Under a sunny sky, more than 900 Reunion attendees visited the School and enjoyed the events that spanned the weekend of May 10-12.

As Penn's campus-wide Reunion festivities began on Friday, Wharton got down to business with an alumni-faculty exchange about health equity, sponsored by the Leonard Davis Institute, followed by a presentation by Wharton's Jerry Wind on "Market-Driven Strategies for Today's Economy."

Of course, it wasn't *all* business. That evening, alums were able to catch up and enjoy music and cocktails under a large tent set up in the Wharton Quad, followed by a packed MBA pub.

Saturday brought two more well-attended faculty presentations – by Michael Useem and Jeremy Siegel – a Wharton Town Meeting with Dean Pat Harker, and a picnic lunch on the Quad

that included a world music presentation and steel drum band.

Later on, Philadelphia played host to the MBA classes of '92 and '97, who celebrated their reunions with Latin-themed dinners and dancers at the Independence Seaport Museum and the Ballroom at the Ben. Twelve other MBA classes – '32, '37, '42, '47, '52, '57, '62, '67, '72, '77, '82, and '87 – celebrated their reunions together at the Inn at Penn. A highlight of the evening was a special performance by the Rolling Clones – a Rolling Stones cover band fronted by alum Art McQueen, WG'87, and including his wife, Lisa, as keyboardist.

Next year's Reunion promises the same mix of educational programming, networking opportunities, and social engagement that alums have come to expect, so mark your calendars for May 16-18, 2003!



Reunion 2002





Couldn't make it to Philly this year?

For more information and a virtual tour of the weekend, visit:

<http://www.wharton.upenn.edu/alumni/reunion/2002/>



KEEP WHARTON

Moving!



EXTRAORDINARY

Commitment

This year, as business students across the country struggled to find jobs, the second year MBA class made history. More students than ever before – 90 percent – donated to the Second Year Class Gift Campaign. In doing so, the Class of 2002 broke all historical records – their gift totaled \$451,645, a 144 percent increase from the previous year.

Wharton traditions run deep. And in this challenging economic year, the final student tradition for graduating MBAs, the Class Gift, was all about lending support, having faith, and giving thanks.



THE CLASS OF 2002 ON KOO PLAZA IN HUNTSMAN HALL

TOMMY LEONARDI

“It’s an opportunity for us, as a graduating class, to show our support for the future of Wharton,” explains Ellen Desmarais, who co-chaired the 2002 Class Gift. “It’s also a thank you – to the generations of alumni who supported *our* education with *their* gifts.”

“It’s been a tough year for all of us. Our class is sending the message that we have faith in Wharton, and everyone else should too.” says Mary O’Loughlin, who spent many hours at a table in Vance Hall’s Sun Lounge collecting

pledges. “Yes, it was a lot of work. But it was certainly worth it. I’m overwhelmed by how generous people were.” “In the worst year ever for MBA student placement, our class really came through,” agrees Desmarais. “We had a great team to work with. It couldn’t have happened without the commitment and energy of a lot of volunteers.”

Another key team member was Richard Murray-Bruce, who co-chaired the Class Gift with Desmarais. To Murray-Bruce, who comes from the U.K., the Gift represents Wharton’s greatest

strength: unity in diversity. “The Class Gift celebrates the union of the many nationalities that make the Wharton community so strong, and the amazing learning and growing experiences we’ve had here together,” he explains.

Desmarais and Murray-Bruce, as well as O’Loughlin, are among the 68 percent of the Class of 2002 who had jobs lined up at graduation. (In 2001, 90 percent of MBA students had job offers by that time.) Desmarais, who majored in strategic management at Wharton, will join McGraw Hill’s Associate Development Program in New York this fall, while Murray-Bruce has signed on at Boston Consulting Group in London. O’Loughlin, who studied multinational management, is in Minneapolis for a management training program at UnitedHealth Group.



THE CLASS OF 2002 GIFT CAMPAIGN COMMITTEE

“It is up to us, the students and graduates, to continue the traditions of Wharton. I hope that future generations will rise to the challenge and help build an even stronger Wharton by beating our class record!”

GIL BEN-ARTZY, WG’02
BOSTON CONSULTING GROUP

This year’s Class Gift is the first ever to be donated to the Wharton Fund, providing important unrestricted support to address the School’s greatest needs. “We know that our money

will help fund large, strategic objectives. That’s important to helping Wharton remain a top-ranked school,” explains O’Loughlin.

Adds Desmarais, “Unrestricted gifts were key in such new developments as Wharton West, INSEAD, and Knowledge@Wharton – all projects that help build the Wharton brand globally.”

When speaking with classmates, Desmarais realized that there were misconceptions about Wharton. Remembers Desmarais: “They would say ‘Isn’t Wharton rich?’ We spent time explaining that Wharton is certainly rich in resources, but not in dollars. In fact, Wharton actually has one of the smallest endowments of any top business school. It’s alumni support that makes the difference.”

In the end, reasons for pledging were varied... and highly personal. “My donation was the next natural step in my relationship with Wharton,” explains Gil Ben-Artzy, who came to Wharton from Israel and recently began his new job at Boston Consulting Group. “It started as I was accepted to Wharton. It continued throughout my MBA studies. Through my Class Gift, I pledged my lifelong connection as an alumnus.”

Renewing

THE BOND

They call themselves the Seven Dwarves.

No, they're not particularly small, and they don't have funny names. But on May 11, they pulled off a reunion event that was nothing short of magical.

The "WEMBA XI's" – the 11th graduating class of the MBA Program for executives – gathered on Friday, May 11, to kick off Reunion 2002. These 1987 graduates came from around the world to renew their bonds with Wharton, and with each other. More than half the class attended...and as reunions go, that's huge.

The Seven Dwarves made it happen. They are the seven reunion committee members who refused to give up, calling, e-mailing, and writing their fellow alumni until they had tracked down all but two classmates.

"We had an extraordinary group of people in our class at Wharton. Unfortunately, it's easy to lose touch with all but a few," says Scott Wieler, WG'87, one of the Dwarves. "Wharton was, and is, a very important part of our lives, and being a member of this alumni network is priceless."

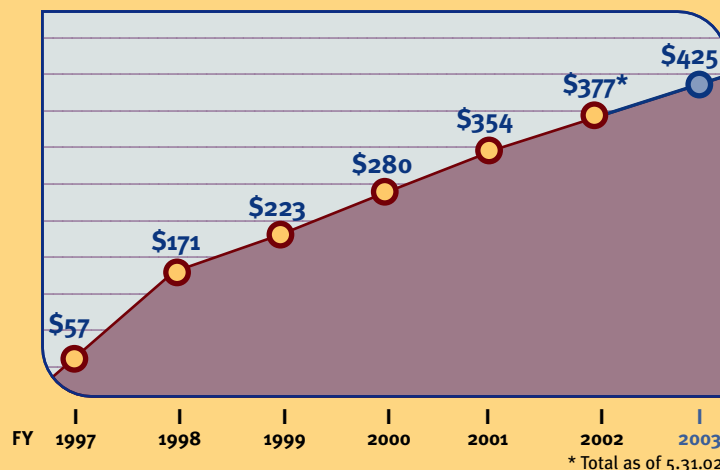
How did they convince so many of their classmates to make the trip? "Peer pressure and multiple nudges are the key, as well as viral marketing and multiple points of contact," says Weiler, president and CEO of Signal Hill Capital Group LLC. The Dwarves point to the e-mail trail they left behind as they networked, pleaded,

cajoled, and used old-fashioned detective work to locate classmates they'd lost touch with. Often, contacting one "missing" alumnus took days of cross-referencing, calling old employers, and, in one extreme case, driving to an alumna's former home and talking with the current resident.

"Reconnecting with classmates, their families, our professors, and the school is inspiring for all of us. It was a huge satisfaction to enjoy that first beer at the bar with the majority of the class, and to toast for continued success and happiness for all of our classmates," and that, says Wieler, made the hours of work worthwhile.

Campaign Progress

Dollars in Millions



“By returning to campus, we renew our bond with Wharton. We can see the tremendous progress that has been made on campus in the last 15 years. Reunions give each and every alumnus a chance to support Wharton’s future.”

STEVEN ARESTY, WG'87
PRESIDENT, ALFRED DUNNER COAT COMPANY,
15TH REUNION COMMITTEE



THE SEVEN DWARVES (CLOCKWISE FROM TOP) SCOTT WIELER, ISIK INSELBAG (PROGRAM DIRECTOR), ROMAN KYZYK, ALAN DASH, SUSAN MANIX, S.R. KIM AND MARY HADLEY-DEVINE. PHILIP GEIGER IS NOT PICTURED.

Expanding

A GLOBAL NETWORK

And, for those classmates who were not able to attend the reunion, many were there in spirit. That first beer that Wieler mentioned was bought by Andre Berenfeld, WG'87, a principal at Breckenridge Capital, Inc., who, though unable to be in Philadelphia, funded the first round for all '87 WEMBA alumni present.

As always, the biggest draw of the weekend was reconnecting to classmates and Wharton...and having some fun in the process. On Saturday night, playing their hearts out, were the Rolling Clones, a Stones cover band led by – you guessed it – an '87 alumnus, Arthur McQueen.

“As a dare four years ago, I formed a band to play Rolling Stones songs at a party,” he says. “We were such a big hit, we decided to expand our repertoire and play clubs in Chicago.” The audience in Philadelphia may have been the Clones' most appreciative ever, as the band, with McQueen's wife on keyboards, belted out “Start Me Up” and “Satisfaction.”

“Reunions give folks the chance to step back and assess how far they've come over the years,” says Diane Ty, a member of the Class of '87 reunion committee who lives in Washington, D.C., where she runs her own nonprofit, YouthNOISE. “We all had our dreams coming out of Wharton, and these events allow us to take stock of our lives.”

For the Class of '87, they are lives filled with commitment, enthusiasm, and a lifelong connection to Wharton.

As May 16 approached, Wharton alumni around the world put their busy lives on hold, packed their bags, and headed to the City of Lights. They were participating in the 2002 Wharton-INSEAD Economic Forum, co-sponsored by the Wharton Club of Paris and INSEAD.

In Moscow, Shiv Khemka, WG'90, G'90, executive director at Sun Capital and SUN Interbrew, left for Paris. In Israel, Gideon Tolkowsky, WG'83, a founding partner at Veritas Venture Partners and a speaker at the Forum, and Isaac Devash WG'88, president of the Wharton Club of Israel, both new members of Wharton's Executive Board for Europe, Africa and the Middle East headed to the airport. And in Chicago, Alexandra Zaporozec, WG'92, fresh from chairing her class' 10th year reunion in Philadelphia, said goodbye to colleagues.

What drew these alumni, and more than 300 others, to the Forum? Was it the timely theme, “Responding to Uncertainty: New Responsibilities and Challenges for Leadership?” Or the draw of the first joint Forum ever between Wharton and INSEAD? Was it the impressive list of more than 30 speakers, or the spectacular dinner at the Chateau de Versailles?

It was all that...and more. By taking part in the Forum, alumni expanded the global network

“I was honoured to participate in the event held at Versailles. The venue was ideal for this gathering of business elite. For me, of course, the highlight of the evening was the inaugural Wharton Infosys Business Transformation Award ceremony, where we recognized organizations and individuals that had used technology to transform the way they did business. It is indeed symbolic of the increasingly large role that technology plays as a business differentiator that the Awards were a part of the Wharton-INSEAD Economic Forum.”

N. R. NARAYANA MURTHY
CHAIRMAN OF THE BOARD, INFOSYS TECHNOLOGIES, LTD.



“A global network allows Wharton to recruit the brightest students from around the world. It provides them with contacts and mentors, and helps place graduates in the best positions throughout their careers. Most importantly, it creates a lifelong bond of shared values and experiences.”

SHIV KHEMKA, WG'90, G'90
EXECUTIVE DIRECTOR, SUN GROUP

that is critical to Wharton's future. In recent years, this network has grown to include more than 75,000 alumni in 137 countries. Its power is boundless.

"Alumni involvement is vital to keeping Wharton open to the world," says François Balsan, W'81, Managing Partner at Balsan & Associés, who spearheaded the event. "It is the only way for us to become more and more of a community of influence in Europe and on other continents." "And this year's Forum was particularly effective," he added, "because it adds a new dimension to the network: bonds between alumni from Wharton and INSEAD."

It took months of preparation by members of the Wharton Club of Paris to finally kick off the Forum.

The Forum's content reinforced Wharton's longheld reputation as an innovator. At lunch on Friday, at the Palais de Congrès in Paris, Gerard Kleisterlee, Chairman & CEO of Philips and a graduate of Wharton's Advanced Management Program, gave the keynote address. Panel discussions on family business; private wealth management; media, entertainment, and

"In the final analysis, Wharton has the privilege and the responsibility of developing future global leadership that will drive positive change in many parts of our universe. In this context, a global network is more than essential if Wharton is to mentor and develop the leaders of tomorrow."

ISAAC DEVASH, WEV'88

FOUNDER, FANTINE CAPITAL INTERNATIONAL FUND

technology; and risk management helped shape the evolving definition of global leadership. "The Forum is our main way of staying in touch with alumni," says Wharton Professor Mauro Guillen, who led a panel at the event. "We endeavor to establish lifelong ties with our students... It is so important for Wharton as a community."

"To me 'globalization' is not about mega business structures... It's about weaving a fabric of ideas that engulfs Earth," said Tolkowsky, who spoke on challenges and uncertainties of the 21st Century. "In this sense, the Wharton-INSEAD Forum was like sitting at my loom and weaving just a few more threads into the global fabric, with a Wharton needle that I acquired almost 20 years ago."

KEEP WHARTON

Moving!

Pledging their faith through the Second Year Class Gift Campaign, working day and night for a special reunion, or crossing continents to strengthen bonds, the alumni on these pages demonstrate a steadfast commitment to Wharton.

The Wharton experience continues to evolve for these active alumni. With each investment of time, effort or dollars, they strengthen their ties to a community that will always be a critical force in their lives. Together, their energy and passion will take Wharton to even greater heights. ♦

Tracking Digital Transformation

Raffi Amit has his eye on the future of e-business.

BY ROBERT STRAUSS



Stewart Thornhill thought he was going to have a somewhat relaxing, if outdoorsy, day with his mentor, Raffi Amit. They were headed for Whistler Mountain, the skiing resort close to the University of British Columbia, where Thornhill had studied for his PhD with Amit, for some downhill runs.

“So we go skiing. Raffi really likes to ski,” said Thornhill, who is now teaching at the Richard Ivy School of Business at the University of Western Ontario. “But on the way up on the lift, he insisted on getting down to business with research we were doing.

“That was an introduction to how Raffi works. He’s the ultimate multitasker,” said Thornhill. “He’s one of these people who thrives on not missing anything, on having 20-hour days. If you are not prepared to work until 1 a.m. and get up again at 6 a.m., then you won’t be prepared for Raffi.”

Raphael “Raffi” Amit is the Robert B. Goergen Professor of Entrepreneurship and a professor of management at Wharton. In addition, he is the academic director of Wharton’s Goergen Entrepreneurship Program and a founding director of the Wharton e-Business Initiative (WeBI), the School’s partnership of academics and industry in combining e-business practice with research.

Those two fields are Amit’s core of interest. He sees entrepreneurship and e-business as not only compatible, but essential in today’s business climate.

“E-business is, in fact, business these days,” he said. “There is no business that doesn’t concern itself with one form or another of digital transformation, namely the leveraging of digital technologies to drive performance improvements throughout the enterprise.” He added, “Many established businesses today are going through profound changes led by managers with an entrepreneurial orientation.”

Amit believes that entrepreneurship in both independent and in corporate settings is, despite what has happened with the dot-com crash, “alive and well” and will continue to be a driver of renewal and innovation in businesses.

He said he has noticed that, “The entrepreneurship students in our classes today are no longer the ‘get-rich-fast tire kickers’ but rather students who want to change the world, who are passionate about what they are doing, who are driven by the desire to make a difference. They will win.”

Amit doesn’t get his theories from mere ivory-tower bookishness. He prides himself on being in the field, going to companies and analyzing them from the inside, researching at a basic level. The challenge in entrepreneurship education, he said “is to be able to link theory with practice.” Underscoring this philosophy, he and his colleague, Ian MacMillan, have anchored Wharton’s entrepreneurship initiatives in a solid research program, a comprehensive teaching program, and a broad outreach program.

Some of the entrepreneurship outreach initiatives include the Venture Initiation Program (VIP), the government-sponsored Wharton Small Business Development Center, the Wharton Business Plan Competition, the Enterprising Families Initiative, and an Entrepreneur-in-Residence Program. All of these outreach programs are designed to complement and enhance the basic mission to create and disseminate new knowledge about entrepreneurship.

“He is very much in touch with real-world situations,” said Wharton professorial colleague and former dean Tom Gerrity. “He likes to get out and around, knowing not just the data, but the texture of firms. That is where he differs. Lots of people collect data. Raffi tries to feel out what is really going on in companies and with entrepreneurs.”

Another one of Amit’s students from his University of British Columbia days, Christoph Zott, now an assistant professor of entrepreneurship at INSEAD, the management school in Fontainebleau, France, is doing research with Amit on entrepreneurship and strategy.

“From the first day I was his PhD student, he treated me like a colleague and peer,” said Zott. “He also addresses issues in a frank and direct manner. There is no beating around the bush with him. He gets to the

'bottom line,' one of his favorite expressions, very fast."

"At the same time, he's flexible and leaves room to adapt and change," said Zott.

Amit was born and did his early schooling in Israel, obtaining bachelor's and master's degrees in economics there. He came to the United States to earn his PhD at the J.L. Kellogg Graduate School of Management at Northwestern University. He taught at Northwestern and the University of British Columbia before coming to Wharton.

"I love data-driven analysis," said Amit. "First of all, data really does tell a story. In its best form, it is not just numbers, but a story, in this case, of how a company works. Second, when you have enough of it, you can develop and test hypotheses and theories that are grounded in reality."

One of those theories that Amit is unafraid to posit, despite the dire wailings of those who have been bitten badly by the dot-com collapse, is that e-enabled organizations are a prerequisite for realizing long-term

E-enabled organizations are a prerequisite for realizing long-term superior financial performance in most industries, old and new.

But Amit also likes to practice, not just study, business. From 1996 to 2001, he was the non-executive chairman of the board of Creo Products, Inc., a NASDAQ-listed imaging equipment company.

"Wharton is an exciting place, in part because it is such an entrepreneurial organization that embraces innovation," said Amit, relaxing a bit in his office chair just after spring semester and before a trip to Wharton West. "Very few people have been given the opportunity and the time to think about profound issues that affect business and society and then given the resources to gain a deeper understanding of these issues through research. I feel very fortunate."

Amit's current research is expansive and varied. He is doing the entrepreneurship and strategy research on business models with Zott and another project on bankruptcy with Thornhill. He is also doing research on digital transformation with his Wharton colleagues Morris Cohen and Jerry Wind in a unique collaboration with McKinsey & Co. Amit has recently initiated a new project that centers on NASDAQ-listed companies from around the world.

"It's not just how they survive, but whether NASDAQ companies survive at all," he said. "I'm just starting to collect data, and that can be wearing. But data is where it all starts.

superior financial performance in most industries, old and new.

"I remember not long ago talking to the chief information officer of a utility company," said Amit. "He compared what we are going through with e-business to the end of the nineteenth century, when the utility grid provided universal electric power and changed society in a profound way.

"I do believe we live in a truly unique time," he said. "Computing power still doubles every 18 months, making communication and information technology cheap, reliable, and fast. The digital transformation has already started, but it will continue to cause a profound architectural change in our lives. And it was brought about largely by entrepreneurs. We are at the tip of the iceberg."

One of the reasons Amit thinks the last four years of hype of the Internet is mere prologue is that it was primarily technologists who were doing the touting. It is only in more recent months that CEOs and top managers of incumbent firms realized the enormous potential to drive performance improvements through digitizing core organizational processes.

"Senior managers were resistant at first," he said. "The demise of many dot-coms has turned off a number of executives." Only recently, CEOs and top exec-

utives have realized the real benefit that can be captured through the digitization of many of the firm's processes. "You see them all with their personal desk assistants and their Blackberries, monitoring and guiding their diverse companies. The tech guys may have pushed this business, but real change still has to be driven from the top. Unless the top management drives digital transformation, it won't become part of company culture and fabric," he said.

Why did this take so long? Amit believes that by examining the pace of adoption of technologies by businesses, it becomes clear that "many had unrealistic expectations in thinking that profound changes can happen in merely six months. It took 15 to 20 years for PCs to be widely adopted by businesses." Also, Amit thinks it took peer pressure among CEO-types to accelerate the pace of adoption.

"When they meet each other at big summits or even at social gatherings, they begin to believe. They see and listen to the experiences of other CEOs with a gadget or an idea and say, 'Hmmm, maybe I should do that, too,'" said Amit. "That is often what drives big changes."

While consumers certainly see e-change in their lives – be it with shopping on line, booking travel, or e-banking – it is in the business arena that the change will continue to burgeon, he said.

"Our research suggests that consolidation of databases within firms is the foundation for enabling collaboration among firms. The emergence of web services technologies will eventually facilitate interaction among complex information systems of firms which, after overcoming a range of barriers that still exist, will enhance revenues and reduce costs and thereby create value."

Amit believes that many of the innovations that will eventually change how business is conducted in entire industries are brought to market by entrepreneurs. FreeMarkets, Inc., which operates business-to-business online auctions, is a case in point. Yet other innovations emerge out of collaborations among industry incumbents. One example Amit provides is Covisent. The platform, developed by original equipment manufacturers (OEMs) in the U.S. automotive industry, has standardized the procurement platform for automotive parts and changed procurement practices in the entire industry.

Increased collaboration in the automotive industry, Amit noted, is also driven by Product Data Management (PDM) systems, which will enable, among other things, collaborative designs.

"The introduction of Covisent, along with the growing use of eAuctions by OEMs, has been painful for all suppliers and vendors as they had to change how busi-

Amit sees on the horizon more and more large and small firms that will be managed through a digital dashboard.

Amit sees on the horizon more and more large and small firms that will be managed through a digital dashboard. No longer will there be 30-day accounting or inventory control. This information will be at the fingertips of executives. It will enable them to be flexible and responsive to a rapidly changing business environment. Everyone will trade with everyone else at any time, which will require both buyer and seller to know what the state of manufacture and delivery is instantly.

ness is conducted, but it has reduced the transaction costs and has made the market more efficient," said Amit.

Amit tries to keep his own life efficient. He said he does his best to refine his travel schedule so he moves around a lot and then gets to stay at home for longer periods. He and his wife Ava live in Philadelphia and have two children. Their son, Amos, is 24 and a first-year analyst in the technology investment banking group of a leading investment bank in Northern

continued on page 37

Wharton's online research and business analysis journal

Recently named the number-one business school portal by *Inc.* magazine, Knowledge@Wharton has more than 180,000 subscribers in 189 countries. Registration is free.

The Changing Role of the CFO

Old-school chief financial officers would barely be able to recognize deposed Enron chief financial officer Andrew Fastow as one of their own. Nonetheless, Fastow personified the media caricature of a late-model CFO – a flamboyant wheeler-dealer who tossed aside traditional notions of balance-sheet integrity in order to concoct indecipherable partnership arrangements and deceive Wall Street analysts. Suddenly, like dot-com roof parties, Fastow looks like a relic of the 1990s.

That's because following the Enron meltdown, as well as high-profile failures at places like Global Crossing and Tyco International, companies are re-visiting what they expect of their CFOs. Nobody wants to be the next Enron, which means that hand-in-hand with a renewed emphasis on ethics, companies are once again demanding hardcore accounting, financial reporting, and risk-management skills. This represents a shift back to the roots of the CFO position.

"Companies will be looking for integrity," says Wharton finance professor Franklin Allen. "They will be looking very closely at people's records for any kind of manipulations ... They will probably spend more time asking other people about them and maybe choosing more people from within the company."

Barry Bregman, head of the CFO specialty practice at Heidrick & Struggles, one of the nation's largest executive-search firms, says he is already seeing this among Heidrick clients. For example, he's currently doing a CFO search for a publicly traded financial-services company. An otherwise strong candidate for this job once worked at a banking firm that had liability-management issues during the 1990s.

Bregman's client refused to even talk to the candidate until they had assurance that he wasn't employed anywhere within the company at the time of the crisis. "Companies want to make sure a person is squeaky-clean, not just from an ethical standpoint but also an appearance standpoint," says Bregman.

According to Wharton accounting professor David Larcker, renewed ethical concerns will also affect where CFOs come from. For example, he anticipates that fewer companies will recruit CFOs from their auditing firms, noting that a number of people in the finance function at Enron came from its auditor, Arthur Andersen. Other companies, he suggests, will want to avoid a similar stigma. "The claim is that these people were tight with Andersen and brought these ties with them to Enron," Larcker says. "I don't know if that's true, but you might nonetheless see more companies that hire CFOs from the accounting profession going to companies other than their auditors."

Hand-in-hand with a renewed emphasis on ethics, companies are once again demanding hardcore accounting, financial reporting, and risk-management skills.

Mike Carroll, CFO of Zamba Corp., a customer relationship management consulting firm based in Minneapolis, suggests that auditors, now facing greater scrutiny, will try to distance themselves from their clients' management. This means CFOs who are used to relying on their auditors to provide occasional financial advice will have to deep-six the practice. "It's unfortunate," Carroll says. "There are a lot of strong technical people in some of these accounting firms whom I might otherwise leverage when I don't have that level of technical skill in-house. Meanwhile, because of scrutiny and insurance at the back end, the cost of auditors will go up, which is a problem for CFOs at smaller companies."

Workhorse vs. Showhorse

In addition to ethical concerns, companies are also seeking CFOs with the skills that defined that position long before the advent of the dot-com revolution. "If a CFO candidate doesn't have formal training and experience" in hardcore accounting, financial reporting and risk management, "they may not be considered for some of the CFO jobs out there," says Bregman.

This doesn't mean, however, that the next wave of CFOs will be a bunch of glorified comptrollers. CFOs are still going to be expected to raise capital aggressively, meet their forecasts and make their case to the analysts. But they're going to have to do so while keeping a vigilant eye and a transparent cover on the books – all of which means the job is only getting tougher and more all-encompassing than ever before. "You've got two things happening," says Larcker. "There's tremendous continuing pressure to make earnings

targets and come up with incredible forecasts. At the same time, perhaps because of Enron and the like, CFOs will be under tremendous scrutiny to justify to the analysts that these are real, hard earnings, not [ones created by] book-keeping shenanigans.”

Indeed, if you look at the historic evolution of the CFO position, it's gone from one extreme to another before settling squarely in the post-Enron middle ground. Back in the 1960s and early 1970s, the CFO position was a tactical, bean-counting job. The CFO was primarily responsible for various accounting and internal reporting functions, as well as tedious budgeting exercises. At the same time, the CFO had certain “treasury” responsibilities, like raising debt or equity capital and cash management. In essence, the CFO was much more of a “workhorse” than a “showhorse,” says Sven Wehrwein, a financial-industry veteran who started out on Wall Street in the 1980s as an investment banker and later served as CFO of two public companies.

Then, as financial markets became more transactional and global in the late 1970s and early 1980s, the environment became more strategic. New financial instruments, like mortgage-backed securities and other derivative products, emerged, and CFOs had to become more sophisticated in order to deal with them. Later in the 1980s, companies started on a mergers-and-acquisitions binge. Hunting down these opportunities became a big part of a CFO's job; now he or she was truly helping shape the direction of the company.

By the 1990s, as the stock market soared, the landscape exploded into a bazaar of partnerships, affiliations, and strategic alliances – all ways to leverage another company's success without ac-

tually merging. CFOs operating under enormous competitive pressure drove this frenzy, contributing to their image as swashbucklers or “showhorses.” CFOs like Fastow bypassed notions of clean financial reporting and disclosure in their quest to excite analysts and drive up share prices. “Quite frankly, 99% of companies out there were giving shareholders good information,” says Carroll. “[Enron] unfortunately painted a bad picture.”

Financial Supermen

Extra ethical scrutiny, of course, isn't the only change CFOs have to contend with. As noted before, they moved from one extreme (CFO as



controller/corporate cop) to the other (CFO as dealmaker/Wall Street pitchman). Now companies want them to be almost a “SuperCFO,” placing a full-time effort on each aspect of the job.

It can be a treacherous assignment. Wharton management professor Julie Wulf draws an analogy to large accounting firms. Their core business is auditing financial statements, which calls for extreme conservatism. Meanwhile, many of them provide consulting services, which calls for creativity, producing a natural tension. CFOs face the same problem. There's more

pressure to show that the balance sheets honestly and accurately reflect the company's net worth. Yet the pressure to find innovative ways to raise capital and make a splash with Wall Street analysts hasn't gone away. “It takes real skill to balance these conflicting interests, which may create a conflict in the CFO position,” says Wulf. “A solution may, in fact, be to separate these two responsibilities.”

Meanwhile, as pressure from analysts continues, CFOs find themselves wearing yet another hat: business expert and forecaster. P/E ratios for stock shares have been very high for at least the past five years and remain high even after the tech wreck. So if the price is high relative to earnings, what are the other forces driving the price? Larcker says expectations about future cash flow are the major drivers.

CFOs now have to articulate these expectations, figure out how they will occur, and predict the questions the analysts will ask.

This will force them to delve into every segment of the organization, analyze the respective business plans, and value them all.

“As companies diversify, this is a much more difficult task,” Larcker says.

Plus, the questions analysts ask are going to be tougher than in the past – which makes things more challenging for the CFO, says Isik Inselbag, adjunct finance professor. Because the community of equity research analysts – the Salomon Smith Barneys and Merrill-Lynches of the world – is under fire for over-hyping companies they covered, they will now be asking hard questions beyond financial statements, such as how much actual value the company is creating. This means CFOs are going to have to rely heavily on value-based

continued on page 37

Oshiver continued from page 5

will help to inspire others, she believes. “It’s never too late, and it can be done. People should not be afraid to explore very different sides of themselves.” And there are other pay-offs: Oshiver was featured on the cover of a national sports magazine at the age of 45.

When she’s not in the water, Oshiver spends her leisure time volunteering for Habitat for Humanity and on her other favorite pastime, photography. Some of her photographs have been displayed at the Foundry Gallery in Washington, D.C., and she has also used them to illustrate several books she has written for both children and adults – about finding the courage to follow one’s dreams – which she is seeking to publish. ♦

Knowledge@Wharton continued from page 35

management techniques like Enterprise Value Added and the Balanced Scorecard. “If the CFO does the job of value-based management, he or she will be able to answer [the analysts’ questions],” says Inselbag.

Meanwhile, the business-strategizing aspect is also becoming a crucial part of the CFO job, says John Percival, adjunct finance professor. Over the past 10 years, companies got burned by decisions to enter new markets without bringing the CFO into the strategy sessions. For example, Percival cites telephone companies trying to become IT companies and falling on their faces. And he has seen manufacturers with a single cash-cow product unsuccessfully try to move into sectors they should be avoiding like the plague. CEOs would rely on marketing and business-development people to make these decisions without taking advantage of the financial analysis tools CFOs had at their disposal. And CFOs were squeamish about forcing themselves into the loop because they didn’t feel it was their place. “They felt politically it would be a problem to question the strategy of the company,” says Percival. “Now they’re going to be more and more of a sounding board on growth strategies and whether they make sense from a financial point of view.”

But at the end of the day, there’s no one-size-fits-all template for today’s CFO. A lot depends on the nature of the company’s business, as well as its size. Smaller companies, for example, don’t have the complicated financing schemes or vast array of product and service lines that require the same level of accounting virtuosity and strategy prowess. And CFOs at Fortune 500 companies don’t have the same constant pressure to raise capital because they’ve already got plenty. Nonetheless, Wehrwein sums everything up with one universal rule: “Any successful CFO has to be a damn good businessman who also knows how to count.” ♦

Tracking Digital Transformation

continued from page 33

California. Their daughter, Karen, 23, starts graduate school in the fall.

When he travels, as Thornhill noted, he often enjoys fitting in a mix – either skiing or catamaran sailing or, colleague Zott said, a good meal with his colleagues.

“Raffi was brought up as a child by parents and grandparents who had lived a long time in Germany, so he actually speaks German extremely well, with a Berlin accent, even though he never lived there,” said Zott. “He also appreciates good German traditions, like ‘Kuchen mit Schlagzane’ – cake with whipped cream in the afternoon.”

“It is obvious that Raffi enjoys what he does tremendously. This is why he is so very committed to Wharton, to his research, teaching, and programs he leads,” said Zott. ♦

ROBERT STRAUSS IS A FREELANCE WRITER AND FREQUENT CONTRIBUTOR TO THE MAGAZINE.