Summer 2007

# Wharton

ALUMNI MAGAZINE

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# Wharton

ALUMNI MAGAZINE

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## Departments

JON ROU

THOMAS S. ROBERTSON

## Thomas S. Robertson to Become Wharton Dean

Former Wharton marketing professor Thomas S. Robertson returns August 1 to become the 13th Dean of the Wharton School. Robertson is executive faculty director of the Institute for Developing Nations at Emory University and former dean of Emory's Goizueta Business School.

Robertson, the Asa Griggs Candler Professor of Marketing at Goizueta, is an expert in marketing strategy and innovation with extensive international experience in higher education and the business community. As dean of Goizueta from 1998 to 2004, he was widely credited with building it into one of the strongest schools at Emory, positioning it as a leading international business school. Under his leadership, the school increased the size of its faculty 73 percent, doubled revenues, nearly doubled the school's endowment, developed new international alliances, spurred major growth in executive-education programs, added a major new building, and launched a new PhD program.

Subsequently, as chair of international strategy for the university's president, Robertson developed and implemented a university-wide strategy for internationalization and substantial new strategic alliances with universities in China, Korea, and Ethiopia.

From 1971 to 1994, Robertson was a faculty member at Wharton, where he was the Pomerantz Professor of Marketing and chair of the Marketing Department. He also served as associate dean for executive education and led the effort that built the Steinberg Conference Center, designed an innovative set of new senior-management programs, and substantially increased financial contributions.

He joined the London Business School in 1994 as Sainsbury Professor, Chair of Marketing, and served as deputy dean there from 1995 to 1998.

A native of Scotland, he earned his PhD and MA in marketing from Northwestern University in 1966, after completing his BA at Wayne State University in 1963. He has three children with his wife, Diana, a professor of organization and management at the Goizueta School and a former assistant professor at Wharton.

## Next-Generation Back Pain Treatment Wins Wharton Business Plan Competition Grand Prize

During his medical training, Neil Malhotra observed patients with uncontrolled back pain. He noticed that patients with early-stage degenerative disc disease had little alternative but to wait in pain for up to two years for their condition to improve or worsen to a point where invasive steps are warranted. His recognition of that ordeal led him to invent an innovative back pain treatment and co-found NP Solutions, the student team that won the $20,000 grand prize at the 2007 Wharton Business Plan Competition (WBPC).

The prize was awarded at the Wharton School's annual Venture Finals April 24, 2007, where student finalists received a total of $70,000 in combined cash prizes, access to capital, and in-kind legal/accounting services. The students of NP Solutions include **Serena Kohli**, WG'07; Patrick Mayes, Jason Covy, Peter Buckley, and Brian Bingham, all PhD candidates in Pharmacology at Penn's School of Medicine; and Malhotra, a resident in Neurosurgery at the Hospital of the University of Pennsylvania. RejuvaDisc, the product they developed, is a polymer-based injectable hydrogel treatment for back pain related to degenerative disc disease that they say is less invasive and more effective with fewer side effects than current approaches.

The judges who selected the winning teams included **Madi Ferencz**, WG'71, Founder, Magic Sliders LP; **James Lussier**, W'78, General Partner, Norwest Venture Partners; **David Piacquad**, WG'84, Senior Vice President, Schering-Plough Corp.; **Richard Thompson**, WG'96, Chairman and CPO, Adify Corp.; **Rob Willenbucher**, WG'03, Vice President, Venture Leader, Johnson & Johnson Development Corp.

WBPC

NP SOLUTIONS' GRAND-PRIZE-WINNING TEAM: JASON COVY, BRIAN BINGHAM, PETER BUCKLEY, PATRICK MAYES, SERENA KOHLI, WG'07, NEIL MALHOTRA.

## Alumni Tarnopol and Platt Honored at the 2007 Economic Summit

With 40 members of the business press in attendance, the 2007 Economic Summit held in Philadelphia April 12 and 13 was the forum for announcements honoring two alumni who helped transform the School.

MICHAEL L. TARNOPOL, W'58

### Michael L. Tarnopol Dean's Lecture Series

On April 12 Merrill Lynch Chairman and CEO Stan O'Neal opened the Summit with a keynote address that inaugurated the Michael L. Tarnopol Dean's Lecture Series. The series, which brings top business leaders to Wharton, honors alumnus **Mickey Tarnopol**, W'58, who died in 2005. Vice chairman of the International Banking Division of Bear, Stearns & Co., Tarnopol was well known in the Wharton community as a long-time member of the Board of Overseers and the co-founder of the Penn Club of New York, along with his wife, **Lynne**, CW'60. Tarnopol received a Distinguished Service Award from the Wharton Alumni Association in 1997 and the Dean's Medal in 2003 for his work as co-chair of Campaign for Sustained Leadership, the most successful business-school campaign in history.

LEWIS PLATT, WG'66

### Lewis Platt Doctoral Fellowship in Business Ethics

The April 13 Plenary Session on Leadership and Ethics began with a relevant announcement: the establishment of the Lewis Platt Doctoral Fellowship in Business Ethics, created in memory of **Lewis Platt**, WG'66, former CEO of the Hewlett-Packard Company and chairman of the Boeing Company. Platt, who died in 2005, assisted in the creation of the School's Wharton West campus in 2001 and was chairman of its Advisory Board. He was also a member of the Wharton Board of Overseers.

The fellowship was endowed through the joint support of Joan Platt and the Hewlett-Packard Company Foundation, as well as a gifts from the Boeing Company, fellow alumni, and friends to assist students in Wharton's PhD Program in Legal Studies and Business Ethics with nearly full support for tuition and research expenditures for the recipient. Created in 2003, the program is the first of its kind in the world, built on Wharton's pioneering work in business ethics. It focuses on ethical and legal norms of conduct in management, with students taking core classes in ethics and law in business, plus courses in one additional area of concentration.

## Auditorium Named to Honor Dhirubhai Ambani

On May 14, the state-of-the-art auditorium in Jon M. Huntsman Hall was dedicated as the Dhirubhai Ambani Auditorium. **Anil Dhirubhai Ambani**, WG'83, chairman of Reliance Anil Dhirubhai Ambani Group and a Wharton Overseer, gave the School a multimillion dollar gift to honor his father by naming the venue.

In 1998 Dhirubhai Ambani was awarded the prestigious Dean's Medal from the Wharton School in recognition for his work as chairman of Reliance Industries Limited, and for his role in revolutionizing the concept of investing in India through the creation of wealth and value for millions of shareholders. Dean Patrick Harker called him "a true pioneer in the development of the Indian economy."

MRS. KOKILA D. AMBANI (FIRST ROW, THIRD FROM LEFT) LED THE RIBBON-CUTTING CEREMONY THAT DEDICATED THE DHIRUBHAI AMBANI AUDITORIUM IN HONOR OF HER LATE HUSBAND.

TOMMY LEONARDI

**PROFESSOR YORAM (JERRY) WIND, 2007 BUCK WEAVER AWARD WINNER**

## Professor Wind Wins Top Marketing Award

Yoram (Jerry) Wind, Lauder Professor and Professor of Marketing, is the 2007 winner of MIT's Buck Weaver Award. The award recognizes the person who best combines theory and practice in marketing. This honor was established by General Motors to recognize its first director of marketing research, Henry Grady "Buck" Weaver, a pioneer in marketing research and market-based decision-making.

Wind is the second Wharton professor to win the prestigious honor in the five years that it has been awarded. The very first winner in 2003 was Wharton's own Paul E. Green, professor emeritus of marketing, who was the unanimous choice from a list of 25 nominees from business and academia for his pioneering development of conjoint analysis.

## Undergraduate Rocks Barron's Contest, Stands Out on 'Fast Money'

When *Barron's* Challenge, an annual stock-picking contest, came to a close on March 30, 2007, about five months after it began, the second- and third-place finishers in the student division had made returns of 34.95% and 34.94%, respectively. While such gains were certainly impressive, **Felix Wang**, W'08, made a whopping 114% return, more than doubling his hypothetical starting capital of $100,000.

So what is his secret? How does a college student who has never owned real stock, much less held $100,000 in capital, beat out 1,847 other entrants by a landslide?

In fact there are few secrets to his strategy — only good research and sound investment principles.

He looked at whether securities were undervalued or overvalued, and bought and shorted accordingly. This informed his decision to buy shares of CDC Corp., which is traded as CHINA on NASDAQ.

Although CDC Corp. began as an online media portal called China.com, it has expanded to include a number of different companies, including those focused on enterprise software, business services, mobile applications, and online media. "I was intrigued by the potential growth prospects by that company," Wang said, "and they were in a really good area — they were the first to enter this kind of business."

Coincidentally, CDC Corp. CEO **Peter Yip**, WG'76, is a Wharton alumnus, having received his MBA in 1976. He and Chairman **Raymond Ch'ien**, Gr'78, who received his PhD in economics from Penn in 1978, visited Wang in February, after learning that he had invested in their company, and that he was a student at Wharton.

"We had a good time. We talked about his business and about Penn in general," Wang said. "I actually kept in touch with them after the visit and they were happy to hear that I won the competition."

While Wang bought many mock shares of CDC Corp., he was careful to heed the advice of his Wharton professors, who stressed the importance of diversification. He minimized risk by having over 30 securities in his portfolio and by shorting stocks.

More recently, Wang was featured on CNBC's "Fast Money," alongside MBA students from Harvard, Yale, and Columbia. At 20, and the only undergraduate student on the panel, Wang was the youngest representative by a wide margin. Yet he answered his question — on the digital revolution — in a way that impressed "Fast Money" anchor Dylan Ratigan.

"Felix rocks," Ratigan said. "Not even adjusting for age which is impressive. You got an A and a smiling face."

With his knowledge of the market, one would think that Wang would be eager to open his own portfolio. But with other interests, such as music, Wang doesn't mind putting that on hold for awhile.

"I definitely think I have something going for me but I think I'll wait a year or so, when I have time," Wang said.

*– James Yu*

TOMMY LEONARDI

**CDC CORP. PRESIDENT PETER YIP, WG'76; FELIX WANG, W'08; AND CDC CORP. CHAIRMAN RAYMOND CH'IEN, GR'78**

Ideas in Action

# Wharton Alumnus and Professor Team to Challenge Undergraduate Class to Combat Teen Obesity

TOMMY LEONARDI

SAMUEL BOTTS, WG'02, FOUNDER OF VIGORWORKS

**Samuel Botts**, WG'02, had long wanted a business that provided him an outlet to give back to the community, but he was frustrated that he thought he had found a good program and the community wasn't responding the way he had hoped.

After getting his MBA from Wharton, Botts opened a gym and health club, Vigorworks, in Center City Philadelphia. He often consulted his parents in Maryland about his business and one day he and his mother started talking about the epidemic of adolescent obesity.

"I was in a business where I thought I could do something about that," said Botts. He said one of the best experiences he had had at Wharton was being in the Milken Young Entrepreneur program, where he mentored kids, especially those otherwise underprivileged, so he knew he had options to work with the community around him. He found out that AmeriChoice, the health maintenance organization, had a program which integrated weight loss with ongoing nutrition and exercise behavior modification. Botts wanted to particularly target underprivileged kids, the group most especially vulnerable to adolescent obesity.

He went through two cycles of the 12-week course, but he found it both difficult to recruit kids and to keep them in the program.

"He couldn't figure out why the attrition rate was so high," said Americus Reed II, the Wharton Associate Professor of Marketing who Botts calls "my mentor." Reed suggested an initiative from the Fels Institute of Government in which the institute would sponsor a classroom solution to business problems, particularly if they would all partner with a government agency. Botts had met Dr. Calvin B. Johnson, the Pennsylvania Secretary of Health.

"He was very much into the program because of his interest in lessening teen obesity," said Botts. AmeriChoice was certainly on board, too. "If we do things like this, people would get sick less. Insurance companies and states would save money. Type II diabetes was never in kids' populations until recently. Other illnesses — hypertension, even heart disease — they can all be prevented with adherence to a healthy lifestyle and this program would be good for that."

*Continued on page 6 ...*

TOMMY LEONARDI

AMERICUS REED OBSERVED HIS CONSUMER BEHAVIOR CLASS DURING THEIR FINAL PRESENTATIONS.

# In Brief

CANDACE DICARLO

**JEFF SUTTON, W'81, WAS RECOGNIZED AT THE DEDICATION OF THE SUTTON DOORS AND ENTRYWAY BY HIS FAMILY, ADMINISTRATORS, AND WHARTON FRIENDS, INCLUDING STEVE RUSSO, W'82.**

## Locust Walk Entryway Dedicated in Honor of Jeff Sutton

On May 11, Wharton dedicated the newly named Sutton Doors and Entryway at the Locust Walk entrance of Jon M. Huntsman Hall. At the naming ceremony, **Jeff Sutton**, W'81, was recognized by Dean Patrick Harker, Vice Dean Barbara Kahn, and Associate Dean Steven Oliveira, for his gift in support of the School. Sutton is Principal at Wharton Realty in New York City.

## Jean-Pierre Rosso Appointed Chair of the Lauder Institute Board of Governors

The Lauder Institute has named **Jean-Pierre Rosso**, WG'67, executive chairman of the World Economic Forum, USA, as Chairman of the Lauder Institute's Board of Governors. Rosso joined the Lauder Institute's Board of Governors in 2001.

## Professor Bradlow Wins Award for Best Internal Medicine Paper

Eric Bradlow, K.P. Chao Professor of Marketing, and Rachel Werner, Assistant Professor of Medicine, are recipients of the Society for General Internal Medicine's Best Published Research Paper of the Year award. Their paper, "Relationship Between Medicare's Hospital Compare Performance Measures and Mortality Rates," appeared in the December 13, 2006, issue of the *Journal of the American Medical Association*.

## Professors Pauly and Volpp Honored for Health Services Research

This year two of the four awards given by AcademyHealth went to Wharton professors. Mark V. Pauly, Bendheim Professor, Professor of Health Care Systems, Business and Public Policy, Insurance and Risk Management, and Economics, received the Distinguished Investigator Award and Kevin Volpp, Assistant Professor of Medicine and Health Care Systems, received the Alice S. Hersh New Investigator Award. The honorees were elected by leaders in the fields of health services research and health policy for research that advances policy and practice to improve health and health care.

## Undergraduate Cohort Projects Help Community

Wharton Undergraduate Cohorts partnered with Rebuilding Together of Philadelphia to improve a West Philadelphia neighborhood on March 24. The group donated their time to paint houses and clean up outside areas as part of an ongoing Rebuilding Together of Philadelphia project to help a local community. On March 30, the nine Wharton Undergraduate Cohorts participated on teams in the Relay for Life event on Franklin Field to raise money for the American Cancer Society.

*"Ideas in Action" Continued from page 6 ...*

So Reed made attracting underprivileged children to the AmeriChoice/Vigorworks program a centerpiece of his Marketing 211 course, "Consumer Behavior." AmeriChoice had 3,000 prospective clients, most through Medicaid, who would qualify to go to Vigorworks for the 12-week program. Reed split his class into six-student groups, each assigned to come up with a flyer and a standard phone/text message to attract young people and their families to the program.

The result was a win-win-win for all concerned — Botts, AmeriChoice, and the students in Reed's class.

"One of the big reasons I came to Wharton was experiential learning," said **Howard Singer**, W'08. "It's a nice thing to spend a semester with concepts, but then you take a final exam and that's all there is. We saw actual live change with what we did."

Singer's group, for instance, did the bulk of its research on marketing health-related messages. The students found out that lighter backgrounds encouraged people to accept those health-related messages.

"Then we found that people's eyes move across a page in certain ways, moving from the middle outward and then left to right," he said, so they built their flyer around those ideas.

Alex Tryon's group found in research that teenagers need a lot of visual stimulation, and a connection to a positive past experience, to be attracted to a mailing.

"We discovered blue was particularly good, because it was a color with high stimulation. If a kid saw it, he got his attention. Orange was another high-energy color," said Tryon, C'08. **David Berger**, W'07, said his group found that Botts's original mailings were filled with too much information.

"Even an audience interested in reading wouldn't be interested in something that cluttered," said Berger. "We ended up with a really clean flyer. The front had a tag line, a silhouette of an athlete, and a symbol."

All of them worked, according to Botts and Reed. Botts's first group had only included 10 teens, and the second 12-week course had 30 people sign up but six dropped out. The third time, with the student flyers, 43 teenagers signed up for the program and only two dropped out partway through.

"We didn't say it was fat camp. We worded it to the parents to say, 'if your child is at risk,'" said **Samantha Flowers**, W'09. "It is great to see the results of a real product."

Berger, who planned to go to work for the business-class-only airline, Eos, after graduation said he was grateful for the "real world" project right before his first full-time job.

"College in general should be more like this," he said. "In most classes, you would have to take for granted that what Professor Reed said was right. Here you could see whether using or ignoring his advice really worked. It was a class, for once, that actually had consequences."

## Students Prove Their Mettle at Inter-School Competitions

This spring Wharton student teams racked up enough inter-school competition championships to fill a trophy case. Following is a round-up of some of the winners.

### Wharton Team Brings Home Executive Leadership Council Victory

A Wharton MBA team led by captain **William Lewis**, WG'07, placed first at the Executive Leadership Council (ELC) Annual Case Competition sponsored by Shell and United Airlines in Houston, TX, on May 27. The ELC is the premier organization of Fortune 500 African American executives. The prize included membership in the NextGen Network for the five team members (Lewis, **Khary Robinson**, **Temitayo Ogunnaike**, **Ellen Hunter**, and **Jay Womack**, all WG'07), a trip to New York and Washington, DC, to be honored on stage at the annual ELC meeting, $20,000 in prize money, and a crystal trophy for the MBA Program Office. Wharton most recently won the award in 2003.

### Undergrad Marketers Win First Place in AMA/New Orleans Case Competition

A team of 13 Wharton undergraduates took first in the American Marketing Association (AMA) case contest for the second year in a row. This year's task was proposing remedies for the ailing Post-Katrina tourism industry in New Orleans, with eight finalist teams presenting their case before the New Orleans Convention and Visitors Bureau (CVB) at the AMA Collegiate Conference in New Orleans the weekend of March 28. Team members (**Brandon Dunn**, W'09, **Amanda Ganske**, W'08, **Deborah Garber**, W'09, **Steve Gibson**, W'07, **Jean Hsu**, **Michelle Jacobs**, W'09, **Talal Kahn**, **Nancy Lee**, W'07, **Adela Mou**, W'09, **Charles Pensig**, W'07, **Jacob Suher**, W'09, **Joanne Tong**, W'08, and **Diana Zhou**) impressed the judges with their integrated rebranding plan.

### MBA Team Wins McKinsey Business Technology Challenge

Four Wharton MBA students beat 115 other teams to win the McKinsey Business Technology Challenge National Champions 2007 award. The team, Inflection Point, consisted of WG'08 students **Tammy Hensel**, **Charles Njendu**, **Chijioke Onyewuchi**, and **Komal Rathi**. Inflection Point won the National Challenge held in McKinsey's New York office April 20.

The theme of the Challenge was to pick a company from the Fortune 100 and show how any mix of four technologies can dramatically improve revenue and/or productivity over the next five years. The four technologies were crowd sourcing and co-creation, ubiquitous broadband and persistent connectivity, virtual worlds for commercial use, and smart network elements and sensors.

### Undergraduate Marketing Team Wins Wake Forest Case Competition

A team from the Wharton undergraduate marketing club, MUSE, won first place in the Wake Forest Case Competition. The winning team included **Melissa Lamb**, W'09, **Lara Aleman**, W'09, **Sean Oliver**, W'08, and **Nhu Vu**, W'08. The three-phase competition be-

COURTESY OF ELLEN HUNTER

EXECUTIVE LEADERSHIP COUNCIL PRESIDENT AND CARL BROOKS WITH THE WINNING WHARTON TEAM, INCLUDING TEAM CAPTAIN WILLIAM LEWIS, WG'07, KHARY ROBINSON, WG'07, TEMITAYO OGUNNAIKE, WG'07, ELLEN HUNTER, WG'07, AND JAY WOMACK, WG'07, WITH JOHN HOFMEISTER, PRESIDENT OF SHELL OIL CO. AND U.S. COUNTRY CHAIR FOR ROYAL DUTCH/SHELL GROUP.

gan October 30, 2006,with the winners announced at the Wake Forest MBA Marketing Summit February 10.

### Wharton Wins Financial Engineering Competition

For the first time in seven years, Wharton emerged victorious at the 10th Annual Graduate Business School Financial Engineering Competition. The Competition was held on April 13 at the Lehman Brothers Inc. headquarters in New York. Organized jointly by the Tepper School of Business at Carnegie Mellon University and the Lehman Brothers Quantitative Research Group, the competition attracted teams from seven of the country's top graduate schools. Each team took the perspective of an investment bank and was presented with a business problem that their client was trying to solve. The Wharton team members included **Sandra Fontaine Moya**, WG'07, **Kedrick Brown**, WG'08, **Mohit Mittal**, WG'07, **Paul Morris**, WG'07, and **Sid Khanna**, WG'07, with coaching provided by Domenico Cuoco, associate professor of finance.

TOMMY LEONARDI

FINANCIAL ENGINEERING WINNERS: PROFESSOR KRISHNA RAMASWAMY; KEDRICK BROWN, WG'08; SANDRA FONTAINE MOYA, WG'07; SID KHANNA, WG'07; MOHIT MITTAL, WG'07; PAUL MORRIS, WG'07; PROFESSOR NICOLAE GARLEANU; PROFESSOR DOMENICO CUOCO

### Undergraduate Presents Paper on Entrepreneurship at International Conference

**Henry Friedman**, W'07, was selected to present a paper at the 27th Babson College Entrepreneurship Research Conference that he co-authored with Professor Gavin Cassar, as part of the Wharton Research Scholars Program. The paper is titled, "Does Overconfidence Affect Entrepreneurial Investment?" This year's conference was co-sponsored by Babson College and Instituto de Empresa Business School, and held in Madrid, Spain, June 7-9.

### Wharton Undergraduate Presents Health Care Project at World Business Dialogue in Germany

Wharton undergraduate **Geoffrey See**, W'10, who already has been published in the *Harvard Business Manager* for his work on a health care project, EduHealth, was one of three student presenters at the 11th World Business Dialogue held March 28-29, 2007, at Universität zu Köln. His contribution was named the best essay for the topic "Changing Society — Civilizing the City."

### Wharton West MBA Team Competes in L'Oreal eStrat Challenge Finals

A team of Wharton West MBA students was the North American regional finalist for the L'Oreal eStrat Challenge, the world's biggest online corporate strategy business game. Out of thousands of entries, eight finalists were chosen, with one team representing each world region. The Wharton MBA Program for Executives group (including **Loren Simon**, WG'08, **Xiaoying** (**Alice**) **Zhang**, WG'08, and **Bolaji Olutade**, WG'08) bested all other U.S. and Canadian MBA teams to present at the international finals in Paris, coming in fourth.

### Undergraduate Named Winner of Goldman Sachs Competition

Undergraduate **Ravi Naresh**, W'09, was selected as one of the winners of the Goldman Sachs Global Leaders Program competition. The competition identifies and rewards the academic excellence and leadership potential of the most accomplished second-year students from all disciplines for the Goldman Sachs Global Leaders Program.

## Letters to the Editor

### 125 Influential People and Ideas

Just finished the 125 issue. Needless to say, it is readily apparent that you have inadvertently placed me on the list. But, hey mistakes are made.

That said, my memories of Wharton and my love of this institution are based on the stories like those you included. In my class, I still have memories of trying to get the rugby ball out of the scrum and into the waiting hands of inside fly half, **Mike Moritz** (WG'79). Or of always being impressed with **Connie Duckworth's** (WG'79) rare combination of grace and common touch. Or of Professor Bob Inman's uncanny way to teach so we would learn to think. Or of **Geoff Boisi's** (WG'71) constant mentoring of one needing it (ahem, continuing to this day).

To my mind, I believe that books and buildings were indeed involved, but Wharton, like all great institutions is built and sustained by its people.

**Bob Bowman**, WG'79
Westport, CT

Just to let you know that I really enjoyed the "125" *Wharton Alumni Magazine* issue. I think it was the only issue I have read cover to cover. The biographies were concise and extremely interesting. One doesn't always realize the diversity of talents fostered by the Wharton education.

**Stephen Leventhal**, C'69, M'73, WG'81
Zürich, Switzerland

Thank you for sending me the publication, "125 Influential People and Ideas." I gave the cover a quick glance and out popped a familiar face, Dr. **George W. Taylor**. I fondly recall studying supply-side economics with Dr. Taylor, ten years before Art Laffer claims to have invented the theory. According to Taylor, the implementation of supply-side theory would release greed from its restraints and eventually destroy the American economic system. He claimed supply-side theory sounds sweet as honey but that it's as deadly as hemlock. He called it a right wing hoax.

Supply-side theory came out of General Electric in 1962, when Dr. Herbert Northrup was hired to succeed Dr. Taylor, upon Taylor's planned retirement in 1964. Northrup led Wharton into a far right turn and the rest is history.

Again, thank you for taking me back to better days.

**William E. Briggs**, WG'64
Kahului, HI

I would certainly be remiss, if I didn't congratulate you on a work well done.

Some of the names were very familiar, but I never connected them with Wharton. I was mainly surprised at how many were known only by the event or product for which they were responsible. So thanks also for informing me.

**Ed Harler**, W'55
Levittown, PA

## Corrections

The biography of **Raymond Pace Alexander**, W'20, that appeared in the *Wharton Alumni Magazine* Anniversary Issue erroneously named him as Wharton's first black graduate. In fact, that trail was blazed 37 years earlier by Wharton undergraduate **Miles Tucker**, who earned a Bachelor of Philosophy degree in 1887 as a member of Wharton's fourth graduating class. Additionally, when Alexander began to work at age 12 to help his father keep his siblings together, his mother had died seven years earlier. His wife **Sadie Mossell Tanner Alexander** was the first black woman to earn a PhD at the University of Pennsylvania and the first African American in the United States to earn a PhD in Economics.

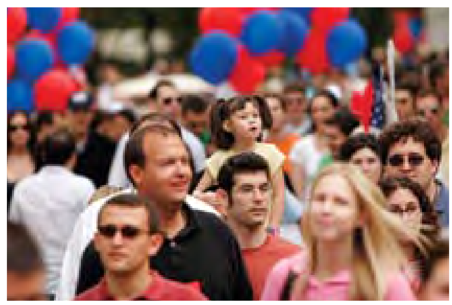
In the biography of **Anil D. Ambani**, WG'83, that appeared in the *Wharton Alumni Magazine* Anniversary Issue, the name of his latest venture was misspelled. The correct company name is Zapak.com. Also, the profile stated that his father, Dhirubhai Ambani, the founder of the Reliance Industries Limited and recipient of a Wharton Dean's Medal, was a former schoolteacher. In fact, he was the son of a schoolteacher. ◆

PHOTOS: **TOMMY LEONARDI**


# Reunion 2007






# Firsts, Lasts, and Anniversaries at Festive Reunion Weekend

More than 1,400 alumni came for events that began on Thursday, May 10, with a keynote address from **Ruth Porat**, WG'87, Vice Chairman, Investment Banking, Morgan Stanley, and ended on Sunday, May 13, with an All-Alumni Brunch and the traditional alumni processional during graduation to welcome new degree-holders to the alumni fold.

In between, Wharton got down to business with professional education workshops led by Wharton professors Michael Useem, David Reibstein, Richard Shell, Peter Cappelli, and Howard Kunreuther.

"Faculty like to get in front of a crowd that doesn't raise their hands to ask, 'Is this going to be on the test?'" joked departing Dean Patrick T. Harker at a Wharton Town Hall meeting in the Dhirubhai Ambani Auditorium. On a more serious note, he pressed alumni to redouble their own involvement during the transition to new leadership.

The first-ever Celebration of Women's Leadership, "Women at the Forefront," hosted by leadership expert **Roslyn Courtney**, WG'76, attracted top executives to Wharton for a panel discussion and breakout sessions. "When you get to a certain level, whether you're male or female, you're all elbowing for the same next job. I have a leadership style that works for me," said Deborah Fretz, who, as President and CEO of Sunoco Logistics Partners, is a rare female chief executive in the oil business. Fretz, a proud Penn parent of two alumnae, continued, "People often confuses leadership and management. A manager works through the system. A leader works on the system and tries to change it for the better."

Of course, alumni mixed plenty of pleasure in with the business. On Friday evening, alumni convened at the MBA pub for the Class of 2002, a Class of 1997 mixer on the eighth floor of Jon M. Huntsman Hall, and the All-Alumni Reunion Class Mixer at the World Café Live, the three-year-old Penn music venue that has become one of the most memorable parts of Reunion weekend. Also, in celebration of its 15-year anniversary, the Joseph Wharton Scholars (the undergraduate research honors program) invited all its alumni to West Philadelphia's Zocalo restaurant.

The seasonable weekend ran the gamut of spring weather from sunshine to Saturday-evening showers that held off long enough for Reunion attendees and their families to enjoy a schedule of activities that offered something for everyone. Cultural and family events on Friday and Saturday included a family picnic on Lehman Brothers Quad, an art-gallery hop, a National Constitution Center tour, a kids' tent, an alumni run/walk, and a trip to Dave and Buster's amusements on the Delaware riverfront.

Later on, Philadelphia played host to an Emeritus Society lunch for all alumni from the classes of 1957 and earlier. An MBA Exec (WEMBA) Reunion Dinner welcomed all Reunion classes at the Ritz-Carlton, while MBA Reunion classes took over the city high and low, with dinners at locations from the Pyramid Club, which overlooks Philadelphia from the top of 1735 Market Street, to the ballrooms of the Westin Hotel.

Next year's Reunion promises a lively mix of professional programming, networking opportunities, and social engagement. Mark your calendars for May 16-18, 2008. ◆


PHOTOS: TOMMY LEONARDI

# Welcome New Alumni

# Graduation Closes a Loop, Expands the Alumni Circle

Under sunny skies and amid cool breezes on May 14, Wharton's new graduates circled the track in Franklin Field, tracing the full perimeter in a solid line of black robes highlighted with red, blue, and gold. Digital cameras and phones clicked on the field and in the stands as the soon-to-be alumni took their seats, ready to join Wharton's worldwide community of more than 81,000 alumni.

As the alumni circle expanded, the keynote address by Lakshmi N. Mittal "closed the loop" on the 125th anniversary, in the words of departing Dean Patrick T. Harker. Mittal is Chairman and Chief Executive Officer of Arcelor Mittal and founder of Mittal Steel, the world's largest steel company. In 2004, Mittal Steel merged with International Steel, the descendent of Bethlehem Iron Company, which Joseph Wharton as a director had built into a world leader around the time that he founded the Wharton School in 1881.

Mittal noted that the event was not the first Wharton graduation he had attended. In addition to his nephew **Atulya**, W'07, who received his bachelor's degree earlier in the day, and niece **Natasha**, WG'07, who was awarded her MBA, his Wharton family includes his son, Mittal Steel President and CFO, **Aditya**, W'96, and his daughter-in-law **Megha**, W'97.

The graduates were not the only ones saying goodbye to Wharton's campus. Said Barbara Kahn, Vice Dean and Director of the Undergraduate Division, at the Undergraduate ceremony, "I believe I can fully appreciate some of the complex feelings you must be experiencing right now. Like most of you, I have just finished my fourth and final year in Wharton undergrad." Kahn is leaving Wharton to become dean of the business school at the University of Miami.

Harker's remarks were also bittersweet. "As you know, this year I'm 'graduating' in a way, too," he said. "I came to this institution as an 18-year-old freshman, and I've spent some 30 years wearing the red and blue of Penn – as a student, as a faculty member and as dean.  And my love for, and loyalty to, this institution won't end when I move on to the University of Delaware in July. For like you, I am an alumnus of the University of Pennsylvania, and a very proud one at that."

To welcome the graduates to alumni status, **Jean-Pierre Rosso**, WG'67, served as Alumni Marshall, presenting the Class of 2007 flag to **Hassan El-houry**, WG'07, President of the Wharton Graduate Association. Rosso, executive chairman of the World Economic Forum, recently assumed the chair of the Lauder Institute's Board of Governors.

Other speakers chosen from among the outstanding student body were **Andrew Kaplan**, W'07, who addressed the undergraduate class, and **Poonam Sharma**, WG'07, and **Jessica Hatch**, WG'07, who spoke to newly minted MBAs from the traditional program and the MBA Program for Executives respectively in the afternoon. In San Francisco's Herbst Center, **Adam Krug**, WG'07, addressed the fifth graduating class for the Wharton MBA Program for Executives at Wharton West on May 6.

This academic year, Wharton awarded about 550 Bachelors of Science in Economics, 36 PhDs, more than 800 MBAs from the traditional program, 122 MBAs from the Philadelphia executive program, and 73 MBAs from the San Francisco executive program. ◆

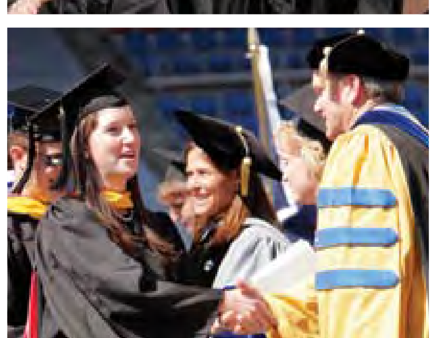



ILLUSTRATION . JAMES STEINBERG

# The View from the Summit

**The 2007 Wharton Economic Summit marked the close of the anniversary celebration by addressing global economic issues for the next 125 years.**

It's only fitting that the Wharton 125th anniversary celebration ended where collegiate business schools began — Philadelphia. On April 12 and 13, the 2007 Wharton Economic Summit drew more than 1,000 business leaders from around the world to the Pennsylvania Convention Center to address the topic "Next Moves in a Global Economy."

Called "an absolute grand slam" by Dean Patrick T. Harker, the event culminated a celebration that began with the Mumbai Global Alumni Forum in January 2006, then circled the planet for 15 months. Along the way, Wharton faculty and alumni convened in cities from Tokyo to Miami, Rio de Janeiro to Minneapolis, Istanbul to Atlanta.

The Philadelphia event was the biggest by far. More than 30 panels and sessions drew faculty and alumni speakers, as well as business heavyweights from around the world and thought leadership from Wharton's programs and initiatives, such as the Small Business Development Center and the Center for Leadership and Change Management. The Summit also bade farewell to Dean Harker in a gala dinner celebration that closed the event.

## Global Capitalism, Critical Questions

"The brute force of global capitalism has lifted many out of poverty but created urgent situations that require leadership," said Merrill Lynch Chairman and CEO Stan O'Neal in the opening keynote speech. "When the Berlin Wall fell, many thought that democracy would become the unifying force in the world. The force unleashed in 1985 was not democracy but free-market capitalism."

While the darker side of capitalism has been the cause of urgent problems — including environmental threats and economic inequity — the combined efforts of businesses can offer solutions. During a Friday keynote lecture, Jeremy J. Siegel, Wharton's Russell E. Palmer Professor of Finance, made the case that free global exchange of goods and wealth are required for the developed world to maintain its lifestyle as birth rates continue to decline and populations age. Along with other speakers, Siegel noted that China and India will surpass or equal the economies of the United States and the European Union. But while some observers have interpreted the rise of other economies and the global flow of assets as a harbinger of the decline of developed nations, Siegel sees it as the best hope for the developed world.

Panel sessions — from the concrete to theoretical — drilled down into more specific industries and challenges. The topics addressed topics were as varied as "Wall Street Meets Hollywood," moderated by Nelson Gayton, director of Wharton's Media and Entertainment Initiative and "Succeeding in a Flat World," moderated by Professor Yoram (Jerry) Wind and sponsored by the SEI Center for Advanced Studies in Management.

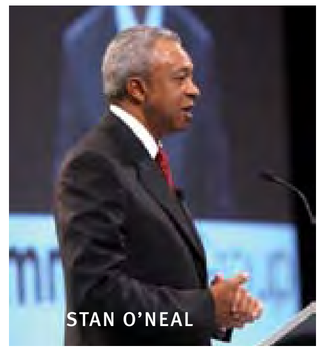
Common threads ran through the discussions, as each was colored by challenges facing business and society on a global level, including corporate responsibility, global governance, and competition for scarce resources of energy, materials, and talent.

## Corporate Responsibility and Sustainable Business

Rajat Gupta, Senior Partner Worldwide, McKinsey & Company, broached the topic of corporate responsibility in his keynote speech. Business must reinforce constructive contact and dialogue with society to "earn the right to serve," he said. "Corporate responsibility is not a luxury – we must work with partners to address problems facing society to shape social contract between business and society."

DEAN PATRICK T. HARKER


JEREMY J. SIEGEL


STAN O'NEAL


RAJAT GUPTA

Some critical industries, such as the energy sector, face even more daunting barriers as record profits, declining fossil reserves, and environmental damage seed distrust among both end consumers and the citizens of petroleum producing countries. **Mohammed Azam Ali**, W'96, E'96, CEO, Orient & Gulf DMCC, asserted during a panel called "Dividing the Pie: The Political Debate About Profits in the Energy Sector," that increased transparency and accountability could alleviate distrust.

"Disclosure regimes in U.S. and other capital markets were put in place 30 years ago," said Azam Ali. "A lot has changed in the industry and companies that do not pay attention to the wider context, including the need for transparency, will eventually find themselves more vulnerable to negative surprises and eventually lose credibility with shareholders."

A challenge common among many industries is that the tenets of business are not understood. Benefits are not seen as equitably distributed, but as a skeptical public holds businesses up to greater scrutiny, corporations must step up with greater responsibility. Said Gupta, "It's about whether we are making our contribution to society, working with the elements of society creating societal good along with shareholder value. Businesses that align strategies with trends will succeed. We should not merely respond to trends, but shape society."

He asserted that the public sector will need to rise to the level of performance as the private sector, and that public/private partnerships will be key.

**Emilio Bassini**, W'71, C'71, WG'73, Managing Principal and Co-Founder, Bassini & Co. LLC, elaborated on the idea that social value and shareholder value can be compatible. "A lot of what happens in economies good and bad depend on social values," he said during the "Emerging Markets" panel. "All things being equal, align yourself with interests of the government. As an example, we've been very successful investing in Mexican low-income housing. Having a flow of home supply for the many households that are formed each year is vital to maintaining social peace, and thus there is professional management, liquidity in shares, and funding available."

## Governance Issues for Multinational Corporations

While the restrictions and costs of Sarbanes-Oxley Act were frequently disparaged at the Economic Summit, speakers agreed that the ethical considerations facing multinational companies were increasingly complex, notwithstanding onerous U.S. reporting requirements.

"Was there some benefit to Sarbanes-Oxley? Probably yes. Was it an overshoot? Probably yes," said **Arthur Collins**, WG'73, Chairman and CEO of Medtronic, at a Friday plenary session moderated by radio host John Resnick. "A huge amount of time on an audit committee or board of directors is taken up on compliance issues without knowing whether it effects ethical behavior."

He advocated applying a uniformly high set of ethical behavior regardless of local laws. **Jon M. Huntsman Sr.**, W'59, H'96, founder of Huntsman Corp. and a co-panelist, agreed. "To have any policy that varies from country to country would be almost immoral," he said. "Word spreads if one is ethical. I pulled operations out of one country because bribes were the rule. Huntsman Corp. left, but since then we have never been invited to participate in that behavior in other sites. It's important to be above the fray."

If corporations don't hew voluntarily to ethical principles in regard to financial practice, environmental concerns, and human rights, global regulatory bodies may emerge to enforce those principles, according to Tom Donaldson, Mark O. Winkelman Professor and Professor of Legal Studies and Business Ethics. "The idea of single market regulated and overseen by a global body is fraught with difficulties, but the train is on the tracks," he said.

Collins commented, "I think it's a long time in the future where we have one market. It's a reality that the U.S. will be a significant power in the future but not the only one. We better wake up and deal with it."

**"Outsourcing does not equal globalization," cautioned Professor Morris Cohen.**

In Rajat Gupta's earlier remarks, he had professed that the body for global governance already existed. "The common perception in the U.S. is that the United Nations is ineffective, but if we didn't have one, we would create one," he said. "It would behoove us to make it more efficient rather than abandon it. The global governance mechanism must evolve, and the UN is at the core."

He cited the Global Fund — created by the UN but independent of it — as an example of a successful international institution.

## Battle for Limited Natural and Human Resources

Speakers identified competition for resources as a factor that threatened growth.

"Society is using natural resources at unprecedented rate, and the demand will continue to intensify," said Gupta. "How do we sustain the environment and drive robust growth?"

The growing demand for declining natural resources such as water and petroleum will put pressure on another precious resource: talent. Energy supply will not keep up with demand without innovation, and the continual supply of scientists and business minds will be required to produce and commercialize those new technologies.

**Michael Milken**, WG'70, founder of the Milken Institute, whose keynote address followed Siegel's at Friday's lunch, commented, "This century will be defined by the competition for human capital."

The developed world will be able to grow its economy by continually driving innovation, but it won't — and can't — corner the market on innovation. For the global economy to grow, the young population of the developing world — its most valuable of assets — will not just be the hands that produce goods and pocketbooks that purchase them, but the minds that produce innovative ideas and products as well. The prodigious talents in the developing world must be fostered through education as well. Milken said that historically, the countries that invest the most in educating their populations have the most successful economies, and those that don't suffer.

EMILIO BASSINI and MANUEL MONTERO

Milken gave two contrasting examples. In 1960, Singapore and Jamaica were similar — tropical island nations with few natural resources and per-capita incomes under $2,000 per year. Jamaica emphasized an economy based on agriculture and tourism, while Singapore invested in education and technology. Today, Jamaica's per-capita income has barely doubled, while Singapore's is more than $31,000.

Already, said Gupta, the battle for talent and labor pools has reduced the limitations of geography. "While there is currently a divide between job categories that have globalized and those that haven't, the divide is narrowing. The demands of labor have changed."

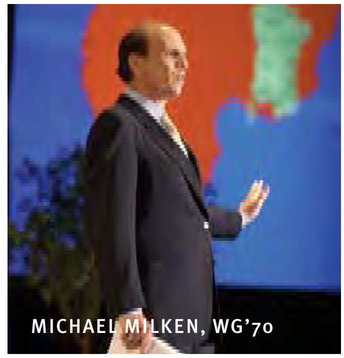
In the developed world, the battle for talent and commodification of many goods means cultivating and retaining the brightest employees to stay competitive. Said **Joel Cantor**, WG'89, CEO and Founder, Gulf Atlantic Real Estate Companies, at the "Competitive Strategies" panel, "Differentiation of products and services is essential. How do you come up with an exciting product so consumers will pay higher margins?" In Cantor's business of real-estate development, that means producing unique designs with dramatic architecture and innovative mixed-use plans.

"Smart people are a dime a dozen," says Cantor. "What matters is creativity. It's a challenge in real estate to make the product stand out, and we have a constant need for creative people who can do that."

JOHN RESNICK, ARTHUR COLLINS, WG'73, TOM DONALDSON, and JON HUNTSMAN SR., W'59, H'96

MOHAMMED AZAM ALI, W'96, E'96, AND TONIO PALMER

DEREK HATHAWAY, JOEL CANTOR, WG'89, and GERALD ADOLF



MICHAEL MILKEN, WG'70

SASHI P. REDDI, GRW'94

JERRY WIND, ALFRED P. WEST, WG'66, and MARTY SELIGMANN

## Weighing Risks and Rewards in Emerging Markets

As companies chase global talent pools and technology reduces the constraints of geography and time, outsourcing of labor will continue as a key strategy, tipping the shift in economic power to China, India, and other labor markets.

"Outsourcing does not equal globalization," cautioned Morris Cohen, Wharton's Panasonic Professor of Manufacturing and Logistics, at the panel on "Globalization and Outsourcing: Integration with India and China." He noted that outsourcing is more of a valued-added option for organizations to meet competition and the need to coordinate global activity. Cohen said that outsourcing minimizes costs as well as cuts across the mosaic of the global supply chain.

**Sashi P. Reddi**, GrW'94, Founder, Chairman & CEO, AppLabs Technologies, stressed this in the advantages of doing business in India. Specifically, labor is cheap and labor laws in India are flexible, taxes are low and can be waived based on the location in India, and there is a good network of revenue flow.

Said Reddi, "India has three ways to say yes, and no way to say no."

**Rohit Aggarwal**, W'94, Co-Founder and Managing Director, RAS Capital Management, weighed in on the Indian economy from a different perspective on the "Emerging Markets" panel. The country's recent average GDP growth has been 9%, and its purchasing power is the size of the Chinese economy. While India is behind China in infrastructure, Aggarwal returned to Milken's theme to state that India's greatest asset is human capital, with a large population of educated English-speakers and 50% of population under the age of 25. The Indian economy is supported by its own domestic consumption and the large middle class, leading to the explosion of consumer demand.

Panel moderator N. Bulent Gultekin, Associate Professor of Finance, explained that emerging markets provide foreign investors with outlets for expansion, but as employment levels rise in the region, labor costs increase.

He cited Ireland and Spain as two economies that have succeeded through changes in the social pact, deregulation, tax reduction, investment in education, and political stability, while former Soviet bloc nations such as Poland and the Czech Republic have had a slower pace of change from their socialist economies.

"It's difficult to find the perfect country," he said. He advised investors to select countries, know them well, stick with a commitment once made, invest only what they can afford, and monitor investments closely and continually.

Emilio Bassini addressed the topic of Latin America, explaining that he wanted to focus on the part of the world he knew best. He cautioned that investors must price returns properly to take in to account the full risks, but asserted, "It's a very good time to be in Latin America. If you look at the number of IPOs in the Brazilian market this year, it's staggering. The IPOs have been well priced, and the money was being raised for the right reasons. There have been fewer IPOs elsewhere in Latin America but still quite a bit of entrepreneurial activity. Performance comes from the flow of funds through public pension plans. The power of foreign institutional dollars is very big. When lots of money goes in, stocks do well. IPOs in Brazil may slow deepening of markets."

"Emerging Markets" co-panelist **Manuel Montero**, WG'73, Founder and CEO of SAFTPAY, strongly backed the region's economic promise, asserting the presence of untapped entrepreneurial opportunity. "There's not much cash for new entrepreneurship and a lot of cash goes in and out to Miami very quickly," he said. "It's difficult to start from scratch anywhere except in the U.S., where there is a robust venture capital market."

In India, said Aggarwal, "there has been phenomenal performance in markets. Futures and options markets are only four years old, and are already four times the size of the cash stock market. You have to take into account currency depreciation in some markets, but it's not a major factor in India."

Touching on Bassini's earlier theme, he commented, "A benefit is the Western legal and accounting systems based on British laws. It's easier for many Westerners to do business there than in some emerging economies."

There are risks — infrastructure shortfalls, overdependence on foreign capital. There is political instability as a result of the coalition government, and from global oil prices.

## Coverage of the 2007 Economic Summit from Knowledge@Wharton

### In Oil Producers' Brave New World, a Key Word Is 'Partnerships'

In Venezuela, President Hugo Chavez is threatening to take control of several major projects from American and European firms. In Russia, the government recently strong-armed Royal Dutch Shell into relinquishing control of a large oil field. Across the oil-producing world, governments are responding to higher petroleum prices by imposing new taxes on oil companies and forcing the renegotiation of contracts.
**‹knowledge.wharton.upenn.edu/article.cfm?articleid=1731›**

### Scouting for the Best Athletes (or Analysts): Character vs. Performance

Character is what counts the most, whether you are scouting for a new quarterback in the NFL draft or hiring a young commodities trader.
**‹knowledge.wharton.upenn.edu/article.cfm?articleid=1728›**

### Investing in the Fragmented Entertainment Industry: Is Safe Better than Sexy?

Trying to predict the next hit — whether it's an independent horror film, a new recording group or a popular video game — entails a high amount of risk in an industry that has been turned upside down by the Internet and the reconfiguration of longstanding distribution channels.
**‹knowledge.wharton.upenn.edu/article.cfm?articleid=1726›**

### Current Controversies in Executive Compensation: 'Issues of Justice and Fairness'

Although mammoth executive compensation packages at hedge funds — hundreds of millions of dollars a year for some managers, with a select few topping $1 billion — have recently been disclosed in the business press, public outrage over soaring CEO pay has been growing for years.
**‹knowledge.wharton.upenn.edu/article.cfm?articleid=1727›**

### Aging Populations Can Prosper, or Not: Making the Right Investment Choices

The U.S. population is getting older as the "age wave" of baby boomers nears retirement. Will their 60s, 70s and 80s be happy years, marked by prosperity, good health, and fulfilling activities?
**‹knowledge.wharton.upenn.edu/article.cfm?articleid=1733›**

### The Real Estate Industry, though Volatile, Offers Riches to Those Who Know Where to Look

While many Americans are worried that real estate prices have flattened and may even turn downward, some of the country's top commercial developers say there are always opportunities, for those who manage their projects efficiently in a global market, focus on areas with growing demand, and have the staying power to wait out the downturns.
**‹knowledge.wharton.upenn.edu/article.cfm?articleid=1729›**

"We think the market rallied too much and investors need to get realistic. Areas of opportunity include arbitrage, since inefficiencies exist in the market," Aggarwal said. "All emerging markets have risks, but a lot of the risks I saw in the mid-1990s have gone away. Currency devaluation never happened in India. One of the problems is that India is bucketed with emerging markets, and if Thailand catches cold, India sneezes."

## Maintaining Competitiveness in Global Market

In an separate panel on "Thought Leadership," Jerry Wind recommended thinking of outsourcing partners as true partners, not an us-versus-them transactional relationship. "Create the most powerful network of firms and think of yourself as orchestrating a network for the generation of ideas."

It's the generation of ideas that will distinguish companies that stay competitive in the global marketplace. Gerald Adolph, Senior Vice President, Booz Allen Hamilton, specializes in strategy and operations for technology-driven businesses. During the "Competitive Strategy" panel, he explained, "Many companies are struggling about how to bring the power of the institution together. Whether its geographic reach, everyone is trying to get the scale to leverage the power of the institution while maintaining innovation. Commodification happens very quickly — drugs, technology, consumer products."

Investment firm maverick **Alfred P. West Jr.**, WG'66, Founder and Chairman of SEI Investment Company, said, "If you have competition, you change the game to one you can win. You must continue to innovate." He has found that 90% of value comes from asset allocation rather than stock picking, and more recently, the development of client services has become critical.

Advised West, "We always go after emerging client needs, not just what they tell you. We find that they ask you for something tactical, and we try to give them what they need, not what they ask for."

Said West, "If you think you are secure you're at risk. If you accept risk, you're secure." ◆

STORY: KELLY ANDREWS WITH ADDITIONAL REPORTING BY BRANDON DUNN, JAMES YU, AND JOANNE SPIGONARDO.
PHOTOS: STUART WATSON

# A Principled Leader for Interesting Times

## An appreciation of departing Dean Patrick T. Harker, who changed the conversation about business school.

By Nancy Moffitt

On June 30, Dean Harker stepped down from his post as Wharton's 12th Dean to become president of the University of Delaware. After seven years at the helm, he left the School more agile, more global, and fiscally and academically stronger — an institution that defined its own place in the world at a time when business schools and leaders faced tough challenges and questions.

## Taking on a Growing Controversy

His counterpart at Harvard Business School, Kim Clark, met several times a year with Harker, a colleague he describes as outgoing, gregarious, and universally upbeat. "It was always a pleasure to be around him," Clark — who is now the president of Brigham Young University-Idaho — told *Wharton Alumni Magazine*.

But Clark saw a whole new side to Harker when it came to discussions about the MBA rankings that publications like *U.S. News*, the *Financial Times* and *BusinessWeek* publish each year. "Exasperation and frustration," he said, describing Harker's ire with what he saw as a methodologically flawed process that lacked verifiable data and distracted schools from their educational mission.

And so in 2004, Harker and Clark led a revolt against the dozen or so MBA rankings by deciding to withhold contact information used in polling graduates or alumni — a vital ingredient in compiling the rankings.

"We were the early adopters of a trend that we are now starting to see heat up in higher education," said Harker, referring specifically to a recent dispute between Sarah Lawrence College and *U.S. News* about its rankings process. "The point is not that the rankings are going to go away. They are going to stay. The point isn't either that the media doesn't have a role to play in providing meaningful information to people to make decisions. That's clearly important. The issue is trying to boil all that down to a single number that tells somebody 'This is where you should go.'"

In his final interview with the *Wharton Alumni Magazine* before assuming his new post as president of the University of Delaware, Harker was characteristically forceful in discussing the rankings — and the fallacy of schools allowing themselves to be defined by them.

"If you want to be number one in *U.S. News*, you follow the numbers, leadership be damned," he said. Educational institutions, he believes, should make admissions and administrative decisions based on educational criteria and goals, not influencing data points to game a rankings system.

"It all gets to a deeper issue," he continued. "There is a whole winner-take-all philosophy that we have in our society that says, 'If I don't go to the top place my life is over.' And that's just not true. People go to all sorts of schools and flourish. But we tend to say that if you don't buy the right handbag, if you don't buy the right school, your life is over. It's all part of an overall societal trend that I think is dangerous and damaging to our students."

## Substance Over Image

The rankings controversy is perhaps the most visible of the issues Harker took on during his seven years as dean. But his focus on substance over image came to define his tenure on every level, from record-breaking fundraising and the opening of Jon M. Huntsman Hall to international expansion and launching Wharton West.

PHOTO . PETER OLSON

> **"Dean Harker is the man who took Wharton out of Philadelphia and into the world."**

Harker's accomplishments include attracting and retaining top faculty in an ever-competitive market — the largest faculty of any business school. His vision of Wharton's international mission led him to redouble the School's efforts to connect with alumni around the world and share Wharton's ideas with business leaders from Hong Kong to Costa Rica.

"He was one of the few deans of top U.S. business schools who recognized that business in general, and business education more specifically, needed to look beyond what was happening in the U.S., needed to consider more global issues," said Della Bradshaw, Business Education Editor at the *Financial Times*.

Harker led the creation of Wharton West, the School's San Francisco-based campus, and forged an alliance with INSEAD, the leading non-U.S. based business school. "He is the man who took Wharton out of Philadelphia and into the world," said former INSEAD dean Gabriel Hawawini in a *BusinessWeek* article. "Dean Harker understood how globalization and the new economic environment are pushing business schools to adapt and better serve our students and corporate partners."

That push also included oversight of two innovative and successful initiatives: expanding Knowledge@Wharton to nearly 1 million subscribers in 189 countries and Spanish, Portuguese, Chinese, and Indian versions, and launching Wharton School Publishing.

## Interesting Times, Tough Stands

Like many observers, Wharton Deputy Dean David Schmittlein cites Harker's ability to take a strong, principled position as a foundation to his term as Dean. "These were interesting times to be a business school dean," Schmittlein said during Harker's farewell dinner in April. Schmittlein recalled a time during the dot-com boom when an e-learning company came to Harker and said to him, "We want your brand, we want your curriculum, we want direct access to your faculty, or we will bury you."

Harker's response was a polite but firm no-thank-you, and he instead set about building Wharton's own e-learning platforms. The ongoing result was the Alfred West Jr. Learning Lab, which has developed 23 technology-enhanced learning programs — simulations, web-based exercises, and interactive materials.

Another challenge came after the dot-com crash, when the School was in the midst of its $450 million Campaign for Sustained Leadership — the most successful business school campaign in history — and construction of the 320,000-square-foot Jon M. Huntsman Hall. "He refused to let that campaign fail, he refused to let the school fail," Schmittlein said. "For me personally, his bringing that campaign to closure during that time period was the greatest thing I have ever seen a business dean do."

Much of those funds will continue what Harker cites as was his most important work as Dean: attracting and keeping faculty stars in a hyper-competitive environment. At Delaware, this push for the best and brightest will continue, Harker said. "The faculty are the lifeblood of the university," he said.

And the rankings, despite continued controversy, continue to be published each year and Wharton continues to be present, though the School's position on not providing access to alumni has not changed. What has changed, officials say, is that the School no longer embraces the rankings or promotes itself through them, even when it's consistently at or near the top of the list.

## A Pennsylvania Man Goes to Delaware

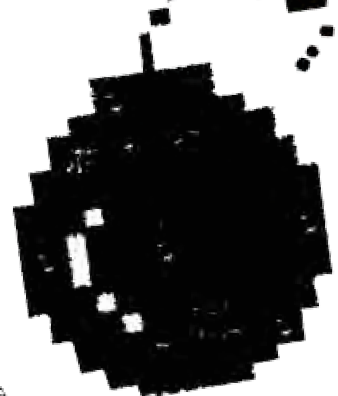
Harker's seven years as Dean were eventful ones, but his Penn roots run deeper. He earned both bachelor's and master's degrees in engineering from Penn in 1981, then received a master's degree in economics and a PhD in civil engineering, also from Penn, in 1983. He joined the Wharton faculty in 1984, and in 1991 was named UPS Transportation Professor for the Private Sector in 1991 — the youngest professor named to an endowed chair at Wharton — and served as chairperson of the Operations and Information Management Department from 1997 to 1999. A renowned scholar and respected teacher, his research has probed the social and economic issues facing the service sector.

Heading to the University of Delaware, he acknowledged, is a big change.

"Twenty-three years as a faculty member, nine years as a student — so almost three decades, yes, it does feel strange when I realize I won't be driving to Penn anymore. But at the same time, it's exciting. Delaware is a great place with a tremendous future. To be a part of strategizing about implementing that future is going to be great." ◆



# Regulation's Hidden Perils



## Government plays a crucial role in ensuring successful markets, says Wharton's Gerald Faulhaber. Online and elsewhere, that's easier said than done.

BY MARINA KRAKOVSKY

In the summer of 2006, the nation's largest Internet service providers duked it out with the likes of Google, Yahoo, and Microsoft over proposed laws that could forever change the economics of both their industries. The battle, fought on Capitol Hill and in the op-ed pages, raged over "net neutrality," the push to prevent Verizon and Comcast from introducing multi-tiered pricing for broadband Internet services. Wharton's Gerald Faulhaber, Professor of Business and Public Policy, Management, and Law, seemed above the fray, coolly and logically unraveling the issues. But that's not to say he has no opinion.

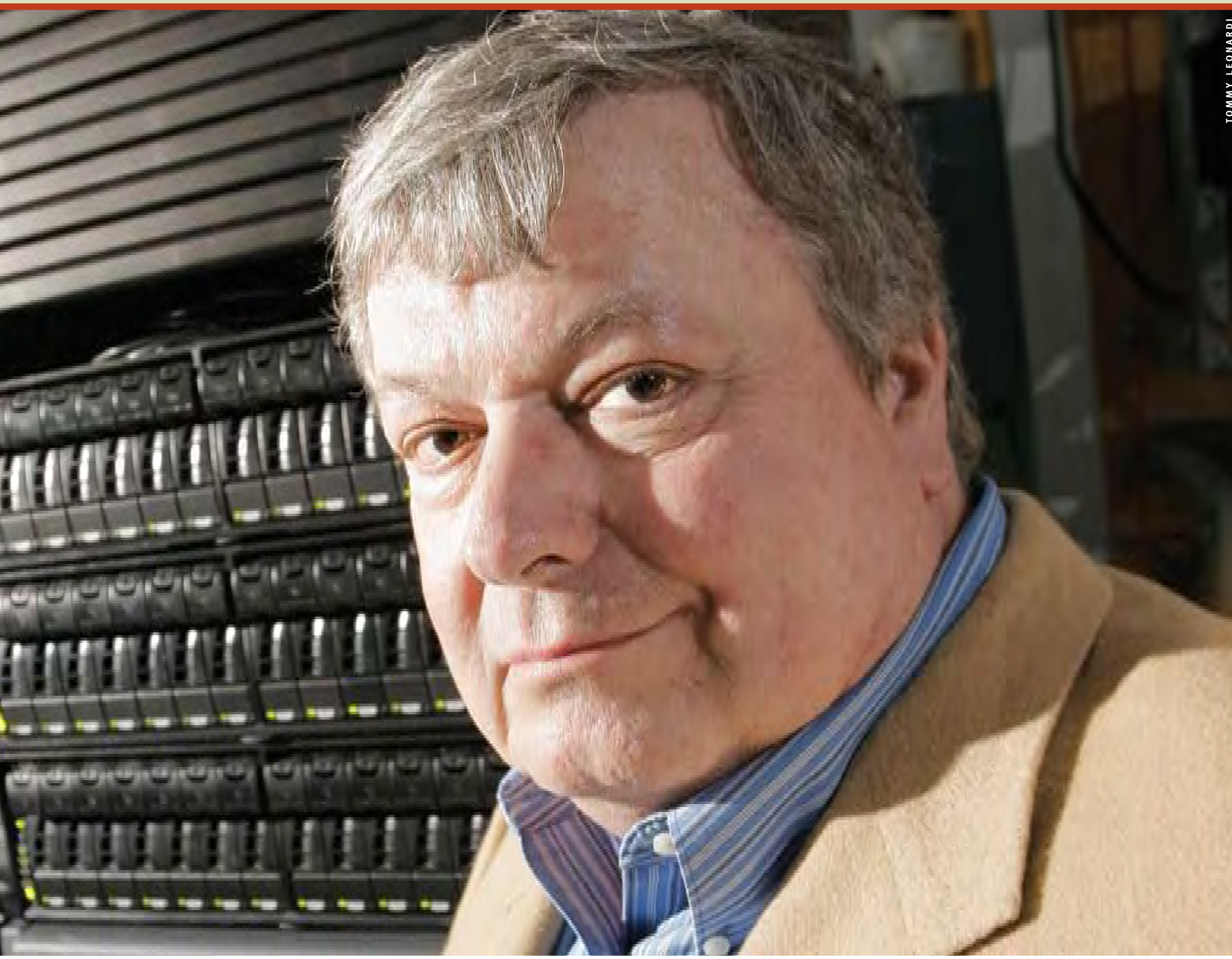
The argument of the Internet purists — that we should treat every bit of data the same — "is impossibly easy to knock down," says the former AT&T executive and veteran of such debates.

Suppose someone has a heart attack and the paramedics whisk him off to the ER, says Faulhaber. En route, they hook him up to a cardiac monitor, which uses wi-fi to transmit the ECG to the hospital. The setup's a marvel of the modern Internet, unimagined by the network's founders. "But guess what? A bunch of teenage boys are downloading the latest Pamela Anderson video." In a genuinely democratic, bit-is-a-bit-is-a-bit world, the potentially life-saving ECG has no priority over Ms. Anderson's video. Equally urgent and valuable are spam, viruses, and worms. But, in fact, customers want their ISPs to block spam, Faulhaber points out. The purists don't have a case.

Faulhaber systematically dismantles the practical pro-neutrality arguments, too — more on that later — and in so doing hits on some of his favorite themes, especially regulation and anti-trust. After studying the weak evidence that discriminatory pricing is actually occurring, he wrote in a 2007 paper, "If net neutrality is the solution, what exactly is the problem? What exactly is it that needs to be fixed? At this point, it would appear that the problems are all potential problems, not actual problems."

## From the Telecom Industry to Academia

He first became interested in these issues at Bell Laboratories in the 1960s. As a freshly minted mathematics grad Faulhaber helped develop real-time switching systems for the phone company. After earning his master's in math, he moved into operations research, applying queuing theory and congestion theory to make the phone network run more efficiently. In those days,


TOMMY LEONARDI

the Bell System enabled scientists and engineers to pursue their pet projects and even earn advanced degrees on the company's dime, but the government had begun to ask whether the Bell monopoly was the right way to organize the telephone industry.

That question sparked Faulhaber's interest in the economics of the networks, and, while still a Bell Labs employee, he went on to earn a PhD in economics from nearby Princeton. He then joined a new applied economics group within Bell Labs; the only social scientists among hundreds of hard scientists, the economists were an object of envy and suspicion. "How come they're getting all this attention when the physicists and engineers are pulling the system together?" some asked. So after the government's painful breakup of Ma Bell, many blamed the company's woes on the economists, Faulhaber recalls, "who came in with their flapdoodle ideas about competition."

One of Faulhaber's landmark papers gleans lessons about effective and ineffective policy from the federal government's checkered attempts to regulate telecom services. "Generally people think if you don't like something that's happening, you can pass a law to make it stop," he says. "But the fact is, some laws are unenforceable — or enforceable at large cost." That's what happened when, in an early attempt to force AT&T to open up long distance to competition, the Federal Communications Commission (FCC) mandated that AT&T lease its private lines to other carriers, such as MCI and Sprint. There were all sorts of ways AT&T's local access providers could subvert this rule, hampering potential competitors without catching the eye of regulators. In general, says Faulhaber, "if what you want a company to do is easily measured, and it's easy to see when the law's been violated, and there's no tricky stuff involved" — that's when you can pass effective laws. If, on the other hand, the technology or the relationship you're trying to control is too complex, regulations can create more problems than they solve.

A major unintended consequence: encouraging firms to engage in what economists call "rent-seeking," or focusing on regulatory moves and countermoves, Faulhaber says. "Once you set up a system where it pays to complain — which is

> I have a built-in bias for competition. It's important that we have government laws to help protect competition, and that's precisely what anti-trust does.

what regulation does — everybody complains about everybody else. This goes on all the time at the FCC. The telephone companies do it; the cellular companies do it. That's how the game is played."

In 1984, soon after the Bell System's divesture, Faulhaber accepted an offer from Wharton. He was burned out on telecom and eager to pursue other research interests, he says, and didn't return to serious work on telecom issues until the early 1990s, when people started looking "at this new thing called the Internet." He was intrigued: "It relates to telecom; maybe I should look at it," he remembers thinking. There was an interesting tension, too: the telecom industry was highly regulated, and the Internet was just the opposite — yet the two were tightly intertwined.

At the peak of the dot-com boom, Faulhaber would come to deal with this tight connection in a big way. In 2000, the FCC tapped him for a one-year post as the agency's Chief Economist, thrusting him into an anti-trust debate about a proposed merger between AOL and Time-Warner — the biggest corporate merger in U.S. history. Naturally, the Federal Trade Commission (FTC) was deeply involved, but because of radio-license transfers, so was the FCC. The two agencies came up with strikingly different answers because, Faulhaber says, they were looking at different theories of anti-trust: bottlenecks and bandwagons.

"If some company owns a bottleneck that somebody needs access to, then anti-trust laws sometimes force that bottleneck to be opened," explains Faulhaber. With AT&T, the government had concluded that the company's exclusive ownership of the local-loop bottleneck gave AT&T anti-competitive advantage in long-distance service, hence the forced divestiture. Access to bottleneck facilities exists "all over anti-trust law," adds Faulhaber — in industries as varied as railroads, funeral homes, and ski lodges. And that's how the FTC viewed the AOL/Time-Warner merger: since Time-Warner's cable facilities would enable AOL to easily offer broadband Internet access, AOL could end up as the only broadband provider, the FTC feared.

Under Faulhaber's leadership, the FCC's economists took a different tack. Instead of focusing on the cable bottleneck, they looked at AOL's instant messaging service. Since AOL's instant messaging customers can use the service to communicate only with other AOL customers, the service is subject to "network effects," otherwise known as bandwagons. The idea: the network with the largest number of customers is the most valuable. As the biggest bandwagon in the online auction business, for example, eBay benefits from network effects since sellers want to do business where all the buyers are — and vice versa. With instant messaging or other communication service, several companies can interconnect — but if you're the biggest gorilla in the business, then it's not in your interest to connect your network to anyone else's. Because of network effects, Faulhaber says, a powerful company can use the refusal to interoperate as an anti-competitive weapon.

The FCC's solution was a carefully constructed condition on the merger to prevent the corporate behemoth from unfairly exploiting network effects — but without hurting the company if they did nothing wrong. "You have tremendous power in the government, and you don't just bandy it about," says Faulhaber.

## Music as a Spatial Market

More recently, Faulhaber turned his attention to the music industry, trying to resolve this paradox: enormous competition in a field that seems monopolistic. It appears monopolistic, he says, because songwriters hold the copyright to their songs — yet there's a huge amount of music production in our society. "So how does that work?" asks Faulhaber.

The clue, he believes, is in thinking of music as a "spatial market," much like a string of supermarkets along a highway. From the consumer's perspective, supermarkets should be evenly spaced along a given stretch of highway, but what actually happens is quite different and socially inefficient: competing supermarkets, in clamoring to capture as many customers as possible, tend to cluster at the half-way point. In profiting from stealing business from an existing firm, each new supermarket earns more than the social value it provides.

The glut of popular music, Faulhaber says, results from similar market dynamics. If you plot artists in a conceptual space of musical tastes — such that the Philadelphia Orchestra would be far apart from Britney Spears while Christina Aguilera would be much closer — the over-supply of pop music begins to make sense. "In big-money music, there's a huge cost to entry," says Faulhaber — so artists and their producers have to be strategic about where to enter. Though copyright law gives Spears a monopoly on her own music, there's nothing stopping other artists from entering the market close to the superstar — and, as with supermarkets, there's much incentive to do so. According to Faulhaber's calculations, the aggregate effect is 40 to 60 percent overproduction.

Music executives aren't concerned with this excess, as long as there are enough profits to go around. But they warn that free music file-sharing could make music production unprofitable and ultimately destroy their industry — just as piracy did to Hong Kong's film industry. Faulhaber doesn't buy it. Not only are the insiders' estimates of piracy inflated, he says, but because of the oversupply, musicians could use a little disincentive to entry. His stunning policy conclusion: legalizing Internet file-sharing is probably a good idea.

If that's surprising coming from a self-described "free-market guy," Faulhaber lands more squarely in the property-rights camp when he riffs on net neutrality. He sees the term as something of a red herring, obscuring the real issues. The first, of course, is pricing. Google and Yahoo are outraged at the prospect of the telcos' "double-charging" for Internet access — that is, charging Google and Yahoo on one end and end users on the other.

But if the content providers are incensed, it's only because they're not used to doing business in two-sided markets, says Faulhaber. Such markets are not new — just look at credit card companies, which in one form or another collect fees from both merchants and cardholders. Moreover, it's not at all certain that the content providers would be charged. Cable companies, Faulhaber points out, "pay huge amounts of money to ESPN" because customers desperately want the sports channel. Google has similar clout: just try to run an ISP without Google, says Faulhaber. The current "all-you-can-eat" pricing for Internet services is nothing more than an artifact of a simple Internet that no longer exists. "Did God tell us this was how it was going to be?" he asks, adding that we shouldn't be surprised if the Internet evolves like other two-sided markets.

## THE FUTURE OF NET COMPETITION

The thornier problem with variable pricing — the one that scares people of all political stripes — is that the telcos would be able to use their tremendous market power in one business to cripple their competitors in another. Comcast, after all, provides much more than broadband Internet; to promote its own digital-voice service, the company might use pricing to disadvantage competition. And the current move toward Internet Protocol Television (IPTV) — TV applications delivered over an IP platform, either open (such as the Internet) or closed — may heat up the debate as several video-on-demand platforms compete for viewers on TV, computer, and mobile phone screens.

As Faulhaber wrote in a 2007 paper "Net Neutrality: The Debate Evolves," "…perhaps the most important policy action that we can take, and that is encouraging and enabling more competition into the broadband ISP market. It is unlikely that dozens of competitors can be supported, but surely more than two are feasible."

That's because anti-trust laws already exist to deal with such problems, so if Google believes that Comcast is behaving anti-competitively, it can file an anti-trust suit. "What you don't want to do is to construct a big regulatory edifice."

That sounds like a typical laissez-faire sentiment, but Faulhaber insists he has no inherent bias against regulation. "I have a built-in bias for competition," he says. "It's important that we have government laws to help protect competition, and that's precisely what anti-trust does."

"The government has an enormously important role in establishing an infrastructure in which companies operate well or poorly, and I'm a firm believer that public policy can have a very beneficial effect on things," he says. "I'm not sure it always does." ◆

*Marina Krakovsky is a San Francisco Bay Area journalist.*

## GERALD R. FAULHABER

**Professor of Business and Public Policy, Management, and Law**

**PhD, Princeton University, 1975; MA, Princeton University, 1974; MS, New York University, 1964; AB, Haverford College, 1962**

### Research Areas

Spectrum policy for wireless telecommunications; network neutrality for the Internet, file sharing and fair use copyright; telecommunications; regulation; industrial organization; applied microeconomics

### Recent Consulting

Spectrum Policy, Vodaphone; Postal Service Reorganization, U.S. Postal Service; Merger analysis, U.S. Dept of Justice; Telecommunications issues, Verizon; Health care strategies, Wellpoint Health Networks; Latin American telecommunications privatization, World Bank; Banking industry, Deloitte & Touche.

### Academic Positions Held

*Wharton: 1984-present. University of Pennsylvania:* 2005-present (Law School). *Previous appointment:* New York University. *Visiting appointments:* INSEAD (France), Princeton University, Tsinghua University (Peoples' Republic of China)

### Other Positions

Chief Economist, Federal Communications Commission, 2000-01; Director, Strategic Planning and Financial Management, AT&T, 1982-83; Director, Microeconomic Studies, AT&T, 1978-82; Research Head, Economic Modeling and Financial Research Department, Bell Telephone Laboratories, Inc., 1975-77; Supervisor, Economic Modeling, Bell Telephone Laboratories, Inc., 1968-75; Technical Staff, Bell Telephone Laboratories, Inc., 1962-68

# Rethinking Business As Usual

**Two new books reveal how being strange reinvents some businesses — and how being complacent sinks others.**

## Make the 'Change to Strange'

*Change to Strange: Create a Great Organization by Building a Strange Workforce*

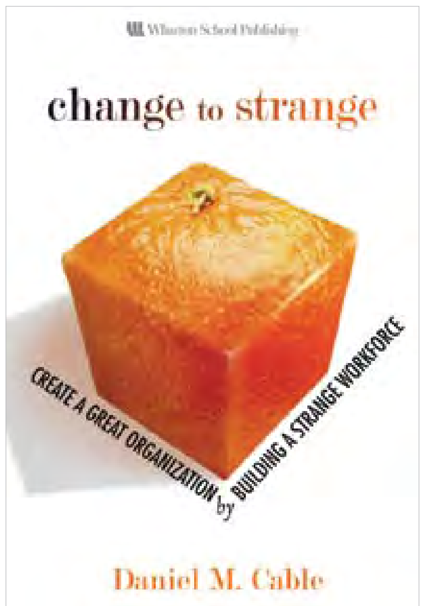
By Daniel M. Cable

Many organizations claim that their people are their competitive advantage. And yet most organizations build workforces that really are not very different from their competitors. In fact, companies deliberately benchmark their people practices to the industry average. Not surprisingly, there is nothing particularly distinctive about most organizations' workforces, nothing particularly noteworthy from a customer standpoint. Nothing very strange.

If your competitive advantage depends on your people being able to create something valuable and distinctive, then your workforce can't be normal. To get extraordinary results, you have to build a workforce that is extraordinary in a way that customers care about. To build a great organization, you need to build a strange workforce.

Success will not come from being like your competition. You need your organization to be out of the ordinary, unusual, and striking.

With an end-to-end framework for architecting people and business systems that help you break from the pack, *Change to Strange: Create a Great Organization by Building a Strange Workforce* by Daniel M. Cable will teach you how to measure and manage the extent to which your workforce is helping you make an extraordinary success story come true.




The author, Daniel M. Cable, is Sarah Graham Kenan Distinguished Scholar and Professor of Management at the University of North Carolina at Chapel Hill's Kenan-Flagler Business School. His consulting and teaching focus on aligning a wide spectrum of human systems with company strategy.

Cable cites the Home Depot as an example of an early adopter of a strange workforce only to turn normal and lose its competitive advantage.



## When Strange Turns Normal

Excerpt from *Change to Strange: Create a Great Organization by Building a Strange Workforce*, "Chapter 1: Be Strange. Be Very Strange."

Home Depot established a competitive advantage by creating a strange workforce. How was the workforce strange? Home Depot hired building contractors and put them in the aisles to help customers with home improvement problems. For example, Home Depot associates might show customers the right kind of wire needed to run a three-way circuit so that they can walk in one door, turn on the light, then use another switch to turn out the light at another door. They might even sketch the customer a diagram of how the wiring should be run (a PhD does not help me understand this, but I still have the hand-drawn diagram from the Home Depot associate to this day). Or a Home Depot associate might show you which diamond blade works best on a grinder to cut stone (the expensive thin ones are worth it) and talk to you about how to use the grinder (score the stone with the grain about 1/4" and then smack it with a hammer and cold chisel). And they might even suggest which thick gloves you should wear.

Helping customers buy the right products and teaching them how to use the products is valuable to consumers because it saves them time (like trips back to the store), prevents costly and dangerous errors, and creates a sense of familiarity and trust with the store. These "contractor grade" associates gave Home Depot a competitive advantage, meaning that people like me would drive a little farther and give this store money because we experienced something different about the store and liked it.

This was a winning practice until Home Depot tried growing at the pace of a new store every week in the midst of a large house-building boom. It became difficult to find enough contractor-grade tradespeople to put in the aisles. As a consequence, today it is hard for customers to find associates in Home Depot stores who actually have worked in the trades and can solve building problems.

# Shine a Light on the Dark Places in Your Business

*The Self Destructive Habits of Good Companies... And How to Break Them*

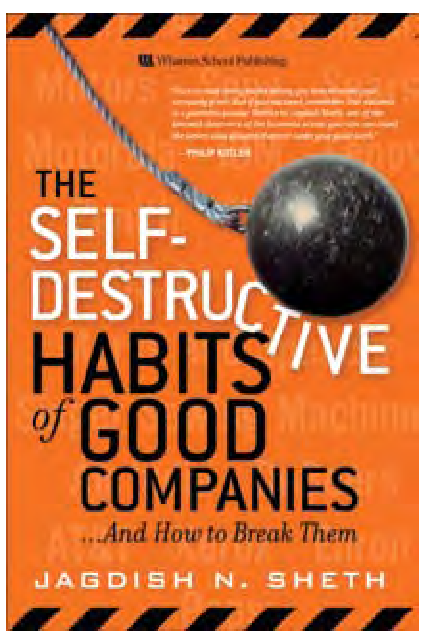
By Jagdish N. Sheth

GM. Ford. AT&T. Sears. Firestone. Krispy Kreme. Digital. Kodak. Once, they were riding high, the exemplars of business excellence. Then, disaster. Is your company headed for the same fate? How do you know? How do you change course? *The Self Destructive Habits of Good Companies… And How to Break Them* by Jagdish N. Sheth has some insights.

Shine a light on the dark places in your business and uncover your self-destructive habits: blinders, culture conflicts, and corporate denial; competitive myopia; focus on volume, not profits. Root them out. Then, instill the good habits your business needs: the habits of sustainable profitability and market leadership. This book shows you how in detail, from start to finish.

Why do so many good companies engage in self-destructive behavior? Sheth identifies seven dangerous habits even well-run companies fall victim to and helps you diagnose and break these habits before they destroy you. Through case studies from some of yesterday's most widely praised corporate icons, you'll learn how companies slip into "addiction" and slide off the rails, why some never turn around, and how others achieve powerful turnarounds, moving on to unprecedented levels of success.

Jagdish N. Sheth is a world-recognized authority on global competition, strategic thinking, and customer relationship management. Sheth is Charles H. Kellstadt Chair of Marketing Strategy in the Goizueta Business School at Emory University. He has served as a distinguished faculty member at the University of Southern California, the University of Illinois, Columbia University, and the Massachusetts Institute of Technology. Sheth has published more than two dozen books and hundreds of research papers in different areas of marketing and business strategy; many are considered classics in their fields. His previous book, *Firms of Endearment: How World-Class Companies Profit from Passion and Purpose* (Wharton School Publishing), was co-authored with Rajendra Sisodia and David Wolfe.




## The Warning Signs of Arrogance

### Excerpt from *The Self Destructive Habits of Good Companies*, "Chapter 3. Arrogance: Pride Before the Fall"

As with the personal habits that insidiously settle upon us, sometimes we're the last to see — or admit to — the behaviors that can prove our undoing. To learn whether your organization might be suffering from arrogance, look for the following signs.

**You Stop Listening**

...to customers, employees, investors, consumer advocates, the government. You stop listening to the outside world. You ignore or laugh at others. You believe you've seen it all before.

**You Flaunt It**

...in travel, office space, perks, retreats. You like to show off your corporate jets and art collections. Or, like Dennis Kozlowski of Tyco, you throw your wife a $2 million birthday party—complete with scantily clad models in Roman togas—on the Italian island of Sardinia.

**You Browbeat Others**

You encourage and even offer incentives to your managers to browbeat employees, customers, and investors. When analysts give your company unfavorable reports, you think you can go to their bosses and have them rebuked or reprimanded. Your company acts like a bully.

**You're High-Handed**

You abuse governance rules and procedures in the belief that they don't pertain to you, that no one can regulate or even question your business. Or, like GM, you abuse or lobby against government regulation because "what's good for you is good for the nation."

**You Curry Approval**

You bring in consultants and advisors to validate the status quo and inflate your ego. At the same time, you fire those who become critical, including suppliers, customers, and even employees. When ad agencies or research groups suggest strategies you don't like, you hire somebody else. ◆

# Workplace Loyalties Change, but the Value of Mentoring Doesn't

One of the most notable shifts in the workplace in recent years has been the rapid disappearance of the prototypical loyal employee who would work 30 or 40 years for the same corporation and then retire with a gold watch and a pension. Many workers today hold positions at multiple companies during their careers, and may feel no particular loyalty to remain at any organization for any great length of time. By the same token, many companies feel no special loyalty to their workers.

Despite this sea change in corporate culture — and in some instances because of it — mentoring is just as important as it ever has been for younger workers looking to learn the ropes from more experienced employees, according to experts at Wharton and other business schools. Indeed, mentoring may also be more important than ever for organizations themselves, since linking up a mature mentor with a promising protégé is an excellent way to keep valued up-and-comers from jumping ship and taking jobs elsewhere.

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## Mentoring as Social Networking

Increasingly, management experts view mentoring not just as a one-on-one relationship but as a component of social networking, where protégés, also known as mentees, gain valuable knowledge by interacting with many experienced people. Mentees, for example, often look to more experienced co-workers for career guidance and professional advice and use them as sounding boards for ideas and problem-solving. Mentors also help employees learn about, and become acclimated to, an organization's culture and politics.

Yet frequent job changes by younger workers could actually dissuade senior managers from volunteering to be mentors, since they may not wish to spend valuable time with someone who might leave the company before long. Therefore, young workers who want guidance should be more aggressive in seeking to build relationships with mentors than they were in the past, according to these experts.

Peter Cappelli, Wharton's George W. Taylor Professor of Management and director of the School's Center for Human Resources, says mentoring has assumed a different guise in recent years in response to the disintegration of the traditional employer-employee contract as a result of downsizing and outsourcing.

"If you go back a generation ago, your immediate supervisor had the responsibility to develop you; the mentor was your boss," says Cappelli. "Bosses knew how to be mentors. They knew what employees needed to do and they knew how to give employees a chance to accomplish things. Mentors were assessed based on the number of subordinates who got promoted and how the subordinates moved along in their careers."



But the boss-subordinate model of mentoring shifted in the 1980s. "Companies had a surplus of white-collar managers, and reengineering waves in corporations were about getting rid of people," Cappelli notes. "Companies told mentors, 'We're trying to get rid of people, so we can't promote your mentee.'"

Although bosses continued to play an important role as mentors when they could, the supervisor-subordinate model waned and companies sought other ways to help workers navigate their way in the workplace. According to Cappelli: "Companies said, 'What do we do for these folks? Bosses aren't helping them anymore.' The idea became to find mentors who weren't necessarily someone you worked closely with or for. Instead of your supervisor, your mentor became somebody you could bounce ideas off of and get career advice from. It became more low-impact."

## Feeling Safe to Let Your Guard Down

Terri A. Scandura, a management professor and dean of the graduate school at the University of Miami, says most Fortune 500 companies see mentoring as an important employee development tool, with 71% of them having mentoring programs.

Various academic studies since the 1980s have demonstrated the many benefits of mentoring. "Clearly, employees who have mentors earn more money, are better socialized into the organization, and are more productive," Scandura says. "They experience less stress and get promoted more rapidly. Because of the positive benefits shown to mentors, companies are still very interested in this process."

Wharton's Katherine Klein, Edward H. Bowman Professor and Professor of Management, says what mentees look for in a relationship with a mentor is "having a sounding board and a place where it's safe to be vulnerable and get career advice. It's a relationship where one can let one's guard down, a place where one can get honest feedback, and a place, ideally, where one can get psychological and social support in handling stressful situations."

For their part, effective mentors are experienced people who should possess knowledge of career paths inside, and even outside, the organization, Klein says. "Mentors also should have an understanding of the organization's values, culture, and norms so they can pass these along to mentees. The mentor should be sensitive to the mentee's needs and wishes, and enhance the mentee's career potential, while simultaneously looking for ways the mentee's potential can benefit the organization."

And what do mentors derive from the relationship? "You get the satisfaction of seeing somebody develop. And don't forget that mentees may be in a position to help the mentor at some point. Mentees may also make the mentor look good. There's no question that Tiger Woods made his father look good," says Klein, referring to Earl Woods, who taught the golf champion how to play the game at an early age and served as his coach into adulthood.

Scandura adds that mentors can obtain more than just a glow of satisfaction at having helped someone: They can actually learn a lot about their companies and discover new ideas by engaging with mentees. "Dealing with a person who is your junior improves your network," she says. "Mentors know more about what goes on in lower levels when they deal with mentees. Junior people can provide information to mentors.... [They] are up on the latest technology and knowledge. So it's an interactive process: Mentors and protégés become co-learners."

Mentoring also offers benefits to organizations. For one thing, firms enjoy increased employee engagement and productivity. A positive mentoring relationship can go a long way to helping a firm retain its best employees, thus improving an organization's "bench strength," according to Scandura.

If a company wants to implement a successful formal mentoring program, both the mentor and mentee must be genuinely excited about the initiative, adds Jennifer S. Mueller, Assistant Professor of Management. "It has to be a long-term program with frequent meetings, and the meetings have to be meaningful, not arbitrary. You can't just meet to talk about 'stuff' three times a year."

Scandura agrees. Companies can set up mentoring any number of ways, but the most effective approach "is where the human resources department — or even top management — identifies the people who have the experience and knowledge and says, 'We want them to be the most involved in the mentoring program.'"

## Sun Microsystems Study: Higher Retention Rates

In October 2006, Sun Microsystems, a technology company based in Santa Clara, CA, released the results of a study that explored the value of mentoring. The study, conducted by Gartner, a research and advisory firm, and Capital Analytics, a software and services company, used statistical analysis to examine the financial impact of mentoring and how Sun could target its spending in this area. The study concluded that "mentoring has a positive impact on mentors and mentees, producing employees that are more highly valued by the business."

The researchers looked at data from more than 1,000 Sun employees over a five-year period, broken down by job classifications, such as administrators and engineers. The study examined 68 variables — including product area, base pay, previous job code, and reason for termination — to find correlations with a half-dozen metrics: employee salary grade, salary grade change, job performance rating, promotion, merit increase in salary, and salary increase due to promotion.

The study found that 25% of employees in a test group who took part in the company's mentoring program had a salary grade change, compared with 5% of employees in a control group who did not participate in the program. The research also showed that the program had positive financial benefits for mentors: 28% of mentors in the test group had a salary grade change as opposed to just 5% in the control group. In addition, the study determined that administrators benefited more from the mentoring program than engineers. "This result was somewhat counterintuitive, since Sun had expected that higher skill positions would benefit most from the program," the study reported.

The researchers also learned that Sun's mentoring program was least effective for the highest performers. This was an especially startling result since most mentoring programs focus on developing high performers with high potential, and led the researchers to conclude that "the better investment for Sun would be to spend the money on lower performers to help them raise their level of performance."

Other findings from the study include: Mentors were promoted six times more often than those not in the program; mentees were promoted five times more often than those not in the program; and retention rates were much higher for mentees (72%) and mentors (69%) than for employees who did not participate in the mentoring program (49%).

## Men Mentoring Men

Formal mentoring programs are only one way for young workers to increase their knowledge. Informal mentoring relationships are often more typical and more beneficial to both mentor and protégé, according to Klein. "Mentoring often happens informally," she says. "It happens most commonly when somebody senior starts giving advice and starts playing the role of a sounding board. When I go to somebody and say, 'I'm considering taking that job, what do you think?' — that can be the beginning of a mentoring relationship."

Formal corporate mentoring programs are worthwhile, but they can founder if the mentor and protégé do not hit it off. "A formal mentoring program is like a blind date set up by somebody who ostensibly knows both people, but it might not be a good match," Klein notes. "And if a formal mentoring program simply tells the mentor to initiate an hour-long conversation with the protégé about his or her career every quarter, it's not going to be terribly meaningful. But it can be meaningful if it sets a relationship in motion. I don't think there's anything necessarily wrong with formal programs. But in some cases, it might be more productive for a company to simply say to managers that it's important for them to play a development role for junior people and ask the managers to reach out to them."

It is particularly important for senior management to encourage mentors to offer help to women and minorities, according to Klein. "Companies should be mindful of the fact that it may be difficult for women and minorities to find mentors. Senior management should tell all managers to 'step out of your comfort zones and provide support and advice for a broad section of employees.' Statements like that, backed up by the most senior people, can make a big difference."

Klein says it is particularly important for protégés to be proactive in trying to establish a relationship with a senior person and be energetic in keeping the relationship going. She uses the phrase "irresistible protégé" to describe these employees.

"Research shows that protégés influence the amount of mentoring they receive," according to Klein. "You're more likely to get mentored if you're talented, have an outgoing personality and are career- and goal-oriented. Once a mentor sees that you're eager, the more likely it is the mentor will want to spend the time and social capital on you, introduce you to the right people, and so on. One unfortunate consequence of this is that sometimes people who are most in need of guidance don't have mentors, which means companies must make a special effort to reach out to the people who really need mentors."

Klein points to one study, for instance, that showed it is easier for young men to get mentored by senior men than it is for young women to get mentored by senior men. Since men continue to hold most of the senior positions in organizations, it can be difficult for young women to get mentored. There is nothing necessarily nefarious about this tendency, says Klein, adding, "Each of us tends to attract people like us." But organizations do need to tackle this issue.

**"Informal mentoring relationships are often more typical and more beneficial to both mentor and protégé," says Professor Katherine Klein.**

## Establishing a Mentoring Relationship

Young people may also wish to be assertive in trying to establish a mentoring relationship because they may not stay with the same organization for more than a few years. Failing to find a mentor might result in the younger person missing out on career-advancement opportunities at their current firm or making bad choices by moving to another firm or changing careers, says Klein. But management scholars do not yet know a lot about how this change in the workplace is affecting the mentor-mentee relationship.

"If the employment contract is shorter and looser than before, if people do not stay in organizations for decades like they once did, what does that mean for people who need mentors?" Klein asks. "If you find a mentor in Company A and you move to Company B and the mentor moves to Company C, can you still get mentored by this person? Or are people having to rebuild mentoring relationships with greater frequency because everybody is moving around more than before? We don't know the answers to those questions yet."

But Wharton's Mueller suggests that even if a mentee leaves a corporation after four or five years, the corporation may still reap long-term benefits from having mentored that young person. "The organization can benefit when an employee leaves if the person rises in prominence," Mueller says. "That person can generate alliances. If the person moves to a company that is not in direct competition with you, he or she may stay in touch with people at your company and exchange valuable information." ◆

*Originally published May 16, 2007 by Knowledge@Wharton.*

# Alumni Association Update

## Continuing the Call to Connect Through Volunteerism

TAMA L. SMITH, WG'90

### DEAR FELLOW ALUMNI,

Since the beginning of the year, we have launched a call for greater connection through lifelong engagement, and in this issue — through volunteerism. The concept of philanthropic service is common to all of us, but at times we forget the immeasurable benefits that come from giving back.

#### Our Volunteer Network

Our global community is composed of more than 81,000 alumni. This vast community network, while seamless in its appearance, requires the support of countless alumni who serve as:

- Leaders on our various local, regional, and global Alumni boards
- Alumni local and affinity club volunteers
- Class and cohort representatives
- Reunion committee volunteers
- Prospective student hosts and interviewers
- Student mentors, speakers, and employers
- Industry experts and speakers at our Global Alumni Forums, local Alumni Club events, and student and School-sponsored campus events.

#### Volunteering…Where to Start

We encourage you to become an alumni volunteer. First, determine what opportunities exist that are meaningful and exciting to you. Second, contact that source (i.e., the local Alumni Club President or register online to volunteer as a reunion, speaker, or student volunteer). Third, save the date and attend the *Global Alumni Leadership Conference* on campus from October 26-27, 2007. The program will include an Alumni volunteer awards and recognition dinner for clubs and individuals on that Friday. And last, engage fully in the new volunteer experience. Log onto the Alumni homepage to see how you can "Get Involved" — at **<www.wharton.upenn.edu/alumni>**.

Here are some important online resource links:

- Alumni Clubs (worldwide) — **<www.wharton.upenn.edu/alumni/Clubs.cfm>**
- Alumni Speakers Bureau — **<www.wharton.upenn.edu/alumni/Speaker>**
- Alumni CareerConnect (recruiting and career) — **<www.wharton.upenn.edu/alumni/CareerConnect.cfm>**
- Alumni Class Reunions — **<www.wharton.upenn.edu/alumni/reunion>**
- Alumni volunteer with MBA Admissions — **<www.wharton.upenn.edu/alumni/Admissions.cfm>**
- Alumni volunteer with Student-Connect activities — **<www.wharton.upenn.edu/alumni/Student_Connections.cfm>**

Other resource links include:

- Worldwide Listing of Upcoming Alumni Club Events — **<www.wharton.upenn.edu/alumni/Calendar.cfm>**
- Global Alumni Forums — **<www.wharton.upenn.edu/alumni/forums>**
- Giving to Wharton — **<www.wharton.upenn.edu/alumni/Wharton_Fund/index.cfm>**

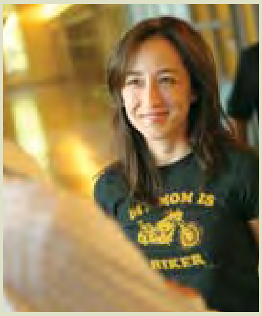
All of our alumni volunteers work diligently on behalf of the Wharton School and our global alumni community. Many give much of their time and resources without attention and fanfare. So, the next time that you see your local Club President, or a member of your Reunion team or class representative — show your appreciate by thanking them. We need them …and you … to continue growing our lifelong connection.

Do you want to volunteer in a way that you don't see listed? Then just give me a call at (310) 229-5951, and I will put you in touch with the right resource to help in your initiative.

Until,

**Tama L. Smith, WG'90**
**Board Chairwoman, Wharton Alumni Association**
**President, Tama Smith & Associates, Inc.**
**tsmith@tsassociates.com**

## An Exemplar of Volunteerism: Meesh Pierce, W'93, WG'98



Wharton Club President of Southern California, **Michelle "Meesh" Joslyn Pierce**, W'93, WG'98, was recently announced as the recipient of the University of Pennsylvania's 2007 Young Alumni Award. Meesh will be formally honored for her outstanding service to Penn at the Alumni Award of Merit Gala on Saturday, April 5, 2008 in the Annenberg Center.

Meesh has served as the President of Wharton Club of Southern California since 2004 and on our Wharton Alumni Association Board for the past two years as a special Chair appointment. In her Club President role, she has revolutionized the information technology platform that many of our global Alumni Clubs use, as well as her Club's outreach events, membership, and Board infrastructure. Meesh created the brainchild that many Clubs refer to as the "Alumni Magnet" technology tool. This website/portal tool is currently used by 13 of our largest and most active clubs, including those in New York, South Florida, and Paris.

What was her volunteer track?

- In 2000, she joined the Wharton Club of Southern California and began volunteering on the Programming Committee.
- In 2001, she became the Club's Vice President of Technology & Programming.
- In 2004, she became the Club President of the Wharton Club of Southern California.
- In 2005, she joined the Wharton Alumni Association Board in a special IT capacity.

# Alumni Association Update

## Club Spotlights

### Expanding the Wharton Brand in Israel

The Wharton Club of Israel, with its 150-plus alumni, has grown significantly during the past 10 years, not only in its member numbers but also in its number of organized events bringing together local alumni and friends of the School. From organizing the 2001 Global Alumni Conference that attracted more than 300 guests from around the world to smaller annual and quarterly events, the Club has been successful in significantly strengthening and expanding the Wharton brand in Israel. One of the results has been a dramatic increase in the number of Israeli applicants to the MBA program, which is a clear indication of the reputation the School is enjoying in Israel.

The Club's main annual event, the Gala Dinner, was held for the fifth consecutive time in December. More than 130 people gathered and enjoyed a full program of networking, lectures, and good food. This year's keynote speaker was Efraim Halevi, former head of the Israeli intelligence organization, Mossad, and he shared fascinating insights into the complex situation in the Middle East.

In the tradition of the Gala Dinner, the Club selects a recipient for the "Leadership Formation Award." It is the Club's philosophy that excellence in various fields brings leadership in changing existing conditions for better social and economic conditions. This year's recipient was the MASA-Israel program, pioneered by the Prime Minister's Office and the Jewish Agency. MASA enables thousands of Jewish young adults to spend a semester or a year in Israel in one of over 100 approved academic programs by providing scholarships, information, and support. MASA's aim is to help young Jews from around the world build a lifelong relationship with Israel and the Jewish world.

In addition to the annual Gala Dinner, the Club hosts a number of quarterly events that combine networking opportunities with in-depth lectures and discussions about a specific topic. Past quarterly events saw guest lecturers such as former Prime Minister Benjamin Netanyahu and Richard Jones, U.S. Ambassador to Israel. The next quarterly event scheduled for June 12 was to include a case study analysis of one of Israel's top digital printing technology startups that was purchased by HP in 2002. The case study, looking at the benefits and risks of an acquisition of a local business by a multinational company, will be hosted by Professor Seev Hirsch from the Recanati Business School at Tel Aviv University.

The Club has also successfully created a strong, ongoing collaboration with the local Harvard Business School Alumni Club. With HBS's 150-plus members and Wharton's 150-plus members, we have formed the largest alumni group of top U.S. business schools in Israel. The combined strength allows both clubs to reach a larger number of key people in the Israeli business community and thus have a greater influence. As part of this alliance, the HBS Alumni Club has become an integral part and a valuable partner in all activities.

The Wharton Club of Israel is run by a management committee comprised of **Eyal Kaplan**, WG'90 (Chairman), **Isaac Devash,** W'88 (President), **Elli Streit**, WG'65, and **Yarom Arad**, WG'95.

*– Yarom Arad, WG'95*

### Wharton Club of Germany/Austria Holds First Karneval Event

In February 2007, the Wharton Club of Germany/Austria inaugurated a Karneval event that it hopes will become an annual tradition. After months of organization, **Christian Mayer**, W'03, procured 25 sought-after tickets to the exclusive Rote Funken Ball. The Rote Funken (red sparks) are one of the oldest traditional Karneval organizations in Cologne, so their official Karneval balls are by invitation only.

The evening started with a group dinner in the Maritim Hotel restaurant overlooking the river, where alumni from across generations and guests chatted with each other and exchanged fond memories about their time at Wharton. After the dinner and group picture, the Wharton crew stormed into the party venue and mingled with other Karneval guests.

The ball not only involved the parading of all-out costumes by the attendees, but also dancing and singing along to the classic repertoire of popular Karneval bands such as Die Black Fööss and Die Höhner, not to mention the consumption of the local beer, Kölsch. The alumni with the best endurance were still dancing beyond


WHARTON CLUB OF GERMANY/AUSTRIA

THE WHARTON CLUB OF GERMANY/AUSTRIA CELEBRATING KARNEVAL IN COLOGNE.


GITA BAL, WG'05, MIRJAM LAUX, WG'04, AND ANTOINETTE GRÄFIN ZU ELTZ, WG'05, AT THE ROTEN FUNKEN BALL.

4 a.m. Without a doubt, the fun will be repeated next year.

*— Yin Yin, W'05, C'05, WG'06, and Christian Mayer, W'03*

NYSE

THE WHARTON HEDGE FUND NETWORK AT THE NEW YORK STOCK EXCHANGE

## Wharton Hedge Fund Network, One of Wharton's Newest Affinity Groups

The Wharton Hedge Fund Network (WHFN) was founded in 2005 as an Affinity Group of the Wharton Club of New York (WCNY). The group aims to bring together Wharton alumni active in the greater hedge fund community, which includes professionals working at hedge funds, hedge fund allocators, prime brokers, lawyers, accountants and other service providers active in the hedge fund space. Events are by invitation only and limited to Wharton alumni who are employed in the hedge fund space.

WHFN has hosted a wide range of events — featuring speakers from firms such as AQR, D.B. Zwirn, Fermat, Goldman Sachs, JANA, Perry Capital, Soros, Stark, and Vega Plus; cutting-edge topics such as energy, emerging markets, quantitative strategies, and reinsurance; and leadership items such as SEC registration, seed capital, and how to deal with the press. A typical event is attended by 75-plus WHFN members, ranging in graduating years from 1969 to 2006. In the first two years, almost 350 individual members attended, on average, an impressive 2.5 events per member.

### Why Be a Part of WHFN

WHFN members represent the leading hedge funds, institutions/foundations, funds of funds, family offices, prime brokers, and other service providers in the industry. Wharton's high-quality presence in the industry is exemplified in the professionals who attend our events, and we believe this is a real added value for membership in WHFN. For more information, please visit **<www.whartonhedgefundnetwork.com>**.

## Wharton Club of South Florida Mixes Business and Entertainment

Winter is the busiest season for the Wharton Club of South Florida, and this past year's was particularly eventful. **Gene Sulzberger**, W'86, from Mellon Bank again hosted the Annual Corporate Growth Event atop the Mellon Bank Building on Brickell Avenue. With a stunning view of the city at sunset, alumni enjoyed wine and hors d'oeuvres prior to the presentation. The two featured companies were DayJet and DHL. As DayJet presented its concept for on-demand, by-the-seat air transportation, many heads nodded in understanding and hopes for better options. **Gerald Berson**, W'41, received the distinguished alumnus award from Club President **Bill Britton**, WG'89, for his outstanding service to the Club over his years in South Florida.

In March, Wharton alumni of South Florida spent an evening in the fast world of cars and entertainment. The evening began with great food, wine and conversation as alumni and their guests mingled amidst the Ferraris, Lamborghinis, and Bentleys at the Collexium showroom in Davie. No test driving permitted this evening! Pete Fader, Frances and Pei-Yuan Chia Professor of Marketing, and Nelson Gayton, Director of the Wharton Media

LAURA MACK

MARKETING PROFESSOR PETE FADER ADDRESSED THE WHARTON CLUB OF SOUTH FLORIDA IN THE SHOWROOM AT COLLEXIUM, A LUXURY DRIVERS' CLUB.

# Alumni Association Update



& Entertainment Initiative, shared some exciting ideas and statistics from their research in the music industry.

The South Florida Club continues to strike a balance between venue, speaker, and sponsor. As the season heats up in Florida, the club cools down, so stay tuned for events in the fall.

## Real Estate Rules at Wharton Club of Tampa Bay

In November 2006, the Wharton Club of Tampa Bay held its first real estate panel — "Boom? Bust? What's Next for the Tampa Bay?" Professor Georgette Chapman Phillips, the David B. Ford Professor of Real Estate and Chairperson of the Real Estate Department, moderated the lively discussion. Two alumni served as panelists: **Joel Cantor**, WG'89, CEO and Founder of Gulf Atlantic Real Estate and **Mark Huey**, WG'82, the Economic Development Administrator for the city of Tampa.

More than 150 Wharton, Penn, and other business school alumni networked at the Tampa Club, enjoying great food, wine, and views of the city before the discussion. With standing room only, **Steve Stagg**, WG'00, president of the Club, promised to make this an annual event.

LAURA MACK

JOEL CANTOR, WG'89; RAYMOND F. SANDELLI, SENIOR MANAGING DIRECTOR, CB RICHARD ELLIS; AND MARK HUEY, WG'82, IN TAMPA BAY

## Wharton Club of Mexico City Hosts U.S. Undersecretary for International Trade

The Wharton Club of Mexico City hosted an intimate dinner in honor of Franklin L. Lavin, WG'96, U.S. Under Secretary of Commerce for International Trade. Lavin, an alumnus of the Wharton MBA Program for Executives and the former U.S. Ambassador to Singapore, leads the International Trade Administration to help develop U.S. trade policy; identify and resolve market access and compliance issues, administer U.S. trade laws; and undertake trade promotion and trade advocacy efforts.

The informal meal included Club members and U.S. Embassy representatives, as well as Lavin. Said **Gerardo Hamilton**, WG'80, "Commercial relations between the two countries were discussed. A great affair."

WHARTON CLUB OF MEXICO

U.S. UNDER SECRETARY OF COMMERCE FRANKLIN LAVIN, WG'96, AND WHARTON CLUB OF MEXICO CITY PRESIDENT OSCAR R. DIAZ-FLORES, WG'96.

## Wharton Connections in Action

### Juan E. Alva, W'92, E'92

Opening a Los Angeles office was an easy decision for New York-based Fifth Street Capital LLC, a middle market private investment firm that wanted to expand its presence in the active Western U.S. region. The hard decision was choosing to bring in an outside partner to head up the office. The new partner would have to be not only smart and proven, but someone who could be trusted as a good cultural fit.

Fifth Street Capital's founder and managing partner, **Leonard Tannenbaum**, W'93, WG'94, turned to a fellow alumnus — **Juan E. Alva**, W'92, E'92. Partner for Fifth Street Capital's Western Region since January 2007, Juan already has an impressive 15-year record as an investment banker and CFO behind him.

Juan's own decision to join the firm was made easier, knowing that while he was undertaking a new project, he was also joining an old friend and colleague.

"I've known Len since college," says Juan. "We've been friends for a long time. Philosophically, the way Len built the firm has been through hiring people he knows, whether by working with them for a long time or being friends and tracking their careers."

Before joining Fifth Street Capital, Juan was a senior investment banker at Trinity Capital, where he focused on small-cap transactions. He had earlier spent seven years with Goldman Sachs in New York and Los Angeles, when he first benefited from his Penn education. Juan is a graduate of the Jerome Fisher Management and Technology Program (M&T), which combines a Wharton Bachelor of Science in Economics with an undergraduate engineering degree.

"When I came out of school, I was adamant that I wanted to pursue my career uninterrupted by graduate business school," he says. Although most Goldman Sachs career paths require an

TOMMY LEONARDI

ANNICA LIN, C'93, JUAN E. ALVA, W'92, E'92, AND THEIR DAUGHTERS, SOPHIA ISABELLA AND ALIVIA KATHERINE

MBA, Juan was able to bypass that on the strength of his Wharton curriculum. "At Goldman they were comfortable that my Wharton undergraduate education gave me a foundation as strong as any MBA."

His next career move came via Wharton as well. "I was recruited by another M&T guy who had been a lab rat with me," he jokes, referring to **David Liu**, W'93, E'93, another M&T grad who had been his partner in several engineering classes. Liu, a Managing Director of the Jefferies Broadview technology investment banking group in Silicon Valley, was looking for a chief financial officer for one of the technology companies he had backed.

"That's when David called me and asked if I'd consider it," Juan says. "I wanted to try something different than investment banking, and it was a good fit."

Juan stays involved with the School as a member of the Wharton Private Equity Network, and he frequently interacts with other alumni professionally. "At this point in our careers, we are partners and managing directors of our respective firms. Therefore, we are in decision making positions and can choose with whom we work. There's a level of trust and enthusiasm for working with other Wharton and Penn grads, even if we didn't know them at school," he says.

After serving as fundraising co-chair for his 1992 graduating class, in May 2007 Juan returned to Philadelphia for his 15-year reunion, accompanied by his pediatrician wife, Annica Lin, C'93, and their twin infant daughters, Sophia Isabella and Alivia Katherine.

"Overall, Penn and Wharton have had an immensely positive impact on my life and my career. I really feel great about the time I spent here," he said, remarking that the Wharton network has served him tremendously well in his career.

"I even met my wife through mutual Penn friends," he continues. "So that's another benefit of the network." ◆

*E-mail your suggestions for stories and alumni to be profiled for Connections in Action to* ***magazine@wharton.upenn.edu.***